



Business, Economy and Enterprise Scrutiny Board (3)

Time and Date

2.00 pm on Wednesday, 26th November 2025

Place

Diamond Rooms 1 and 2 - Council House, Coventry

Public Business**1. Apologies and Substitutions****2. Declarations of Interest****3. Exclusion of Press and Public**

To consider whether to exclude the press and public for the item of private business for the reasons shown in the Briefing Note

4. Minutes (Pages 3 - 6)

(a) To agree the Minutes of the meeting held on 22nd October 2025

(b) Matters arising

5. Report on Progress Made Against Coventry Economic Development and Skills Strategies and Coventry & Warwickshire Economic Plan
(Pages 7 - 66)

Briefing Note of the Director of Regeneration and Economy

6. Work Programme 2025/26 (Pages 67 - 72)

Report of the Scrutiny Co-ordinator

7. Heatline District Heating Update (Pages 73 - 80)

Briefing Note of the Director of People

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

Private Business

9. **Heatline District Heating Update** (Pages 81 - 88)

Briefing Note of the Director of People

(Listing Officer: Lowell Lewis – Email: Lowell.lewis@coventry.gov.uk)

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

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

Tuesday, 18 November 2025

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

Membership:

Councillors P Akhtar, J Blundell, G Lewis, T Jandu, A Kaur, J McNicholas, B Singh, R Singh (Chair) and C E Thomas

By invitation:

Councillor J O'Boyle – Cabinet Member for Jobs, Regeneration and Climate Change
Councillor K Sandhu – Cabinet Member for Education and Skills

Public Access

Any member of the public who would like to attend the meeting in person is encouraged to contact the officer below in advance of the meeting regarding arrangements for public attendance. A guide to attending public meeting can be found here: <https://www.coventry.gov.uk/publicAttendanceMeetings>

Michelle Salmon, Governance Services

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Coventry City Council
Minutes of the Meeting of Business, Economy and Enterprise Scrutiny Board (3)
held at 2.00 pm on Wednesday, 22 October 2025

Present:

Members:

Councillor R Singh (Chair)
Councillor P Akhtar
Councillor J Blundell
Councillor T Jandu
Councillor G Lewis
Councillor J McNicholas
Councillor J O'Boyle
Councillor B Singh
Councillor CE Thomas

Other Members:

Councillor J O'Boyle - Cabinet Member for Jobs, Regeneration and Climate Change

Employees (by Directorate):

Law and Governance S Bennett, G Holmes

Regeneration and Economy A Williams (Director), P Deas

Others Present:

C Crane (Coventry and Warwickshire Chamber)
P McMahon (Destination Coventry)

Public Business

13. Declarations of Interest

There were no disclosable pecuniary interests.

14. Minutes

The Minutes of the Meeting held on 17 September 2025 were agreed and signed as a true record.

There were no matters arising.

15. Destination Coventry

The Scrutiny Board considered a Briefing Note of the Director of Regeneration and Economy which provided an update on progress in establishing Destination Coventry as a sustainable Destination Management Organisation (DMO) for the City, since the last update to the Scrutiny Board in April 2024.

The Scrutiny Board had requested a further report including a performance update reflecting a change to a commercial model of operation, that added value to the local authority contribution to sustain operations.

The Briefing Note provided an update on activity undertaken by the DMO to promote Coventry as a destination for business and leisure tourism, in support of the newly emerging Coventry Tourism Action Plan 2025-2030.

The Scrutiny Board also received a comprehensive presentation at the meeting that provided further information on work undertaken in this regard including:

- Collaborative working between the DMO, Coventry City Council, the Chamber of Commerce and the West Midlands Growth Company.
- The successful re-launch of Destination Coventry in July 2025 and the achievement of key objectives, including reinforcing brand recognition, elevating Destination Coventry's profile within the region and showcasing the organisation as a modern, fit-for-purpose destination management body.
- How the DMO is developing and engaging with the local community and businesses under the new model of operation.
- The two distinctive brands of Visit Coventry and Coventry Bureau.
- Work being undertaken digitally, including the proposed launch of a digital visitor guide in 2026.
- Information regarding the DMO Oversight Board, including the key individuals and governance arrangements.
- Data regarding how, in terms of visitor numbers, Coventry is outpacing other Cities in the West Midlands.
- Key priorities in the collaboration agreement for the current financial year including the creation of a Tourism Action Plan and Strategy 2025-30.
- The proposed alignment of the following three Strategies and work being taken in this regard:
 - Tourism Strategy
 - Major Events Strategy
 - Night-Time Economy
- Scarborough Tourism Economic Activity Monitor (STEAM) latest available data (2023), which is a tourism economic impact model, and which measures how many visitors have come to Coventry.

The Scrutiny Board made comments, asked question and sought assurances on a number of issues, including:

- The importance of the "Coventry market" and how local residents were being targeted. The work undertaken in conjunction with Go CV was noted and welcomed.
- Collaborative work with other organisations, businesses and establishments in the City.
- The use of social media, including Facebook.
- The financial constraints of the DMO and why providing information digitally was more cost effective and provided useful data in terms of user reach.

- The aspiration to develop an App to access the online information when time and resources were available.
- Work being undertaken to enhance the food and drink offer in the City. It was noted that City Centre South would have a beneficial impact in this regard.
- Further information in relation to the STEAM data and the difference between visitor numbers and footfall data.
- The business model of the DMO and how this applies to participating hotels.
- Work being undertaken with train operators to increase service levels to grow visitor numbers. In relation to improving public transport links generally, it was noted that work was being taken in this regard at a regional level including via the West Midlands Combined Authority.
- The use of demographic information to inform decisions and target marketing. It was noted that the DMO would be working with the Council's Insight team in this regard.
- In depth information relating to the website. The Scrutiny Board noted that this was still in the early stages of development and would continue to build and improve over time. The DMO's limited resources were also noted.
- Governance and constitutional arrangements (based on the Nolan principles) and safeguards in place in relation to the DMO Board to ensure transparency and that there are no conflicts of interests.

The Scrutiny Board commended the presentation and the work taken in this regard and requested that the following information be circulated:

- Information regarding visitor numbers for St Mary's Guildhall and The Charterhouse (and whether these have met expectations).
- Triangulation of information between visitor and footfall numbers.
- The Governance and standards of the DMO Board as set out in the handbook and articles provided to all Directors (as referred to in para 4.4 of the Briefing Note).

RESOLVED that the Scrutiny Board:

- 1) Notes and welcomes the contents of the Briefing Note and presentation.**
- 2) Requests that a further progress report be considered in the next Municipal Year and that that update includes clarification on the value for money of the Council's financial contribution to the DMO and up to date data from a variety of sources.**

16. Work Programme 2025/26

The Scrutiny Board noted the Work Programme for 2025/26, including the proposed visit to UKBIC in February/March 2026.

17. **Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

(Meeting closed at 4.10pm)

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

Date: 26 November 2025

Subject: Report on Progress Made Against Coventry Economic Development and Skills Strategies and Coventry & Warwickshire Economic Plan

1 Purpose of the Note

- 1.1 To provide detail on the progress Coventry City Council (CCC) has made on delivering against the key objectives of its Economic Development Strategy and Skills Strategy that were launched in late 2022, as well as the Coventry and Warwickshire Economic Plan which was approved in March 2025. The links to the strategies are as follows:
- Coventry Skills Strategy: <https://www.coventry.gov.uk/employment-support/coventry-skills-strategy>
 - Coventry Economic Development Strategy: <https://www.coventry.gov.uk/council-democracy/economic-development-strategy-2022-2027>
 - Coventry & Warwickshire Economic Plan: Appendix 1.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) is recommended to:
- 1) Consider the content of the briefing note.
 - 2) Identify any recommendations for the Cabinet Member.

3 Economic Context

- 3.1 The UK economy has encountered significant headwinds over the past twelve months that has limited GDP growth. In August 2025, UK GDP was 1.3% higher than it was in the same month the previous year. Inflation has risen steadily in the past 12 months, from 1.7% in September 2024 to 3.8% in September 2025. In that time the Bank of England interest rate has dropped from 4.75% to 4%. Historically high inflation and high interest rates, coupled with persistently elevated energy costs, have made for a challenging business environment over the past twelve months. Increases to the minimum wage and the rate of employers' National Insurance Contributions that came into effect in April this year have proved an additional challenge for businesses, particularly SMEs. The imposition of US tariffs from April this year also led to a period of high uncertainty for UK exporters. While the UK has avoided the most punitive tariff rates, concerns remain in certain sectors, particularly in the steel and automotive industries.

- 3.2 The challenging business environment over the past twelve months has been reflected in the UK labour market. Unemployment has risen from 4.0% in August 2024 to 5.0% in September 2025. Over that time the claimant count in Coventry has fallen from 14,065 to 13,660, suggesting that the local labour market remains robust in the face of national challenges. According to the NatWest Regional Growth Tracker, business activity in the West Midlands has experienced a modest contraction over the past twelve months, from a score of 51.2 in September 2024 to a score of 48.1 in September 2025 (a score above 50 indicates growth). In that time the average score of all twelve UK regions has fallen from 53.2 to 48.6.

4 Skills Strategy

- 4.1 The Skills Strategy was launched in November 2022. It takes a holistic approach to the skills system from early years through to lifelong learning to achieve the best outcomes for our residents and businesses. It serves as a 'Framework for Action' with partners learning and developing creative solutions to skills challenges together to meet our three Strategic Ambitions and the eight priority areas within them:
- **Strategic Ambition 1: A comprehensive, citywide skills offer that raises aspirations and allows each and every resident throughout their lives to reach their full potential.**
 - 1. **Skills Levels:** To improve the overall skills levels of Coventry residents.
 - 2. **Aspiration:** Further develop a skills system that inspires residents to achieve from primary school through to lifelong learning.
 - 3. **Progression Pathways:** Providing a clear line of sight for people to progress through Coventry's skills system.
 - **Strategic Ambition 2: A skills ecosystem which ensures that all, including those most in need, are able to participate in, progress and achieve success.**
 - 4. **Community:** A skills system which meets the needs of all residents and is widely accessed by all Coventry communities, including newly arrived communities.
 - 5. **Inclusion:** A skills system which is fully inclusive and representative of our diverse City.
 - 6. **Highest Needs:** A skills system which supports those most in need, with a 'proportionate universalism' approach, helping people out of poverty and creating a more equal city.
 - **Strategic Ambition 3: A flexible and responsive system that works together with our growing, investing and local businesses to deliver the right skills mix for our dynamic labour market.**
 - 7. **Skills for Business:** A skills system which provides the skills required by Coventry's businesses, both current and future and contributes to economic growth and the prosperity of the city and region.
 - 8. **Social Value and Sustainability:** A skills system which is well positioned to maximise increased commitment to social justice, respect, community, and responsibility including Coventry's commitment to tackling climate change.

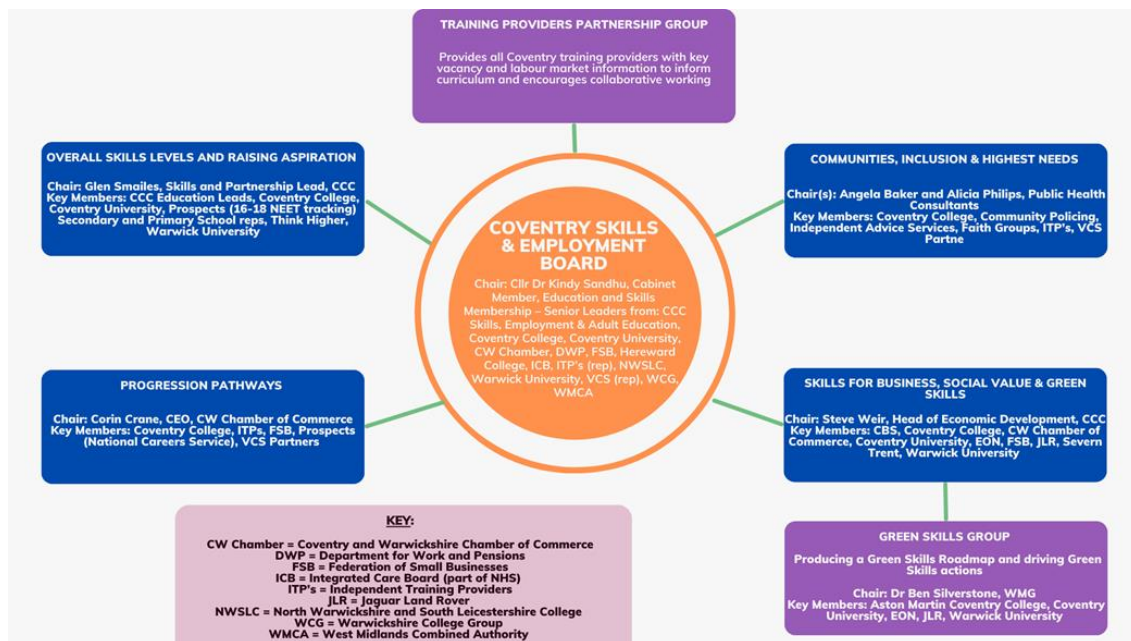
Shared Goals with the Economic Development Strategy

The Skills Strategy is fully integrated with Coventry City Council's Economic Development Strategy 2022-2027. Through the two strategies we will achieve three common goals:

1. **Getting the skills and opportunities right for investment:** Develop a 'team around' approach for investments and large developments with expertise brought together from across the Council to ensure early, comprehensive planning better meets business need and ensures maximum benefit for Coventry
2. **Co-designing skills solutions with businesses:** Designing together with industry and skills partners to ensure the skills system is responsive, innovative and produces the right skills mix for now and the future. This includes supporting employers to maximise social value commitments.
3. **In-work upskilling with local employers:** Collaborations which encourage access to skills and workplace development at all levels.

4.2 **The Coventry Skills and Employment Board:** Oversees the delivery of the city's Skills Strategy and its four 'Framework for Action' Groups. Chaired by Cllr Dr Kindy Sandhu, the Board provides strategic direction and support across all employment and skills initiatives in Coventry, holding key stakeholders accountable. Over the past two years, the Board has achieved the following:

- **Secured and Shaped Over £21 Million Annually in Employment & Skills Funding:** Ensured sustained investment in Coventry residents through strategic funding streams that support inclusive growth, lifelong learning, and pathways into quality employment.
- **Achieved Full WMCA/CCC Co-Commissioning Commitment (from April 2026):** Successfully lobbied for a joint commissioning model with WMCA, unlocking more locally tailored provision and improving outcomes for Coventry residents.
- **Enabled Coventry College's Ofsted 'Good' Rating:** Worked closely with the college to reshape provision around resident needs, strengthen employer partnerships, launch future-focused skills panels, and develop innovative green skills programmes – all contributing to the improved Ofsted outcome.
- **Delivered Over 1,600 Residents into High-Quality Paid Employment:** Through the Coventry Job Shop, supported residents into meaningful work and expanded reach via Coventry Job Fest, engaging 1,700 residents across three vibrant community events.
- **Launched 'Connect to Work' and 'Youth Trailblazer' Programmes:** Introduced intensive, person-centred support for economically inactive young people, including those with disabilities and health conditions. Programmes offer holistic job coaching and subsidised paid placements to unlock potential and build confidence.
- **Strengthened Anchor Employer Partnerships:** From opening NHS career pathways and supporting unemployed residents through Severn Trent's Job Rotation and Youth Trailblazer schemes, to delivering innovative VR workshops at the Job Shop, E.ON-led sessions and developing new Supported Internship collaborations with JLR – the Job Shop is driving forward impactful employer-led initiatives that create real opportunities for Coventry residents.
- **Governance Visual:** The below visual shows the Governance Structure for the Skills Strategy including the four 'Framework for Action Groups'. The visual below shows Group Chairs, key members, hierarchy and relationships.



