



Business, Economy and Enterprise Scrutiny Board (3)

Time and Date

10.00 am on Wednesday, 17th January, 2018

Place

Committee Room 3 - Council House

Public Business

1. **Apologies and Substitutions**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - (a) To agree the Minutes of the meeting held on 15th November, 2017
 - (b) Matters arising
4. **Destination Management Strategy** (Pages 7 - 8)
Briefing Note of the Deputy Chief Executive (Place)
5. **Coventry Innovation** (Pages 9 - 28)
Briefing Note of Deputy Chief Executive (Place)
6. **Work Programme 2017/2018** (Pages 29 - 34)
Report of the Scrutiny Co-ordinator
7. **Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved**

Private Business

Nil

Martin Yardley, Deputy Chief Executive (Place), Council House Coventry

Tuesday, 9 January 2018

Note: The person to contact about the agenda and documents for this meeting is Michelle Rose Tel: 024 7683 3111 Email: michelle.rose@coventry.gov.uk

Membership: Councillors R Ali (By Invitation), R Auluck, K Caan (By Invitation), J Clifford (By Invitation), G Crookes, M Hammon, L Harvard, J Innes (By Invitation), R Lancaster, J McNicholas (Chair), J O'Boyle (By Invitation), B Singh, H Sweet, K Taylor and D Welsh (By Invitation)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

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Coventry City Council
Minutes of the Meeting of Business, Economy and Enterprise Scrutiny Board (3)
held at 10.00 am on Wednesday, 15 November 2017

Present:

Members: Councillor J McNicholas (Chair)
 Councillor G Crooks
 Councillor M Hammon
 Councillor R Lancaster
 Councillor B Singh
 Councillor K Taylor

Cabinet Members and Councillor L Bigham
Deputy Cabinet Members Councillor R Lakha
Present: Councillor J O'Boyle
 Councillor C Thomas

Employees (by Directorate):

Place M Lynch
Resources G Holmes, M Rose, P Ward

Apologies: Councillor R Auluck, L Harvard, J Innes and H Sweet

Public Business

21. Declarations of Interest

There were no Disclosable Pecuniary Interests.

22. Minutes

The minutes of the meeting held on 20th September, 2017 were approved.

Further to minute 17/17 'Coventry Canal Basin' Councillor McNicholas updated the Board on the discussions at the Task and Finish Group.

23. St. Mary's Guildhall - Strategic Development

The Scrutiny Board considered a briefing note and presentation of the Deputy Chief Executive (People) which detailed current activity in relation to the strategic and commercial development of St. Mary's Guildhall and sought opinions and support of the Board in respect of future plans and proposals.

The briefing note recognised that St Mary's Guildhall was regarded as a valued cultural asset for the city of Coventry, yet for some time had not realised its full cultural or commercial potential. As a trading service, the Guildhall was facing financial challenges, with corporate and operational costs exceeding the overall income generated. The Guildhall also lacked a clear strategic focus and identity in

respect of its overall purpose, and how it should be best utilised as an important city asset in the long term. Action was required to address the immediate financial situation and generate increased, profitable income from the Guildhall that would initially make the asset self-sufficient, and in due course provide additional income contributions to offset other frontline service budget pressures.

Development works were in progress in two initial areas, the café and the muniment room. Work was underway to develop and relaunch the existing on-site café in the Undercroft, which had suffered from inadequate trading and under-investment. Refurbishment of the space, and comprehensive changes to the menus, identity and customer offer were planned, supported by a strong marketing campaign, which would increase footfall and trading performance. Until recent months, the impressive and historical muniment room had been used only for storage, with no regular public access. A partnership had now been established with a successful external operator to develop 'shared office accommodation'. This relatively risk-free venture would see the external partner invest in development of the space and ultimately bring new income to the Council through a commission on scheme memberships, while also providing a facility for the city's growing community of entrepreneurs, creative industries and flexible workers. With no capital investment required from the Council (as the scheme was to be funded by the external operator), by Year 2 there was a projected contribution of c.£21k back into the service.

It was intended that a Feasibility Study be commissioned to review the current situation, explore available options and establish a vision for the Guildhall that delivered a strong cultural asset and visitor experience, together with a business plan that captured capital and revenue investment and the likely income returns that may be achieved from this in the longer term.

The Scrutiny Board considered the presentation and information in the briefing note and the Chair requested an adjournment to allow the Board to visit the muniment room.

The Scrutiny Board discussed the following with the Cabinet Member for Jobs and Regeneration and the Cabinet Member and Deputy Cabinet Member for Community Development as the issues crossed portfolios:

- Improvements to the café including visual improvements, for example, the removal of waste bins visible through the entrance window at eye level and promotion to students
- Discovering the asset of the muniment room and other uses for generating income in this room rather than office space
- Using the Dame Ellen Terry Suite, Mercers Room and old Police Cells in the council house basement
- Holding events such as Ghost nights or Medieval theme nights

RESOLVED that the Scrutiny Board recommend to the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Community Development:

- 1) **To call for a feasibility study into positioning and developing the role of St. Mary's Guildhall. This should be as a visitor attraction and heritage**

venue of distinction, as well as reflecting the fact that the Council House is the democratic centre of the City.

- 2) That the feasibility study should cover the following areas:
 - a) A market test to ensure that proposals can be viable in a competitive market
 - b) Consideration of the management of the Guildhall, including by an external organisation
 - c) An assessment and audit of vacant and under-used space in the Council House
 - d) The internal catering service.
- 3) To include other cultural and heritage partner organisations within the scope to learn from and share good practice.
- 4) To ensure that changes to the café and Muniment Room are evaluated and lessons learned are included in the feasibility study.
- 5) Once the proposed lease arrangements are concluded, alternative, more appropriate uses for the Muniment Room are considered.
- 6) That a report be submitted to Scrutiny before the Cabinet Members with recommendations arising from the above, within an interim update to the Business, Economy and Enterprise Board in January 2018.

