



Business, Economy and Enterprise Scrutiny Board (3)

Time and Date

2.00 pm on Wednesday, 2nd December 2020

Place

This meeting will be held remotely. The meeting can be viewed live by pasting this link into your browser: <https://youtu.be/8NHFwcljfuE>.

Public Business

1. **Apologies and Substitutions**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 10)
 - (a) To agree the Minutes of the meeting held on 4th November 2020
 - (b) Matters arising
4. **International Investment, Trade and Overseas Markets** (Pages 11 - 30)
Briefing Note of the Director of Business, Investment and Culture
5. **Work Programme 2020/2021** (Pages 31 - 34)
Report of the Scrutiny Co-ordinator
6. **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

Julie Newman, Director of Law and Governance, Council House, Coventry

Tuesday, 24 November 2020

Note: The person to contact about the agenda and documents for this meeting is Michelle Salmon, Governance Services, Tel: 024 7697 2643, Email: michelle.salmon@coventry.gov.uk

Membership:

Councillors R Ali, G Hayre, M Heaven, T Jandu, R Lancaster, P Male, C Miks (Chair), E Ruane and B Singh

By invitation:

Councillor J O'Boyle (Cabinet Member for Jobs and Regeneration)

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 2.30 pm on Wednesday, 4 November 2020
(Meeting held remotely)

Present:

Members: Councillor C Miks (Chair)
Councillor L Bigham
Councillor M Heaven
Councillor T Jandu
Councillor R Lancaster
Councillor B Singh

Other Members (by invitation):

Councillor J O'Boyle (Cabinet Member for Jobs and Regeneration)
Councillor P Hetherton (Cabinet Member for City Services)

Employees (by Directorate):

Law and Governance G Holmes, M Salmon

Transportation and Highways J Seddon, N Small

Apologies:

Councillor G Hayre
Councillor P Male
Councillor E Ruane
Councillor R Ali (Deputy Cabinet Member for Public Health and Sport) (invited Member)

Public Business

8. Declarations of Interest

There were no disclosable pecuniary interests.

The Business, Economy and Enterprise Scrutiny Board (3) noted that Councillor Bigham was a City Council representative on the West Midlands Combined Authority Transport Delivery Committee.

9. Minutes

The minutes of the meeting held on 23rd September 2020 were agreed as a true record.

Further to minute 4/20 headed 'Employment, Skills and Training', the Business, Economy and Enterprise Scrutiny Board (3) noted that the information that they had requested relating to the breakdown of unemployment data and Kickstart Scheme placements, had been circulated to Members.

Information had also been circulated relating to the 'Gigafactory' and Members were advised to direct any questions they may have on the matter to Steve Weir, the Council's Head of Economic Growth.

10. **Very Light Rail Progress Update**

The Business, Economy and Enterprise Scrutiny Board (3) received a Briefing Note and Presentation of the Director of Transportation and Highways that provided an update on the progress of very light rail (VLR).

Since the last briefing to the Board in December 2019, significant progress on VLR had been made with vehicle assembly underway at NP Aerospace. The vehicle would now be ready for Factory Acceptance Tests to commence in December 2020 and would move to Dudley in February 2021 to undertake 8 weeks of Site Acceptance Testing - the Dudley Innovation Centre Test Track facility and a workshop was currently under construction. The innovations and design within the vehicle were subject to Patent Applications which were currently underway. A key aspiration for the project was to ensure the product developed the manufacturing capability within the region, this would be key to the manufacturing strategy for both the vehicle and track form.

The Board noted that TDI had sourced 67% of the supply chain for the prototype vehicle from the UK.

Significant progress has been made on the track workstream. Since May 2020, significant work has been undertaken to reach an agreed concept to take forward to detailed design. The concept to be progressed was approved at the end of September 2020 and was now in the detailed design phase, expected to be complete by May 2021. Once the design had been approved, component testing would be initiated.

The track concept was subject to a Patent Application and this was underway.

In order to build a Test Track of the new trackform to initiate integrated system testing, further funding was required for which a bid to the DfT was being developed to put forward a case for £8.8m investment to achieve Proof of Concept and progress the route workstream.

Coventry City Council continued to progress the route workstream to develop the first route to University Hospital Coventry and Warwickshire. Utilities and drainage surveys were underway to assess route alignment options and the team were about to commission a package of work to progress the outline design concept. In addition, further feasibility work to explore a potential extension to Ansty Park, had been commissioned as a Park and Ride facility which could increase the Benefit to Cost Ratio of the proposed first route. Funding to continue progress on the workstream was also required and would form part of the DfT bid due to be submitted in late January 2021. To support the submission to DfT, an outline Economic Impact Assessment (EIA) detailing the benefits that VLR would deliver, through enabling R&D, mobilising a new manufacturing sector in the region and providing an attractive affordable rail based system for small cities, had been commissioned.

In parallel to the above, the Authority were progressing work to develop and confirm city-wide transport objectives and future transport needs, taking into consideration last mile solutions (such as cycle super-highways and e-scooters) and how this would integrate with VLR. A VLR network plan would be developed over the coming months.

The Board questioned officers, received responses, and discussed the following issues:

- To secure the track concept, non-disclosure agreements had been put in place and the circulation of information limited, whilst the patent for the track concept was in the application stage.
- The bid for £8.8m investment to achieve Proof of Concept and progress the route workstream, was being submitted in January 2021 - the timescale for the outcome of the bid was unknown at present.
- Sufficient funding was in place for the track concept and building of the track which had been developed by officers with expertise in the field. A Utilities Co-ordinator had also now been employed.
- Plans were in place to ensure the continuation of the project should any delay occur in the receipt of Dft funding.
- There was much interest from industry in the proposals which it was anticipated would generate further funding to support the project.
- A test track from Coventry Rail Station to Bull Yard was proposed but was progressing through a process for placing track on the public highway. This installation would demonstrate how the scheme would fit with the street scene.
- As part of the City of Culture, a Transport Innovation Exhibition would be held which is was hoped would include a Very Light Rail cab mould.
- Important to make the proposals visual to the public and businesses as there was much interest in the project.
- Optimal alignment for the first route from the City Centre to the University Hospital Coventry and Warwickshire was currently being worked up. The second route would be to Ansty Park.
- Dudley had already moved to form the Innovation Centre and Coventry joined them to enable a test track to be created. The joint relationship provided opportunities for joint funding, the use of expertise in the automotive sector, a centre for the building of the vehicle, and cost savings to the authority for progressing the project.
- The scheme would not only provide an innovative transport system but also an economic scheme that would create employment opportunities.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) supports the on-going delivery of the Very Light Rail Programme and has no further recommendations for the Cabinet Member for Jobs and regeneration.

