

Cabinet
Council

15 March 2011
22 March 2011

Name of Cabinet Member:

Cabinet Member (City Development) - Councillor Bigham

Director Approving Submission of the report:

Director of City Services and Development

Ward(s) affected:

All Wards

Title:

A Jobs Strategy for Coventry

Is this a key decision? Yes

Unemployment in Coventry is increasing and concerted action is needed to create and sustain job opportunities for Coventry people. It is proposed that the Council adopt a strategy to provide leadership to the important task of creating new jobs and renewing the prosperity of the city.

Executive Summary:

Prior to the start of the recession in 2007 Coventry enjoyed a period of rising employment, incomes and new investment. The city attracted a lot of new people and between 1999 and 2009 the population grew by 8,000

Since the 2007 banking crash and consequent global recession Coventry has fared less well. By June 2009, as the impact of the recession hit Coventry, 11,152 people were claiming Job Seekers Allowance (JSA). This was nearly double the amount of claimants in May 2008 (6,602). At the start of 2010, this rate increased further, reaching a total of 11,518 JSA claimants in Coventry (5.6% of the total workforce of the city). The current JSA claimant rate stands at 4.9%, equating to 10,088 residents (January 2011), which is still well above levels experienced prior to the recession.

Registered unemployment no longer gives a full account of the problem of people who want to work but cannot find a job. There are many people in Coventry who want to work but are not claiming JSA. The problem of worklessness is probably larger than that of registered unemployment. In Coventry last year only 65.1% of the working age population were actually in a job, and recorded worklessness reached rates of up to 15.6% (32,140 residents).

Looking forward to the year ahead employment prospects in the city are, at best, mixed. The international economy is growing and there is a return to a little more confidence in the private sector. However, in the public sector the impact of Government expenditure cuts is now

beginning to be experienced. It has been estimated that the overall reduction in public expenditure planned by the Government over the next four years will lead directly to the loss of a minimum of 2,800 public sector jobs in the city by 2014/15. At the same time the Government is targeting the achievement of reduced welfare expenditure. Currently around £881m of welfare expenditure finds its way into the local economy in Coventry each year. It is estimated this will fall by 5.6% or £ 49.3 million over the next four years. At present there is no evidence of the level of resurgence in the private sector that would be needed to generate the new job opportunities the city needs.

Coventry economy continues to experience, although a major restructuring of the city's economy, there has been a steady improvement over the past few year's as the city's economy has begun to rebuild and diversify. Coventry needs to make the best of the opportunities it has as a city to capitalize on its potential for economic growth. Never has a strategy for job creation been more needed than it is now. The Jobs Strategy will enable the Council to be more innovative in response to local needs. This paves the way for us to focus on our locally identified priorities, enabling us to influence the future of our city through facilitating economic growth, creating new jobs and access to these jobs for local people.

This report sets out the Council's plans to lead a strategy for creating new job opportunities and sets out the financial commitment it proposes to make to lead this work. These are difficult times and the services in this area have already lost funding as national Government grant programmes have closed. The City Council sets out here its commitment to invest £5.3 million a year into this work and to seek to bring in additional income and grant to deliver an overall programme of £6.3 million a year.

Recommendations:

Cabinet is recommended to:

- (1) Consider and adopt the Jobs Strategy as the Council's contribution to bringing new job opportunities to the city.**
- (2) Promote the actions and opportunities outlined in the strategy and seek the support of other stakeholders in the city and sub region to help achieve the objectives of the Jobs Strategy.**
- (3) Approve funding proposals for the strategy outlined in this report for 2011/12, and provisionally for 2012/13 and 2013/14, subject to funding availability**
- (4) Refer the report to Scrutiny Board 3 for inclusion on their work programme, requesting it to consult with partners and stakeholders on the proposals set out in the Jobs Strategy and to identify opportunities for joint action to deliver the Strategy.**
- (5) Ask Full Council to consider and endorse the Jobs Strategy at its next meeting.**

Council is recommended to:

- (1) Consider and endorse the Jobs Strategy as the policy of the Council for helping local people into a job.**

List of Appendices included:

Appendix 1: A Jobs Strategy for Coventry

Other useful background papers:

Innovative Coventry: A Strategy for Growth and Transformation 2008 -2013, adopted by the Council 11 March 2008.

Cities Outlook 2011, Centre for Cities, February 2011

Reference Coventry University Low Carbon Research (Sarah/Graham/Paula)

Draft Coventry & Warwickshire Economic Assessment (Key statistics), February 2011

Has it been or will it be considered by Scrutiny? Yes

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body? No

Will this report go to Council? Yes 22 March 2011

Report title: A Jobs Strategy for Coventry

1. Context (or background)

1.1 Unemployment and worklessness are increasing problems affecting the lives of many families in the city. In particular many young people are finding that there are no job opportunities for them as they start to pursue a career. The inability to find suitable work is a source of great inequality and social exclusion. The Council has played an active role in the economic development of the city for many years and it is essential that it considers what actions it is able to take to combat these problems that face so many families in the city.

2. Options considered and recommended proposal

2.1 Acting to promote the social and economic well-being of the people of Coventry is a basic duty of the Council. However when resources are limited and being reduced this inevitably leads to difficult choices about how to pursue this duty and which priorities to invest in. In terms of the policy choices around employment and investment work the options considered were:

- To find additional resources to replace those lost through grant fallout.
- To continue to invest the resources invested by the Council and seek additional resources from income and grants by working with delivery partners.
- To reduce the Council's commitment and seek to encourage other agencies to take up the challenge of leadership in this area of work.

To consider the options the Council reviewed the current state of the local economy and support for economic development.

2.2 A look at Coventry's recent economic performance shows why it is so important for Coventry to put in place a strategy for creating and sustaining jobs in the city.