24. **The Destination and Tourism Strategy**

Councillor O'Boyle discussed with the Board how the destination and tourism strategy would be looked at in detail following the result of Coventry's City of Culture Bid.

The Board discussed how they would like to be involved in the draft strategy and that it would be interesting to speak to Andrew Dixon a Cultural Consultant and the Coventry City of Culture Bid Advisor about marketing Coventry.

RESOLVED that the Scrutiny Board requested that the item be considered in more detail in January, 2018 and Andrew Dixon Cultural Consultant and Coventry City of Culture Bid Advisor be invited.

25. **Recommendations from the Digital Strategy Task and Finish Group**

The Scrutiny Board considered a briefing note of the Scrutiny Co-ordinator to inform the Business, Economy and Enterprise Scrutiny Board (3) of the recommendations arising from a select committee style meeting of the Digital Strategy Task and Finish Group with the three main suppliers in the city.

Following on from the Digital Strategy Task and Finish Group that reported during the municipal year 2016-17, the group was extended with the purpose of meeting with the main digital suppliers in the city. Members had the opportunity to question them on their plans and priorities, what the main barriers to these plans and priorities were and what the Council could do to support them in delivering their

plans and priorities. On the 18th October members of the task and finish group (Cllr Brown, Cllr McNicholas, and Cllr Ridley) met separately with CityFibre, Virgin Media and Openreach and BT. Their presentations were summarised in the briefing note and questions raised by members of the Task and Finish Group.

The Business, Economy and Enterprise Scrutiny Board were recommended:

- 1) To fully endorse the progress made on the Digital Strategy and request the Cabinet Member for Jobs and Growth prioritise this work to enable Coventry to become the leading local authority in digital connectivity.
- 2) To encourage all Members to lobby local MP's to address the issues around delays to adoption of highways on large developments
- 3) That the appropriate Cabinet Member consider the possibility of a Members liaison group to look at the issues raised including Section 58 issues.
- 4) That the Cabinet Member for City Services identify ways to speed up the process for adoption of highways to enable access for connectivity.
- 5) That the Cabinet Member for Jobs and Growth ensure that connectivity is considered at the planning stage for large developments.

The Board discussed co-ordinating works on all roads more effectively and 5G developments.

RESOLVED that the Scrutiny Board requested that the recommendations above be amended to include the following:

- 1) **to enable Coventry to become the leading local authority in digital connectivity including the forefront of piloting 5G**
- 2) **to ensure connectivity is considered at the planning stage for any development not just large ones**

26. **Work Programme**

The Board discussed the work programme.

RESOLVED that the Board request that the following be amendments be made:

- 1) **Destination and Tourism be added to January, 2018**
- 2) **Jobs and Economy Strategy be moved**
- 3) **An additional meeting be arranged for February, 2018**

27. **Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved**

There were no other items of business.

(Meeting closed at 12.05 pm)



Coventry City Council

Briefing note

To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 17 January 2018

Subject: Destination Management Strategy

1 Purpose of the Note

- 1.1 To inform the Business, Economy and Enterprise Scrutiny Board of current activity in relation to destination and tourism research and the forthcoming development of a Destination Management Plan for Coventry.
- 1.2 To seek the support and guidance of the Business, Economy and Enterprise Scrutiny Board in the development of the Destination Management Plan for Coventry.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board is recommended:
 - 1) To consider the outcomes of Coventry's Phase 1 tourism research.
 - 2) That, further to planned stakeholder engagement due to take place across January-February 2018, the Board consider a further report with a view to progressing the implementation of a five-year destination management plan for Coventry.

3 Information / Background

- 3.1 Tourism is important to the economy of Coventry. The latest figures available from the Cambridge Model for 2015 show that tourism injected £385 million to the local economy with total visitors of just under 8 million a year and 3.3 million overnight stays. The sector employs some 6,921 Full Time Equivalent posts (FTEs) or around 5.9% of the city's workforce.
- 3.2 Coventry has a strong business tourism offer and the Council has set corporate objectives concerning the development of Coventry as a visitor destination and centre for arts, culture and events. Coventry has both a ten-year partnership Sports Strategy (2014-2024) and ten-year Cultural Strategy (2017-2027).
- 3.3 On 7 December 2017, Coventry was awarded the title of UK City of Culture 2021. The city will also host Netball as part of Birmingham's Commonwealth Games 2022 programme. These events will raise the profile of the city and attract visitors to Coventry from across the UK and internationally.
- 3.4 In the past 18 months, the city has been preparing the ground for delivering a step-change in its tourism profile and offering. In partnership with the City of Culture Trust and research expertise at the University of Warwick, the city has completed a new 12-month visitor profile study and external perceptions research and has additionally mapped its box office attendance to show catchment for cultural events.
- 3.5 In 2017, the city further secured over £2 million in funding through the Great Place Scheme and Cultural Destinations funding (secured by the City of Culture Trust and the city's cultural partners with support from Coventry City Council's cultural capacity building

funding), which will support a programme of activity to promote the city and re-present the city's cultural and heritage offering.