11. **Coventry Local Air Quality Action Plan**

The Business, Economy and Enterprise Scrutiny Board (3) received a report and Presentation of the Director of Transportation and Highways that provided the Board with an update on the Coventry Local Air Quality Action Plan.

The City Council is under Ministerial Direction, issued in February 2020 and entitled Environment Act 1995 (Coventry City Council) Air Quality Direction 2020, to implement the local plan for NO2 compliance.

A Full Business Case for the local plan is to be submitted to the Secretary of State by 31st October 2020 as draft, subject to the Cabinet's approval in December 2020, to enable JAQU to instigate their internal review processes ahead of submission of the final Full Business Case.

Schedule 1 of the Direction set out the detailed package of measures that the Minister was instructing the City Council to implement and reflected the Council's preference not to proceed with a Clean Air Zone. The package of measures included a segregated cycle route between the city centre and Coundon, engagement measures with schools, businesses and local communities aimed at encouraging active and sustainable travel, and a series of highway schemes aimed at reducing congestion and facilitating dynamic traffic management on the routes into the city centre from the west. This included Holyhead Road, where NO2 levels were at their highest.

The Government had provided £24.5 million in grant funding for the implementation of this package, in addition, the Council had secured a further £5.8 million in grant funding from the West Midlands Combined Authority's Transforming Cities Fund for the B4101 Spon End scheme, which formed one of the highway schemes within the package.

Engagement work undertaken on the A4600 corridor in 2018-20 had resulted in increased active travel and mode shift. In schools, car journeys for school travel reduced by 8.5%, transferred to walking, cycling and scooter. Local residents reduced single occupancy car trips by 11%, with an increase in walking and bus trips of 9%.

Other projects that complemented this package included the installation of one of the most extensive networks of electric vehicle charging points in the country, with around 250 charging points installed to date and funding being secured for a further 100. The Council had also worked with National Express and Transport for West Midlands to secure funding for ten electric buses, which began operation in August 2020. The project includes the installation of solar panels and battery storage at the bus depot to enable the power used to run the buses to be generated on site. Further, the Council has secured funding from Highways England for the E-Fleet project, and was in the process of procuring 70 electric vehicles, mostly vans, that would operate as part of the Council's fleet, but would also be available for local businesses to borrow and trial on a "try before you buy" basis.

The main Local Air Quality Action Plan was approved by Cabinet on 21st July 2020, following which officers had been working on the delivery programme of the package with significant progress made, summarised as follows:

- The Coundon Cycle Route had been to consultation, and was approved by Cabinet Member for City Services 7th September 2020. Preparatory works were underway, and a substantive start on scheme construction was

programmed for November 2020 with the first phase of the scheme to be open in mid-2021.

- The impact of COVID-19 upon the operation of schools and businesses had meant that the original plan of starting the engagement programme in September 2020 had been delayed. The engagement programme would fully commence in early 2021 and run to March 2024, beyond compliance, to ensure behaviours were embedded for the longer term.
- Balfour Beatty had been appointed as the programme manager for highway schemes works and design work had commenced. Once detailed designs were prepared, there would be consultation with local communities which would provide an opportunity for a review of the proposals and any amendments to the package of measures to be made. Substantive changes to the package would require to be submitted to Government as a variation to the package that the Council has been directed to deliver, and any such submission would need to have a robust evidence base demonstrating that the amended local plan would still achieve compliance with NO2 legal limits within the shortest possible time.
- The target date for delivery of the measures outlined in the local plan was March 2024, although the infrastructure measures were planned for construction in advance of that date with the Coundon Cycle Route being completed in mid-2021 and the remaining highway measures by late 2021 or early 2022. The timetable was dependent upon the successful completion of a range of statutory processes including land acquisition and Traffic Regulation Orders, as well as on the outcome of the consultation in early 2021.

In summary, the City Council was making good progress with the delivery of the package of measures contained in the local plan, in line with the Ministerial Direction. There were significant risks to the programme for delivery, and there may be a need to request approval from Government for changes to the package as the design and consultation progresses on individual schemes. The submission of the Full Business Case did, however, represent a significant milestone in the delivery of the Local Air Quality Action Plan.

The Board questioned officers, received responses, and discussed the following issues:

- Members welcomed any modal shift to different ways of taking journeys other than motor vehicles
- Heavy goods vehicles using the North side of the City were encouraged to use appropriate routes and not minor/residential roads. Work continued with businesses, including SAT NAV companies, to direct drivers appropriately. Cross boundary work with other Local Authorities and participation in cross boundary consultations was undertaken. This work and monitoring was on-going.
- Engagement work would be undertaken with businesses and schools to obtain information about employee and pupil travel choices and to look at options for modal shift. Work would include looking at Businesses company vehicles and pool cars etc for environmentally friendly options.