2.3 Prior to the start of the recession in 2007 Coventry enjoyed a period of rising employment, incomes and new investment. Between 1999 and 2009 it is estimated Coventry's population grew by 8,000 bringing the population of the city to approximately 312,800¹. During the period 1997 to 2007 the stock of businesses in the city grew by 24%, well above the regional and national average, making Coventry a top performer in terms of business formation. Registered unemployment, those claiming the Job Seekers Allowance (JSA), was also at the lowest level experienced for thirty years, with long term unemployment also at a historically low level.

2.4 Since the 2007 banking crash and consequent global recession Coventry has fared less well. By June 2009, as the impact of the recession hit Coventry, 11,152 people were claiming Job Seekers Allowance (JSA). This was nearly double the amount of claimants in May 2008 (6,602). At the start of 2010, this rate increased further, reaching a total of 11,518 JSA claimants in Coventry (5.6% of the total workforce of the city)². The current JSA claimant rate stands at 4.9%, equating to 10,088 residents (January 2011)³, which is still significantly higher than the figure of 3.1% in December of 2007 before falling economic output started to impact on the local economy. The number of claimants, unemployed for more than a year, has also increased sharply. In December 2010 this was 1,590 people,

¹ NOMIS 2010, Mid-year population estimates, 1999 and 2009 data

² NOMIS 2011, Rates for Local Authorities 2010 onwards calculated using mid-2009 resident population aged 16-64

³ NOMIS 2011, Rates for Local Authorities 2010 onwards calculated using mid-2009 resident population aged 16-64

more than double the 675 in December 2008. The number of young people unemployed for more than a year is also sharply increasing. In 2008 only 25 young people had been unemployed for more than a year, by December 2010 that had increased to 135⁴.

- 2.5 Registered unemployment no longer gives a full account of the problem of people who want to work but cannot find a job. There are many people in Coventry who want to work but are not claiming JSA. The problem of worklessness is probably larger than that of registered unemployment. In Coventry last year 65.1% of the working age population were actually in a job. Recorded worklessness reached rates of up to 15.6% (32,140 residents)⁵. This is better than Birmingham and Liverpool, about the same as Nottingham, but significantly below the level achieved in Bristol and Leeds.
- 2.6 Looking forward to the year ahead employment prospects in the city are, at best, mixed. The international economy is growing and there is a return to a little more confidence in the private sector. However, in the public sector the impact of Government expenditure cuts is now beginning to be experienced. There have already been announcements about the closure of Government funded agencies based in the city, the City Council will also be reducing its headcount by agreeing around 250 voluntary redundancies, with additional temporary staff leaving as Government funding programmes end. It has been estimated that the overall reduction in public expenditure planned by the Government over the next four years will lead directly to the loss of
- 2.7 2,800 public sector jobs in the city by 2014/15⁶. This equates to a 1.9% reduction in the number of jobs available in the city. In recent years Coventry has struggled to achieve net private sector job growth so this prediction suggests that overall employment is likely to remain, at best, stagnant over the next couple of years without an aggressive and successful programme of intervention to create new job opportunities.
- 2.8 At the same time the Government is targeting the achievement of reduced welfare expenditure. Currently around £881m of welfare expenditure finds its way into the local economy in Coventry each year. It is estimated this will fall by 5.6% or £ 49.3 million over the next four years⁷. Overall as the public sector retrenches it will result in downward recessionary pressure on output in the local economy. There will need to be overall growth of around 2.5% a year in the private sector to compensate for this deflationary pressure and create the conditions for a return to net economic growth. At present there is no evidence of the level of resurgence in the private sector that would be needed to generate this and it is difficult to see how a return to this level of growth will be achieved.
- 2.9 The Council has a successful track record in supporting economic regeneration in the city. It has successful programmes, projects and partnerships. However, the funding for some of this work has been stopped through grant cuts. In particular the Local Enterprise Grant Initiative (LEGI) programme, Enterprising Coventry, will end in March. In the current difficult financial environment the City Council has decided that it cannot fund this work and the option of doing this is not recommended.
- 2.10 The Council could also decide to withdraw in part or in full from this area of work and pass the leadership to others. This option is not attractive for several reasons. First, there is no obvious agency in a position to take up the role of leadership. Regionally, Advantage West Midlands is in the process of being wound up. The new Local Enterprise Partnership (LEP) is only just being established and is in the process of setting its own priorities for action.

⁴ NOMIS, December 2010

⁵ NOMIS/ Annual Population Survey July 09-June10 (Worklessness levels include claimants receiving JSA, Incapacity Benefit, Lone Parents Allowance and 'other income related benefits)

⁶ Cities Outlook 2011, Centre for Cities, January 2011

⁷ Cities Outlook 2011, Centre for Cities, January 2011

- 2.11 The development of the new national work programme also means that the Council has an important opportunity to help shape the delivery of employment support work across the city as this programme goes live over the next twelve months. Similarly, a major area of economic opportunity is emerging in terms of the low carbon economy and the City Council is well placed to build partnerships and projects that will lead to new job opportunities for local people.
- 2.12 Due to a major restructuring of the city's economy, Coventry starts from a low baseline in terms of economic growth rates. However, there has been a steady improvement over the past few year's as the city's economy has begun to rebuild and diversify⁸. Coventry needs to make the best of the opportunities it has as a city to capitalize on its potential for economic growth. Never has a strategy for job creation been more needed than it is now. The Localism Bill, published in December 2010, when enacted into law will give Local Authorities a General Power of Competence, allowing them to do anything which is not specifically prohibited by law. This will enable them to be more innovative in response to local needs. For the Council, this reaffirms our commitment to focus on economic growth, creating new jobs and ensuring access to these jobs for local people.
- 2.13 For the reasons set out above the course of action recommended to the Council is to continue to invest in creating new job opportunities for the city. It is also proposed that the Council should set out its ideas and proposals in a broad Jobs Strategy for Coventry.
- 2.14 The purpose of the Jobs Strategy will be to:
- Set out an ambitious prospectus for Coventry pointing the way to a return to prosperity and equal access to employment for all.
 - Set out what the Council will do, the actions it will pursue, to provide leadership and help create new jobs and also help people back into work, especially young people and those with the greatest needs.
 - Provide a framework in through which the Council can invite other partners and stakeholders to join with it in the challenge of creating more jobs for Coventry.