- 3.6 The Great Place and Cultural Destinations partnership programmes will include:
- Further visitor data collection and analysis
 - Marketing activity – including at key transport outlets and hubs
 - A review of the city's visitor web presence and digital capacity
 - Destination website development and enhanced 'what's on' listings
 - A project promoting attractor brands
 - Physical city trails and signage
 - Curated programming and leaflet racks
 - Welcome Training
 - A two-year programme of events engaging local people in culture and heritage including projects in partnership with the BBC and Coventry Telegraph
- 3.7 At a regional level, the West Midlands Growth Company has been created with a regional tourism remit from the West Midlands Mayor. It is well placed to attract national investment from Visit Britain and has already secured resources for international tourism promotion.
- 3.8 Coventry's win of UK City of Culture 2021 has already had a major impact on the city's profile with over 3,000 media and online articles across the UK since the announcement. Based on conservative estimates, the year could attract in excess of 2.5 million additional visitor days. The Commonwealth Games in 2022 will also have impact in the build-up, hosting and legacy for Coventry 2021.
- 3.9 The Council and its partners need to develop and manage any future investment and marketing strategies to ensure that they are delivering value for money, attracting maximum leverage and delivering results across the destination and tourism sector on the back of these exceptional opportunities.
- 3.10 Through the Great Place and Cultural Destinations programme, Coventry has now commenced the process of developing a five-year Destination Management Plan for business and leisure tourism. This will include work to analyse visitor survey, audience, resident and hotel occupancy data; consult with local stakeholders; review patterns of visitor activity and impact through the year; provide comparator data on similar scale destinations; and provide advice on the development of the local tourism and destination sector.
- 3.11 The resultant Destination Management Plan will outline priority actions and support that the destination and tourism sector require, with a particular emphasis on growth within the sector. It will also hopefully inform plans for growth in hotel capacity.
- 3.12 It is recommended that the Business and Enterprise Scrutiny Board consider the outcomes of Coventry's Phase 1 tourism research. It is further recommended that, at a later stage of the development process (further to planned stakeholder engagement due to take place across January-February 2018), the Business and Enterprise Scrutiny Board comment on the structures, roles and partnerships required to deliver destination management functions for the city; with a view to progressing the implementation of a five-year destination management plan for Coventry.

David Nuttall
Head of Service – Sports, Culture, Destination and Business Relationships
Place Directorate
Coventry City Council



Coventry City Council

Briefing note

To: The Business, Economy and Enterprise Scrutiny Board (3)

Date: 17th January 2018

Subject: Coventry Innovation

1 Purpose of the Note

- 1.1 To inform the Business, Economy and Enterprise Scrutiny Board (3) of the various innovative projects that are happening in Coventry

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) are recommended to:
- 1) Consider the information contained in the appendices covering
 - a. The national battery development facility
 - b. Developments in autonomous vehicles
 - c. Progress on light rail and track
 - d. OLEV Ultra Low Emission Taxi Scheme
 - 2) Identify any recommendations for the Cabinet Member

3 Information/Background

- 3.1 Coventry has been successful in being chosen as a locations for several development projects in the area of transport and will enable the city to be at the forefront of innovation.

4 National Battery Manufacturing Development Facility

- 4.1 At their meeting on 5th December 2017, Council agreed to accept the Faraday Challenge funding and act as the accountable body for the National Battery Manufacturing Development Facility.
- 4.2 More and more car manufacturers are announcing their intention to move towards building electric cars, and the demand for batteries will increase sharply over the next ten to twenty years. Currently, expertise in battery development is concentrated in Asia, Germany and the United States, and the UK is lagging behind.
- 4.3 The UK Government announced the Faraday Challenge, part of the Industrial Strategy Fund, during the summer. It aims to fund battery research and development work to ensure that the demand for batteries leads to the creation of jobs here in the UK rather than overseas in battery manufacturing.
- 4.4 One of the strands of the Faraday Challenge aims to bridge the gap between battery research in universities and large-scale battery production by car manufacturers.
- 4.5 The National Battery Manufacturing Development Facility (NBMDF) aims to bridge this gap by providing an environment where universities, SMEs and car manufacturers can collaborate on battery development using state of the art equipment.

- 4.6 The University of Warwick (UoW), Coventry & Warwickshire Local Enterprise Partnership (CWLEP) and Coventry City Council (CCC) have come together to develop a proposition in response to the Faraday Challenge set out by Government. The bid was submitted earlier in the autumn. The partnership has now got through to the final stage of the bidding process and an announcement on the successful bid is expected imminently from Government. We are confident that Coventry & Warwickshire offers the best solution for Government's aspiration in this area.
- 4.7 It has been estimated that the value of the NBMDf's work could be worth as much as £1bn to the economy, and create 10,000 jobs in the West Midlands.
- 4.8 The Council has significant role in making this happen by bringing its expertise to the partnership. This includes financial management, Government liaison, and a strong knowledge and experience in securing, managing and delivering economic development over many years in both Coventry and the wider sub region. In addition, the Council has proven track record in being the accountable body for successful large scale external funding and investment.
- 4.9 The full report that went to Council can be found at Appendix 1, a briefing note update on progress since can be found at Appendix 2.

5 Developments in Autonomous Vehicles

- 5.1 Appendix 3

6 Progress on Light Rail and Track

- 6.1 Members were circulated an interim briefing note on 21st September 2018 on progress so far on Very Light Rail and Track. The objectives of the project are:
- To create an affordable, 21st century, rail based public transport system for Coventry to enable the city to grow;
 - To create a marketable product that can be produced locally to maximise the economic and employment benefits to Coventry and the region;
 - To further enhance Coventry's growing national reputation as a centre for engineering technology and innovation.
- 6.2 More information on this project can be found at Appendix 4.

7 OLEV Ultra Low Emission Taxi Scheme

- 7.1 Following an item on electric vehicles at their meeting on the 26th July 2017, Members established a task and finish group to look in more detail at electric vehicles. Part of this was the OLEV project. More details can be found at Appendix 5.

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A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Cabinet
Council

28th November 2017
5th December 2017

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor O’Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All

Title:

National Battery Manufacturing Development Facility - Faraday Challenge

Is this a key decision?

Yes, as it has the potential to affect all wards within the city and expenditure is in excess of £1m.

Executive Summary:

More and more car manufacturers are announcing their intention to move towards building electric cars, and the demand for batteries will increase sharply over the next ten to twenty years. Currently, expertise in battery development is concentrated in Asia, Germany and the United States, and the UK is lagging behind.

The UK Government announced the Faraday Challenge, part of the Industrial Strategy Fund, during the summer. It aims to fund battery research and development work to ensure that the demand for batteries leads to the creation of jobs here in the UK rather than overseas in battery manufacturing.