- Engagement work with communities would include encouraging the use of cycle routes and walking, to improve air quality and promote health.
- Formal monitoring of air quality was taken through Air Quality Monitoring Stations in the City that automatically monitored levels. Additional monitoring was in place in other areas e.g. Ball Hill. A network of infusion tubes was also monitored regularly.
- Petrol and Diesel vehicles were to be phased out with manufacturers working on alternatives.
- The Local Air Quality Action Plan Full Business Case would be submitted to Cabinet on 1st December 2020. Work on junction 7 of the Ring Road, Upper Hill Street, Holyhead Road and Spon End would begin with the consultation in early 2021, with construction commencing later in 2021.
- National Express monitored the performance and operational parameters of their electric buses – buses were charged overnight to provide power for buses to operate without the need for recharging during their shift.
- The design process for improvements to air quality on the Foleshill Road would include anything that would include the flow of traffic. Important not to divert traffic to create other flow/air quality issues.
- Cycle routes would be considered anywhere across the City.

The Cabinet Member for Jobs and Regeneration indicated that the Board that work on air quality and traffic flow initiatives across the City were progressing well. The Air Quality Action Plan had met the Government Direction and avoided a clear air zone being imposed. There was a great deal of work being undertaken to fit with major green economy proposals across the City with a joined-up approach to many schemes and projects.

Members requested that a report be submitted to a future meeting of the Board relating to the work undertaken with schools to gather information about their travel preferences and proposals to encourage modal shift. They also requested that they be provided with the web link to future Cabinet reports as they were published.

A Briefing Note on the Board's consideration of the presentation would be prepared for consideration by Cabinet when they received the Local Air Quality Action Plan Full Business Case Report in December 2020.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) notes the presentation and briefing note and made no further recommendations to Cabinet Members.

12. **Work Programme 2020/2021**

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) notes the Board's Work Programme for 2020/2021 and that the item originally intended for this meeting relating to 'Two Friargate' will be re-scheduled to a future meeting of the Board once planning permission has been acquired for the development.

13. **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 public business.

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Coventry City Council

Briefing note

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

Date: 2 December 2020

Subject: International Investment, Trade and Overseas Markets

1 Purpose of the Note

1.1 This briefing note has been produced at the request of the Chair of Business, Economy and Enterprise Scrutiny Board (3). The note aims to detail the following, related to Coventry City Council and partnership activity designed to attract international investment and support international trade:

- Previous visit reports:
 1. Germany – Thuringia, September 2019 (Appendix 1 of this report)
 2. MIPIM Asia / China, November 2019 (Appendix 2 of this report)
- Priority International Markets: Investment and Export successes
- Scope of operations to bring investment and jobs into the city
- International Trade: Support work led by Department of International Trade / Chamber of Commerce

2 Recommendations

The Business, Economy and Enterprise Scrutiny Board (3) is recommended to:

- 2.1) Endorse this report
- 2.2) Endorse the Germany Thuringia visit report (Appendix 1 of this report)
- 2.3) Endorse the MIPIM Asia / China visit report (Appendix 2 of this report)

By endorsing these reports the Business, Economy and Enterprise Scrutiny Board (3) confirms its continued support of the work being undertaken by the Economic Development Service to enhance Coventry's international profile, secure Foreign Direct Investment (FDI) and support local companies to access new markets.

3 Background and Information

3.1 Previous visit reports

Appended to this briefing note are two reports detailing the activities and outcomes of previous overseas visits that Coventry City Council staff have participated in.

3.1.1 Germany – Thuringia, September 2019 (Appendix 1)

Please refer to full report back as detailed in Appendix 1 of this report.

3.1.2 MIPIM Asia / China, November 2019 (Appendix 2)

Please refer to full report back as detailed in Appendix 2 of this report.

These visits were completed in 2019. Due to the partnership nature of the visits it took some time to resolve the associated finances in order to ensure an accurate reporting position. This, together with formal meeting and reporting delays enforced by the coronavirus situation accounts for the prolonged period between the visits taking place and the reports being submitted.

3.2 Priority International Markets: Investment and Export analysis

International markets for prioritised activity can be challenging to identify. Analysis of recent successes in terms of source FDI and Export destinations provides an evidence base for regions and markets that have proved beneficial to the Coventry & Warwickshire economy.

3.2.1 Foreign Direct Investment Successes

FDI statistics are reported annually by the Department of International Trade (DIT). Over the last 5 reporting years Foreign Direct Investment has accounted for over 13,000 new jobs being created from over 220 successful investments in Coventry & Warwickshire.

Top 10 source markets for FDI in Coventry & Warwickshire:

Country	Jobs Created	Projects
United States	4048	43
India	3072	26
Germany	2158	31
China	1393	14
Japan	518	19
Italy	359	13
Switzerland	230	2
Ireland	151	2
Austria	142	3
Sweden	130	7

Source: Department for international Trade 2015-2020

3.2.2 Exports

Export intelligence identifies the markets where Coventry & Warwickshire businesses have strong trading relationships. In addition, it is widely accepted that trade is often a pre-cursor to investment. As trade relationships develop, further opportunities for growth and investment follow. The following details the key export markets for Coventry & Warwickshire businesses:

Market
France
Germany
USA
Irish Republic
Worldwide
Spain
Italy
Netherlands
Australia
Canada

Source: Midlands Engine Export Survey 2019

3.3 Scope of operations to bring investment and jobs into the City

[The Economic Growth and Prosperity Strategy for Coventry](#) details the following headline objective under the 'Business' theme:

Promote Coventry to a national and global audience to attract UK and Foreign Investment.

Inward investment attraction is a key activity that sits within the Economic Development Service of Coventry City Council. The primary objective of the Inward Investment service is to attract new business investment and job creation to the City.

The Inward Investment function works to achieve these objectives by:

1. *Actively promoting Coventry as a dynamic and attractive place for investment.*
2. *Identifying and securing beneficial new inward investment through bespoke enquiry management and lead generation.*
3. *Maintaining dialogue with existing investors, providing on-going support through effective account management.*

3.3.1 International Engagement

International activity and representation, either direct or through working with partners is a key tool when promoting the City as an investment destination and generating inward investment leads. This section details some of the foreign direct investment engagement activity undertaken by Coventry City Council and partners:

3.3.1a Department of International Trade

The Department of International Trade (DIT) secures UK and global prosperity by promoting and financing international trade and investment and championing free trade.