3. Results of consultation undertaken

- 3.1 The Jobs Strategy set out here is the Council's proposal for taking forward the economy of the city in the light of the changed circumstances experienced over the last couple of years. It builds on the proposals set out in Innovative Coventry, the Council's economic development strategy, which was adopted by the council in March 2008 following a period of public consultation.
- 3.2 It is proposed that Scrutiny Board 3 undertakes a process of consultation on the proposals set out in the Jobs Strategy, and in particular helps identify what other partners and stakeholders believe they can add to the task of creating and sustaining more local job opportunities.

4. Timetable for implementing this decision

- 4.1 It is proposed that the Jobs Strategy becomes the basic framework for the delivery of the Council's economic development and regeneration work. Progress will be monitored through the Council's performance management arrangements against the outcomes and targets set out in the strategy. There will be a six monthly report to the Cabinet Member for City Development and oversight and scrutiny through Scrutiny Board 3.

⁸ Coventry & Warwickshire Economic Assessment, February 2011

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

If implemented by April 2011, the operational structure to deliver the jobs strategy, as set out in this report, will cost in gross terms £4.6m in 2011/12. A funding proposal has been agreed with finance officers which utilises a variety of funding sources and is consistent with the Council's approved 2011/12 budget.

No additional corporate resources are requested in order to fund the delivery of this strategy. The majority of funding is available from the existing revenue budget within the Economy and Community Division of City Services and Development, combined with new and previously generated external grant monies within the service. Proposals are summarised as follows:

| | 2011/12 | 2012/13 | 2013/14 |
|-------------------------|-------------------|-------------------|-------------------|
| CCC Revenue | £3,647,782 | £3,639,091 | £3,631,600 |
| Fees & Charges | £300,000 | £300,000 | £300,000 |
| New Grant Income | £354,377 | £427,677 | £228,000 |
| Previously Raised Grant | £232,124 | £205,260 | £446,419 |
| Section 106 | £41,477 | £41,477 | £41,477 |
| Total | £4,575,760 | £4,613,505 | £4,647,496 |

The proposals require the service to raise new income and grants to support some of the costs of service provision. The assumptions behind these income projections are based on realistic expectations based on past performance and the known availability of future grant funding opportunities. The risk rests with the service and should income or grant not be achieved expenditure will be reduced to achieve a balanced budget. Much of this additional resource is now in place for 2011/12 and an agreed plan exists for the achievement of this income target for 2012/13 and 2013/14.

5.2 Legal implications -

The pursuit of economic well-being is strongly aligned with the core purpose of local authorities, with the mandate for local authorities to promote economic well-being provided by the Local Government Act 2000. Section 2 and 3 of the Act empowers local authorities to take any steps they consider likely to promote or improve the economic, social or environmental well-being of their area and its residents. Section 4 of the Act enables Local Authorities to join with other bodies to establish a strategy for promoting the well being of their local communities.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The Jobs Strategy is a key initiative to help the City Council pursue its goal of making Coventry a successful and prosperous city. Access to employment is recognised as an important element in personal well-being. Unemployment is often associated with deterioration in health and in with problems in family relationships. Helping young people

into work is one of the most important steps in helping them become more independent and responsible for their own lives and livelihood. Access to employment is an important means to help achieve a more equal city with cohesive communities and neighbourhoods. The new opportunities set out in the Jobs Strategy for helping improve the environment and tackling climate change illustrate the wide range of ways in which the Strategy can help the Council achieve its core aims and priorities.

6.2 How is risk being managed?

The key risks associated with the delivery of the Jobs Strategy are:

- The economic recovery is slower than predicted: The Strategy contains a pro-active approach to generate new economic activity in the field of environmental technology and the emerging low carbon economy. The challenge will be to secure this as a new growth sector for Coventry.
- Stakeholders are reluctant to commit to work jointly on the delivery of the Strategy: It will be important to work with existing partners and through the new LEP to secure partner commitments.
- New Opportunities emerge and existing opportunities disappear: Successful economic development work has always included an element of opportunism and when new opportunities emerge it will be important to involve members in assessing the potential contribution they can make.

It is also important to balance these risks against the risk of doing nothing. Without action there is the risk that the city will suffer more worklessness and social dislocation than it need with the inevitable personal hardship that this will bring to individuals and their families.

6.3 What is the impact on the organisation?

In order to adjust resources and staffing to compensate for reduced resources from grant fallout twenty seven posts have been taken out of the establishment over the last six months. However the Council's commitment to retain its investment in the service and the availability of additional income and grants has enabled the Council to keep in place the staff with the core skills and experience to deliver its proposed investment and employment work.

Work which enables unemployed people to enter and stay in a job reduces the welfare cost to the Government, including the cost to the City Council in terms of work benefit.

6.4 Equalities / EIA

Equality impact assessments have been undertaken regularly across the Council's employment and investment work. These show that the Council's work reaches all sections of the community and helps address problems of inequality and disadvantage. An Equality Impact Assessment was also undertaken this year in relation to the in-year service cuts required to the Enterprising Coventry Programme. The Jobs Strategy proposal contains specific projects that will direct support to help:

- Young people without work or training
- People with disabilities
- People with learning difficulties
- People seeking work after committing a criminal offence

In addition the programme will focus specific resources on disadvantaged neighbourhoods and aims to ensure that it provides access to individuals regardless of their ethnic group, gender, age or sexual orientation.