4.3 The key Skills Strategy Framework for Action activity and achievements in 2024/25 were:

- **Launched the Green Skills Roadmap (Jan 2025):** In partnership with the University of Warwick and key stakeholders, providing a strategic framework to embed and grow green skills across education and business. Community input was strengthened through a consultation with Coventry Green New Deal in Nov 2025, ensuring local voices shape the framework.
- **Accelerated Green Skills Momentum:** Delivered Primary and Secondary Green Skills Summits, enhanced school resources, trained Careers and Business Advisors, launched Sustainability Leadership Training, launched schools 'Green Team' award, and expanded Retrofit skills provision at Coventry College.
- **Expanded Primary School Aspirations:** February's *Primary Aspirations Week* engaged 1,000+ children in person and 2,500+ online. Employers including JLR, Severn Trent, NHS, EON, and Coventry Building Society delivered inspiring, hands-on activities.
- **Summer Holiday Food Activity Skills Clubs – Inspiring the Next Generation:** Over 50 young people, aged between 8 and 16, gained hands-on trade skills this summer through HAF clubs, exploring plumbing, welding, tiling, carpentry, and flooring - sparking creativity, confidence, and practical know-how for the future.
- **Implemented Coventry Alternative Provision (CAP) Model:** Supported rollout of a graduated, multi-tiered framework offering tailored support for students struggling in mainstream education. Currently supports 495 young people across 70 schools and 34 providers.
- **Built 6 Sector Pathways – 5 More in Development:** Co-designed with employers, visual career pathways in Construction, Electrification, Hospitality, Creative (Film & Theatre), Primary Education, and Logistics. Available in multiple formats including AI-enhanced audio, supporting both schools and adult learners.
- **Maintained Low NEET & Not Known Rates (16–18):** Strong partnership working has kept Coventry's NEET and Not Known rates well below national and regional averages.
- **Strengthened SEND Employment Programmes:** Coventry Adult Education Service continues to grow *Step Into* and *Supported Internship* programmes,

supporting up to 40 young adults with SEND annually. New employer partners include Amazon (80% progression rate) and Coventry City Council, with placements in Bereavement, Waste, and Parks services.

- **Improved Adult Education Outcomes:** Strengthened links between training providers and the Job Shop have improved learner tracking and employer engagement, reducing non-progression rates by 6%.
- **Ensured a Region-Leading Adult Education Service:** In the 2024/25 academic year, Coventry Adult Education supported over 7,500 learners, surpassing its WMCA target. An additional 1,000 learners also received high-quality support through DfE-funded programmes – including 16–19 study routes, apprenticeships, and specialist provision for migrants and refugees, delivered through Home Office funding and a partnership with SEGRO who provided social value funding.
- **Widening Access to Civil Service Careers:** The Job Shop, in partnership with the FDA Trade Union, delivered the Public Sector Development and Mentoring Scheme - supporting over 60 participants with tailored sessions on applications, success profiles, and behaviour-based interviews. This initiative has already achieved six job outcomes in tax, law, and energy, despite some roles attracting over 30,000 applicants - demonstrating the programme's effectiveness.
- **Taken Action on Graduate Retention through Coventry University's 'Discover Coventry' Programme:** Helped launch a graduate retention initiative connecting students to the city. Post-grad research informed future development, with joint events planned for Spring 2026.
- **Amplified Resident Voice:** Thousands of residents continue to shape local skills provision through our Annual Skills Surveys, ensuring programmes reflect community needs.
- **Increased Employer Co-Designed Courses:** Skills mapping and employer engagement have driven growth in *Into Employment* programmes, including:
 - **Sector Work Academy Programmes** (Level 1–2): Fast-track unemployed residents into jobs.
 - **Skills Bootcamps** (Level 3): Upskill low-paid workers or support unemployed residents into new roles.

5 Economic Development Strategy

5.1 The Economic Development Strategy was launched in October 2022. It acts as the framework for creating a strong and resilient economy, where inclusive growth is promoted and delivered, businesses are enabled to innovate and grow, and new local jobs are created. The Strategy covers 8 priority areas:

1. **Deliver a sustainable economic recovery from the COVID-19 pandemic and challenging economic climate** driven by inflation, the rising cost of living and cost of doing business, and international trade and supply chain challenges.
2. **Deliver a first-class support infrastructure** that responds to our businesses' needs and opportunities.
3. **Secure maximum public and private investment to deliver infrastructure projects** that create the conditions for economic growth, job creation and that can "level up" Coventry's neighbourhoods.
4. Secure job creation, growth and prosperity for Coventry through **attracting and supporting business investment from both the UK and overseas.**

5. Ensure that **social value and sustainability** are incorporated into all of our Economic Development work.
 6. Support the **development of a skills ecosystem which provides the skills required by Coventry's businesses**, both current and future, and contributes to economic growth and the prosperity of the city.
 7. **Ensure Coventry is a leader in the green industrial revolution** by supporting our businesses, residents and partner stakeholders to tackle the challenges and opportunities presented by climate change.
 8. **Build on existing strong partnerships** in delivering all elements of this strategy.
- 5.2 The following sections detail **the key activities carried out to deliver these objectives during 2025/2026**, encompassing our work in supporting businesses to grow, supporting local businesses to improve their energy efficiency and advance their path to net zero, and work to attract new investment into the city.
- 5.3 Following our work with WMCA in establishing **Business Growth WM in Coventry** after the cessation of EU Structural Funds in June 2023, we have continued the strong progress in supporting Coventry businesses to tackle barriers to growth, innovation and their path to net zero through UK Shared Prosperity Fund (UKSPF) activities. Following the delivery of in-depth support to 531 Coventry businesses in 2024/25 (through a Part 1 Diagnostic of their current position and support needs), we have already delivered 257 Part 1 Diagnostics to Coventry SMEs between April and September for the 2025/26 financial year. This is 91% of our overall target for 2025/26 of 283, as the Business Growth WM service has sought to play a stronger emphasis on providing more intensive support to firms that have more potential to transform and/or create more growth and jobs for the regional economy.
- 5.4 We have continued to successfully award grants to enable Coventry SMEs to accelerate vital investments to boost their growth, thereby creating new jobs and/or safeguarding existing jobs. In the 2024/25 FY we paid out £1.15m in grants to Coventry SMEs which yielded £1.52m in private investment and led to the creation of 66 new jobs - this included a £450k top-up to the fund due to high demand from Coventry businesses and CCC's ability to claim funds and outputs promptly. In the first 6 months of 2025/26, we have allocated £306k of the £628k fund, and £106k has already claimed by Coventry SMEs, which has resulted in an additional £176k in investment into growing their business.
- 5.5 We continue to work with our external partners to deliver specialist **Startup and Growth Support and Social Enterprise Support** through CCC's UKSPF allocation. The Startup and Growth support is delivered by CW Chamber of Commerce, and offers a blend of workshops and 1:1 business coaching and mentoring. In 2024/25, CW Chamber engaged with 80 businesses and has engaged with 89 businesses across the first 6 months of 2025/26. The Social Enterprise support is delivered by the Coventry and Warwickshire Cooperative Development Agency (CWDA) and delivers 1:1 advice and a peer-to-peer scheme, and it worked with 34 social enterprises in 2024/25 and 27 social enterprises in the first 6 months of 2025/26. These two services have also assisted a total of 84 potential entrepreneurs to be 'enterprise ready' in 2024/25 and 39 over the first 6 months of 2025/26.

- 5.6 We have also made significant progress in **supporting Coventry businesses on their path to Net Zero and decarbonising their activities** through the Business Energy Advisory Service (BEAS) funds via the Department for Energy Security & Net Zero. The aim is to support businesses across the city to mitigate against raising energy costs through two elements:
- A *free Standard Energy Audit* delivered by our in-house Decarbonisation Business Advisers, which highlights areas of improvement for energy savings and details recommendations on saving money on energy bills. After 151 Coventry SMEs received an Energy Efficiency Audit during 2024/25, we have delivered a further 23 audits to small businesses in Coventry in the first six months of 2025/26 and have 13 currently in progress, against a year-end target of 100. These Audits have collectively supported local businesses to reduce their carbon emissions by 286 tonnes a year. In 2025/26, the funder has only permitted SMEs who consume at least 25 MWh of electricity per year to be eligible for support – for context, in 2024/25, 39% of SMEs receiving an audit consumed less than this figure.
 - *Capital Grants* – if a business decides to take forward one or more of the recommendations highlighted in the energy audits, they can access a grant covering 50% of the costs of such improvements (solar, LED lights, new windows, etc) up to a maximum of £100k, with the business needing to provide the remaining funds. As of 30/9/2025, £167k in BEAS Grants had been awarded, out of the £1.283m allocation, with a strong pipeline of grant projects either in full application or expression of interest stage.
- 5.7 The Economic Development Service continues to deliver **Business Sustain – an environmental consultancy providing chargeable environmental management services** to firms across the West Midlands and beyond. The service supports firms of all sizes and from all industrial sectors to meet current UK legislation relevant to their businesses. This includes complying with management system requirements and maintaining certification, improving pollution control methods, and improving awareness of potential enforcement measures that regulatory agencies might take. By maintaining compliance with the latest regulations, businesses supported both avoid punitive fines and are better placed to win contracts that require strict adherence to environmental regulations.
- 5.8 Through our Invest CW offer in partnership with Warwickshire County Council, we have ensured that **Coventry & Warwickshire remains a very attractive location for inward investment, especially Foreign Direct Investment (FDI)**. The latest data released by DBT shows that in 2024/25 Coventry & Warwickshire attracted a total of 41 FDI projects (representing 32% of the West Midlands region's FDI projects), supporting 2,818 jobs (representing 48% of the West Midlands jobs). Coventry and Warwickshire attracted 65 jobs per project against a national figure of 58 per project. Key sectors for Coventry & Warwickshire included 13 projects for automotive and future mobility, 11 digital creative and software (up from eight last year), eight e-commerce and logistics (four projects last year) and three energy-related projects and two tourism projects. Altogether, the area again accounted for over 20% of UK automotive projects.
- 5.9 **Notable FDI successes for Coventry & Warwickshire in 2024/25 include:** Corona Energy locating in the Bourn building (150 jobs), Octopus Energy expanding in Two Friargate (450 jobs), Nurol Makina (defence company) locating in

Leamington Spa (150 jobs) and several successes from the West Midlands Global Growth Programme: Sanlab (80 jobs), ID Safe Ltd (10 jobs), K Factory (10 jobs) and Xeed (10 jobs).

- 5.10 The FDI data marks another positive landmark for Coventry and Warwickshire. Earlier this year, **FDI Intelligence Magazine recognised the strength of the local area**, placing Coventry & Warwickshire in the top 10 for two categories in its annual FDI European Cities and Regions of the Future Awards 2025. Coventry ranked 9th for Economic Potential and Coventry & Warwickshire ranked 3rd for FDI Strategy. The rankings benchmark European cities and regions according to their economic, financial, and business strengths.
- 5.11 A further key catalyst for attracting additional inward investment from electric vehicles, batteries and wider advanced manufacturing and related supply chains is the **Coventry & Warwick Investment Zone (CWIZ), including Greenpower Park**. The CWIZ is part of the wider West Midlands Investment Zone and covers approximately 240 hectares of land straddling the border of Coventry and Warwick District that is now designated as a tax incentive and business rate retention zone. A separate item on the Investment Zone is on the Scrutiny Board 3 work programme for later in the municipal year.
- 5.12 **£23m of Investment Zone funding** has now been secured to deliver a 30MVA power supply to the site which will enable the first phases of the targeted development to take place at Greenpower Park. Route proving works for the power supply are in the final stages of completion with installation works commencing in November 2025. Works will take just under two years to complete with the new power supply going live in August 2027. Works will then continue to add additional capacity increasing the available power supply to 50MVA by 2029. In parallel, we are working collaboratively with WMCA, the West Midlands Growth Company and landowners / developers to promote the site to key markets and target industries in order to continue to develop a pipeline of potentially interested investors with a view to securing commitment at the site and creating new job opportunities for local residents.
- 5.13 The Investment Zone has also commissioned a **supply chain, R&D and leadership skills programmes** to ensure that local businesses are best supported to diversify and develop in the advanced manufacturing sectors that have been prioritised by the West Midlands Growth Plan and UK Modern Industrial Strategy.
- 5.14 We continue to advance our work in **maximising the social value** from key development projects taking place in the city. Our Economic Development Service has worked with developers on 33 projects across the city in 2024/25, with key impacts being:
- 153 local people employed on site
 - 24 new local apprentice starts
 - 65 hours supporting young people (18–24) into work
 - 9 site visits for school children and local residents
 - 89 staff hours spent on local school and college visits
 - £12m spent in the local supply chain
 - 62 local companies sub-contracted on projects
 - £930,400 donations or in-kind contributions to local community projects

- 9 community organisations supported
- 406 hours of volunteering to support community projects

5.15 We have seen a wide range of community activities from the developers we work with, including financial contributions, donations of books to schools, supporting the Grace Academy Big Build through volunteering and donations, speaking at an International Women's Day event at the Job Shop, and donations to a Children's charity and a bereavement group.

6 The Coventry and Warwickshire Economic Plan

6.1 Approved in March 2025, the Plan provides a foundation for sub-regional activities to **further economic growth through the functional geography of Coventry and Warwickshire**, and notable activities have already taken place in response to the Plan's objectives.

6.2 In May 2025, **CCC, WCC and the CW Growth Hub hosted a roundtable event**, attended by ten local businesses and regional stakeholders and partners to **discuss ways to mitigate the impact of US tariffs**, helping businesses meet the new challenges they faced with international trade. **CCC and WCC have also been working together to grow the sub-region's creative sector** by joining the steering group for the Coventry and Warwickshire Exchange (CWX), supporting the new WM CreaTech Frontiers programme, and supporting the design of VentureFest and Mobile Hub events through the WM Innovation Programme.

6.3 The CW Economic Plan identifies **scale-up growth as a key opportunity** to grow the economy of the sub-region. To that end, CCC has been working with WCC to establish the CW Growth Hub's new CW Peer-to-Peer Network, a dedicated forum for scale-up business leaders. Another key growth area identified in the Plan is the **creation of more employment land**. CCC has been working with WCC and the CW Chamber of Commerce to discuss how such shortages in grow-on space can be addressed in Local Plan processes.

6.4 Most recently, CCC has been working with partners in WCC, WMCA and the CW Chamber to **understand the impacts of September's cyber-attack at Jaguar Land Rover** and subsequent production shutdown on the local economy. We are continuing to monitor the impact on local manufacturing supply chains through surveys facilitated by CW Chamber and evidence emerging from interactions with Business Advisors and will remain active in signposting affected businesses to the various support options available to them.

7 Health Inequalities Impact

7.1 The jobs that have been created for the local economy through these services will play an important role in reducing local health inequalities. Giving local people greater access to good employment will play an important role in improving health, and through the Coventry Job Shop, we are continuing to match as many local residents as possible with new job and training opportunities that are being created. In 2024/25 the Job Shop supported over 1,600 people into work.

7.2 In addition, Coventry City Council's Employment, Skills and Adult Education and Economic Development Services have been working closely with Public Health and the Health Determinants Research Collaboration to raise awareness of 'A Fairer Coventry' among local businesses. We're also drawing on learning from other areas

to explore how we can increase the social value generated through our services – and how best to measure it. Alongside this, we're identifying ways to better target our employment, skills, and enterprise support to reduce inequalities and unlock the potential of residents from deprived communities and traditionally excluded groups, helping them access improved employment or successfully launch new enterprises.

Appendix 1: Coventry and Warwickshire Economic Plan

Steve Weir
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Coventry & Warwickshire Economic Strategy

December 2024

Final draft Final

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Status	Version	Audience	Date
Draft	V1	<ul style="list-style-type: none">Coventry City Council and Warwickshire County Council Officer Steering Group	20.08.24
Draft	V2	<ul style="list-style-type: none">Coventry City Council and Warwickshire County Council Officer Steering Group	06.11.24
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Executive Summary

1: Introduction

This document sets out a new **Economic Strategy for Coventry & Warwickshire**. It has been developed by **Warwickshire County Council and Coventry City Council** – not because government requires it but because the two upper tier local authorities believe that Coventry & Warwickshire has a **pivotal role to play at a sub-national scale that continues to be very important**. The purpose of the strategy is to **chart a course for one of the UK's most significant sub-national economies over the next decade**.

Coventry & Warwickshire can contribute much to the government's growth agenda. There is also a very strong read-across to the **Modern Industrial Strategy Green Paper**, which was published as this document was nearing completion.

2: Coventry & Warwickshire: A strong but evolving economy

Overall, Coventry & Warwickshire performs reasonably strongly, certainly if the benchmarks are defined within the West Midlands. It has substantial assets including: its know-how, skills and labour market (particularly linked to engineering and creativity); its pedigree in terms of research and innovation (with major universities and a range of internationally-significant research organisations with deep engineering specialisms and a renewed commitment to local connections); its cultural and creative assets (including its games development cluster); its places, ranging from Coventry, through Warwickshire's market towns, to the area's countryside; and its location which is internationally significant as well as nationally connected.

However the area is facing challenges and risks too. The risks are real – and they have upside as well as downside dimensions. They signify an economy that is changing in important respects.

Uppermost among these are: Coventry & Warwickshire's faltering performance in terms of the scale-up and growth of early stage businesses; its vulnerability in relation to net zero carbon and the challenges/opportunities associated with electrification; its skills shortages and gaps; its challenges in relation to developable land and commercial floorspace; its housing issues; its wider infrastructural challenges; and its high levels of inequality across different communities and places.