From an FDI perspective working in partnership with DIT is essential to ensure maximum exposure for Coventry as an investment destination on a global basis. Through a network of embassies and overseas offices DIT has representatives operating in over 100 markets throughout the world. DIT will lead the engagement and representation in those source markets identified in section 3.2 of the report. This approach maintains overall effective engagement and allows detailed Coventry resource to be directed to specific leads, enquiries and opportunities.

DIT information is constantly reviewed and updated to ensure that their network and the investors they engage with have the latest information regarding sector specialisms, incentives and opportunities in the Coventry area.

When leads and opportunities are generated through the DIT global network we work collaboratively as part of a global virtual team to ensure investor enquiries are responded to in a timely and accurate manner. Bespoke enquiry responses are created for each opportunity to ensure that any foreign investor has the information required to make an informed investment decision. Information examples provided can consist of site and premises searches, labour market information and skills supply, supply chain analysis / contacts, incentive information and soft landing support.

The virtual team then supports the investment process through to completion to ensure the investor benefits from all necessary and relevant support services when establishing their UK investment.

3.3.1b Targeted International Visits / Delegations

International visits are identified on a pragmatic basis and are recommended based on market opportunity, ongoing relationship development or the opportunity to engage directly with a potential investor. Detailed reports for two such examples are highlighted in appendices 1 & 2 of the report.

Such visits are in addition to the regular international commitment at MIPIM. Coventry City Council has been attending the world's leading property development show either in its own right or with the Coventry & Warwickshire partnership for over 25 years. This activity has significantly increased the profile of Coventry with key developers and has been instrumental in delivering positive investments and regeneration schemes within the City.

3.3.1c Twin City relationship development

Coventry has 26 twin city relationships that provide the opportunity for international engagement where activity can be mutually beneficial.

In recent years Coventry has engaged a number of twin cities with a view to exploring economic opportunities, in 2018 and 2019 delegations from Dresden, Cork and neighbouring cities have been welcomed to Coventry to discuss potential collaboration and trade links post Brexit. The most active twin city relationship resulting in economic gain for Coventry is with Jinan, China, which has helped develop our relationship with Geely (parent company of London Electric Vehicle Company, Lotus, Geely Design and Polestar). Geely has continued to be a major investor in the city/region, through the establishment of its new Global HQ for LEVC at Ansty and development of new product lines which now totals over £600m. Geely continues to invest in its other UK automotive brands with the announcement of a new specialist advanced technology centre for Lotus at University of Warwick

Wellesbourne Campus, creating new jobs and keeping the Coventry & Warwickshire at the heart of its UK expansion.

Some twin city relationships are dormant or purely civic, work is now underway to engage with each twin city in the run up to Coventry becoming UK City of Culture. This process will seek to establish where twinning relationships can provide mutually beneficial economic activity going forwards.

3.3.1d Challenges and considerations:

There are several challenges and considerations that will be monitored and influence international engagement activity in the short to medium term. These include:

- **Coronavirus** – when will international activity re-commence in terms of travel, event commitments etc?
- **Brexit / EU Transition** – what will the transition terms be and what will be the associated implications on trade and investment?
- **US election outcome** – what will the UK relationship with the US and will there be a corresponding trade deal?

3.3.1e Opportunities

Given the challenges identified in section 3.3.3d the ongoing approach to international activity to support FDI needs to be pragmatic and agile with the ability to direct resources wherever significant opportunities present themselves.

In order to identify and proactively develop opportunities work must continue to promote Coventry, its sector strengths and investment opportunities either through direct marketing or through key partners and intermediaries.

International markets with sector specialisms aligned to Coventry will also be engaged through partners, intermediaries and direct engagement where possible.

Key activities will also be aligned to target sectors and priorities. One such example would be the commitment to secure a major Gigafactory investment in Coventry & Warwickshire. The engagements and knowledge derived from the two visits detailed in appendices 1 & 2 and associated follow-up has provided invaluable information in developing our understanding of what battery manufacturers require in a site selection process. This is now a key strategic priority for Coventry and we are well equipped to deliver a significant investment of this type. Here, probable investors will be global businesses and it will be vital to engage these businesses in their home markets in order to secure an investment commitment.

3.4 Trade Support: DIT / Chamber of Commerce

Export support and advice is provided to Coventry businesses in partnership through DIT advisors based at the Coventry and Warwickshire Chamber of Commerce. This section provides an update on activities and services offered as supplied by James Ahearne, Export Academy Team Leader – Coventry & Warwickshire:

DIT maintains its existing complement of International Trade Advisers' in Coventry and Warwickshire who are on hand to support businesses to help them develop export markets and access the DIT Global Networks.

As a result of the Covid-19 situation planned events and activities for the year have largely been moved to an online digital format.

3.4.1 'Levelling Up' – new support available from DIT

Under the UK Governments 'Levelling Up' agenda £38 million is being made available to support nearly 8000 small UK businesses to sell their products and services around the world. This will see a number of service enhancements in Coventry & Warwickshire and the wider West Midlands. Such as:

3.4.2 The Export Academy

The new Export Academy from the Department for International Trade (DIT) gives small and micro-businesses the chance to learn how to sell to customers around the world with confidence. Learning directly from experts in international trade, this free course will help businesses to grow their international sales. Support available via the scheme includes:

- 1:1 support to develop an export action plan
- Access to the export academy series of online webinars
- Access to a series of more intensive half-day workshops and 1:1 support covering key issues: market research, international marketing and getting goods to market (export procedures)

DIT are actively consulting with Coventry City Council, Warwickshire County Council and the Coventry & Warwickshire Growth Hub on a locally based event for new exporters that is tailored to the sector priorities for Coventry & Warwickshire. In the context of Covid-19 recovery and the end of the Transition Period this will support and encourage firms to look for business opportunities in international markets.