6.5 Implications for (or impact on) the environment

The Jobs Strategy contains a specific proposal to work with up to 750 businesses to help them become more environmentally sustainable. The delivery of the strategy also contains proposals that would lead to the elimination of 11,270 tonnes of carbon emissions by 2015.

Within the strategy is a proposal to set up a local partnership with Eon and a range of other local stakeholders to develop new projects that both create new local jobs and lead to a positive impact in terms of the environment and climate change. This work will focus on improving the quality of the housing stock and reducing individual energy costs and usage and will directly help tackle the problem of fuel poverty.

6.6 Implications for partner organisations?

The Jobs Strategy contains a provision to commission work to improve employment opportunities by working directly with people in their own local community. It is envisaged that this work will focus on the most deprived areas of the city where there is a suitable partner with which to work. The Strategy also explicitly calls upon partner organisations and other stakeholders in the city to also make a commitment to work with the Council to help create more Job opportunities in the city.

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Appendices

A Jobs Strategy for Coventry

**A working city striving for
fairness, equality and prosperity**

1. Introduction

A key City Council mandate is to act in support of economic and social well-being. The successful city we know today is the product of the interaction of market forces and a proactive public policy to support the development and diversification of the local economy over many years.

Coventry continues to face the challenge of ensuring that jobs are available for local people. Over the recession unemployment has increased, currently standing at 4.9%¹ of the workforce. With only 65.1%² of those of working age actually in a job there is also a significant problem of worklessness – those who want a job but are not entitled to claim Job Seekers Allowance. Added to this Government budget cuts are starting to impact on the city putting more jobs at risk. The City Council must make significant savings and staffing reductions as its own budget is reduced.

Nevertheless, the City Council will remain the largest employer in the city and its expenditure will create a lot of demand in the local economy. The Council leadership believes that the Council must take a lead and work with other stakeholders to develop and promote a strategy to provide job opportunities in the city. This Jobs Strategy is our prospectus for working to return Coventry to the path of transformational growth it was on before the banking crash and the global recession which followed.

2. Supporting Jobs & Investment

A great deal has been achieved through jobs strategies in the past five decades as businesses, investors, the City Council and public sector partners have responded to market forces and social change.

Looking back we can celebrate the City Council's and partners' unique contribution:

- People from disadvantaged communities supported into work and training,
- People equipped to start new enterprises,
- Intensive support for those most disadvantaged in the labour market
- Key investors attracted to employment sites
- New Science and Technology Parks set up on redundant land
- Successful inward investment
- City Centre retail and office investments
- Intensive work to maintain and develop our manufacturing and technology businesses
- Innovative low carbon and digital programmes

¹ January 2011

² June 2010

- A strong profile and reputation for the city in future focused business sectors
- A strong track record of securing investment and grants from Government and Europe to support public and private sector investment in regenerating the economy
- Support to maintain voluntary and community organisations working directly to promote employment in our most disadvantaged communities

Taking this historical perspective, it is clear that some stakeholders come and go, but the City Council has consistently provided leadership to this work. No one else has the capability or democratic mandate to provide this leadership and it is for the Council to set out the actions needed to ensure Coventry's economy is supporting a prosperous city.

The Council's record and experience places it in a powerful position to know what we as a city need to achieve, where we can most effectively intervene and with whom we need to work. However, the landscape for which we need to develop a new strategy is more challenging than it has been at any time in the last thirty years.

Today we approach the development of a Jobs Strategy in the light of:

- Very fragile business and investment markets,
- An investment plan for City Centre revitalisation that the market is not yet able to support.
- Severe pressure on City Council and public sector budgets
- Reduction in the welfare budget and changes to the welfare state
- Significant changes in national and regional business and employment support structures

It is a time to be radical and bold. It is time to grasp opportunities and forge new stronger relationships across the key stakeholders in the public, private and voluntary sectors. It will be important to ensure our Jobs Strategy:

- Is clear about the demand side – Where jobs will come from
- Is clear about the supply side – Ensuring that all local people get fair access to jobs
- Is effective in ensuring the availability of the right land and premises for local businesses and inward investors
- Is inclusive of all partners and understands Coventry's needs in the context of the wider sub-regional economy.
- Responds to the new opportunity as a city and sub region through the establishment of a Local Enterprise Partnership

This document sets out the Jobs Strategy in terms of the following key features that describe what the City Council will commit to do to ensure jobs for Coventry people. It also describes how the City Council would like other key stakeholders to also commit to ensuring that Coventry provides a range of job opportunities to meet the needs of all its residents. Set out below are:

- The key objectives
- Where will the jobs come from?
- The priority actions
- Our partners at community, city and sub regional levels
- What can be achieved
- Funding the strategy
- Conclusion

It is a time of both opportunity and challenge for the city and sub region. The establishment of the Coventry and Warwickshire Local Enterprise Partnership (LEP) is a major new opportunity to take this work forward in the city and across the sub region. On the supply side the City Council also has a key role to ensure fairness by taking action so that people are prepared and available for work. Coventry needs to provide a range of different types of job, including entry level jobs requiring only basic skills so that everyone can aspire to have a job.

3. The Key Objectives

The key objectives of the Coventry Jobs Strategy are to:

Secure job opportunities through investment – businesses and investors need to continue to recognise Coventry as the right place for them to invest and grow

Help people get jobs – pursuing prosperity so that in Coventry everyone who wants a job will have the opportunity to secure one that matches their skills,

Help people improve their skills – Our Universities, Colleges and Businesses will equip people with skills that investors want and will locate in Coventry to secure.

Overall this Strategy is about embracing a spirit of enterprise where tangible opportunities to deliver investment and new business are created as a means to sustain employment.