One of the strands of the Faraday Challenge aims to bridge the gap between battery research in universities and large-scale battery production by car manufacturers.

The National Battery Manufacturing Development Facility (NBMDF) aims to bridge this gap by providing an environment where universities, SMEs and car manufacturers can collaborate on battery development using state of the art equipment.

The University of Warwick (UoW), Coventry & Warwickshire Local Enterprise Partnership (CWLEP) and Coventry City Council (CCC) have come together to develop a proposition in response to the Faraday Challenge set out by Government. The bid was submitted earlier in the autumn. The partnership has now got through to the final stage of the bidding process and an announcement on the successful bid is expected imminently from Government. We are confident that Coventry & Warwickshire offers the best solution for Government's aspiration in this area.

It has been estimated that the value of the NBMDF's work could be worth as much as £1bn to the economy, and create 10,000 jobs in the West Midlands.

The Council has significant role in making this happen by bringing its expertise to the partnership. This includes financial management, Government liaison, and a strong knowledge and experience in securing, managing and delivering economic development over many years in both Coventry and the wider sub region. In addition, the Council has proven track record in being the accountable body for successful large scale external funding and investment.

Recommendations:

Should the bid be successful, Cabinet is asked to recommend that Council:

- 1) Authorise that the Council accept the Faraday Challenge funding and to act as accountable body on behalf of the Coventry and Warwickshire Local Enterprise Partnership
- 2) Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to accept the terms and conditions of the grant, to enter into the necessary agreement to secure the grant and add to the Capital Programme as necessary
- 3) Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration, to:
 - determine the final content of the relevant business cases required to submit the bid to the West Midlands Combined Authority
 - submit the relevant Strategic Outline Business Cases to the West Midlands Combined Authority in relation to the work packages within the National Battery Manufacturing Development Facility Programme
 - progress the business cases to the final stage in accordance with the Combined Authority's Assurance Framework
- 4) Should the bids to the West Midland Combined Authority be successful; that Coventry City Council enters into the necessary legal documentations to secure the funding required to deliver the National Battery Manufacturing Development Facility Programme

Council is asked to:

- 1) Authorise that the Council accept the Faraday Challenge funding and to act as accountable body on behalf of the Coventry and Warwickshire Local Enterprise Partnership
- 2) Delegate authority to the Deputy Chief Executive (Place) and the Director of Finance and Corporate Services to accept the terms of conditions of the grant, to enter into the necessary agreement to secure the grant and add to the Capital Programme as necessary

- 3) Delegate authority to the Deputy Chief Executive (Place), following consultation with the Cabinet Member for Jobs and Regeneration, to:
- determine the final content of the relevant business cases required to submit the bid to the West Midlands Combined Authority
 - submit the relevant Strategic Outline Business Cases to the West Midlands Combined Authority in relation to the work packages within the National Battery Manufacturing Development Facility Programme
 - progress the business cases to the final stage in accordance with the Combined Authority's Assurance Framework
- 4) Should the bids to the West Midland Combined Authority be successful; that Coventry City Council enters into the necessary legal documentations to secure the funding required to deliver the National Battery Manufacturing Development Facility Programme

List of Appendices included: None

Background papers: None

Other useful documents

Faraday Challenge: <https://youtu.be/TGFRbGij29E>

Has it been or will it be considered by Scrutiny? No

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 – 5 December 2017

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Report title:

1. Context (or background)

- 1.1 In July, the UK Government announced the opening of the Faraday Challenge, a fund designed to ensure that the UK benefits from the rapid developments needed in battery technology to support the electrification of the motor industry over the next twenty years.
- 1.2 One of the strands within the Faraday Challenge is called 'battery scale up'. This theme calls for the establishment of a National Battery Manufacturing Development Facility (NBMDF) which will enable UK businesses to seize the opportunities presented by the transition to a low carbon economy and ensure the UK is one of the best places in the world to undertake the design, development and manufacture of batteries for the electrification of vehicles.
- 1.3 Coventry and Warwickshire Local Enterprise Partnership (CWLEP), and WMG (Warwick University's specialist manufacturing division) who are the preferred partners have developed a proposal to establish the NBMDF and new building in Coventry and Warwickshire.
- 1.4 A local contribution will also be requested through the West Midlands Combined Authority Devo Deal 2, and the proposal has the full support of the West Midlands Mayor.
- 1.5 In its role as accountable body for CWLEP's economic development programmes, the Council's Economic Development Team has been closely involved in the development of the NBMDF proposal, and will enter into the grant agreement with Government in order to secure the funding for the project.
- 1.6 Economic modelling work completed as part of the bid submission process estimates the potential benefit of the NBMDF to the UK economy as approaching £1bn, as it safeguards the UK auto industry against the decline in internal combustion engine manufacturing. The overall European battery supply chain is estimated to grow to £50bn over the next twenty years, and up to 10,000 jobs could be created in the West Midlands as a result.

2. Options considered and recommended proposal

- 2.1 The preferred option is for a consortium consisting of Coventry City Council, CWLEP and WMG to work together to develop a proposal to establish the NBMDF in the area. This option has been selected because it makes the most of the strengths of the three organisations involved in the consortium whilst giving the Council a significant amount of control over the way in which the facility is established, the ability to ensure that all public funding requirements are met, and that the economic development benefits are realised.
- 2.2 An alternative approach would have been for WMG to apply directly to the Faraday Challenge and establish the NBMDF itself without the direct involvement of CCC or CWLEP. Although this option would be attractive in that the benefits of the NBMDF could be secured without presenting any additional costs or risks to the Council, there is a danger that without the direct involvement of CCC and CWLEP, WMG may have found it necessary to locate the facility on a site out of the Coventry area, and the considerable economic development benefits of securing this facility would be lost.
- 2.3 Finally, it may have been possible for the partnership to bid for Faraday Challenge grant, before going out to the market in order to procure an operator for the facility. This option is

not practical because the facility is designed to be a public intervention to ensure that developments in battery technology happen in the UK which private companies would either do overseas or not do at all. Therefore, looking for an existing private operator of the facility on the open market was not a viable option for the partnership. There are also very tight timescales attached to Faraday Challenge funding; the facility must be open within two years of the initial grant award, and it would not be possible to complete such a procurement exercise and still have the facility open during this period.