3: A new Economic Strategy for Coventry & Warwickshire

This new **Economic Strategy for Coventry & Warwickshire** has been defined in response. It is structured around **five key Themes** which are **sub-regionally relevant and**

appropriate. They are also **strongly inter-related and synergistic.** They have been identified in order to:

- provide **flexibility and agility** in the context of risk and uncertainty (politically, economically, institutionally)
- distil the core of **what Coventry and Warwickshire needs to ‘do’** (given the area’s assets, opportunities and challenges)
- be **appropriate at a sub-national scale** (given the raft of strategies and plans at both larger and smaller spatial scales)
- allow **real progress to be made** in pursuit an overall **Vision.**

The **Vision and five key Themes** which define the core of the **Economic Strategy** are summarised below.



4: Understanding the five key Themes

Theme 1 is concerned with **supporting and investing in a profound process of industrial restructuring across Coventry & Warwickshire.**

It links to both specific transitions (notably electrification at the core of automotive and aerospace) but also more general processes of industrial change driven by autonomy and automation, AI, etc. Businesses and sectors will need to modernise and adapt if they are to take advantage of new market opportunities. In parallel, people and communities will need to be equipped to respond.

Theme 2 is defined around **processes of creativity and innovation.**

While Coventry & Warwickshire already has clear strengths, there is much more that could be achieved. Theme 2 is intrinsically cross-cutting and cross-sectoral, and the aim is to encourage creativity and innovation across the board, including through tacit forms of knowledge exchange. The wider innovation ecosystem has a role to play in this context, but Theme 2 needs to be understood more broadly. Theme 2 is concerned with cultural and attitudinal dimensions of creativity and innovation – and the benefits that could follow.

Theme 3 links to the effectiveness of the wider innovation ecosystem, but the focus is on **systemic barriers to scale-up** – which is a major challenge for Coventry & Warwickshire.

Theme 3 assumes a high level of creative entrepreneurship and that start-up businesses – of many different forms – are in place; the challenge is unlocking their growth potential. This requires a particular set of intervention priorities, but it is important both in effecting sustainable economic growth and building the resilience of Coventry & Warwickshire as a whole.

Theme 4 is concerned with **Coventry & Warwickshire's 'place in the world'.**

The area has many world-class assets and sectoral specialisms built up over many decades, and these have a global reach – including through international students. It is already a leading inward investment destination; on a per capita basis, it is the leading geography in the UK according to recent national government data. Looking ahead, its growth opportunities need to be global. International trade and export has become more difficult in recent years, but requires support to both SMEs and UK branches of global companies. The focus on international profile also means promoting and growing the area's visitor economy offer to international leisure and business tourists.

Theme 5 is concerned with **infrastructure and major projects.**

Within Coventry & Warwickshire, sustainable economic growth will require infrastructure investment. Some of this is already underway – but progress needs to be sustained and

accelerated. In other cases, there is research to be done, business cases to develop, and funding to be secured. Priorities need to be agreed in line with the Economic Strategy, and then driven forward. More generally, there is a need to research and implement new policy and approaches, and to bring forward new development opportunities if the area's growth is to be realised fully.

5: Advancing the new Economic Strategy for Coventry & Warwickshire

In advancing the Economic Strategy there is no 'silver bullet', nor a significant funding stream to be harnessed and used. However, Coventry City Council and Warwickshire County Council are committed to working together – building on a long track record of successful joint working. They are also committed to working with the districts and boroughs in Warwickshire. Core to this will be an ongoing dialogue – both with each other and wider stakeholders – and a commitment to sharing new evidence and insight as these become available.

The two upper tier authorities will align their own activities behind the strategy wherever it is possible to do so – noting that delivery will rely on a lot of 'influencing' and shaping mainstream processes. At the same time, each council will pursue local priorities too as set out in county and city-level strategies and plans; these have a particular focus on different aspects of employability and inclusion (which need to be advanced as a matter of urgency).

The delivery of this Strategy will rely on developing strong working relationships with others. This includes the West Midlands Combined Authority, neighbouring upper tier authorities and the new government (noting that this Strategy has much to say in relation to the emerging Modern Industrial Strategy). This will be key to making the case and unlocking investment to deliver many of the interventions identified.



1. Introduction

This document sets out a new **Economic Strategy for Coventry & Warwickshire**.

Its purpose is to **chart a course for one of the UK's most significant sub-national economies over the next decade**.

Already, the area is home to approaching a million people and well over 500,000 jobs. The value of its economic output (GVA) is close to £30bn.

The importance of economic growth – and doing it well

Economic growth is a national priority – the new government has made that very clear. But **economic growth does not happen anywhere; it needs to happen somewhere**. Coventry & Warwickshire has the assets, the appetite and the opportunity to respond.

However **economic growth also needs to be done well**. This means it should accompany – or even accelerate – the transition to net zero carbon, recognising that substantial headway needs to be made over the next decade. It also means that achieving more equitable outcomes is a non-negotiable, acknowledging the levels of inequality that continue to exist between different places and communities across Coventry & Warwickshire.

Why this strategy has been developed

Coventry & Warwickshire has had economic strategies before but with major institutional changes over recent years, the status of this one is different.

It has been developed by **Warwickshire County Council and Coventry City Council** – not because government requires it but because the two upper tier local authorities believe that Coventry & Warwickshire has a **pivotal role to play at a sub-national scale that continues to be very important**.

Notwithstanding the administrative boundaries, Coventry & Warwickshire approximates to a functional economic area: this means that many of Coventry's businesses rely on workers who live in Warwickshire (and *vice versa*), and the area's growing innovation ecosystem – which is a core part of its future economic growth narrative – can only be understood in relation to the area as a whole.

How it fits with other strategic statements

This statement of economic ambition sits alongside a suite of other strategies and plans. These are wholly complementary: most have been developed at different scales for different purposes and/or with different foci.

The suite of complementary strategies (illustrated below) includes statements developed individually by each of Coventry City Council and Warwickshire County Council. Also relevant are the key strategic statements from the West Midlands Combined Authority, particularly the **West Midlands Plan for Growth**. Wider regional level statements are significant too – most notably the

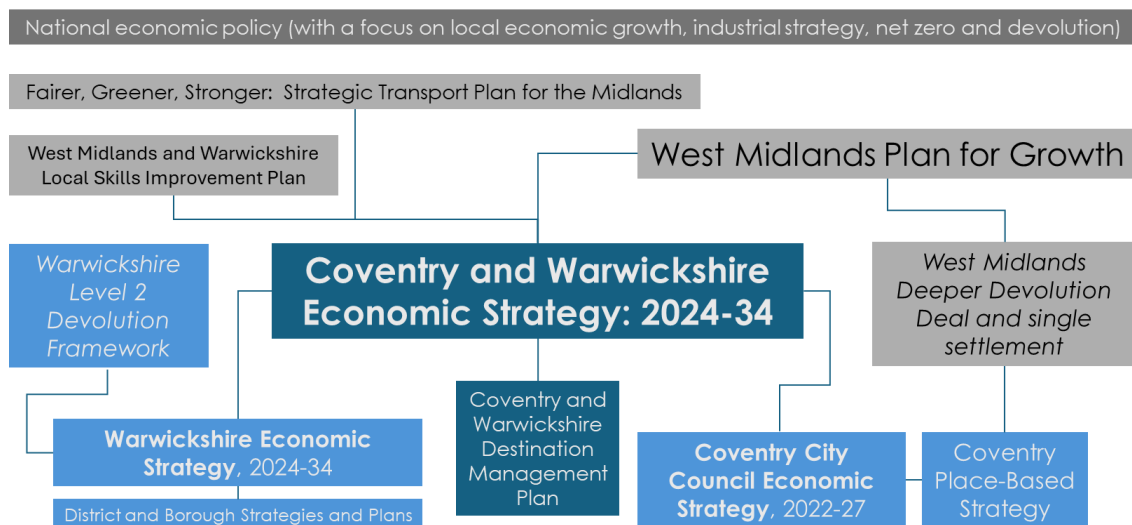
Strategic Transport Plan for the West Midlands and the **West Midlands and Warwickshire Local Skills Improvement Plan**. Finally, a range of more local strategies and plans – many developed at district or borough level – provide an insight into priorities and possibilities at a more granular scale.

In addition, it is important to consider how this strategy sits within **the fast-changing landscape of devolution**. The new government is committed to both broader and deeper devolution, accelerating a process that is now well established, and a White Paper on English Devolution is

promised shortly. At the time of writing, Warwickshire is progressing a **Level 2 Devolution Framework** while Coventry is part of the **Level 4 West Midlands Deeper Devolution Deal**. The latter brings with it more resources and powers and Coventry City Council is currently developing a **Place-Based Strategy** that will help to determine local priorities within this context.

Both in ambition and in delivery, the Coventry & Warwickshire Economic Strategy will need to work with the grain of both devolution journeys.

Figure 1-1: Synergies between different strategies across and beyond Coventry & Warwickshire – and where this one fits



The commitment to ‘looking outwards’

In framing the new Economic Strategy for Coventry & Warwickshire, one final introductory comment is important.

Coventry & Warwickshire occupies the heart of England, and it ‘looks outwards’. It is fundamentally well-

connected – to Birmingham and the wider West Midlands, Leicester, Oxford (and onto London). Whilst in regional terms, its role within the West Midlands continues to be extremely important, Coventry & Warwickshire also has strong connections into the East Midlands, the South East and on to London. Particularly as sectoral configurations change in the

light of technological and other drivers, these wider connections are becoming increasingly important too.

The area's connectivity is not just about the UK however. **Its global connections**

are a core part of its economic make-up. As the UK seeks to redefine its wider economic relationships – post-Brexit and post-pandemic – Coventry & Warwickshire has a major contribution to make.

Coventry & Warwickshire

Economic Snapshot



978,500
people (2023)



4.2%
claimant count rate
(July 2024)



118,600
Economically inactive
people (aged 16-64)
(2024)



521,000
jobs (2021)



25,115
people claiming
unemployment benefits
(July 2024)



43,375
enterprises (2023)



49%
qualified to degree-level
or above (2023)



3,100
More economically
inactive people in 2024
than in Jan 2020 (aged
16-64)



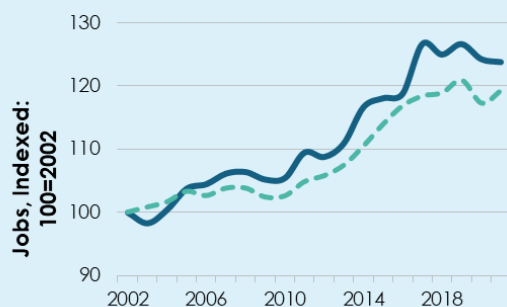
Coventry & Warwickshire generated

£28.7 billion

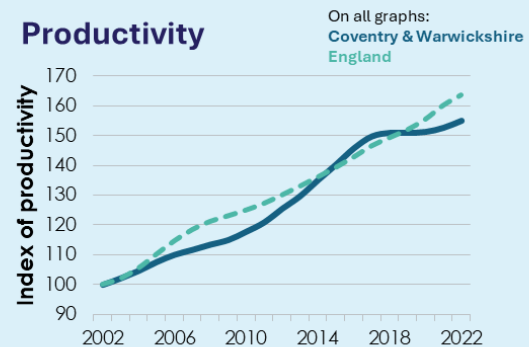
of GVA in current prices in 2022

Recent Economic Performance

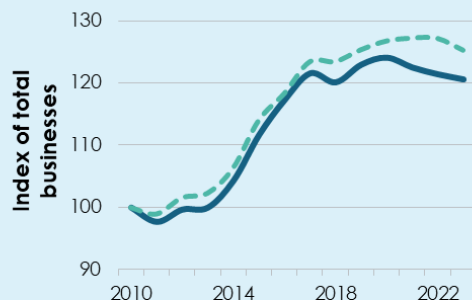
Jobs



Productivity



Businesses



Since C&W SEP (2016):

9% employment growth

10% GVA per capita growth

4% growth in business stock



80%
economic activity rate
(2024)



£645
average weekly employee
earnings (full-time) (2023)



1st
best performing former
LEP area for the number
of new jobs created
through FDI investment
(per capita) (2023)



6%
of neighbourhoods
among the most 10%
deprived nationally (2019)



89%
Are micro businesses
(employing 0-9 people)
(2023)

2. Taking the long view: looking back and looking forward

Coventry & Warwickshire has an economy which performs well overall – albeit there are substantial variations within it.

Coventry & Warwickshire is usually compared to the West Midlands. From this perspective (and however the West Midlands is defined), skills levels are generally high, employment rates are strong, and unemployment rates are low.

Looking beyond – and drawing in a different perspective

The West Midlands should not be the sole benchmark. For a sub-national area with globally significant assets, there is much to be learned by looking to the east and south. We have labelled this area the ‘Eastern Crescent’. It includes adjacent parts of three ITL1 regions (East Midlands, South East, South West)¹ and within it are three small cities (Leicester, Oxford and Milton Keynes) and the predominantly rural area surrounding them. In a comparative perspective, it sheds a different light on Coventry & Warwickshire – particularly when the West Midlands Metropolitan area² is also added to the mix.

¹ This is a large area, which includes 14 local authority districts/boroughs and unitary areas. These are adjacent or close to Coventry & Warwickshire, but exclude neighbours in the West Midlands. The Eastern Crescent is therefore defined as: Blaby, Daventry, Harborough, Hinkley and Bosworth, Leicester, Northampton, Oadby and Wigston, South Northamptonshire, West

The charts overleaf take the long view – and most have a 20 year perspective. From this vantage point, Coventry & Warwickshire has seen:

- generally rapid jobs growth – at least until the pandemic
- more volatile performance in terms of GVA (particularly around the Global Financial Crisis), but a strongly positive picture overall
- relatively high absolute levels of productivity (and also growth in productivity) until recently: the apparent ‘flattening’ of recent years is a matter for this Economic Strategy to address
- rapid growth in business stock until 2017, but little net growth since.

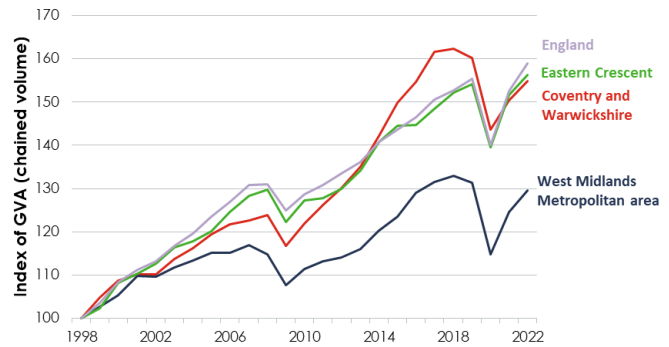
On all four indicators, Coventry & Warwickshire’s growth trajectory has been closer to that of the Eastern Crescent (and England) than to the West Midlands Metropolitan area. This perspective is important.