3.4.3 New Sector and Specialist Advisers

A number of new sector and specialist advisers have been recruited for the West Midlands region to assist businesses on critical issues in 2020 and beyond:

Specialist Advisers:

- **Customs & Logistics Adviser (C&W based)**
- Complex Markets Adviser
- FMCG Sector Adviser
- Digital Advisers
- Future Mobility Sector Adviser
- Language & Culture
- Service Sector Adviser

LEP Cluster Advisers:

- **Coventry & Warwickshire – Advanced Manufacturing**
- Gtr Birmingham - Business & Prof
- Worcestershire – Food & Drink

- Black Country – Clean Growth
- Staffs & Stoke on Trent – Advanced Manufacturing
- Defence & Cyber Security

3.4.3 Transition:

DIT continues to work to raise awareness of the changes to be expected at the end of the Transition period in January 2021. Locally, we are actively engaging with businesses to help them prepare for whatever outcome we face in January.

It is worth noting that regardless of the outcome of trade talks there are a number of clear steps businesses can take now to get ready such as registering for an Economic Operators Registration and Identification (EORI) number (needed to move goods between the UK and non-EU countries), preparing to make customs declarations and reviewing their International Commercial Terms (Incoterms). We are encouraging as many businesses as possible to take these steps now.

3.4.4 Chamber of Commerce Developments:

Coventry & Warwickshire Chamber of Commerce has launched its new Customs Declaration Service. This is anticipation of an expected increase in demand for customs declarations when the UK leaves the Single Market and Customs Union in January 2021. This is available through their website and at the address below.

<https://www.cw-chamber.co.uk/international-trade/coventry-warwickshire-eu-transition-hub/customs-declaration-services/>

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Organisation: Coventry City Council

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

Date: 2 December 2020

Subject: Report Back on 2019 Thuringia, Germany Visit

1 Purpose of the Note

To provide a report following the Coventry & Warwickshire partnership visit to the Thuringia region in Germany. The partnership delegation consisted of representatives from Coventry City Council, Coventry & Warwickshire Chamber, Coventry & Warwickshire Growth Hub and Warwickshire County Council.

2 Recommendations

The Business, Economy and Enterprise Scrutiny Board (3) is recommended to endorse this report and confirm its continued support of the work being undertaken by the Economic Development Service in partnership to enhance Coventry's international profile, secure Foreign Direct Investment (FDI), Capital Investment (CI) and support local companies to access new markets.

3 Information / Background

3.1 Background / Purpose:

Thuringia is a central region in Germany with a population of 2.14 million. The area has been identified as a key area of central / eastern Germany that could provide opportunity through the development of a relationship with Coventry & Warwickshire.

Thuringia is an area where:

- Automotive is a priority sector
- Has a mixture of key automotive Original Equipment Manufacturers (OEM's), tier 1's and a long tail of SME suppliers
- Has a focus on innovation and R&D
- Thuringia has recently secured a successful investment from a Chinese Battery Manufacturer

This partnership fact finding visit to the region served to develop the potential relationship with a view to establishing a collaborative approach to bi-lateral trade and investment.

Key activities to be undertaken as part of the visit were:

- To understand the Thuringia region with a focus on the automotive industry and the opportunities it presents for trade & investment.
- To present Coventry & Warwickshire as a key location for automotive activity, R&D and business location.
- Explore opportunities for business, political and academic links both ways
- Learn from battery manufacturer case study
- Consider a future programme of mutually beneficial activity

3.2 Delegation:

- **John Norton**, Business Development Manager (Investment & Skills), Coventry City Council
- **James Ahearne**, International Trade Hub Manager, Coventry & Warwickshire Chamber of Commerce
- **Ian Flynn**, Inward Investment Manager, Warwickshire County Council
- **Sarah Pagan**, Business Development Manager, Coventry & Warwickshire Local Enterprise Growth Hub

3.3 Dates of visit:

Tuesday 24th September to Thursday 26th September 2019

3.4 Itinerary:

Tuesday 24th September	<ul style="list-style-type: none"> • Afternoon flight, Birmingham to Frankfurt • Train from Frankfurt Airport to Erfurt • Evening arrival at hotel and welcome by LEG Thüringen
Wednesday 25th September	<ul style="list-style-type: none"> • Meeting at LEG Thüringen, Erfurt <ul style="list-style-type: none"> - Introduction to LEG Thüringen and its investment, export and cluster promotion teams - Coventry & Warwickshire presentation (sector specialisms, opportunities and investment support services) - Information exchange: expectations, challenges, Brexit, synergies for mutual co-operation - Introduction to Automotive Thüringen, the local automotive cluster - CATL case study: attracting a chinese battery manufacturer to Thuringia. • Visit to Ilmenau University of Technology <ul style="list-style-type: none"> - Thuringian Innovation Centre for Mobility. • Meeting with Thuringia Tourism Office <ul style="list-style-type: none"> - Evening tour of Erfurt
Thursday 25th September	<ul style="list-style-type: none"> • Visit to N3 Engine Overhaul Services <ul style="list-style-type: none"> ○ Example of successful business investment support • Visit to Centre for Energy and Environmental Chemistry (CEEC), Jena <ul style="list-style-type: none"> ○ R&D centre developing next generation battery technology ○ Opportunity to present UK Battery Industrialisation Centre (UKBIC) specialisms • Train from Erfurt to Frankfurt Airport • Return Flight, Frankfurt to Birmingham

4 Cost of Attending

	Costs Approved by Cabinet/Cabinet Member	Total of Actual Costs
Accommodation (2 nights)	£180.00	£179.88
Travel (Flights, Train, Parking)	£440.00	£461.83
Subsistence / other	£80.00	£8.03
Total	£700.00	£649.74

The above table outlines the total cost of Coventry City Council's involvement in supporting this visit. Actual costs were £50.26 under the costs approved. Flight costs increased slightly between approval and actual booking hence the slight overspend in this category.