3. Results of consultation undertaken

- 3.1 In preparation of the bid to the Faraday Challenge, CCC, CWLEP and WMG have consulted widely with the UK auto industry on the need for the NBMDf, and the right way to approach the advances in battery technology that the Faraday Challenge calls for. Over 40 letters of support have been received for the proposal, and representatives from Jaguar Land Rover, Nissan, and battery specialists AGM all joined the presentation team when the project was called to a Government assessment panel in October 2017.
- 3.2 A local stakeholder's event was held at the Coventry and Warwickshire Growth Hub was held for representatives from District Councils, FE colleges, Universities and the Chamber of Commerce in September, and the response from the attendees was overwhelmingly positive.

4. Timetable for implementing this decision

- 4.1 The terms of the Faraday Challenge grant funding say that the facility must be operational within 24 months of the grant award, which was made in November. This requires the partners to take immediate action in order to get the joint venture private Limited Company set up, begin work on planning consents and construction contracts etc. This should allow the building work and fit out to be completed in time to meet the Faraday Challenge deadline for having the facility up and running in late 2019.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

- 5.1.1 The recommendations seek authority to accept grant funding for the purpose of constructing, fitting out the facility and managing the project for the first five years for which the Council will act as accountable body.
- 5.1.2 The exact capital costs are yet to be finalised, but the capital elements of the scheme will need to be added to the Council's capital programme once details are finalised.

5.2 Legal implications

- 5.2.1 There are no legal implications of accepting the Faraday Challenge Grant, other than to fulfil the terms of and conditions of the grant award as set out by Government. The Council's Economic Development Service will be responsible for ensuring that the grant is managed correctly, and Legal Services will provide the necessary support.

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

- 6.1.1 The establishment of the NBMDf will make a significant contribution to the Council Plan. Coventry is already a focal point for the UK auto industry, and securing the NBMDf will

make the area hugely attractive to investors from the industry. The manufacture in Internal Combustion Engines is expected to decline steadily over the next twenty years as more and more car manufacturers plan to move towards electric fleets. It is expected that the market for battery technology in the EU will be worth as much as EUR50Bn during this period, and with the NBMDf operating in Coventry this will provide an excellent incentive for inward investment and job creation, in line with the aims of the Council Plan.

6.2 How is risk being managed?

- 6.2.1 Detailed work on risk management has been completed by the joint CCC-CWLEP-WMG project team, and considerable resources have been devoted to assessing these risks and planning mitigation actions. A risk register compliant with current City Council processes will be completed and made available should the bid be successful.

6.3 What is the impact on the organisation?

- 6.3.1 This project is likely to generate additional work for the Council, and it is anticipated that a new dedicated Project Manager post will be created in order to ensure that the building and equipment procurement happens smoothly over the two-year setup period for the facility. Establishing the NBMDf will also require officer time from existing staff in Finance, Legal and Procurement teams. The costs for both the new posts and existing officer time will be recovered from the Faraday Challenge grant income.

6.4 Equalities / EIA

- 6.4.1 This project is not expected to have any negative equalities impacts. When the joint venture company is established, CCC and CWLEP will place requirements upon the new company to ensure that appropriate equalities impact assessment work takes place as it begins to run its services.

6.5 Implications for (or impact on) the environment

- 6.5.1 This project has the potential to have a positive environmental impact. As the UK auto industry moves to electrification there will be a huge reduction in emissions from road vehicles on the country's road. The work of the NBMDf aims to speed up this transition, and should therefore have a positive environmental impact.

6.6 Implications for partner organisations?

- 6.6.1 Establishing the NBMDf here will allow the University of Warwick and WMG to cement their position among the top universities in the world for advanced engineering and automotive R&D. In turn this will lead to further benefits for the city.

Report author(s):**Name and job title:**

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Directorate:

Place

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Andy Williams	Head of Economic Development	Place	14/11/17	16/11/17
Richard Moon	Director of Property and Project Management	Place	14/11/17	10/11/17
Oluremi Aremu	Major Projects Lead Lawyer	Place	14/11/17	16/11/17
Phil Helm	Finance Manager	Place	14/11/17	16/11/17
Lara Knight	Governance Services Co-ordinator	Place	14/11/17	15/11/17
Mick Burn	Head of Procurement & Commissioning	People	14/11/17	16/11/17
Names of approvers for submission: (officers and members)				
Barry Hastie	Director of Finance & Corporate Services	Place	14/11/17	16/11/17
Julie Newman	Legal Services Manager	Place	14/11/17	16/11/17
Martin Yardley	Deputy Chief Executive	Place	14/11/17	16/11/17
Cllr Jim O'Boyle	Cabinet Member Regeneration & Jobs	n/a	14/11/17	16/11/17