4. Where will the jobs come from?

Experience suggests that in this recession, as in past recessions, the city's economy will continue to create jobs and this can be influenced and stimulated by City Council and partner interventions. Jobs will be created by:

- Existing businesses – which we can help invest and become more competitive
- Businesses attracted to the city
- Investors who see opportunities to buy businesses, assets, or create value through property investment
- New enterprises – including new business opportunities arising from public policy changes which create new markets for social enterprise and a new supply chain to deliver public service outcomes.
- Emerging new industries that create new market opportunities e.g. Climate change and environmental adaptation

The City Council has undertaken work with Coventry University to assess the growth potential of the environmental technologies sector. This research suggests that this area of economic activity could become the most dynamic growth sector in the city over the next decade. With appropriate support and investment the University estimate it could become an industry worth up to £2 billion a year in local GDP and sustain up to 26,000 jobs. Even if only half this growth were achieved it would almost certainly be the biggest growth sector in the local economy.

The City Council's Economic Development Strategy sets out its view of the local economy and its future prospects. The strategy describes the key challenge for Coventry as responding to economic transformation on a global scale and renewing the local economy to respond to this challenge. The strategy proposes that Coventry needs to promote an approach based on the idea of "transformational growth".

Up until now most people have only focused on and commented about the growth dimension of the strategy and the idea that Coventry needs to expand and become a larger city. Since the original strategy was completed globally and nationally the economic landscape has changed radically. We are now clearly in a period when the previous engine of growth - finance, banking and credit has failed. This does not mean that we need a new strategy because the key to the strategy that the Council set out was always really transformation.

The message was clear then and remains the same as it did three years ago. Coventry must invest in new industries and new sources of jobs for its people. This is the pathway for Coventry to continue to develop and succeed in the 21st century. It is the means for Coventry to make the transformation to become a world class city providing full employment and prosperity.

The basics for Coventry's success remain the same:

- Central location
- Optimum scale, population between 300,000 and 400,000
- Two business, science and technology based Universities
- Estate including high technology, internationally renowned businesses in vehicles, engineering and energy sectors
- The ability to work effectively across organisations and sectors and respond quickly to opportunities
- Investment and business friendly public sector
- A skilled and experienced team who make it easy for investors
- Availability of skilled labour
- Availability of appropriate land and premises
- Sub regional offer, it is always Coventry and Warwickshire together in the inward investment market

A relative weakness remains the offer provided by Coventry City Centre, in terms of the office and retail sectors. This has been recognised as a key challenge and ambitious plans exist to turn this weakness into an opportunity.

All the basic selling points that have helped Coventry win investment over the last twenty years remain in place. Coventry is well positioned to continue to go out and compete for the jobs and industry it needs to succeed in the future.

The inward investment market has changed since the city first developed its investment marketing strategy in the nineteen eighties. The new Jobs Strategy recognises these changes in the market place and adopt a new approach. The ability to rely on foreign direct business investment by US and European companies is much more limited than in the past. There is likely to continue to be a market for intra-UK investment and public and private sector relocation, but the opportunities are limited and competition intense.

There is an emerging market of investment opportunities originating in India and China, and potentially other countries such as Russia and Brazil. This market is likely to focus on business acquisition, supply chain development, and property portfolio development. This market is often rooted in private equity and Sovereign Investment Funds and it operates by building strategic relationship at the highest level with civic and business leaders. Building strategic relationships has always been an important feature of Coventry's inward investment work, in this market it is the way that business is done, and this dimension of the work will probably even more important in the future.

Coventry and Warwickshire are well placed to compete for new investment and the new Jobs Strategy identifies this area of work as vital for the continued prosperity and success of the City and its sub region.

5. The Priority Actions

In terms of the City Council's own contribution to delivering the Jobs Strategy there are two key areas of concern:

- Working with businesses, investors and communities to facilitate the creation and retention of jobs
- Working with individuals seeking work and the companies that might employ them

It is not within the City Council's gift to deliver these goals on its own. The Council will set out here the role it will take. It will stout the other stakeholders it expects to work with, and it will set out the resources it will deploy.

The next section sets out the changes and challenges the Council anticipates as the regional and national support structures change. It also sets out how it will deliver its own commitment to achieving the goals of the Jobs Strategy for Coventry.

5.1 Working to retain and create jobs

The City Council actively works with businesses and investors to influence and support investments and business developments. This work is undertaken in local regional and national partnerships

This is the demand side of the labour market and the investment and business support national framework is now changing radically with the closure of Advantage West Midlands and the regional Business Link. Under current proposals only a small regional presence would remain with the capacity to provide a facilitation and brokerage role. Support for new and existing enterprises will be primarily through national websites and call centres. The government is also proposing Growth Hubs and Technology and Innovation Centres.

Despite the difficulties facing the city centre revitalisation programme due to the downturn in the property market, the city centre will still be in a position to contribute many of the jobs that the city's economy requires. The City Council aims to capitalise on its position as an Olympic host city to provide a boost for businesses and job creation which will start immediately. European funding is being matched against Council budgets to fund a programme of improvements in public realm throughout the city centre. The current pedestrian routes around the city centre are often considered to be confusing and unwelcoming, and the programme will invest heavily in improvements to these routes which are designed to make them more attractive and user-friendly. In turn, this will lead to an increase in the number of visitors, the amount that visitors spend, and a reduction in unused shop units. The programme will be completed in time for the Olympic events taking place in

the city during Summer 2012, and will make an immediate contribution to the aims of this strategy, in advance of the larger retail and office developments planned in the longer term

In future there will be only two principal levels, national support programmes and Local Enterprise Partnerships, which in our case is the Coventry and Warwickshire LEP.

The removal of the regional layer will reinforce the City Council's current role in inward investment and support its for key business sectors. This work is lead by the City Council and is delivered in close cooperation with local partners, especially the universities, Warwickshire and the Chamber. This strategy focuses on sectors that are likely to contribute to business growth and help create long term prosperity in the city and include:

- Automotive, especially low carbon vehicles
- Environmental technologies and renewables
- Digital technologies
- Aerospace
- Medical technologies
- Retail, especially in support of the city centre strategy
- Public sector relocation
- Business and professional services

This sector strategy has three elements:

- Outward targeted sector marketing to attract investment to the sub region in these areas
- Work with local partners to develop flagship projects, such as the low carbon vehicle programme, to reinforce the local competitive advantage of businesses and raise the profile and reputation of the city
- Working collaboratively with key local sector businesses, to engage them in business development, investment and job creation.