5 Findings & Opportunities

LEG Thüringen:

The economic development agency for Thuringia. A useful agency to develop an ongoing relationship with. Thuringia is very similar to Coventry & Warwickshire in terms of sector specialisms, automotive supply chain and R&D activity. Such a relationship would provide a platform to develop future activity that could support bi-lateral trade and investment. The relationship would also provide valuable links and information that could benefit activity post-brexit.

CATL Case Study:

CATL is a Chinese company that is one of the world's leading battery manufacturers producing lithium-ion batteries primarily for use in electric vehicles. CATL has committed to a \$2 billion investment at a 70-hectare site on Thuringia's largest industrial area at Arnstadt. The facility is a phased development that will create 2000 jobs by 2024.

Key success criteria for winning the investment:

- A readily available site for sale with appropriate planning permissions
- Readily available power supply for initial requirements, that can be upgraded as development phases progress
- Proximity to OEM's and key transport links (Arnstadt is at a crossroads of two of Germany's main motorways)

Engagement with CATL was at the highest level in terms of local ministers and company management. The engagement process took approximately 12 months to secure the initial commitment and required several visits to the company HQ in China before a deal was finalised.

Key elements of support included:

- Links to local R&D
- Links to OEM demand
- A funded training programme for employees

The successful investment has generated additional interest in the area as an investment location from companies with activities ranging from parts and component suppliers through to recyclers.

In addition to the direct company engagement and support provided to CATL, LEG Thüringen is also ensuring existing companies in the locality are being engaged and briefed on the activity ahead of the CATL arrival. There has been concerns from the local business community

regarding the potential drain on skilled labour and increases in traffic. Regular briefings / clinics are held with the companies locally to alleviate these concerns.

The case study is a valuable example of the engagement process and support required to secure a key strategic investment of this type. It is an example of best practice that is being used to inform activity to bring a similar investment of this type to Coventry & Warwickshire.

Automotive Cluster: Automotive Thüringen is a network of 92 companies that is managed by a single cluster manager. Key objectives for the cluster are:

- Supporting the global competitiveness of the local automotive sector
- Knowledge exchange and events
- Managing the network and supporting its access to national and international networks and OEMS
- Managing the presence of the local automotive sector at national and international events and trade fairs
- Training and development
- Coordination of pilot projects and collaborations in sector specialist and local working groups

The cluster is similar to the Drive Midlands network that represented automotive companies in the Midlands. There could be an opportunity for Coventry & Warwickshire, as the key automotive region in the UK, to develop a similar style of cluster.

University / R&D strengths:

Thuringia is home to 10 HE facilities with 55,000 students attending in total.

- TU Ilmenau is completing extensive research in signalling, 5G networks and Connected Autonomous Vehicle (CAV) testing
- The University of Jena is a highly recognised institution that is completing pioneering research in polymer battery development.
- The R&D capabilities in Thuringia are complimentary to those in Coventry & Warwickshire. The UK Battery Industrialisation Centre is of key interest to specialists in the area and an introduction has been made.

Tourism:

Whilst there is no direct economic development opportunity it was noted that tourism is a growing opportunity for the Thuringia area. There is a clearly marked “package” trip for visitors looking to visit the region: Eisenach – Gotha – Erfurt – Weimar. Erfurt has also been voted as the prettiest Christmas Market in Germany.

6. Follow up work and future activity

Since the visit took place work has continued to develop the relationship with LEG Thuringen and the Thuringia region. LEG Thuringen representatives visited Coventry & Warwickshire in February 2020 and met with several local companies that are looking for opportunities to export goods to the German region. The Thuringian delegation also met with representatives from UKBIC to learn more about the facility and the specialisms that are being developed locally.

Ongoing engagement has slowed somewhat due to the unforeseen coronavirus circumstances. However, communication is being maintained and opportunities are being considered for future activity that can take place as and when the global health circumstances allow. This would initially be a visit of companies from the Automotive Cluster in Thuringia as a trade delegation – providing the opportunity for the businesses to visit and link up with local automotive companies to discuss potential trade. It would also provide the opportunity to promote Coventry & Warwickshire as a potential investment location should a UK facility be required.

List of background papers

Proper Officer:

Andy Williams
Director, Business Investment & Culture

Author:

John Norton
Business Development Manager – Inward Investment & Skills, Economic Development Service
Tel Number: 024 7697 2419
(Any enquiries should be directed to the above)

Papers open to public inspection:

Description of paper:

Attendance at Conference/Seminar

Approved by Cabinet Member 9th September 2019

Location of paper: CH79

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

Date: 2 December 2020

Subject: Report Back on MIPIM Asia/Mainland China Investment Mission - November 2019

1 Purpose of the Note

To provide a detailed report following the Investment Mission Coventry City Council delivered and attended alongside West Midlands Growth Company, Birmingham City Council and City of Wolverhampton Council.

2 Recommendations

The Business, Economy and Enterprise Scrutiny Board (3) is recommended to endorse this report and confirm its continued support of the work being undertaken by the Economic Development Service to enhance Coventry's international profile, secure Foreign Direct Investment (FDI) and support local companies to access new markets.

3 Information/Background

Introduction

The Council has played and will continue to play a significant role in attracting Foreign Direct Investment (FDI) to Coventry and its surrounding economy. Working with other key stakeholders and local businesses we are able to offer a coherent and attractive investment proposition to potential investors.

It has been accepted that FDI often comes as a result of existing trade links and the investment in relationships, particularly with Chinese companies, and is why one of the focuses of this visit was to promote not only the investment opportunities but also the key capabilities of local companies and support organisations to start the dialogue for investment success.

Coventry City Council, alongside its partners across the West Midlands have been developing a new approach to engaging foreign markets with a view to increasing trade links and capital investment in to the area. The basis of this is through a joined-up approach between Coventry City Council, Birmingham City Council, City of Wolverhampton Council, West Midlands Growth Company and West Midlands Combined Authority.