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

Appendix 2

1 Progress on the National Battery Manufacturing Development Facility (NBMF)

- 1.1 In July 2017, the UK Government announced the opening of the Faraday Challenge, a fund designed to ensure that the UK benefits from the rapid developments needed in battery technology to support the electrification of the motor industry over the next twenty years. The Challenge made funding available for a “battery scale up” facility would enable UK businesses to seize the opportunities presented by the transition to a low carbon economy and ensure the UK is one of the best places in the world to undertake the design, development and manufacture of batteries for the electrification of vehicles
- 1.2 Coventry City Council formed a consortium with WMG (Warwick University’s specialist manufacturing division) and CWLEP in order to bid for this funding, and in November, the Secretary of State for Business announced that Coventry and Warwickshire as the successful bidder. £80m in Faraday Challenge Funding has now been awarded to Coventry City Council in its role as accountable body for the consortium.
- 1.3 The NBMDF will be housed in a purpose-built 18,000m² facility in the Coventry and Warwickshire area.
- 1.4 Economic modelling work completed as part of the bid submission process estimates the potential benefit of the NBMDF to the UK economy as approaching £1bn, as it safeguards the UK auto industry against the decline in internal combustion engine manufacturing. The overall European battery supply chain is estimated to grow to £50bn over the next twenty years, and up to 10,000 jobs could be created in the West Midlands as a result.
- 1.5 Since the city’s involvement in the project was approved by Council in December, considerable progress has already been made. The terms of the Faraday Challenge require the NBMDF to be up and running within two years, so all partners in the consortium have been working to get the project up and running as quickly as possible.
 - Details of the Grant Funding Agreement have been finalised with Innovate UK, and the Council has formally entered into this agreement.
 - A Dynamic Purchasing System for Land and Buildings has been set up to allow developers with suitable sites to express an interest in providing the site and building for the NBMDF. This will ensure that the site chosen for the project is compatible with the Council’s public procurement responsibilities.
 - Specifications for the NBMDF’s equipment are being prepared, and work in underway to appoint WMG as the Council’s “procurement agents” to allow their expert input to be used in the procurement of the equipment.
 - Specialist external Legal, Property and State Aid advisors have been appointed.
 - Recruitment is underway for two CCC Project Managers to manage the grant claims process, the Council’s relationship with the funder and to coordinate the work packages that the consortium
- 1.6 The first grant claims will be made in the final quarter of 2017/18, and the next major milestone will be the selection of a developer (and site) in March 2018. Planning submissions will be made shortly afterwards.

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Appendix 3 – Connected and Autonomous Vehicle (CAV) Developments

CAV Testbed

The proposed facility will operate over Coventry, Solihull and Birmingham's highway network and will integrate with virtual (lab based) testing and testing in a controlled off-road environments (such as that provided at Horiba Mira's global test facility off the A5 in Nuneaton) in order to provide a real-world robustness check of the technology developed by vehicle manufactures, their Teir1 supply chain and developers of connected infrastructure technology.

The primary purpose of the test facility is to provide industry users and technology developers with an environment which:

- Can connect to and communicate with test vehicles;
- Has a rich base level of data (test and operational) to enable vehicle performance to be bench marked and assessed;
- Collects fresh data and allows it to be fed back into virtual and earlier development lifecycle stages (to reduce the costs and risks of development);
- Offers a board mix of technical 'use cases' and challenges, covering all those scenarios which a vehicle in wider deployment is likely to encounter (including all junction and road types and mixes of signage and road condition);
- Enables test vehicles to mix 'in-the-wild' with a representative mix of other road users;
- Provides a graduated testing environment prior to wider testing and deployment;
- Provides a place and opportunity for vehicle and technology developers to interact with each other in a facilitated environment;
- Has a strong network of monitoring, evaluation and observational capacity to allow test vehicles to be monitored and their interaction with the environment assessed; and
- Has elements of the road network that can be in operated under restricted conditions (for example limited short night closures of non-critical elements of the network, or allowing specific vehicles in otherwise restricted environments).

It should be noted that there is nothing stopping vehicle developers undertaking testing activity on UK roads anyway without the engagement of highway authorities or connection to the infrastructure (Volvo have been doing this in London). However, this only addresses some aspects of the technology development and does not allow easy testing of features such as interaction with traffic signals, or replacement/replication of road side variable message signs in-vehicle. In isolated testing the ability to monitor and make an assessment the vehicle interaction with its surrounding environment is also limited and a connected test environment provides added value to technology developers.

The design and construction of the facility would be undertaken in detailed liaison with the relevant Highway Authority with full consideration of the technical integration with operational Urban Traffic Management systems. There is good experience of delivering this type of activity already in the testbed area and physical changes on-street will be largely unnoticeable, with the majority of infrastructure investment being in technology in roadside cabinets and in digital infrastructure.

The operation of the test facility would be managed without prejudice to the efficient and effective operation of the highway network. Many of the likely test scenarios would not materially impact normal traffic flow or operation, although occasional temporary road closures in off-peak periods could be of benefit to users if these can be managed without undue disruption (with full costs to be met by the testbed users).

All vehicles using the test facilities will be required to undertake safety testing and checking first in safe off-road test facilities, and any testing undertaken would be required to be undertaken in-line with national guidance established by Government in 2015. Under this companies testing vehicles are required to have full liability cover to their testing and a safety supervisor able to take control of the vehicle at any point.

Local Authorities and Research Organisations, including WMCA / Transport for West Midlands, are funded at 100% meaning there is no match funding required by the Authority and all costs are met.

The detailed feasibility and design work will be undertaken as part of the first funded phase of the project. This will include developing and obtaining all normal approvals for construction activity any necessary traffic regulation orders and safety audits. It is anticipated the design and construction phase would last approximately 2 years from award, which is expected to be in late 2017, with the bulk of construction being in the second year of the programme.

The operational phase would be managed in-line with existing street works and road space booking mechanisms through the consortium acting under a common organisational structure with the other West Midlands test environments. The operational period is expected to be up to 8 years and during this period the test facility will be promoted to prospective users. This will generate usage fees which must be ring-fenced back to the operation, renewal and upgrade of the asset.

Other key CAV projects live in Coventry

UK Autodrive: A large project testing connected and autonomous vehicles on city centre roads. Off-road trials at Mira were completed in mid 2017 and trials through Gosford St and the city centre were undertaken in November 2017 (see video and website: <http://www.ukautodrive.com/uk-autodrive-begins-public-road-trialling-in-coventry/>). The project will undertake further demonstration trials with the small low speed pods and conventional cars in Autumn 2018 before completing.