This approach has had clear priorities based on an assessment of where we can make a difference. It is flexible and future focused, enabling us to understand and respond to current and emerging market trends.

The creation of the LEP provides a major new opportunity to give a much greater impetus to the delivery of this work by forging an effective business partnership between the private, public and University sectors. This could be cultivated as a means to develop an effective interface with overseas private equity and sovereign fund investors. The LEP has identified this as an early priority and the opportunity should be taken to build on the already successful work and relationships that are in place.

In addition to private sector job creation and safeguarding, this approach also opens opportunities for innovative public/private sector partnerships that will create employment in local communities. Two examples of current ideas to express this goal are:

- Exploring with Orbit housing the opportunity to set up a small exemplar project in Canley to provide carbon neutral housing. Ultimately this approach has the potential to lead to the opportunity to bring into the UK new housing technology and possibly local manufacturing through investment in local prefabrication creating a new source of local employment
- Work with Eon and other partners on creating a joint venture to retrofit housing to high standards of insulation to reduce energy use. This also has the potential to lead to the establishment of a social enterprise approach to employing local labour and to focus this work on communities where fuel poverty is a major concern.

In addition to these two examples, there is the potential to stimulate the establishment of a thriving social enterprise sector that provides public services and trades beyond the local area.

At the Coventry Partnership Conference in December the City Council, Warwickshire County Council, the Chamber of Commerce together with Eon and Orbit Housing committed to setting up Phoenix Enterprise as a means to organise and deliver joint projects in the field of Low Carbon infrastructure.

The ability to combine public services and social enterprise in this way could be part of the public sectors approach to positively respond to the problem of reduced government funding. The scope and scale of this opportunity will emerge over the next year. For example, the changes to the organisation of public health that will be proposed in the Health White Paper may create new opportunities, including the possibility of delivering some public health outcomes through a social enterprise model.

Through the Coventry Health Improvement Programme (CHIP) the City Council, PCT and the Chamber are already working together to deliver a Health and Work Project. This project aims to provide screening and access to primary health care for people who work in small businesses and also for those who are out of work.

National support for people starting traditional new businesses will in future be limited. Locally the successful Enterprising Coventry (LEGI) programme will cease in March 2011 when government funding for this programme ends. As part of the Jobs Strategy local partners will need to consider how they can add value locally, possibly through targeted face to face business coaching. The City Council and the Chamber of Commerce have already agreed that they will work together to seek new funding from the European Community to ensure the continuation of the best elements of this work.

The Council will organise its contribution through discrete and measurable programmes, this will include both work it delivers directly and work it commissions and delivers in partnership with others. These programmes will include:

Low Carbon Sector

- Low Carbon Vehicles Project
- Phoenix Enterprise
- Heatline Project Proposal
- Environmental Technology and Renewables
- Eon City Energy Partnership

Other Sector Work

- Engineering and Vehicles Supply Chain
- Aerospace Supply Chain
- Medical Technology
- Digital Economy

Support to Existing Businesses

- SME Health at the Workplace Programme
- Business Coaching Support
- Environmental Quality Accreditation

Attracting Investment

- Investment client handling
- Investment property marketing and events
- City Centre redevelopment
- 2011/12 City Centre Public Realm Programme
- Provision of land and premises for investment

Against a difficult backdrop of reduced funding and the closure of well-established support agencies the City Council and its local partners are well placed to take up the challenge of ensuring this work is continued and forms a crucial element in the Jobs Strategy for Coventry.

5.2 Helping people gain suitable employment

Unemployment is likely to increase, at least in the short term, due to public sector spending reductions. Added to this, new rules about health and claiming benefits could create another 1.5 million job seekers. In effect there will be a much larger group of job seekers nationally and locally.

The government has responded by proposing 18 Contract Package Areas across the country with a minimum of 2 or 3 Providers within each area. Coventry, Warwickshire, Staffordshire and the Marches is our Contract Package Area and they expect there to be 2 Providers delivering generic support through the new work programme in this area." These will be very large contracts awarded to national organisations for seven years and preferred contractors were identified in December with final appointments expected by March 2011. These contractors will deliver much of the job seeking work previously delivered directly by Job Centre Plus on behalf of DWP. The contractual model assumes that contractors are paid from savings made by paying less "out of work" benefits. This is an ambitious approach that will focus the contractors on securing the easier outcomes, but as the contract

is likely to provide more reward for securing work for harder to employ groups it will create a niche for specialist suppliers who have the skills and experience of successfully getting these more difficult to work with groups into work. The first four young people have started the scheme and provision exists to enable thirty young people to complete an apprenticeship that would not otherwise have been available to them.

The City Council and its partners, who have a long and successful track record in helping local unemployed people acquire new skills and find new jobs, will clearly be concerned to ensure the quality and local sensitivity of services provided by the Framework Providers. Through the Jobs Strategy the Council will exercise and adopt a role of both seeking to influence positively the work undertaken in Coventry and scrutinise its effectiveness and value for money.

The City Council's expertise in working with the harder to reach groups is widely recognised and we have already been approached by some bidders for the Work Programme national framework contracts to work with them on delivering outcomes for the most vulnerable. This approach would, should a suitable contract be agreed, enable the Council to lever in additional resources for local delivery and achievement of outcomes and enable the Council to actively demonstrate its commitment to the fairness agenda building on its existing successful work.