The purpose of this approach is to present a united front when engaging international investors, allowing us to enhance our investment "offer" through collaborate working.

This was the first visit of its kind led by West Midlands Mayor, Andy Street with representatives from all three WM cities. The visit was to three cities over a working week; Hong Kong (2 days), Hangzhou (1 day) and Shanghai (2 days).

Visit Objectives

The visit crosses over a number of sectors and interests but the core focus was to secure outcomes across the following areas;

- Capital attraction – engage with one of the world’s most active financial markets through high profile investor lunch, speaking slot and a 1:1 meeting programme. Highlight investable options to a funder base that is now moving away from London to the West Midlands and the North East.
- Existing investor relationship engagement - Progress ongoing conversations with specific investors who are already familiar with the region. Set up speculative meetings with local authorities where there is mutual interest.
- Direct flight opportunities – qualify and progress two specific direct flight conversations direct with airlines and senior Hong Kong and Chinese based business leaders.
- Higher education partnerships and recruitment – a chance for interested West Midlands Universities to undertake student recruitment activity in either Hong Kong and/or Shanghai. Build on the extensive existing HE China connections using civic and political leadership as a positive and influential lever.
- Profiling the strength and attractiveness of the West Midlands – increase the awareness of the West Midlands as the key engine for UK growth in an important Asian financial market. Direct engagement with active and credible investors in Hong Kong and Guangdong area. Showcase non-property sector strengths such as regional demographics, Local Industrial Strategy priorities, labour and skills base and current large employers and occupier pipeline.

Delegation

- Andy Williams, Director of Business, Investment & Culture – Coventry City Council
- Ben Yorke, Business Development Advisor – Coventry City Council
- Andy Street, Mayor of the West Midlands
- Neil Rami, Chief Executive – West Midlands Growth Company
- Andrew Dunbar, Head of Investor Relations – West Midlands Growth Company
- Cllr Ian Ward, Leader – Birmingham City Council
- Lloyd Broad, Head of European & International Affairs – Birmingham City Council
- Richard Lawrence, Director of Regeneration – City of Wolverhampton Council
- Tom Screen, Aviation Director – Birmingham Airport

Itinerary

Date	Activity
Sunday 24 th November	Travel to Hong Kong from UK
Monday 25 th November	Arrival in Hong Kong
	Welcome and briefing at the British Consulate-General with Consul General Andrew Heyn, Consul General to Hong Kong & Macao, Director General Trade & Investment, DIT and Karin Rancuret, Head of Inward Investment, DIT
	Lai Sun Group, Meeting with Peter Lam, Chairman
	MIPIIM Asia British Consulate Welcome
	Meeting with Far East Consortium Chairman, Tan Siri Dato David Chi
Tuesday 26 th November	West Midlands Mayor MIPIIM Asia keynote address
	West Midlands MIPIIM Asia Investors' Lunch
	Meeting with Cathay Pacific meeting with Alex Shum, General Manager Planning and Jenna Yu, Head of Passenger Network
	Meeting and site visit Dr George Lam, Chairman and CEO, Peter Yan, Hong Kong Cyber Port
	Roundtable with Eversheds Sutherland Senior Clients
	Hong Kong Science and Technology Parks (HKSTP).

Wednesday 27 th November	Travel to Guangzhou
	Meeting with Shanghai Deputy Consul General Tony Clemson
Thursday 28 th November	Meeting with President of Geely Commercial Vehicle Group, Chairman of LEVC Mr Zhou Jianqun
	Meeting with Wangxian to discuss EV Gigafactory plans
	Travel to Shanghai
	Meeting with Fuyou Group
Friday 29 th November	Meeting with China Eastern Airlines, LI Yangmin, Vice Chairman, President & GM
	Meeting with Confidential Battery Manufacturer
	Meeting with MD of Greentown Real Estate, Dr Sean Huang
Saturday 30 th November	Travel to UK

4 Cost of Attending

	Costs Approved by Cabinet/Cabinet Member	Total of Actual Costs
Total	£20,000.00	£22,140.10

West Midlands Growth Company project managed this visit with a total contribution of £10,000 per delegate paid by each local authority to deliver in full. This covered travel, accommodation, transfers, trade show entry fees and subsistence for each delegate as well as management of individual investor meetings and events to promote the West Midlands.

The increase against the initial budget approved by Cabinet reflects a charge incurred when required to change the delegate name for a CCC officer at short notice. The Director of Project Management & Property Services was originally due to participate, but had to withdraw due to essential urgent matters and meetings in the UK relating to major development projects.

5 Key Outcomes

The purpose of this report is to not only detail the direct outcomes of attendance on this outward mission but also the indirect outcomes, alongside key successes and developments across Coventry & Warwickshire which can be attributed to the increased promotion and presence within the international arena. Included below is a list of high-level outcomes during the mission and since returning to the UK:

Market Feedback

The Hong Kong real estate market has always been keen on investing in to the UK due to legacy connections and their understanding of the UK regulatory systems and advisory capacity. The UK regions are becoming better understood through increased in-market activity and this is especially true of Manchester and Birmingham. The WMGC have been assisting several Hong Kong based financiers and developers in accessing sizeable sites in the region and this is continuing on a positive trajectory.

Meetings were held with three Chinese mainland companies in the battery and EV sector and this has been identified as a priority FDI area for the UK and the WM region in particular with our region being overly reliant on the Auto sector at a time of power supply transformation from combustion to battery/EV tech. Though the WM case for increased manufacturing and

partnership capacity is a credible and convincing one, questions still remain as to the UK Government's scale of support that is needed to secure capital heavy investment of this type. This is critical given that the balance of tech IP knowledge between the UK and China is reversed from the typical UK led IP relationship in this sector with China owning a more sophisticated product.

Coventry led a visit to Geely HQ in Hangzhou to discuss future plans for their UK automotive brands and their continued commitment to Coventry & Warwickshire, maintaining and enhancing the existing relationship we have to position the area correctly for future investment across all Geely brands, including; LEVC, Lotus, Polestar and Geely Design who are already growing their operations.