UK Cite: A large project with Highways England focused on connected vehicle technologies which is testing all emerging Vehicle to Vehicle and Vehicle to Infrastructure technology and developing a clear view of the business case for the eventual exploitation and wider roll-out (see: <https://www.ukcite.co.uk/>). On road testing will be undertaken in Spring 2018 with completion of the project in 2019.

iVMS (intelligent Vehicle Message System): A locally funded CW LEP funded project which is due to complete in March 2018 and which has been developing and testing improved technology over 3 corridors in Coventry to improve the interaction between traffic management systems, vehicles on the corridor and traveller information and travel decisions.

Appendix 4 – Very Light Rail

Background

The aim of this project is to develop and deliver an affordable tram system for Coventry which can be manufactured locally and ultimately marketed to similar sized communities.

Conventional tram systems can cost up to c£100m/km in city centre locations; one of the main driver of costs being the relocation of utilities. As a consequence conventional trams can only be afforded in larger cities/conurbations. The aim is to utilize the lightweighting technology and expertise of the Warwick Manufacturing Group (WMG) and its partners to produce a tram type vehicle with much lower axle loading which reduces or removes the need for the relocation of utilities.

It is also proposed to utilize the battery technology being developed by WMG to remove the need for any overhead wiring and to build in the ability to operate autonomously to reduce operating costs. The target 'all in' cost for Very Light Rail system is £7m/km.

Analysis of existing public transport usage and predicted growth in the city shows that there would be a positive business case for a system in this price range.

The first phase of the project is research and development and this is split into 4 workstreams:

- Vehicle development and production of a demonstrator vehicle (led by WMG)
- Track development and testing (led by WMG)
- Route options and design (led by CCC)
- System operations, system integration (led by Transport for West Midlands - TfWM)

The research and development phase, including testing, is expected to be completed in 2020.

Progress

Vehicle

WMG have completed a feasibility study which has determined that a lightweight vehicle with an axle weight of less than 3 tonnes is feasible and that a demonstrator vehicle can be delivered by Summer 2019 with testing to follow.

The preferred vehicle type would be capable of carrying up to 50 people and able to be operated coupled together to increase carrying capacity. It would also be capable of autonomous operation which would permit the operation of a higher frequency service.

A procurement exercise is underway to commission a partner to work with WMG to further develop, design and build the demonstrator vehicle. The outcome of this exercise should be known by March this year.

Track

A feasibility study on a lightweight track has been completed by WMG. This shows that there are a number of options for a track form that can sit within the top 250-300mm of a road. This means that it should not impact on utilities.

However, there is still the question of obtaining access to the utilities underneath the track for repairs and maintenance. This is a crucial issue for this project and will be a key component of this workstream.

A procurement exercise for an industry partner is planned shortly. The aim is to develop the track in parallel with the vehicle so the two can then be tested in later 2019/2020.

Routes

Two initial routes are being considered: City Centre to University of Warwick via the railway station and City Centre to Walsgrave Hospital.

An initial optioneering study is underway for the University of Warwick route. This study is looking at route options, potential patronage and the likely business case. This is expected to report at the end of February.

A similar study for the Walsgrave Hospital route will be commissioned shortly.

System Operations

TfWM have appointed an 'independent competent person' (ICP) to work with the team on compliance with the multitude of safety operating requirements that the system will need to satisfy.

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- The **Office for Low Emission Vehicles (OLEV) ultra-low emission Taxi Scheme**
- Delivery to be completed by March 2020
- **£1.2m** funding awarded to Coventry City Council
 - **£877.5K towards costs for 39 rapid (50kw)** electric charging posts for electric taxis around the city - Up to 75% of the cost of a chargepoint - the funding contribution will be capped at £37.5k for chargepoints of 43KW and over. The remaining 25% will be matched by the supplier (decided by procuring through OJEU procurement process)
 - **Market testing carried out for 25% private consortium investment to this project:** Seven consortium 100% positive feedback
 - **£323K towards installation costs**
 - By end of 2017, OLEV will provide funding for **top-up grants** towards the purchase of purpose-built electric taxis i.e. LTC's TX5 and Frazer Nash's Metrocab

Aims of the project to:

- Increase the uptake of ultra-low emission vehicles - taxis and private hire vehicles through the project and indirectly raising awareness amongst the general public and local businesses
- Improve air quality in urban areas by reducing the number of diesel vehicles in the city
- Encourage investment in the UK automotive industry – Coventry is the city of electric taxi manufacturing with LTC, Metrocab and ADV Manufacturing building their vehicles and using local supply chains
- Help taxi drivers and private hire operators save money – plug-in vehicles have substantially lower running costs than petrol/diesel equivalents
- Support the local taxi industry

Benefits for Coventry:

- Promoting Coventry's renowned innovation and new technology capability
- Enhancing Coventry's established reputation in the automotive industry
- Boosting new business investment into the area
- Local supply chain impact
- Stimulating further export opportunities
- Promoting jobs, skills, training
- Reducing emissions produced by diesel taxis
- Improvements to air quality and public health

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Agenda Item 6

Business, Economy and Enterprise (3) Work Programme 2017/18

Last updated 14/12/17

Please see page 2 onwards for background to items

Task and Finish Groups
Refreshed Green Space Strategy T&F Report Digital Strategy – Broadband Providers – autumn 2017 Electric Vehicles Charging Points and battery development Canal and Canal Basin
28th June 2017
Informal meeting to discuss work programme
26th July 2017
Select Committee – Public Transport Cabinet Report Electric Vehicle background Work Programme Detail
20th September 2017
Coventry and Warwickshire Growth Deal Jobs and Growth Strategy 2014-17 Coventry Canal and Basin
15th November 2017
Tourism Strategy St Mary's Guildhall Digital Strategy T&F Recommendations
17th January 2018
Coventry Innovation – Battery Plant, Autonomous Vehicles, Light Rail and Track Destination Management Strategy
Thursday 15th February 2018
Economic Growth and Prosperity Strategy 2017-20 Refreshed Green Space Strategy
21st March 2018
Growth Hub/Company Local Enterprise Partnership Electric Vehicles T&F Recommendations
Date to be determined
Outcome of the Bus Lane Review HS2 Canal Basin recommendations D Train visit and briefing
Progress from Select Committee on Public Transport 2016/17
Promoting and Encouraging Bus Usage Congestion and Public Transport Multi-modal ticketing for Public Transport Accessible Transport