Northamptonshire in the East Midlands ITL1 region; Milton Keynes, Cherwell, Oxford and West Oxfordshire in the South East ITL1 area; and Cotswold in the South West ITL1 area

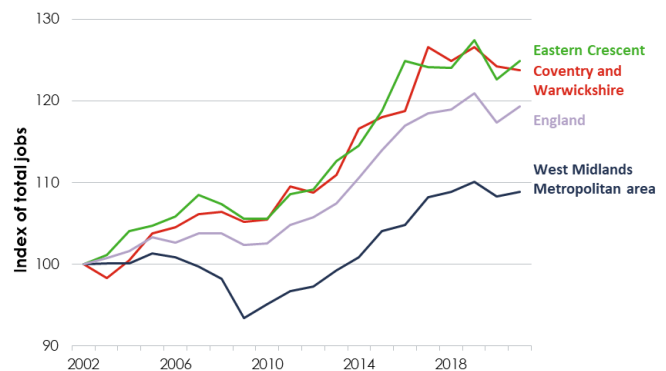
² This is the core WMCA area and includes Coventry (which is also obviously included in Coventry & Warwickshire)

Figure 2-1: Comparing headline metrics for Coventry & Warwickshire with (a) West Midlands Metropolitan area; (b) Eastern Crescent; and (c) England

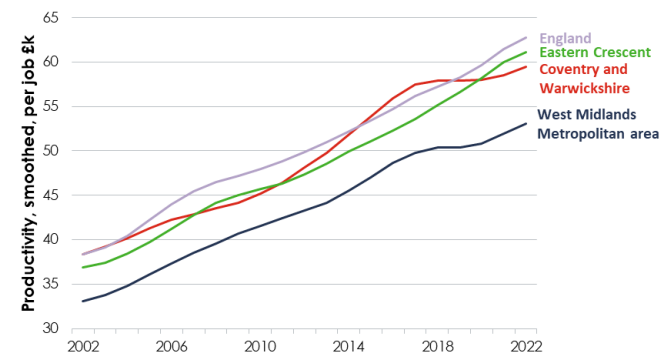
(i) Index of GVA performance



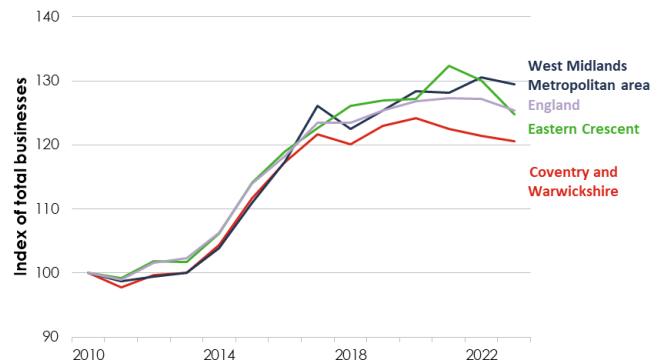
(ii) Index of total jobs



(iii) Productivity



(iv) Index of total businesses



(Source: Analysis of ONS datasets – Total Jobs, Regional Accounts, UK Business Counts (IDBR))

Baseline forecasts

To inform the new Economic Strategy, a set of baseline forecasts was developed for Coventry & Warwickshire. The findings were considered alongside similar modelled output for the West Midlands (on different definitions); for the 'Eastern Crescent' (and for Great Britain).

In terms of (BRES) **employment**, the historic data confirm that Coventry & Warwickshire grew more quickly than any comparator between 2012 and 2022. It also grew more quickly than was the case nationally.

Looking ahead, the modelling suggests that the rate of employment growth will be lower across the board. For Coventry & Warwickshire, the model points to employment growth of 0.7% per annum between 2022 and 2032, and 0.8% per annum over the following decade. This is less than half the rate seen in the last decade. However the modelling indicates that the pattern is likely to be very similar elsewhere³.

In relation to **GVA**, Coventry & Warwickshire again saw the fastest

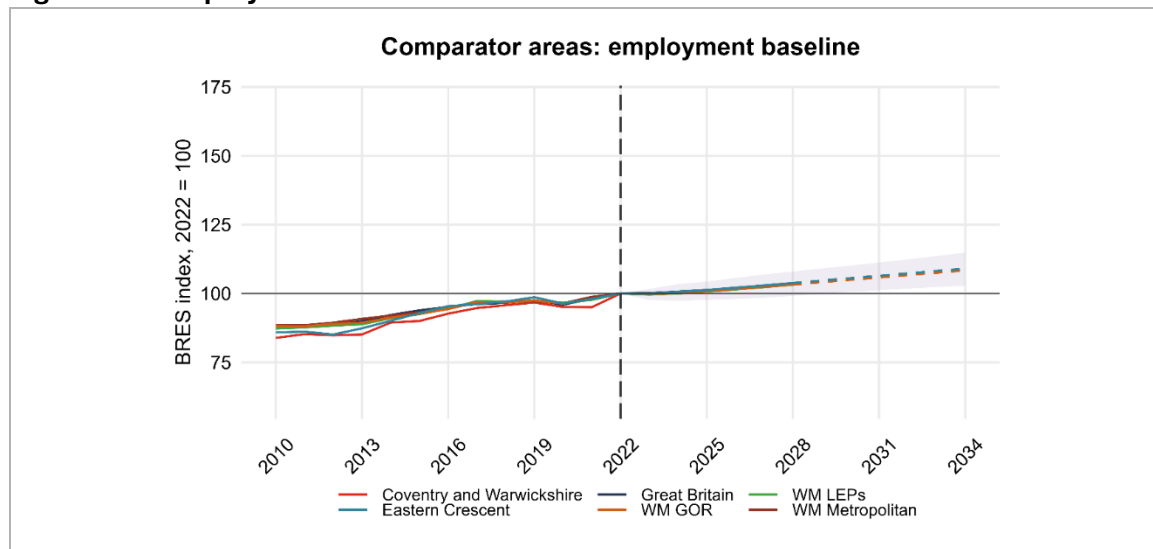
growth amongst the areas considered over the period between 2012 and 2022. Looking ahead, the model points to GVA growth of 2.9% per annum between 2022 and 2032, before slowing slightly in the following decade. The forecasts for Coventry & Warwickshire are more bullish than for all comparators – albeit the differences are modest.

Considering the forecasts for GVA and employment in combination provides some indication of prospects for **productivity** – which is a key indicator looking forward. Again, the picture for Coventry & Warwickshire appears to be quite strong. On this measure, it performs better than both the West Midlands comparators, and the Eastern Crescent.

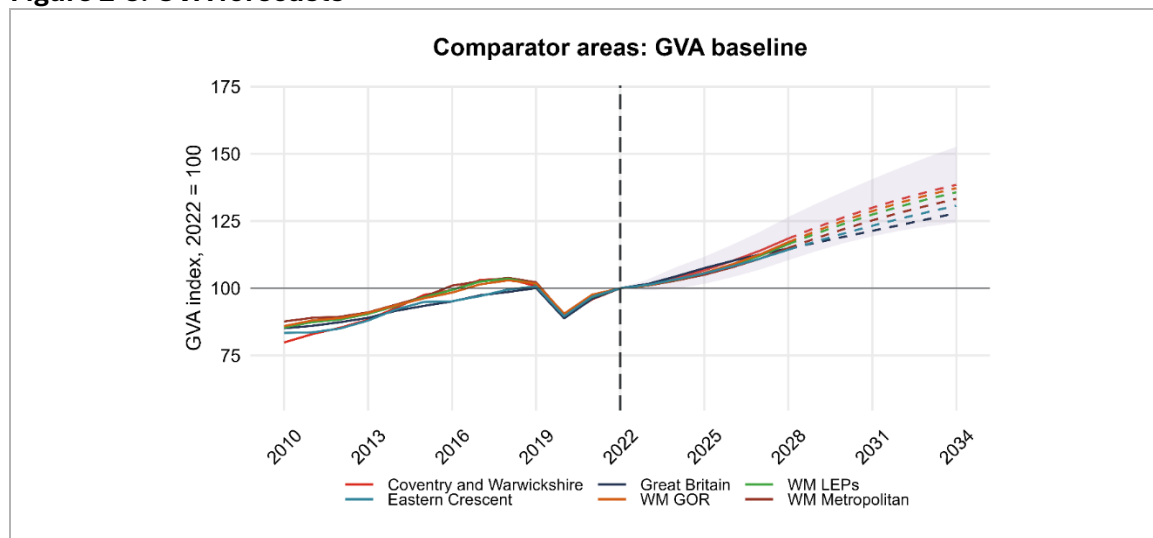
Whilst modelled forecasts need to be treated with a good deal of caution, they provide some indication of the overall prospects of the local economy. For Coventry & Warwickshire, they suggest a reasonably strong foundation on which to build as the area looks forward.

³ Note that although not directly comparable, this overall pattern is similar to that reported in the *Coventry & Warwickshire Housing and Economic Development Needs Assessment (HEDNA)* (completed by Iceni Projects (on behalf of Coventry & Warwickshire local

authorities, November 2022)). The baseline forecasts in the HEDNA suggested employment growth of 0.5% per annum between 2019 and 2043 (compared to a much faster historic growth rate of about 1.0% per annum)

Figure 2-2: Employment forecasts

Source: SQW

Figure 2-3: GVA forecasts

Source: SQW

3. Assets, opportunities, challenges and risks

This chapter distils much of the evidence underpinning the Economic Strategy. It explains – in substantive terms – why the new strategy is so important. **In short, Coventry & Warwickshire has assets, opportunities, challenges and risks that are inherently bound up with each other. There is much on which to build – but there are also some clear risks and vulnerabilities in doing so.** The new Economic Strategy needs to navigate and respond to all this.

Assets and opportunities...

Coventry & Warwickshire has significant economic assets – many of which are inter-related and mutually reinforcing. These were identified by businesses during the strategy’s preparation; and they are also apparent through secondary evidence and data.

Its ‘know-how’, skills and labour market

Coventry & Warwickshire has deep ‘know how’ and a labour market that is – in many respects – second to none. It includes highly skilled engineers – many with experience of working for major primes in automotive and aerospace (most especially Aston Martin, Lagonda, BMW, JLR, Meggitt and Polestar) and across their supply chains. Whilst many individuals have entered the sector and thrived as apprentices, specialist provision has also been developed in response – for example, Coventry

University offers higher degrees in automotive engineering.

This deep engineering pedigree is well established and well documented, but alongside it, Coventry & Warwickshire also benefits from outstanding digital and creative skills and knowledge.

Some of this is linked to the growth of the games sector which is driving forward digital innovation and next generation creative content. There is a major hub in and around Leamington Spa (Box 3-1).

Box 3-1: Creativity and gaming in and around Leamington Spa

Coventry & Warwickshire has a globally significant gaming cluster which is one of the largest in the UK.

Its origins can be traced to the 1980s and the formation of Codemasters. The company grew rapidly, and in parallel, some early employees left to set up their own small businesses locally; these processes were synergistic and they led to the emergence of a distinctive games development cluster. SEGA (now part of EA), Tencent and Ubisoft now have a significant local footprint while Mediatonic, the studio behind the Gears of War mobile game, has also opened a local facility. There are, in addition, large numbers of much smaller companies and also a network of talented people working on a freelance basis.

The cluster is focused on Leamington Spa. Some 75% of the digital media companies in the area are games

companies. Research by CWLEP/Invest Warwickshire suggests that over 3,000 skilled games professionals work in Leamington Spa, equating to over 10% of the UK total in games development. Their skillsets include design, software development, artificial intelligence, augmented reality, virtual reality and product development; they therefore have widespread application which extends far beyond gaming.

There is another dimension too – and this has become more apparent since the pandemic. It surrounds the skills and networks of the people who live in Coventry & Warwickshire even if their employers are based elsewhere. Many of these individuals are spending time working from home – and benefiting from the area’s outstanding quality of life. The business networks they are forming as residents (rather than necessarily as workers) appear to be gaining traction.

Put together outstanding engineering pedigree with creative and digital skills, and the latent potential of those who live locally but formally work elsewhere, and there is a labour market cocktail of enormous opportunity . This ought to be materially significant in creating a foundation for sustainable and added value growth in the years ahead.

Its pedigree in terms of research and innovation

Intrinsically linked to the character of its labour market is the area’s pedigree in respect of research and innovation.

In part, this is driven by its major businesses. The latest data produced by ONS (*Business enterprise research and development, 2022*) suggest that nationally, R&D expenditure by businesses summed to just under £50bn (in current prices) in 2022. This implied a real (constant price) increase of about 30% from the figure in 2014. The West Midlands (ITL1) region accounted for 7.7% of expenditure and 8.4% of UK business R&D employment. Extracting data below ITL1 levels is problematic, but the sectoral breakdown of national business R&D expenditure by sector is aligned with Coventry & Warwickshire’s private sector research specialisms – in motor vehicles and parts (where £3.7bn was invested by businesses in R&D nationally) and aerospace (£2.0bn) in particular.

Box 3-2: Research and innovation in the automotive sector

Coventry & Warwickshire has huge pedigree in relation to the automotive sector. JLR’s principal research site is at Gaydon. According to its Annual Report 2022/23, it employed over 8,600 people (company-wide) in R&D in 2023. Aston Martin’s HQ is also at Gaydon, as is its main R&D centre. Other global OEMs with a significant R&D presence include Polestar and TATA Motors.

For the automotive sector, the major challenge/opportunity surrounds the transition to electric vehicles. Coventry & Warwickshire has seen significant corporate investment in this context, sometimes involving both businesses and academic collaborators (from within the sub-region). This is driven in part by the

type and direction of government funding at a national level, which links to the Advanced Propulsion Centre and focuses on collaborative R&D.

In 2023, for example, Aston Martin's electrification programme was awarded £9m funding from the Advanced Propulsion Centre, supplementing its in-house battery electric vehicle platform; the award involved a six-partner collaborative R&D project and other partners included the Manufacturing Technology Centre (based at Ansty Technology Park) and WMG, University of Warwick.

Coventry & Warwickshire is also home to two major universities. **University of Warwick** is a Russell Group university. It is the Midlands' top ranked university according to the Sunday Times. The university has just under 30,000 students. Under the Research Excellence Framework (REF, 2021), over 90% of its research was rated 'world leading' or 'internationally excellent', and in 2022/23, its research income was £191m (*Warwick 2030: Reshape, Refresh, Renew* (updated in March 2024)). Its research specialisms span business, science, engineering, mathematics, computer science, and arts and cultural disciplines.

WMG (Warwick Manufacturing Group) is part of the University of Warwick, and accounts for about a third of the university's activity by spend and headcount. Its research is focused on five themes (data, electrification, manufacturing, materials and transport).

⁴ Note that the name has been changed since the Annual Highlights report was published

It has specialisms in battery technology. It is also one of the UK's seven Advanced Manufacturing Catapult Centres, delivering the Advanced Materials Battery Industrialisation Centre (AMBIC) – a scale-up facility – which builds on earlier investment in UKBIC (also involving WMG). WMG is working closely with WMCA to deliver the Electric Vehicle and Battery Storage cluster (*Annual Highlights, 2023*, published by WMG)⁴.

University of Warwick is increasingly seeing itself as a regional player. It has launched a major initiative to develop **Warwick Innovation District** – spanning the main university campus but also a range of other facilities. This will be increasingly important over the lifetime of this strategy.

Coventry University has different and distinctive specialisms. The university has long had a strong reputation in automotive and industrial design, and before that it had its roots in Lanchester College (a name associated with the highly innovative Lanchester company).

Coventry University formed an Institute for Advanced Manufacturing and Engineering (a collaboration between Coventry University and Unipart Manufacturing Group) in 2014.

It also has a collaboration with HORIBA MIRA to create a Centre for Connected and Autonomous Automotive Research to pioneer and test new developments linked to future transport needs.

This is based at MIRA Technology Park, which is a leading automotive research and development facility. It offers advanced testing and engineering services for the automotive, defence, aerospace, and rail industries. The Park includes specialised test tracks, laboratories, and simulation tools, providing a hub for innovation in vehicle technologies, autonomous driving, and electric vehicle development. It attracts global companies and fosters collaboration between engineers, researchers, and manufacturers.

Coventry University developed a *Research Strategy 2030* which emphasises eight research themes. These are: health and wellbeing; clean growth and future mobility; data science and emerging technologies; sustainability, equity and resilience; responsible business, economies and society; peace and security; global education; and creative cultures. The Strategy is committed to enterprise and innovation. It states: *“linked to our campus locations and research facilities, we will establish a series of innovation districts, bringing together innovators, entrepreneurs, researchers, creatives, and investors to work together to create the conditions for significant economic growth”*.

Its cultural and creative assets

Coventry & Warwickshire has major assets in respect to culture and creativity.

Coventry hosts the Belgrade Theatre and the Herbert Art Gallery and Museum. It is home to two leading transport museums:

Coventry Transport Museum and the British Motor Museum at Gaydon (featuring the largest automotive archive and the largest collection of British-made cars). It also has a thriving independent arts sector.

Stratford-upon-Avon is the birthplace of William Shakespeare and home to the Royal Shakespeare Company Theatre; it is a major destination for international visitors. Warwick is the county town. Warwickshire also has a successful and growing festival scene encompassing music, performing and visual art, literature and food.

Coventry & Warwickshire is a successful visitor destination with a strong and compelling offer. Over 26 million visits and £2.1bn in spend are generated in the local economy. Tourism alone is worth £1.3bn to Warwickshire’s economy and supports some 70,000 jobs across Coventry & Warwickshire.

Coventry was awarded City of Culture status for 2021, and this ought to have been a significant fillip to the sector. In practice it was badly affected by the restrictions linked to the pandemic, and the City of Culture Trust, an independent charity set up to oversee its delivery, went into administration. Nevertheless, associated economic impacts have been estimated to include £20.9m of net additional off-site and organisational expenditure in Coventry & Warwickshire;

and 225 one-year net additional full time equivalent (FTE) jobs⁵.

In the round, Coventry & Warwickshire's cultural and creative assets are a further reason why individuals and businesses choose to locate in the area. They need to be recognised as a key part of its economic asset base.

Its places

Also important is the diversity of its places.