Subsequent

Discussions continue to take place with the main investors met during this mission and subsequent visits to the UK to explore investment opportunities in more depth have already taken place or are in the pipeline.

We have had the opportunity to provide further detailed propositions for a UK based Gigafactory to those key players engaged throughout the visit and new companies identified thereafter. It has also allowed us to refine our approach based on feedback received, this is a key area of opportunity for us and work continues to secure a major investment in a UK based Gigafactory located in Coventry or the West Midlands.

We continue to engage with our existing investors who repeatedly enforce their commitment to Coventry and the surrounding area through further investment. Most notably through the work of Geely and their UK automotive brands with the launch of the new LEVC Electric Van in March 2020 and a major announcement by Lotus to establish an advanced technology centre at the University of Warwick's Wellesbourne Campus, initially creating a further 130 jobs.

In addition, a new emphasis has been put on developing new sector-based opportunities, particularly around e-sports/competitive gaming, a sector which has grown exponentially in the far east in recent years and is fast becoming a major force across Europe. Coventry is well positioned to take advantage of this, utilising existing knowledge around the digital and creative space, the large gaming cluster based in Leamington Spa, local universities and major event venues. Workshops are being convened with local stakeholders to drive this work forward.

6 Future Activity

The visit was undertaken to build on existing relationships and make new contacts within these key markets while trialling the joined up West Midlands FDi approach. These types of visits are part of our continuously developing inward investment strategy along with other key markets/sectors.

Coventry City Council will continue to work with key stakeholders across Coventry and the West Midlands to actively promote the region as a key investment destination.

List of background papers

Proper Officer:

Andy Williams
Director of Business, Investment & Culture

Author:

Ben Yorke
Business Development Advisor, Economic Development Service
Tel Number: 024 7697 2419
(Any enquiries should be directed to the above)

Other contributors:

John Norton
Business Development Manager, Place
Tel Number: 024 7697 1063

Papers open to public inspection

Description of paper:
Attendance approval at Conference/Seminar
Approved by Cabinet 19 November 2019

Location: CH59

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Agenda Item 5

Business, Economy and Enterprise (3) Work Programme 2020-21

Last updated 18/11/2020

Please see page 2 onwards for background to items

23rd September 2020
Employment, Skills and Training Public Realm Projects
4th November 2020
Very Light Rail Update on Local Air Quality Action Plan
2nd December 2020
International Trade and Overseas Markets
3rd February 2021
24th March 2021 – joint with SB1
Apprenticeship opportunities in Coventry
Suggested items for 2020-21
Support to Small Businesses Retention of Graduates CWLEP Tourism Strategy 2019-2023 City Centre South Two Friargate Digital Skills Active Travel with Schools

Date	Title	Detail	Cabinet Member/ Lead Officer
23rd September 2020	Employment, Skills and Training	To consider the priorities and actions identified to support employment, skills and training, particularly considering the effects of the coronavirus pandemic	Kim Mawby Cllr Maton
	Public Realm Projects	To look at the current public realm projects across the city, particularly in the city centre, in the lead up to City of Culture 2021 and the effects of the lockdown on progress	Jo Shore Cllr Hetherton/Cllr O'Boyle
4th November 2020	Very Light Rail	An update on progress on the development of a Very Light Rail system in Coventry	Colin Knight Nicola Small Cllr O'Boyle
	Update on Local Air Quality Action Plan	Progress on the LAQAP, including consideration of the business plan before Cabinet on 1 st December	John Seddon, Cllrs Caan, Hetherton, O'Boyle
2nd December 2020	International Trade and Overseas Markets	To include the conference reports for China and Hong Kong and Germany. To look at relationships with overseas trade, within context of Brexit. To include contribution from Chamber of Commerce	John Norton Cllr O'Boyle
3rd February 2021			
24th March 2021 – joint with SB1	Apprenticeship opportunities in Coventry	To scrutinise the opportunities across the City with regards to apprenticeships. This includes the City Council and other Anchor institutions within the City.	Cllr Brown/ Cllr Maton/ Cllr O'Boyle/ Sue Newing/ Kirston Nelson/ Andy Williams
Suggested items for 2020-21	Support to Small Businesses	A further report be submitted to the Board providing an update on future funding. The report to include data on: the retention of students to live and work in the City on competition of their degree; graduate business start-ups and a measure of their success, particularly benchmarking against other cities; unsuccessful businesses and the	Stephen Weir Cllr O'Boyle

Date	Title	Detail	Cabinet Member/ Lead Officer
		reason for their failure, including what help the Authority gives to support them and whether there were further measures they could take to support them	
	Retention of Graduates	Representatives from Coventry University and Warwick University be invited to attend the meeting of the Board when the further report is submitted to explain what measures they take to encourage student retention for living and working in the city and the support they offer for graduate business start-ups.	Representatives from the Universities, Stephen Weir Cllr O'Boyle
	CWLEP	A further report be submitted to the Board providing an update on future funding, following the UK's departure from Europe.	Paula Deas Cllr O'Boyle
	Tourism Strategy 2019-2023	A follow up report from the meeting in July – to include information about Purple Flag status and further information on the work being undertaken externally on the promotion of the City.	Val Birchall Cllr O'Boyle
	City Centre South	Progress on development to be considered alongside the Tourism Strategy	Richard Moon Cllr O'Boyle
	Two Friargate	To consider progress on the plans for a second building at Friargate	Richard Moon Cllr O'Boyle
	Digital Skills	To look in more detail at what plans are in place to increase the level of digital skills	Cllr Maton, Cllr Hetherton.
	Active Travel with Schools	Following consideration of the Local Air Quality Action Plan, the Board requested an item on relating to the work undertaken with schools to gather information about their travel preferences and proposals to encourage modal shift	John Seddon Cllr Hetherton

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