Within this national programme, there is clearly a role to promote fairness for the most vulnerable. This is a role where the City Council will provide leadership building on our and our local partner's experience. We will continue to develop and deliver support to those with particular problems to overcome including:

- Looked after children
- Learning disabled
- Young people not in education, employment or training (NEET's)
- Non claimants
- Ex-offenders
- Workless households
- Other hard to reach groups.

Coventry needs to have the right level and mix of skills to encourage investment, allow growth and ensure that local people benefit from that growth. There are challenges for our city in ensuring that there is a match between the jobs likely to be available and the skills of local residents. Sectors where we anticipate growing numbers of vacancies to be available (such as business services, environmental technologies, digital media etc.) often require people with higher level or technical skills. Currently over half of the new jobs in Coventry require people to have NVQ3, yet over half of our working age population have not achieved that level. Almost a quarter of people in their twenties do not have an NVQ2 or equivalent qualification – a level considered by many employers as a minimum standard for work. A

significant proportion of jobseekers in the city (35%) are seeking elementary level work but only 20% of new vacancies fall into this category, leaving ten jobseekers pursuing each job at this level. Therefore, to support investment and growth locally we need to address the shortage of higher level skills required in the expanding industries.

We also need to ensure that sufficient skills exist to support the city's future investment plans. Friarsgate for example is likely to create 15,000 new job opportunities and the redevelopment of the City Centre a further 5000 opportunities.

There are therefore two critical factors that our approach to skills must address. Firstly we should focus on skills development, technical and higher level skills, working with our education providers to ensure we have a population that encourages investment and enables the growth of local businesses. Secondly we must ensure that local people benefit from this growth and have fair access to these opportunities by addressing basic and employability skills, increasing the proportion of the population with NVQ2 and providing routes for on-going skills development, such as apprenticeships, placements with training, and access to technical & higher level learning.

The City Council has also been a leading placement programme provider for job seekers. These may be short term voluntary placements or six month paid placements. This work has proved a very cost effective way to support people back into a job. The placements provided are spread fairly evenly across the private, public and voluntary sectors. The network of employer contacts, which have used the programme successfully to recruit, is an asset that can assist future work of this type creating a 'routeway to work'..

The City Council also has an excellent track record in supporting those seeking skills for a job in construction and has now facilitated the establishment of a Construction Apprenticeship Scheme with a group of local companies and City College. The first four young people have started the scheme and provision exists to enable thirty young people to complete an apprenticeship that would not otherwise have been available to them.

We are currently delivering, or are in the development stage, of a number of initiatives which seek to address some of these skills needs. Some examples include;

- We have a TaskGroup based approach with partners in the private sector and local Colleges and Universities to support each of the growth sectors. For example, the Skills & Employment Task Group for Environmental Technologies has developed a matrix model which maps demand and supply against a timescale for the sector, allowing us to understand how skills should be developed locally to support growth in this industry.
- We are working with the two local Universities to strengthen graduate retention for the city and improve the local offer presented to graduates and post graduates. For example, Warwick Manufacturing Group has on average 600 post graduates each year in disciplines which match the

needs of growing sectors and we are working together to match opportunities for local employers.

- We are jointly delivering a Routes-into-Work initiative with local Colleges which supports young jobseekers with accredited learning, employability skills and job search across a range of sectors.
- We also work on skills development across client groups with specialist needs, such as offenders, NEETS and people with learning difficulties and are building apprenticeship opportunities in a variety of sectors using innovative models of delivery, such as social enterprises.
- We will operate a specific placement scheme to enable 50 young people, who would otherwise become NEETs to benefit from a paid work placement

5.3 Working with Business as Employers

In addition, on the positive side our strong links with many employers enables us to understand their needs so that the City Council can act as a gateway to job opportunities in private sector businesses for disadvantaged groups. We are one of the few cities who have successfully managed to link the supply and demand side of the labour market.

There is also a whole untapped area of potential employment opportunities that could be provided by social enterprise. There are examples in both the United States and Europe of small enterprises providing sustainable work opportunities. In the UK this is an underdeveloped opportunity. Both the public and private sector locally could create business opportunities to simulate a local market and supply chain. Good examples are: specialist bakery, community restaurants and cleaning businesses.

The Council itself is affected by Government spending reductions and is reducing its own workforce. The Council employs many talented and skilled people and will work with local employers to help those people who leave its employment find another job.

Even after the Council has reduced spending and employment to implement the expenditure cuts made by central government it will still play a vital role in stimulating the local economy. It will remain the City's largest employer, providing jobs for many local people, and it will still, through the contracts it lets, provide work and job opportunities for local people who work in the private and voluntary sectors.

The Council will organise its contribution through discrete and measurable programmes, this will include both work it delivers directly and work it commissions and delivers in partnership with others. These programmes will include:

- Employer Job Network
- Developing Opportunities for Social Enterprise

- **Creating New Job Opportunities**
 - TESS - Helping people with learning difficulties get a job
 - Young People Work Placement Project
 - Construction Shared Apprenticeship Project
 - Making Progress, ex-offenders into work
 - Overcoming barriers to work for the long term jobless
 - Community Employment Partnership

Giving attention to all these issues will be an important measure of the City Council's ability and commitment to promote fairness in the labour market

6. Our Partners

The City Council cannot deliver a Jobs Strategy on its own. It is looking to engage with and draw on the work, skills and resources of other partners and stakeholders who also work to create a successful and prosperous city. Investment, employment and skills support is developed and delivered in partnerships at many levels. As new opportunities emerge, choices are made about what the City Council should lead and influence and what the partners should lead and influence. Partnerships work well at community, city and sub regional levels.

In the community we particularly work with third sector agencies to develop customised support for job seekers. We are also exploring opportunities for social enterprises to meet local service needs and to help deliver local employment opportunities associated with major renewal projects.