Coventry is a city with international ambition and potential. It is a place that has reinvented itself multiple times, but it has resilience as a consequence – and it is now seeing renewed investment and growth, some of it linked to the key sectors outlined above.

The major market towns of Warwickshire – including **Atherstone, Leamington Spa, Nuneaton, Rugby, Stratford-upon-Avon and Warwick** – are all different. Some are historic and relatively affluent; some host key clusters (such as games development in Leamington); and some are on-going priorities for regeneration.

The **Warwickshire countryside** must also be recognised as an asset. Large parts of the districts of North Warwickshire, Rugby and Warwick are within the West Midlands Green Belt. This means that developable land is often in short supply – and for the new Economic Strategy, the implications are important.

⁵ *Coventry UK City of Culture 2021 – Impact Evaluation*, completed by University of

That said, some of the largest developments of industrial space in the West Midlands have taken place in North Warwickshire and Rugby (e.g. at Hams Hall, Birch Coppice, Ansty Technology Park and Tritax Symmetry Rugby).

Its location

Finally, it is crucial to recognise the economic significance of Coventry & Warwickshire's location, and its connectivity – at the heart of the UK and globally. It occupies the 'golden triangle' of the motorway network (M1/M6/M42) which means that a substantial population is within easy reach. It has strong rail (freight and passenger) links. It also benefits from proximity to Birmingham International Airport and East Midlands Airport, while Heathrow Airport is two hours away.

The route of HS2 crosses Warwickshire. Although there is not a planned HS2 station within Coventry & Warwickshire, the HS2 project is an important driver of economic growth currently (through the construction phase) and longer term economic benefits ought to follow – particularly in North Warwickshire (which is close to the UK Central / Arden Cross and the Interchange station in Solihull) and Coventry (noting that the mainline station is 10 minutes from Birmingham International).

Challenges and risks

Alongside these assets and opportunities, Coventry & Warwickshire faces a series of

Warwick and Coventry University in partnership with Coventry City Council

challenges and risks. These need to be acknowledged within the Economic Strategy and addressed, whether directly or through the companion strategies identified in Figure 1-1. Some of the challenges and risks are the ‘flip side’ of major assets.

Its faltering performance in terms of scale up and growth

Despite the strength of its research base and the pedigree of its innovation assets, Coventry & Warwickshire actually has a poor track record in relation to scaling growth for businesses. From this perspective, it is a long way behind key comparators – notably neighbouring Oxfordshire (and recognising that three of Oxfordshire’s districts are included within the definition of the Eastern Crescent set out earlier).

The Scale-Up Institute has examined changes in scale-up density between 2013 and 2021 across (former) LEP areas in England and the devolved nations. Across over 40 local economies, Coventry & Warwickshire is identified as the second worst performing (in front only of the Black Country) on this measure.

Quite why this should be the case is hard to explain. It could be a quirk of data, but there appear to be substantive issues too: early-stage equity investment appears to be in short supply and investor networks are underdeveloped (certainly as compared to elsewhere). There may also be issues linked to the supply of appropriate commercial premises. A third factor may be the challenging ‘growth routes’ that typically need to be

navigated by firms within the area’s strongest sectors.

Its vulnerability in relation to net zero carbon – but also the opportunity linked to it

One reason why the area’s poor performance in relation to scale-up is such a concern is that Coventry & Warwickshire is structurally vulnerable to the full implications of decarbonisation and the shift away from fossil fuels. In practice this is both an opportunity and a threat: the sub-region owes much to automotive, aerospace and vehicle engineering and these activities are being transformed through electrification. Seeking to scale-up start-up businesses as a route to broader diversification is therefore important as a route to greater economic resilience.

Its skills shortages and gaps

Coventry & Warwickshire needs also to address skills shortages and gaps. Whilst its overall qualifications profile is good, the demand for new and different skills is relentless – and as sectors evolve, the requirements of employers change. There is strong provision within the area – including through the Warwickshire Skills Hub and the Coventry Careers Hub – but there is more to be done.

Its challenges in relation to developable land and commercial floorspace

The corollary of an outstanding location, fast growth and large areas of Green Belt is pressure on developable land – although the overall picture is

complicated. A recent study by Iceni found that:

- **office floorspace** has been lost across Coventry & Warwickshire since 2012 at a rate that is three times greater than the regional average. Office markets are strongest in Coventry and Leamington/Warwick but elsewhere there are major issues linked to viability. Some office space has been upgraded but some space is vacant and awaiting refurbishment.
- conversely, there is a strong demand for **industrial premises**, particularly in the north (North Warwickshire, Coventry, Rugby), but much of this is driven by demand for logistics/distribution space (particularly in relation to larger ‘big box’ provision). Whilst some new supply is coming forward, *“there will likely be a continuing need to replenish industrial supply over time if economic growth is not to be constrained”*⁶.

Within this context, **there is a real need for ‘move-on’ space** (particularly units of <10,000 sq ft and 10-50,000 sq ft). This has been identified through property market studies and could well be a contributory factor in relation to poor scale-up performance identified above.

⁶ *Coventry & Warwickshire Housing and Economic Development Needs Assessment (HEDNA)*, Iceni Projects (on behalf of Coventry & Warwickshire local authorities, November 2022)

⁷ *Coventry & Warwickshire Housing and Economic Development Needs Assessment*

More generally, the commercial property market is both complicated and under some pressure. It will be important that appropriate consideration is taken of the nature and scale of demand from key sectors, recognising that this itself is changing.

Its challenges in relation to housing and affordable housing

Coventry & Warwickshire – like most local economies – is facing a range of issues linked to housing. House prices grew by an average of 6.9% per annum between 2000 and 2020 – about a percentage point more than the average for the West Midlands ITL1 area and for England⁷. Housing affordability has deteriorated, although it varies substantially across the area: Stratford-upon-Avon is the least affordable district (with an affordability ratio of 11.15 in 2023, compared to a national average of 8.14); Coventry is the most affordable local authority area (5.57)⁸.

The shortage of **affordable homes and rented accommodation** is a challenge for residents and businesses alike.

Its infrastructure challenges

As it looks forward, Coventry & Warwickshire is also facing wider infrastructure challenges.

(HEDNA), Iceni Projects (on behalf of Coventry & Warwickshire local authorities, November 2022) – para 4.3

⁸ House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

Whilst the area has outstanding links to the national transport network (road and rail), **local connectivity** is considered to be less strong. This is stifling economic ambition and change – and it means that those in more deprived parts of the sub-region may not be able to access the growth opportunities that do exist. Within this context, there is a need to identify network capacities and constraints, and to establish sustainable transport opportunities (corridors, nodes, active travel, electric vehicles and accessible places), linking to the work and evidence of Midlands Connect, and making the best use of the existing transport infrastructure. In this context, working with other partners – notably WMCA – will continue to be important.

There is also a need to establish other key infrastructure capacities, needs and opportunities that could be a significant driver of, or barrier to, future growth. These include utilities, waste, education and health infrastructure, and energy needs (demand and supply). Issues surrounding power supply appear to be a particular concern. They will affect the growth of key sectors if not addressed.

Water is identified as a further challenge – both in guiding development towards the most appropriate locations (taking into account flood risk, future resilience and climate change impacts) and establishing

the capacity and need for new water and wastewater infrastructure⁹.

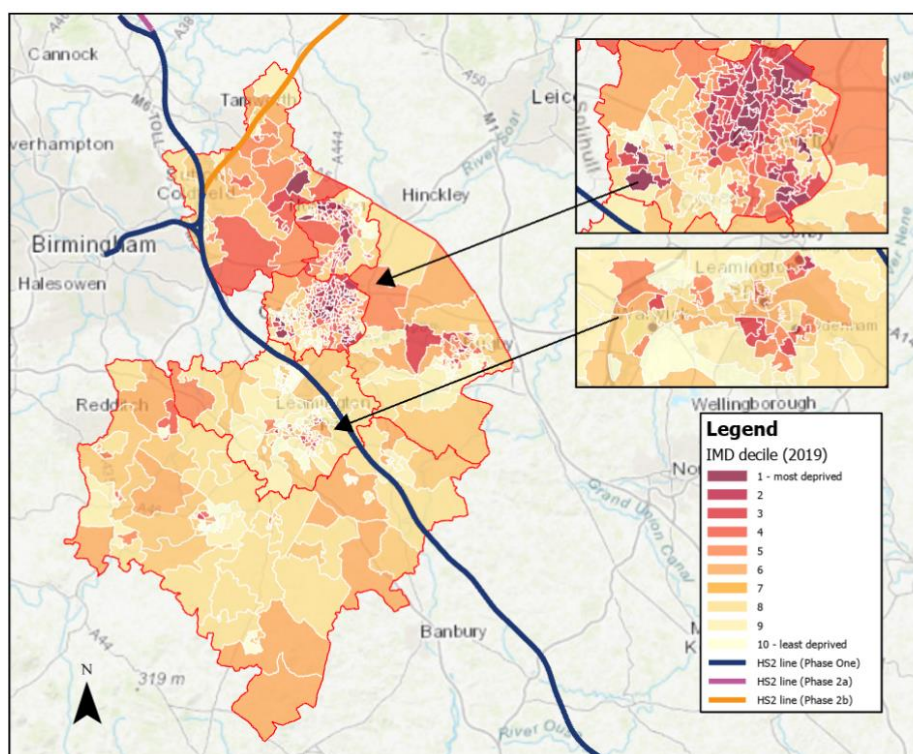
Its challenges linked to inequality

Finally – and perhaps most importantly – there are significant and ongoing challenges linked to **the scale of inequality** across the sub-region. Data from the Index of Multiple Deprivation (2019) highlight the spatial differences which exist across Coventry & Warwickshire. The south is more prosperous than the north. Warwick and Stratford-on-Avon districts fare better than Coventry (particularly the north and east of the city), Nuneaton and Bedworth, and North Warwickshire. Figure 3-1 (below) provides an indication of the extent of inequality across the sub-region.

A similar picture is apparent in relation to the qualifications profile. The proportion of working age people qualified to NVQ level 4 and above ranges from 35.4% in Nuneaton & Bedworth and 31.7% in North Warwickshire to 49.1% in Stratford-on-Avon and 49.4% in Warwick. Warwickshire's *Economic Growth Strategy* and the Coventry *Economic Development Strategy* both identify inclusive growth as a key principle for the future development of the area.

⁹ *Strategic Planning Case Study – Coventry & Warwickshire*, Planning Advisory Service, 2020

Figure 3-1: Index of Multiple Deprivation, 2019



Source: *Index of Multiple Deprivation, MCLG, 2019*

Conclusions

The evidence summarised above is complicated and mixed. It highlights Coventry & Warwickshire's assets and potentials – but also the scale of challenges that the sub-region needs to address. Some of these challenges are a corollary of success and – in a sense – they are good problems to have; but they are problems nonetheless. Others are simply unacceptable: the scale of

inequality across the wider sub-region is a case in point.

A third set might be regarded as possible problems rather than immediate threats, but they do point to the need for resilience and – implicitly – the fragilities that exist in the context of constant change. Many of these are likely to be tested over the years ahead in the light of a whole series of future trends and drivers. It is these that provide the focus for the chapter that follows.

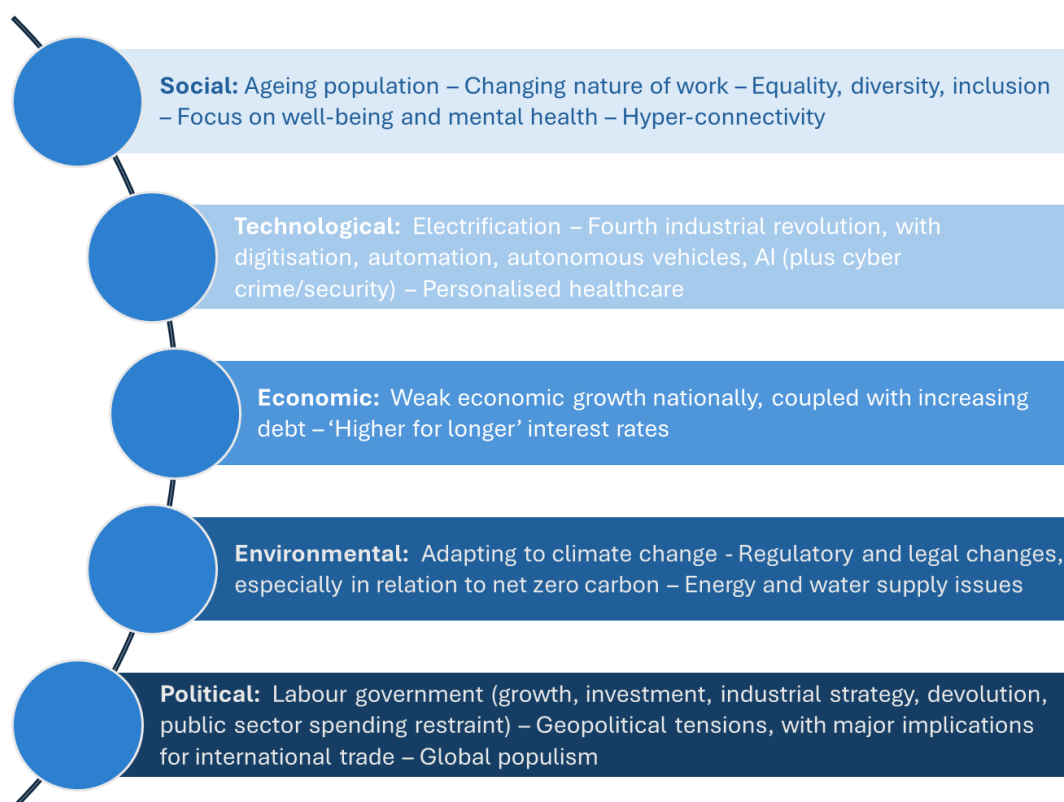
4. Trends and drivers shaping the future

In framing a forward-looking strategy, it is a truism that the future may look really quite different from either the present or the past. Many established trends and drivers are generic in character, affecting every sub-national economy in the UK, and most have international dimensions too. However they have a particular form in Coventry & Warwickshire – particularly given the assessment set out in Chapter 3.

Moreover they are likely to work through in combinations that could well be unique. They present a distinctive set of challenges and risks given the area's economic structure, character and heritage.

Some key trends and drivers that are likely to be especially relevant are illustrated in Figure 4-1 and then described in the paragraphs that follow.

Figure 4-1: Key trends and drivers that might shape the next decade



Social trends and drivers

Looking back, the 2020-22 pandemic provides an important ‘marker’ in relation to societal change – and in many

respects, it is a watershed in defining the end of the ‘early’ part of the 21st Century. While it did not cause many of the changes that were observed, it accelerated the pace of change

substantially: short term adaptations have quickly become accepted as the new 'normal'.

One very obvious element is linked to the **nature of work** – specifically, where and when it is done, and what forms it takes. The shift to working from home was fundamentally enabled by digital technology, but the pandemic made it first essential and then acceptable such that in many sectors, remote and/or hybrid working is now commonplace. The consequences are different routines, different uses of public transport (which is often now busier at the weekends than during the week), different relationships to work places (and particularly town centres) and different forms of social interaction. All of this brings with it major questions linked to both innovation and productivity – which are key themes in this Economic Strategy.

Whilst not the cause, the pandemic also prompted far greater consideration of **wellbeing** in general and issues linked to **mental health** in particular. This in turn links to changing social relationships – some work-related, some the consequence of smaller households, and many linked to 'hyper connectivity' through social media, and the levels of scrutiny/pressure that can come through it.

It also links to an increasing **generational chasm**, especially through a new form of digital divide. The 'digital natives' of Gen Z have a very different relationship to digital technology than their parents and grandparents, and the rest of the 'baby boomer' generation. This has huge

implications, including in relation to appropriate forms of service delivery and consequential risks of exclusion.

Across Coventry & Warwickshire – as the rest of the UK – the population is now far more **diverse** than a generation ago. In 2021, half of all children born in Coventry had at least one parent who was born outside of the UK and in 2019, over 190 languages were spoken by Coventry school pupils, in addition to English. The whole area is ethnically diverse and it is culturally richer as a consequence. There is also far more awareness of protected characteristics and intersectionality – and also greater recognition of the structural biases this can create.

Cutting across all of this is a need to recognise the pace and consequences of a population which is **ageing**: as lifespans increase and birth rates fall, the population is getting older. The economics of an old population are challenging, both for individuals (given increasingly challenging pension arrangements) and for the nation as a whole given huge demands for health and social care.

Technological trends and drivers

The pace of technological change is relentless.

The **decarbonisation of the economy**, including manufacturing and transport, with the wider use and deployment of **electrification**, will continue to be a challenge and opportunity (particularly for

Coventry & Warwickshire, given its links to internal combustion technology).