Date	Title	Detail	Cabinet Member/ Lead Officer
Task and Finish Groups	Refreshed Green Space Strategy T&F Report	The Green Space Strategy will be refreshed. Members wanted to ensure that recommendations made as a result of the Parks task and finish group were included in the Strategy, as agreed by the Cabinet Member.	Graham Hood Cllr Caan
	Digital Strategy – Broadband Providers – autumn 2017	To meet with the three main broadband providers to discuss access issues across the City including in new housing developments following the conclusion of the CSW Broadband tendering process. This item was identified by the Digital Strategy Task and Finish Group. Invite Cllr R Singh to sit on the Task and Finish Group.	Lisa Commane/ Paul Ward Cllr O'Boyle
	Electric Vehicles Charging Points and battery development	To consider policy development in the provision of charging points and battery development. To take into account the current developments as well as future developments.	Colin Knight Cllr O'Boyle
	Canal and Canal Basin	To look at the issues affecting the canal basin and the 5.5 miles of canal in Coventry. Following an item on City Centre Developments at Scruco on 6 th September this was referred to SB3 for consideration	
28th June 2017	Informal meeting to discuss work programme		
26th July 2017	Select Committee – Public Transport Cabinet Report	To consider the recommendations to Cabinet as a result of the Select Committee on Public Transport held in March 2017	Cllr McNicholas Gennie Holmes
	Electric Vehicle background	Background briefing note to brief Members in preparation for the Select Committee	Colin Knight Cllr O'Boyle
	Work Programme Detail	Following the informal meeting on 28 th July a draft work programme, covering the items discussed	Gennie Holmes
20th September 2017	Coventry and Warwickshire Growth Deal	To consider in more detail the programmes proposed as part of the Coventry and Warwickshire Growth Deal	Andy Williams Cllr O'Boyle
	Jobs and Growth Strategy 2014-17	To consider the final report on the Jobs and Growth Strategy 2014-17 before it goes to Cabinet.	Kim Mawby Cllr O'Boyle

Business, Economy and Enterprise (3) Work Programme 2017/18

Date	Title	Detail	Cabinet Member/ Lead Officer
	Coventry Canal and Basin	To look at the issues affecting the canal basin and the 5.5 miles of canal in Coventry. Following an item on City Centre Developments at Scruco on 6 th September this was referred to SB3 for consideration	Cllr O'Boyle
15th November 2017	Tourism Strategy		David Nuttall
	St Mary's Guildhall	To consider potential options for the best use of the Guildhall. To look in more detail as to how make best use of the asset.	David Nuttall Cllr O'Boyle Cllr Bigham
	Digital Strategy T&F Recommendations	Recommendations arising from the Select Committee with Digital Suppliers	Gennie Holmes/Paul Ward
17th January 2018	Coventry Innovation – Battery Plant, Autonomous Vehicles, Light Rail and Track	To cover developments relating to: Battery Plant Autonomous Vehicles Light Rail and Track	Colin Knight Cllr O'Boyle Cllr Innes Mike Waters – TfWM Andy Williams /Richard Moon
	Destination Management Strategy	To look in more detail at how Coventry can manage and promote its cultural and heritage offer and to invite Andrew Dixon Cultural Consultant and Coventry City of Culture Bid Advisor	David Nuttall Cllr O'Boyle
Thursday 15th February 2018	Economic Growth and Prosperity Strategy 2017-20	To consider the new Jobs and Growth Strategy which will be going to Cabinet in February	Kim Mawby/Andy Williams Cllr O'Boyle
	Refreshed Green Space Strategy	Members of the task and finish group requested a report on the alternative service models proposed as part of the Green Space Strategy Refresh	Graham Hood Andrew Walster Cllr Caan

Date	Title	Detail	Cabinet Member/ Lead Officer
21st March 2018	Growth Hub/Company	To look in more detail at the Growth Hub/Company	
	Local Enterprise Partnership	Members requested a progress report on the work of the Local Enterprise Partnership	Paula Deas Cllr O'Boyle
	Electric Vehicles T&F Recommendations	To consider the recommendations from the task and finish group looking at Electric Vehicles charging points	Cllr O'Boyle
Date to be determined	Outcome of the Bus Lane Review	Following the select committee on public transport last municipal year, Members wanted to look in more detail at the outcome of the bus lane review	Colin Knight Cllr Innes
	HS2	Members requested an update on progress with HS2	Colin Knight
	Canal Basin recommendations	Recommendations from the T&F group on the canal and canal basin	
	D Train visit and briefing	To consider progress on the development of the D train between Coventry and Nuneaton and the implications for NUCKLE	
Progress from Select Committee on Public Transport 2016/17	Promoting and Encouraging Bus Usage	Following the select committee on public transport last municipal year, Members wanted to look in more detail at how to encourage people to use the bus more, especially to address perceived safety issues.	Colin Knight Cllr O'Boyle
	Congestion and Public Transport	Following the select committee on public transport last municipal year, Members wanted to look in more detail at the ways to address the effect congestion and road works have on public transport	Colin Knight Cllr O'Boyle
	Multi-modal ticketing for Public Transport	Arising from the select committee on public transport last municipal year, Members wanted to look in more detail at the possibilities of multi-modal ticketing and for travel cross-boundary, especially with our Combined Authority partners beyond the TfWM area	Colin Knight Cllr O'Boyle

Business, Economy and Enterprise (3) Work Programme 2017/18

Date	Title	Detail	Cabinet Member/ Lead Officer
	Accessible Transport	Following on from the select committee on 15 th March 2017, Members requested a more in-depth look at the accessibility of transport, wider than public transport	Colin Knight/ Andrew Walster

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