Enterprising Coventry has over the past 5 years delivered a successful and broad partnership approach to business, investment and employment support across the city, involving close working with the Chamber of Commerce and third sector agencies. Although funding will not continue in its current form, a valuable legacy of strong relationships and goodwill exist on which future work can be built and extended into partnership work with Warwickshire.

The two Universities and the Colleges also have a major role to play in preparing people with the skills they need for the future. It will be important to work with them to find opportunities for more graduates to stay on and work in the city. The performance of the city's schools has been improving and it will also be important to work to continue this trend even though the opportunity has been lost to modernise and replace the schools stock through the cancellation of the Building Schools for the Future Programme.

The Universities also play an important role in research and the work they do can lead to new business and job opportunities in the city.

At a sub regional level the Coventry and Warwickshire Local Enterprise Partnership represents an opportunity for the public and private sector to

come together and identify and drive strategic priorities to build a strong local economy for the future.

The focus of the LEP is likely to be on longer term big projects where private sector partners feel they can provide support and leadership to make a tangible and substantial difference fairly quickly. The City Council is already engaged with key partners at this level and they include third sector agencies, Warwickshire, the Chamber, the universities, the FE colleges, the PCT, Job Centre Plus, businesses and investors.

A key issue to address will be how the public sector comes together to support sub-regional economic development work through the LEP. There is a clear need for co-ordination of strategy across Coventry and Warwickshire. The LEP will want to see an agreed approach to planning, housing, transport, and probably environmental strategy as well as relocation, investment and business support.

Sub regional delivery on an informal project based shared service approach is not new. Some projects are already undertaken jointly across Coventry and Warwickshire these include:

- Employer of Choice Project (ESF)
- Investment Marketing, jointly planned approach to marketing and client management (supported by AWM)
- Technology sector strategies, working together on low carbon economy, aerospace and digital technology developments and business forums, including:
 - Renewable Energy Technology Alliance
 - Phoenix Low Carbon Enterprise
 - Coventry and Warwickshire Aerospace Forum
 - New Plugged In Places project (electric vehicle infrastructure) with Warwick District

As the LEP becomes more established the opportunity exists for more joint delivery. It is unfortunate that this opportunity has emerged when funding reductions mean that the City, County and Chamber are all downsizing their existing services and commitments. By April it will be much clearer what funding remains across these organisations on which to build. The City Council has taken the difficult decisions and dealt with the problem of grant fallout. It has reduced and redesigned its services so that they are fit for purpose and funded for the year ahead.

At the national level the government is strengthening the role of existing national agencies, including the Technology Strategy Board that has been a key partner in our low carbon vehicle programme, and it is introducing new Growth Hubs and Technology and Innovation Centres. These will be key partners in our work on innovative investment in technology sectors.

Overall on both the demand and supply side a lot of very effective work has been done on which the new Job Strategy can build.

7. What can be achieved?

The table below provides a brief headline summary of what the City Council's own contribution to delivering a Jobs Strategy will aim to achieve during the next three years.

| Who will benefit? | How will they benefit? |
|--------------------------------|---|
| People | <ul style="list-style-type: none"> • Support over 3,600 people who are currently unemployed • Help 1,500 into a job • Enable at least 50 Young People into work through job placements • Ensure 30 NEETS engage and complete construction apprenticeships |
| Local Business | <ul style="list-style-type: none"> • Work with local businesses to create over 750 job opportunities for locally unemployed people |
| Investors and Business Sectors | <ul style="list-style-type: none"> • £60 million worth of investment into the City • 6,000 jobs created in the City and across the sub-region • 450 businesses in priority sectors supported to grow and develop • Over 351 businesses supported to become more environmentally sustainable • 5,276 tonnes of Carbon savings |

8. Funding the strategy

The end of the Local Enterprise Growth Initiative (LEGI) programme in March 2011 will lead to a significant reduction in the investment across the city in helping people into jobs. However, the remaining resources invested by the Council and the opportunities for new ESF provision to the City still provide a critical mass on which the Council can build. The Council working with partners will put in place an effective capability on the “supply side” to support some of the most vulnerable people in the city back into work.

The City Council has now prepared its budget for 2011/12. This includes the resources to invest in supporting the delivery of the City Council's contribution to the Job Strategy for the City.

The end of the LEGI programme has also put at risk the resources we have invested in our community based partners. To respond to this the Council has set aside a small resource to continue to commission support for community based employment support work.

Next year the City Council will support this work with a budget of £4.6 million. This includes plans to bring in additional income and grant to support the delivery of the service. This funding will be used to deliver the projects, programmes and partnership actions set out here.

The Council has not been able to replace the resources lost through grant fallout, such as the LEGI Programme. However, at a time when all budgets are under pressure this commitment demonstrates that the City Council will put real resources behind its stated priorities to create and sustaining jobs and help young people into work.

Just as the City Council has stated and set out its commitment it is important to understand what other partners are also able to commit to delivering an effective Jobs Strategy for Coventry. Both Universities, the Health Service, utility companies, major businesses and housing associations all provide jobs and control large budgets they too must work together to deliver the jobs the city needs. The Government has called upon the private sector to create the new jobs that Britain needs and that means they need to work with the public sector to stimulate the investment, trade and growth that Coventry needs to succeed.

Even in this difficult time the Jobs Strategy shows that the City Council continues to be ambitious for Coventry and is prepared to match that ambition with real resources to invest in a successful future for Coventry.

9. Conclusion

The City Council has set out here its prospectus for Coventry. It is an ambitious strategy to invest in the city, and its people, to create the prosperous, sustainable and successful city Coventry strives to be.

It sets out this vision at a difficult time. The country is still suffering the consequences of the collapse of the banking sector and the fact that in order to stabilise the economy it was necessary to destabilise the finances of the public sector. This undoubtedly makes our task harder but it also makes it even more necessary.

It is a time to be bold and just as Coventry did in the nineteen eighties the City Council will provide leadership and point the way to rebuild the economy and renew the prosperity of the city.

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