The **digital transformation** – or the fourth industrial revolution as it has been described – continues to redefine many dimensions of how people live and work and how the economy functions.

Automation is a key part of this and one that will shape the future. Many jobs will be lost through automation – but new ones are also likely to be formed. For an economic strategy, this is very important: it means that many of the jobs that will provide the livelihoods of people in Coventry & Warwickshire ten years from now do not yet exist – which in turn means that forward planning is very difficult. The challenge is obvious for businesses and education providers.

The possibilities – and challenges – linked to **artificial intelligence** (AI) is another dimension. It too will be transformational – from the delivery of healthcare to the management of transport networks.

On a different front, in the context of scientific advances, the transition to more **personalised medicine** is likely to accelerate – improving outcomes for patients and also bringing with it imperatives in relation to the growth of life sciences as a key sector nationally.

Economic trends and drivers

In the economic sphere, the challenges of **consistently weak economic growth, coupled with significant national debt**, are an ongoing concern – particularly given the financial costs of the pandemic and the UK's continuing adjustment

following its departure from the EU. In the UK at least, the consequence is widely expected to be fiscal changes which will affect individuals and businesses alike.

In addition, after a decade of very low interest rates pre-pandemic, **the cost of borrowing** has escalated and it is likely to remain relatively high (despite a recent reduction in the base rate from the Bank of England). This is likely to be problematic for businesses which are seeking to borrow money – whether to fund growth or to effect ownership changes.

Environmental trends and drivers

In the environmental sphere, the imperatives surrounding the urgent need to **adapt to climate change** are both clear and wide-ranging.

The UK has had a legally binding net zero target since 2019. This has led to ambitious targets linked to the net zero transition – although early milestones have been reprofiled as the practicalities of achieving them became more apparent. Nevertheless, significant progress will need to be made – including with regard to electrification and also to retrofit – if the targets are to be achieved. Importantly, similar ambitions and targets have been set in many other national economies.

There is also a question as to whether expectations surrounding **consumption** simply need to be managed – with more emphasis on the circular economy (reusing and recycling materials) and reduced consumption overall.

Linked in part to the climate emergency are substantial challenges relating to **energy and water supply**. These are biting across Coventry & Warwickshire – albeit many other areas are under similar pressures. Resolving these challenges will be imperative if sustained and sustainable economic growth is to be achieved.

Political trends and drivers

As of July 2024, the UK has a new Labour government with a large majority in the House of Commons. Its priorities include:

- accelerating the pace of economic growth
- addressing the housing crisis and introducing planning reforms
- advancing both deeper and wider devolution, as a route to addressing spatial disparities across the UK
- supporting clusters and place/area-based economic assets – including through a new Modern Industrial Strategy
- achieving green growth and progress towards net zero carbon targets

- redefining the UK's role and profile internationally.

Although there is a commitment to investment, priorities will need to be delivered in the context of continuing pressure on the public finances.

There are also political drivers that are international. These include: geopolitical instability (notably war in Ukraine and conflict in the Middle East); the possibility of emerging bilateral alliances, particularly given levels of debt in some less developed nations; the structures put in place to deal with misinformation, including in relation to cybercrime; and the range and effectiveness of global responses to climate change mitigation and adaptation.

After thirty years of globalisation, international trade has become more challenging, and is likely to remain so given the shifting global political backdrop.

In addition, the rise of populism globally – fuelled in part by social media – is a further political driver. It brings with it a fundamental questioning (or even distrust) of core institutions.



5. Vision and Strategic Economic Framework

Defining a Vision...

Consistent with the evidence summarised in chapters 2, 3 and 4 – and the statement of purpose in Chapter 1 – the **Vision** at the heart of Coventry & Warwickshire’s new Economic Strategy is set out in full below.

The Vision is aspirational and ambitious. It reflects some of the risks facing the area but also the huge opportunities which are available to it. It

recognises fully the need to be more inclusive and more sustainable – so that all places within Coventry & Warwickshire, and all communities, might benefit.

As partners and stakeholders strive towards the Vision, Coventry & Warwickshire will fulfil its potential and achieve high value economic growth which will deliver a range of benefits locally, regionally, nationally and internationally.

Vision

By 2034, Coventry & Warwickshire will be **recognised for the role of its innovation-focused knowledge economy**, particularly in **nurturing creativity, harnessing digital possibilities and solutions, enabling future mobility, and unlocking the opportunity of electrification.**

This will be achieved through **major research-intensive businesses and universities/institutions**, but also through the dynamism and effectiveness of a **rich but varied innovation ecosystem** in which creativity flourishes and new businesses are formed, nurtured and grown.

Over the next decade, Coventry & Warwickshire will see economic transformation and growth, through new skills and competencies, and through a process of economic restructuring (especially as established businesses/sectors pivot in response to regulatory and technological change).

As a result, **the whole area will be known around the world for its economic vibrancy, founded on creativity and innovation.** The **productivity** of the local economy will also have grown.

The **benefits will be enjoyed by all** who live and work in Coventry & Warwickshire, and **inequalities between people, communities and places will be much reduced.**

...and respecting the distinctive character of Coventry & Warwickshire

The delivery of this Vision will be shaped by (and will respond to) the **distinctive character of Coventry & Warwickshire as a series of places**.

This includes:

- the **towns (and their environs)** which **help to define the area's economic distinctiveness**, particularly in relation to some key growth sectors/clusters and locations
- **Coventry**, as a compact, vibrant and ambitious city
- those areas across Coventry & Warwickshire that **experience economic underperformance currently** (both absolutely and relatively)
- the **rural areas**, which set Coventry & Warwickshire apart and help to define what makes Coventry & Warwickshire special
- **links beyond Coventry & Warwickshire**, particularly to Birmingham (as England's second city) and into Oxfordshire, Northamptonshire and Leicestershire
- the **international connections** that help to define Coventry & Warwickshire, and the opportunities arising from them.

Strategic Economic Framework

Progress towards the Vision will be made through **five Themes**. These will galvanise activity and give it purpose, focus and intent.

The five Themes have been defined because they are **sub-regionally relevant and appropriate**. They are also **strongly inter-related and synergistic**.

They have been defined in order to:

- provide **flexibility and agility** in the context of risk and uncertainty (politically, economically, institutionally)
- distil the core of **what Coventry & Warwickshire needs to 'do'** (given the area's assets, opportunities and challenges)
- be **appropriate at a sub-national scale** (given the raft of strategies and plans at both larger and smaller spatial scales)
- allow **real progress to be made** in pursuit of the Vision.

The **Vision** and **five Themes** together provide a **Strategic Economic Framework** for Coventry & Warwickshire. This is summarised in the graphic below and explained in the remainder of this document.

Figure 5-1: Strategic Economic Framework for Coventry & Warwickshire



6. Theme 1 – Responding to economic change

Summarising Theme 1

Theme 1 is concerned with supporting and investing in a profound process of industrial restructuring across Coventry & Warwickshire – linking to both specific transitions (notably electrification at the core of automotive and aerospace) but also more general processes of industrial change driven by autonomy and automation, AI, etc.

Businesses and sectors will need to modernise and adapt if they are to take advantage of new market opportunities. In parallel, people and communities will need to be equipped to respond.

In many other local economies, the scale of transformation is such that it could have been catastrophic. However Coventry & Warwickshire has so far appeared to be reasonably resilient.

In part this is because new businesses and sectors are emerging (see Themes 2 and 3) and in part it is because major businesses and organisations in the area have actually been at the vanguard of industrial change – through for example technologies linked to electric vehicles, batteries and battery storage, hydrogen vehicles, low energy mass transport solutions (e.g. Coventry Very Light Rail (CVLR)), and renewable energy production. Further, the area has invested (or is investing) in specific ventures to realise the associated opportunities and mitigate the surrounding risks (see Box 6-1).

Rationale

Coventry & Warwickshire is experiencing significant economic change. This involves both sectoral shifts and major developments within existing key sectors, notably automotive and future mobility (including aerospace and other vehicle engineering and advanced manufacturing more generally). An industrial revolution is ongoing, precipitated by regulatory and technological change, and particularly the shift towards autonomy and electrification: major businesses and their supply chains are literally being re-engineered in the context.

Box 6-1: Key assets and investments in Coventry & Warwickshire linked to electrification and the future of mobility

UK Battery Industrialisation Centre (UKBIC) officially opened in 2021. It is a first-of-a-kind battery manufacturing scale-up facility and is funded in part by the UK government Faraday Initiative. It provides the space and skills for the UK's growing battery sector. It hosts a range of specialist manufacturing equipment installed for the benefit of UK industry.

Located on the boundary between Coventry and Warwick (district), **Greenpower Park**, will be a location for

battery research, industrialisation, manufacturing, testing, recycling and electrified logistics on the outskirts of Coventry. The factory will bring together global battery manufacturers; it is the only available site in the UK within an investment zone and with planning permission for a large-scale battery manufacturing facility. Greenpower Park is located within the **Coventry & Warwick Gigapark**, part of the **West Midlands Investment Zone**. This provides further incentives (e.g. tax reliefs) to encourage investment into this location.

MIRA Technology Park is the leading UK vehicle test and development facility, and home to more than 40 major OEM companies (including Bosch, JLR, Polestar and Toyota). The Park is one of Europe's leading mobility R&D locations for automotive technology, with a focus on Connected and Autonomous Mobility and vehicle propulsion systems (including battery electric and hydrogen). The campus includes MIRA Technology Institute (MTI) (a specialist facility to train engineers both onsite and in the local area) and MIRA South Site (a high-quality, masterplan development incorporating 2.3m sq ft of large scale manufacturing and industrial facilities, to support the 2m sq ft of existing space and permission on the park for R&D activity).

National Transport Design Centre (connected to Coventry University) is a Centre that focuses on exploring the future of transport design, bringing together a cross-disciplinary group of individuals/academics to research future transport ideas.

Long Marston Rail Innovation Centre provides rail infrastructure, testing infrastructure and innovation space to develop new railway technologies, many of which aim to reduce emissions associated with the railways.

Jaguar Land Rover's Future Energy Lab is a state-of-the-art electric vehicle test facility, which will support JLR in launching nine electric models by 2030.

The **JLR Product Creation Centre** at Gaydon is home for almost 13,000 designers, engineers, procurement and related staff. Alongside the JLR Future Energy Lab and NAIC in Coventry, it will drive the development of global vehicle creation and related technology for JLR.

The **National Automotive Innovation Centre (NAIC)** is the flagship 150,000 sq ft facility at the WMG Campus at the University of Warwick. It brings academics together with engineers from JLR, TATA and TVS (among other OEMs) to research and develop new technologies around vehicle propulsion, light weighting, cyber technology and autonomy in vehicles.

The process of re-inventing large swathes of the economy inevitably creates losers as well as winners. It has been (and will be) extremely challenging for some businesses, people, communities and places. There is therefore a need to recognise the scale of upheaval and to put appropriate measures in place – through training and upskilling, enterprise support, access to capital and through effective connections to new employment opportunities.

Fit with strategic priorities regionally/nationally – and locally

Although it relates to only part of the area, the **West Midlands Plan for Growth** (like the earlier West Midlands Local Industrial Strategy) identifies the ongoing structural shift driven by electrification as one of the key challenges facing the West Midlands. In response, it identifies a series of clusters that might drive forward the region's economic future. These are relatively well represented across Coventry & Warwickshire.

The **West Midlands and Warwickshire Local Skills Improvement Plan (LSIP)** identifies the importance of transitioning to new technologies within existing sectors. The LSIP identifies the engineering and manufacturing, construction, ICT and digital, and logistics and distribution sectors as being the most critical for the future, with a need to develop current and future green skills needs, and develop more digital skills needed by businesses to support their growth aspirations.

The **West Midlands Electric Vehicle Inward Investment Strategy** has been developed to support investment into Coventry & Warwick Gigapark. It is also designed to support the sustainability and growth of the wider auto sector, including sites locally like University of Warwick Innovation Campus at Wellesbourne, and MIRA South Site expansion.

Priority Interventions

In advancing Theme 1, partners across Coventry & Warwickshire will seek to:

- **facilitate (and sustain) a Coventry & Warwickshire-specific dialogue between businesses and training providers**, to ensure that skills provision continues to be aligned with changing business needs.
- **invest in skills and workforce development**, recognising that jobs are changing rapidly and there is a need to plan for roles that do not yet exist and respond to significant skills shortages/gaps.
- **build digital skills across Coventry & Warwickshire** – to ensure that everyone has a basic digital literacy, but also start developing more advanced digital skills to support business needs.
- **put in place relevant and innovative business support** that bolsters national products and key regional and national networks to help businesses manage the transition. This could include:
 - packages of support for enterprises seeing major changes in their operating environment
 - packages of support linked to SMEs' transition to net zero carbon
 - packages to drive innovation across the area, to enable and support growth and diversification.
- **instigate local transport measures** to ensure that those in more deprived areas across Coventry &

Warwickshire are fully able to access emerging opportunities.

- **recognise and identify those who are at risk of socio-economic**

exclusion as a result of technological/regulatory change and put in place measures to support them (linked especially to skills and training).

7. Theme 2 – Creativity and innovation

Summarising Theme 2

Theme 2 is defined around processes of creativity and innovation. While Coventry & Warwickshire already has clear strengths, there is much more that could be achieved. Theme 2 is intrinsically cross-cutting and cross-sectoral, and the aim is to encourage creativity and innovation across the board, including through tacit forms of knowledge exchange. The wider innovation ecosystem has a role to play in this context, but Theme 2 needs to be understood more broadly. Theme 2 is concerned with cultural and attitudinal dimensions of creativity and innovation – and the benefits that could follow.

video games development cluster and other digital creative companies in and around Leamington, and the skills and knowhow that comes with them. There is also a clear read-across to advanced engineering, and there is plenty of evidence of a rich cross-fertilisation taking place. As these two specialisms come together more consistently, the scope for innovation ought to be spectacular.

But Theme 2 is actually much broader. Its focus is system-level creativity and innovation. Coventry & Warwickshire needs to be a place where more people and more businesses have the confidence and the wherewithal ‘to try’. Sometimes they will fail, but this is the route to learning and the wider environment needs to be enabling and encouraging in this context.

Rationale

The nature of value creation is changing: both creativity and innovation need to be pervasive and cross-cutting, underpinned by effective processes of knowledge exchange.

Coventry & Warwickshire has real strengths in relation to creativity and innovation. It has a long history in innovation, including the birth of the modern bicycle, the motor car and aerospace propulsion. It is already recognised as a creative and innovative place. This has tangible expression in the digital creative space in the form of the

Coventry & Warwickshire needs to be a place where chance encounters lead to new and better business activity. The area is at the heart of England and in this sense, it is a natural meeting place. This needs to translate into an evolving culture of, and appetite for, creativity and innovation, particularly among new entrepreneurs.

The wider innovation ecosystem has a role to play in this context. It is important partly because it is linked to the management of risk, and it needs to continue to develop and mature. The recently established Warwick Innovation District (established by the University of

Warwick) is part of this, as are various organisations initiated by Coventry University.

There are already good examples of best practice. One example is the work of 1 Mill Street in providing a sustainable focus for the digital creative community in the south of the county. Another is the work of HORIBA MIRA and WMG in bringing together a future mobility version of the Plug and Play concept to the local area.

Theme 2 needs to be seen, fundamentally as ‘innovation and creativity *in place*’. It is therefore relevant to *both* those who call Coventry & Warwickshire home but who work elsewhere; and to entrepreneurs who are setting up new businesses locally. It is about a culture of innovation and enterprise – and the wide range of outcomes and impacts that might follow.

Fit with strategic priorities regionally/nationally – and locally

Whilst Theme 2 is not sector-specific, there are clear links to some sector-specific statements – such as the **Creative industries sector vision: a joint plan to drive growth, build talent and develop skills** which was developed nationally (by the previous government).

Drawing these strands together, there is likely to be a strong crossover with the **Modern Industrial Strategy** which is being developed by the new government. It is likely to include a growing recognition of the links between innovation and place. Creativity and innovation happens in places – and therefore alongside

investment in R&D, many different factors play their part – including the effectiveness of local labour markets; the availability of local sources of equity investment; the provision of specialist property.

At a regional level, the **West Midlands Plan for Growth** has aspirations to develop a region where innovation flourishes. The **West Midlands Innovation Accelerator** is a key venture in this context.

Locally, the **Coventry & Warwickshire Launchpad** – which is focused on immersive technologies and creative industries – is aligned fully with the ambitions and encompassed by Theme 2. At its core is a recognition of the importance of clustering. It highlights the role that local universities and local authorities can play in directing national funding and support to the local area. As the Launchpad is delivered, it will be important that appropriate learning takes place.

Priority Interventions

In advancing Theme 2, partners across Coventry & Warwickshire will seek to:

- **put in place mechanisms to learn from the Coventry & Warwickshire Launchpad**, and to disseminate the findings quickly at a local level.
- **develop measures to ‘engineer serendipity’ (i.e. chance encounters) between sectoral specialisms in a place setting**; in practice, this means creating conditions in which ‘chance

meetings' across disciplines, sectors and technologies are more likely to happen (e.g. through sandpits and the like).

- **encourage creativity and innovation at a local level** – through stronger local hubs (including in town centres), which can support the sharing of ideas amongst smaller businesses and those living and working in more remote locations of Coventry & Warwickshire.
- **recognise the significance of freelancers** – who are a key part of creative sectors yet often are isolated

and with a slightly precarious existence – and find ways of supporting them. This could be by offering bespoke training or work experience opportunities.

- **encourage the development of networks**, both locally (e.g. town level and across rural areas) and across Coventry & Warwickshire as a whole.
- **promote Coventry & Warwickshire as a place known for creativity and innovation** in dialogue with the two universities and wider cultural, creative and research institutions.

8. Theme 3 – The scale-up journey

Summarising Theme 3

Alongside Themes 1 and 2, Theme 3 links to the effectiveness of the wider innovation ecosystem, but the focus is on systemic barriers to scale-up – which is a major challenge for Coventry & Warwickshire.

Theme 3 assumes a high level of creative entrepreneurship and that start-up businesses – of many different forms – are in place; the challenge is unlocking their growth. This requires a particular set of intervention priorities, but it is important both in effecting sustainable economic growth and building the resilience of Coventry & Warwickshire as a whole.

Rationale

Coventry & Warwickshire has outstanding research and innovation assets (through its universities, businesses and research organisations), and it is producing new enterprises. But the evidence points to sluggishness in the growth process – such that despite its assets, Coventry & Warwickshire is one of the worst performing areas nationally in respect to the process of scale-up.

Coventry & Warwickshire has major businesses. For the most part, these are long established and they are playing key roles as anchor institutions through their supply chains and through the training

and knowledge transfer they provide. However this brings with it vulnerabilities too, particularly as technologies change (as explored through Theme 1). What Coventry & Warwickshire lacks is the unicorns that other knowledge economies can claim. In this respect, it is some way adrift. Logically, there is no shortage of possibilities, but realising the associated potential is proving challenging and there is widespread recognition that it needs to be a focus for the sub-region looking ahead.

In practice, many different factors are at play – including access to skills/knowledge, space, leadership and management skills, and finance; and the particular requirements of the area's key sectors. Addressing these issues is the focus for Theme 3.

Fit with strategic priorities regionally/nationally – and locally

A **Modern Industrial Strategy** is being developed by the Labour government. Whilst focused on key sectors/clusters, this is also likely to emphasise the importance of scale-up businesses.

Although it does not relate to the whole of Coventry & Warwickshire, the development of a vibrant innovation and scale-up ecosystem is a priority for the West Midlands Combined Authority. WMCA's **Plan for Growth** signals much continuity with the earlier Local Industrial Strategy for the West Midlands, and with various Strategic Economic Plans

(including that for Coventry & Warwickshire which was developed by the former Local Enterprise Partnership).

Within this context there is a particular commitment to the **West Midlands Innovation Accelerator**, overseen by West Midlands Innovation Board. This is a core part of the Deeper Devolution Deal (March 2023). It will accelerate investment in *‘applied and translational research to spark commercial growth and bolster the region’s R&D capability and capacity’*.

Priority Interventions

In advancing Theme 3, partners across Coventry & Warwickshire will seek to:

- **identify high growth businesses in Coventry & Warwickshire and sustain an active dialogue with them** to understand and to help navigate particular challenges (e.g. linked to recruitment, commercial property and/or planning issues, securing finance, etc.).
- **put in place mentoring and coaching support for those seeking to grow businesses** after the initial start-up phase.
- **develop an appropriate sites strategy**, with a focus on ‘grow on’ space and a commitment to use existing sites well. Partners must look to use direct and indirect powers and resources to encourage the provision of grow-on space within new developments and through the redevelopment of existing employment sites.
- **work with public and private sector partners to improve access to finance and build investor confidence to invest in scale-up businesses.** This will include building/supporting Midlands Mindforge in expanding its activities in the region, helping to accelerate and enhance the commercialisation of science and technology innovations from local universities.
- **develop sector-based Accelerators focused on emerging specialisms within Coventry & Warwickshire**, focusing firstly on those sectors with the greatest potential in the area (including those identified by Coventry City Council and Warwickshire County Council in their growth plans (and similar documents); those identified within the West Midlands Plan for Growth; and those highlighted within the Modern Industrial Strategy Green Paper (and eventually the White Paper)).
- **actively promote the the area for scale-up businesses** through marketing and other activities (linking with Theme 4).

9. Theme 4 – International profile

Summarising Theme 4

Theme 4 underpins Themes 1-3 and is concerned with Coventry & Warwickshire's 'place in the world'.

The area has many world-class assets and sectoral specialisms built up over many decades, and these have a global reach – including through international students.

Coventry & Warwickshire is already a leading inward investment destination; on a per capita basis, it is the leading geography in the UK according to recent national government data. Looking ahead, its growth opportunities need to be global. International trade and export has become more difficult in recent years, but requires support to both SMEs and UK branches of global companies.

The focus on international profile also means promoting and growing the area's visitor economy offer to international leisure and business tourists.

Rationale

Coventry & Warwickshire has assets of international significance. These range from academic institutions to major tourism attractions to internationally recognised businesses which are addressing global challenges.

International connections are already important to the local area, but they need to be nurtured further. There are many different reasons for this.

One factor is that the national market arguably lacks scale given the level of investment into key new technological advances (such as electric vehicle and battery technologies which are very important for Coventry & Warwickshire). The businesses and organisations that are operating in these spheres need access to global collaborators and global investors. For the businesses, global markets are similarly important and they need quickly to become part of international supply chains.

Box 4-1: The global transition to electric vehicles – and the opportunity for Coventry & Warwickshire

Nationally, the zero emission vehicle (ZEV) mandate became law in January 2024. It means that 80% of new cars and 70% of new vans sold in Great Britain will be zero emission by 2030, increasing to 100% by 2035. The transition however is challenging and in autumn 2024, it was reported that details of the ZEV mandate may be reviewed.

The transition, however, is global. The UK's timeframe is replicated across other major economies (including France, Germany and Sweden). In the USA, there is a target for 56% of all new vehicles sold to be electric by 2032 (BBC News website, 20.03.24); although slower than

elsewhere, this still represents a substantial transition.

Within this context, the worldwide commercial opportunity is enormous and the stakes are very high indeed – particularly in a year of general elections. Currently, this is translating into friction surrounding international trade and, specifically, tariffs on electric vehicles. Meanwhile major automotive companies are shifting their production locations in order to avoid tariff barriers. The global industry is therefore very fluid. Activities in Coventry & Warwickshire are fully part of this wider narrative, with the opportunities and threats afforded by it.

For similar reasons, there is a strong case for seeking to attract more inward investment.

Locally, Invest Coventry & Warwickshire works with partners to promote key sectors and provide soft-landing support to investors. Looking ahead, public and private partners should continue to work together to attract new UK and overseas investment to support the occupancy of new commercial office and industrial space coming onto the market, including new development at Coventry & Warwick Gigapark and MIRA South Site.

Both the University of Warwick and Coventry University attract thousands of international students into the area, although many of these also leave after graduation. UK government policy in relation to migration is a factor here

(particularly in respect of the families of international students). However retaining more of these students after graduation would help in terms of augmenting the area's skills base (which is very important in respect of Themes 1, 2 and 3).

The area attracts millions of visitors each year to the likes of Stratford-upon-Avon and Warwick Castle, but international tourism numbers have not yet returned to pre-pandemic levels. The new Coventry & Warwickshire Destination Partnership should help to articulate and promote the wider offer; it is important that this reaches international visitors too.

Fit with strategic priorities regionally/nationally – and locally

Rebuilding the UK's role in the world – post-Brexit and post-pandemic – is a clear national priority. UK government has plans to **publish a new trade strategy** which will align with the forthcoming **Modern Industrial Strategy**; this will also enhance the UK's economic security and support its net zero ambitions. The new trade strategy should help to reset the UK's relationships with the EU, support more small businesses to export and remove unnecessary barriers to trade¹⁰. There is a real opportunity for Coventry & Warwickshire to make a key contribution.

Locally, **Invest Coventry & Warwickshire** is already showcasing the assets and 'investibility' of the area, with its '*Be Here...*' branding and a focus on key

¹⁰ See [New Government drives forward trade talks to turbocharge economic growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-trade-strategy-will-boost-uk-economy) July 2024

sectors (automotive and future mobility; digital creative and video games; and business, professional and financial services). The Invest Coventry & Warwickshire website and ‘*Be Here...*’ inward investment brochure highlight the many strengths of the area and provide a focal point for those interested in setting up in the city and county.

Priority Interventions

In advancing Theme 4, partners across Coventry & Warwickshire will seek to:

- **support international collaborations and actively encourage international business tourism.**
- **continue to develop materials for targeted inward investment marketing.** These might focus on:
 - the EV and battery inward investment opportunity
 - cultural and creative assets and opportunities (including heritage and the visitor economy)
 - Coventry & Warwick Gigapark, and Greenpower Park
- the local sustainability and ESG offer
- the benefits of Coventry & Warwickshire at the heart of the UK.
- **support businesses in Coventry & Warwickshire which are seeking to trade internationally**, helping them to overcome regulatory and trade barriers.
- **attract and welcome international visitors to Coventry & Warwickshire**, and promote the Visitor Economy more generally.
- **recognise the large numbers of international students at both Coventry University and University of Warwick and equip them to be ‘area ambassadors’ over the long term:** helping them to ‘understand this place’ might create alumni networks through which the strengths of Coventry & Warwickshire are articulated and shared around the world.

10. Theme 5 – Strategic Infrastructure and major projects

Summarising Theme 5

As a foundation of Themes 1-4, the fifth and final Theme is concerned with infrastructure and major projects. Within Coventry & Warwickshire, sustainable economic growth will require infrastructure investment. Some of this is already underway – but progress needs to be sustained and accelerated. In other cases, there is research to be done, business cases to develop, and funding to be secured. Priorities need to be agreed in line with the Economic Strategy, and then driven forward. More generally, there is a need to research and implement new policy and approaches, and to bring forward new development opportunities if the area's growth is to be realised fully.

Rationale

Within Coventry & Warwickshire, there are already major infrastructure initiatives and projects – but these are complicated, long term, dependent on national government (and sometimes WMCA) priorities (which can change – as has been seen in relation to HS2). Although there have been some major successes in recent years, some critical projects have

proceeded slowly, which has challenged the credibility of the area to deliver.

The **transport infrastructure** across Coventry & Warwickshire is regularly mentioned by businesses as a major constraint. It affects access to workers, and it can constrain the functioning of supply chains.

The **availability of employment space** is also frequently cited as a major barrier to business growth, hindering expansion plans and impacting on the local economy¹¹. There are currently major existing development sites for industrial uses, and others in the pipeline, but these have not always delivered the mix of space required, particularly for SMEs. Quality grade A office space has been in short supply in some locations.

In addition – as discussed in Chapter 3 – there are **constraints and challenges linked to a wide range of other infrastructures**. These include the supply of both energy and water, but also issues linked to social infrastructure (provision for hospitals, schools, GP surgeries, etc., given population growth).

Beyond the immediate area, the changed circumstances of HS2 present both an opportunity and threat for Coventry & Warwickshire.

¹¹ Employment Land Report, Coventry & Warwickshire Chamber of Commerce, 2023

Fit with strategic priorities regionally/nationally – and locally

The Labour government is committed to economic growth, and the delivery of infrastructure is a key element of this. The new National Wealth Fund should have an important role to play in this context.

In its manifesto it commits to a **new 10-year infrastructure strategy** to guide investment and provide certainty about the project pipeline. It has also indicated that this will be aligned with the new Modern Industrial Strategy and also be cognisant of regional development priorities. In practice, much of it will be linked to the journey of devolution.

For Coventry & Warwickshire, there are two **devolution journeys** at work – one at Level 2 currently and the second focused on deeper devolution (Level 4). The latter brings with it an investment fund that needs to respond to infrastructure (and other) priorities. It will be important that these are articulated clearly given the different boundaries and jurisdictions. Alignment between the requirements of the Coventry & Warwickshire Economic Strategy and Coventry City Council's Place-Based Strategy will also be important.

Priority Interventions

In advancing Theme 5, partners across Coventry & Warwickshire will seek to:

- **promote and advance both the Greenpower Park (the location of the West Midlands Gigafactory) and the wider Coventry and Warwick**

Gigapark, recognising the key roles of both within the regional economy.

- **promote and advance similar net zero future mobility opportunity sites** at MIRA South Site and University of Warwick Innovation Campus, Stratford-on-Avon.
- **continue to progress long term schemes and extract social/economic impacts from them.** Examples include: Coventry City Centre South/Friargate; and Transforming Leamington.
- **develop an 'economy first' approach to identifying and promoting strategic sites**, linking them to Themes in this strategy – particularly the emergence of new economic sectors and encouraging the provision of space for manufacturing as well as e-commerce and logistics, and the provision of space suitable for SMEs.
- **continue to improve the area's strategic transport infrastructure**, recognising the importance of links across Coventry & Warwickshire but also those into neighbouring counties and the West Midlands Combined Authority area.
- Encourage a reassessment of the position on **HS2**.
- **ensure that all places and all people within Coventry & Warwickshire have access to an outstanding digital infrastructure** – and the skills and confidence to use it fully.

- **encourage investment in the infrastructure which is critical for growth** (energy, water, waste), taking note of the constraints that are identified currently.
- **recognise the importance of green infrastructure**, and ensure that it is valued and used.

11. Delivering the Economic Strategy

This Economic Strategy sets out a bold and fresh Vision for Coventry & Warwickshire. It seeks to achieve this through the delivery of five key Themes.

A shared endeavour

In advancing the Economic Strategy there is no ‘silver bullet’, nor a significant funding stream to be harnessed and used.

However, Coventry City Council and Warwickshire County Council are committed to working together – building on a long track record of successful joint working. They are also committed to working with the districts and boroughs in Warwickshire.

Core to this will be an ongoing dialogue and a commitment to sharing new evidence and insight as these become available. There is already positive and strong stakeholder engagement across the area, including through the *Coventry and Warwickshire Growth Hub*, *Coventry and Warwickshire Champions*, *Coventry and Warwickshire Chamber of Commerce*, *Invest Coventry & Warwickshire*, the *Federation of Small Businesses*, *Coventry & Warwickshire First* and the recently-established *Coventry & Warwickshire Destination Partnership*.

Working with the business community and with key organisations

The strategy has been advanced because it ‘makes sense’ for Coventry & Warwickshire as a whole, particularly in

relation to key sectors and clusters, and the innovation and creativity associated with them. In this context, the two upper tier authorities will engage actively with the business community in driving key elements of the strategy forward. It will also work closely with the area’s universities and its cultural, creative and research organisations.

Developing strategic relationships

The two upper tier authorities will align their own activities behind the strategy wherever it is possible to do so – noting that delivery will rely on a lot of ‘influencing’ and shaping mainstream processes. At the same time, each Council will pursue local priorities too as set out in county- and city-level strategies and plans; these have a particular focus on different aspects of employability and inclusion (which need to be advanced as a matter of urgency).

The delivery of this Strategy will rely on developing strong working relationships with others. This includes the West Midlands Combined Authority, neighbouring upper tier authorities and the new government. This will be key to making the case and unlocking investment to deliver many of the interventions identified. In particular new funding opportunities linked to the new National Wealth Fund should be explored (including the proposed allocations towards gigafactories).

If opportunities do emerge, the two upper tier authorities will engage jointly in a dialogue with central government and bid for funding support. Much of this strategy could, for example, be advanced through (something like) a Strength in Places fund programme, if such a scheme was to be launched.

Delivering this Strategy for local people and communities

Whilst this Economic Strategy must deliver economic growth for Coventry & Warwickshire, it should also ensure that all people and communities (both rural and urban) across the area are able to

benefit as investment is unlocked. All projects and interventions delivered as part of this Strategy have local communities in mind. Where relevant, this will mean:

- **consulting with communities (including through districts and boroughs)** to identify the most effective/appropriate ways to intervene locally.
- **delivering social value** throughout, ensuring that those investing locally create supply chain, employment and learning opportunities for local people.

Agenda Item 6

Business, Economy and Enterprise (3) Work Programme 2025-26

Last updated on 14 November 2025

Please see page 2 onwards for background to items

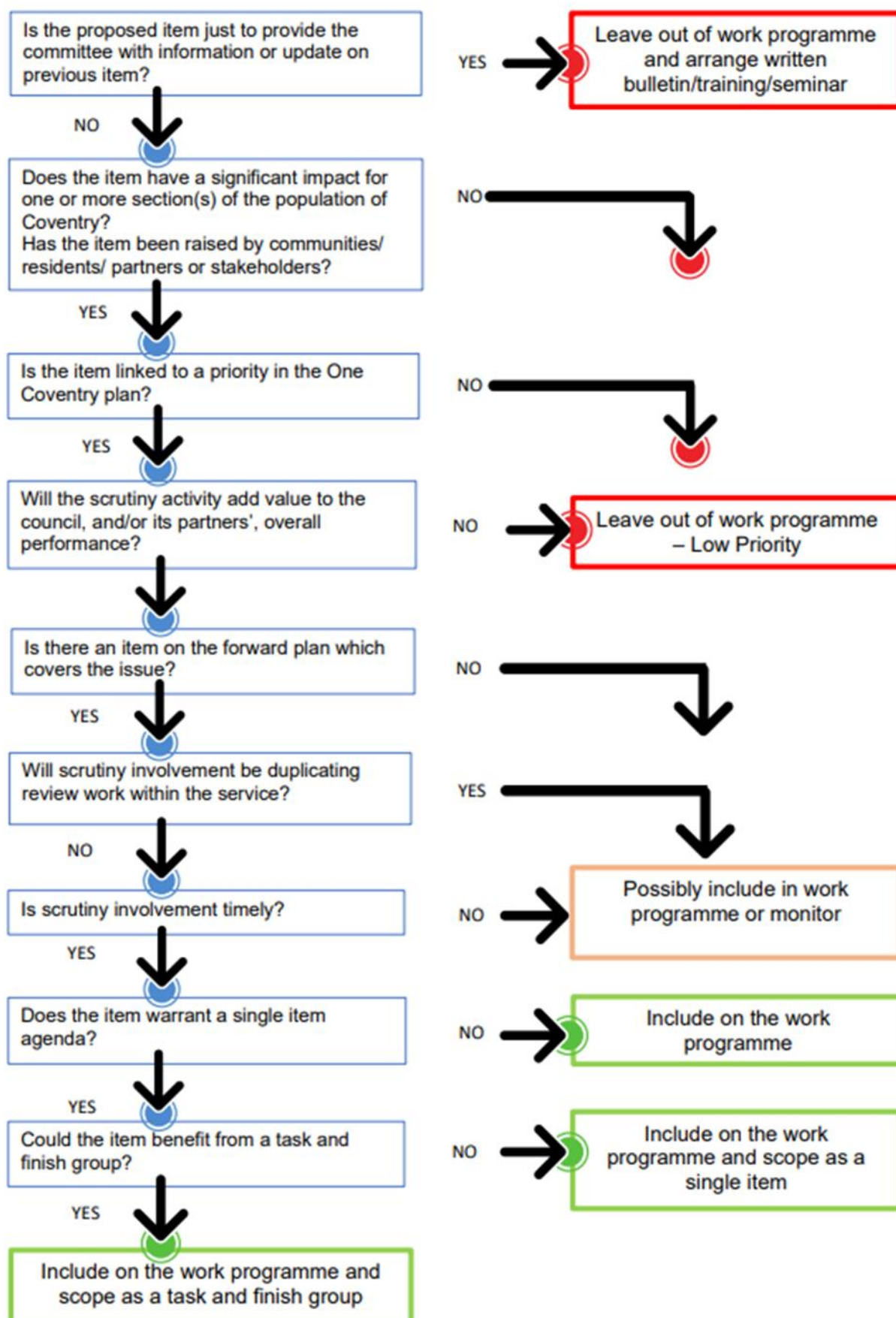
9 July 2025
Cabinet Member Portfolio Priorities Cycling and Walking Plan – Task & Finish Group
17 September 2025
EV charging point infrastructure Strategy roll-out Domestic Retrofit - Update
22 October 2025
Destination Coventry
26 November 2025
Economic Development Strategy/Skills Strategy 25/26 CW Economic Development Strategy Heatline
4 February 2026
Update on Bus Delivery Options Very Light Rail – route identification
18 March 2026
One Coventry Approach to Apprenticeships Greenpower Park - West Midlands Investment Zone Local Cycling and Walking Infrastructure Plan Task and Finish Group Recommendations
25/26
Commonwealth Games Legacy Fund City Centre South Development Visit to UK BIC
26/27
City Centre North Rail Update

Date	Title	Detail	Cabinet Member/ Lead Officer
9 July 2025	Cabinet Member Portfolio Priorities	To invite Cllr O'Boyle to identify their priorities for the coming year, for Scruco to be able to identify future items and hold Cabinet Members to account	Cllr O'Boyle
	Cycling and Walking Plan – Task & Finish Group	A Local Cycling and Walking Innovation Plan Task and Finish Group be established - Progress on implementation of the Plan – Member contribution pre-consultation during summer 25.	John Seddon / Andrew Saffrey Cllr O'Boyle
17 September 2025	EV charging point infrastructure Strategy roll-out	This item will consider how the strategy is being delivered, as well as steps being taken to encourage EV vehicles by large commercial fleets. Including accessible parking charging points and rapid charging points. Information on usage, locations, car parks overnight e.g. Development of charging station in the north of the city.	Cllr O'Boyle John Seddon Shamala Evans-Gadgil
	Domestic Retrofit - Update	updates regarding the overall progress of the domestic retrofit programmes across the city.	Rhian Palmer Matthew Dillow Cllr O'Boyle
22 October 2025	Destination Coventry	Update on Destination Coventry including its performance. How we are supporting attractions across the city? How are we performing as DMO compared to other benchmarking including KPI's? Income sources and funding.	Paula Deas / Cllr O'Boyle
26 November 2025	Economic Development Strategy/Skills Strategy 25/26	Last came November 24. A further progress report in 25/26 which includes <ul style="list-style-type: none"> Progress against benchmark data Work to retain graduates in the city	K Mawby / S Weir
	CW Economic Development Strategy	Following Cabinet March 18 th 2025	S Weir Cllr O'Boyle

Date	Title	Detail	Cabinet Member/ Lead Officer
	Heatline	Update on the use of Heatline, income generated, efficiency and best use of the resource, how it is contributing to net zero – Update in Feb 2026 – To include a private item to be arranged by officers including Bring Energy to update Members of the board with the financial side of Heatline to include value of assets etc.	Lowell Lewis / Mark Anderson (Bring Energy) / Cllr O'Boyle
4 February 2026	Update on Bus Delivery Options	To include progress on bus franchising as well as whether the on-demand bus service could include a Birmingham drop off.	TfWM
	Very Light Rail – route identification	An item to include information about the feasibility of routes and how members of the public will be engaged in the process.	Cllr O'Boyle John Seddon
18 March 2026	One Coventry Approach to Apprenticeships	To be included as a follow on to Skills Strategy item. To consider how SME's are supported to deliver apprenticeships. What support is offered to people who come through the door of the Job Shop? Possibly March 2026. Including partners – private sector and HE.	Kim Mawby/ Cllr O'Boyle/Cllr Sandhu
	Greenpower Park - West Midlands Investment Zone	To pick up progress, including promotion of the Green Power Park. Understanding the challenges and the timelines. Check planning status. Last came March 2025. Info on how many apprentices from Coventry are employed on the site to be included – Good Work clauses	S Weir Cllr O'Boyle
	Local Cycling and Walking Infrastructure Plan Task and Finish Group Recommendations	To agree the recommendations from the LCWIP T&F	Elan Jones Cllr R Singh
25/26	Commonwealth Games Legacy Fund	Coventry's aspect– update due 2024/25	David Nuttall Cllr O'Boyle

Date	Title	Detail	Cabinet Member/ Lead Officer
	City Centre South Development	Update on progress – Requested at the last meeting of the Municipal year 2024	Richard Moon Adam Hunt
	Visit to UK BIC		Steve Weir / Cllr O'Boyle
26/27	City Centre North	To consider potential development in the north of the city centre – 2026/27	
	Rail Update	Formation of Great British Railways and proposals be included on a future agenda for the Board, once the current rail contract expires. Dependant on national legislation. Possibly 2026/27	Rosie Coyle / Cllr O Boyle

Work Programme Decision Flow Chart



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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 refers to information relating to an individual and information relating to the financial or business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

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

Date: 26th November 2025

Subject: Heatline District Heating Update

1 Purpose of the Note

- 1.1 Business, Economy and Enterprise Scrutiny Board (3) has requested an update to be provided on the funding of Heatline to date, its historic performance and the forward plan for the network.
- 1.2 This briefing note provides a summary of the following in relation to the existing heat network:
 - Existing Concession Contract Details
 - Breakdown of Funding Sources for Heatline
 - Financial Performance of Heatline to Date
 - Current Expansion Activities for the Heat Network
 - Social Value Impacts from Coventry District Energy Company
 - Impact of Forthcoming Legislation

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) are recommended to:
 - 1) Note the information provided about the current status of the Heatline District Heat Network.
 - 2) Note the forthcoming changes to the context of heat networks in the UK.
 - 3) Support the proposed extension of the Concession Contract to 2043 to enable grant support to be maximised.

Background and Information

3 A Summary of Heatline

- 3.1 The Coventry Heatline district heat network currently supplies recovered heat from the Energy from Waste (EfW) Facility on London Road to 9 city centre buildings including 3 Offices, 2 sports facilities, a Museum, a Hotel, the Cathedral and a Student Accommodation Block via its 4km network of underground pipework.

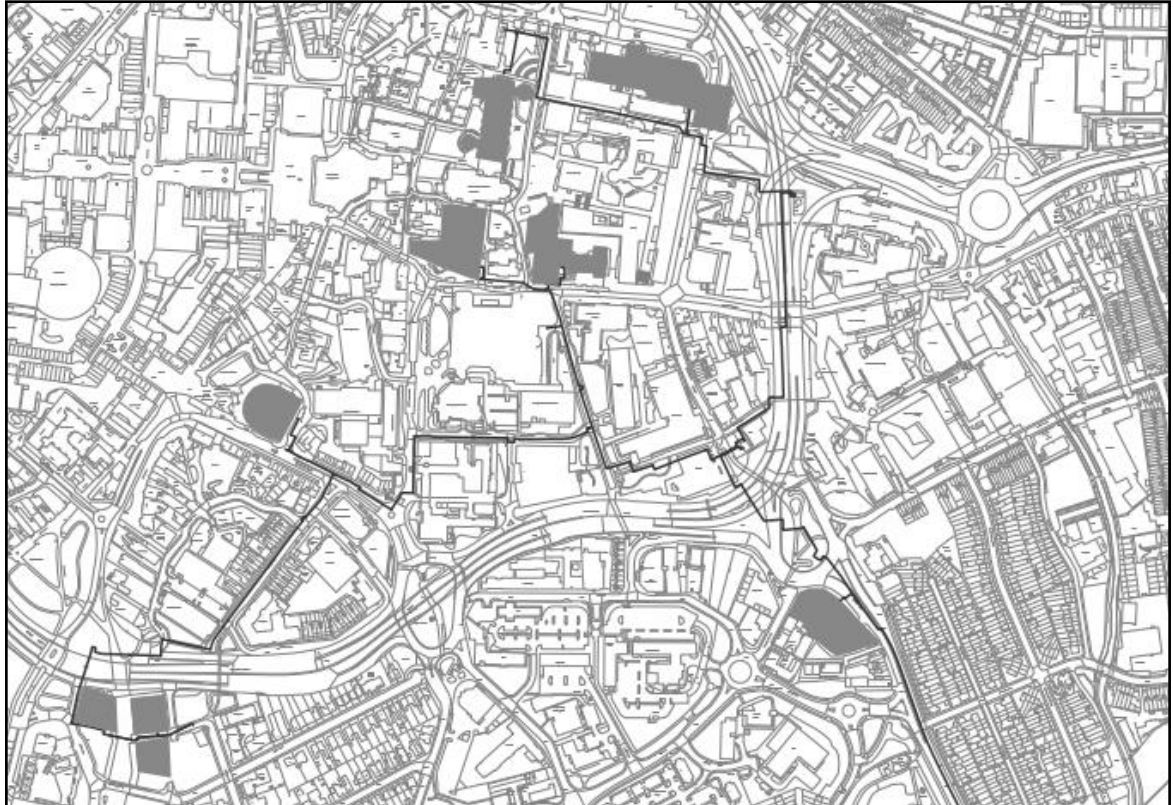


Figure 1 - Current Locations of the Heatline Heat Network and its Customers.

- 3.2 Heatline is operated under a Concession Agreement by Coventry District Energy Company (CDEC) which is now a wholly owned subsidiary of Bring Energy. The original concession was awarded to Cofely who set up CDEC, but this entity has subsequently changed ownership several times before the current owners Bring Energy.
- 3.3 They buy the heat from the EfW and resell it to customers on the network. They are also fully responsible for the operation and maintenance of the buried network and above ground infrastructure. At the end of the Concession term, the heat network and all of its assets will transfer to Coventry City Council (CCC) or its future appointed operator.

4 Existing Contract Arrangements

- 4.1 The existing Concession contract with CDEC was entered into in 2012 and had an initial operational term of 25 year. It is currently due to expire in 2038. The original procurement process allowed for a maximum contract term of 400 months enabling CCC to grant extensions of the contract term to 2045 should such an extension be required to attract new customers to the network.

- 4.2 Under this arrangement, CDEC is to meet the full operating and maintenance costs for the heat network. A profit share mechanism was included to ensure that financial returns over and above a pre-agreed acceptable rate of return were shared between CDEC and CCC. The intent of the concession contract was to de-risk the capital investment needed from the private sector whilst ensuring there was protection against future “super profits” being generated.
- 4.3 The capital contributions from the public sector and the rates set for CCC offtake of heat under the original concession intended to derisk the initial build out of the network by providing a baseload of heat sales from day 1.
- 4.4 In 2017, the contract was revised to allow for the replacement of the Civic Centres and Fairfax Street Sports Centre with One Friargate and the Wave.

5 Breakdown of Heatline Funding Sources

- 5.1 The original network construction cost ~£5.6m. This was funded using £2.2m of Homes and Communities Agency (HCA) grant funding with the remainder financed by CDEC through its parent company.
- 5.2 The network expansions to date have cost an additional ~£3.6m. This was funded using £850k developer contributions from Friargate Coventry LLP and £1m of CCC capital investment with the remainder financed by CDEC through its parent company.
- 5.3 Therefore, to date the investments in Heatline have been as follows:

Funding Source	Investment Value (£m)	Investment Proportion (%)
HCA Grant	2.2	24%
CCC	1.00	11%
Friargate Coventry LLP	0.85	9%
CDEC	5.15	56%
Total	9.2	100%

- 5.4 The public sector has therefore to date funded 35% of capital costs of Heatline with the remainder coming from the private sector. CDEC has been the biggest investor in the development of Heatline so far.

6 Financial Performance of Heatline to Date

- 6.1 A review on financial performance of Heatline has been undertaken comparing actual revenues and cost to the end of 2024 (the last completed year) with the forecast performance from the 2012 Financial Model.
- 6.2 The original Financial Model for Heatline was based on the original network connections and set an expectation that, by the end of the concession, CDEC would have achieved a positive Net Operating Profit to deliver a modest return to the operator for their initial capital investment. Coventry City Council was not expected to receive income from the venture unless there was significant increase in either the utilisation of the network or the energy market price over the duration of the concession. At this mid-point of the concession, it was expected that CDEC would still have a negative cumulative Net Operating Profit.

- 6.3 Overall revenues have been lower than forecast whilst costs have been higher than forecast in the original Financial Model. This operational deficit combined with the additional capital investment in expanding the networks means that currently Heatline's cumulative Net Operating Profit is lower than originally forecast for this stage in the Concession.
- 6.4 The following sets out the different elements and underlying drivers for the financial performance observed within CDEC.

P&L Aspect	Actual vs Forecast	Drivers
Heat Sales	-2%	Heat Price inflation lower than forecast with exception of 2022-2023 energy crisis. Lower Consumption than forecast following energy efficiency improvements in buildings
Heat Costs	+3%	Heat Cost increase in 2022-2023 energy crisis outweighs lower costs in other years. Issues at Bar Road requiring higher cost temporary Energy Centres.
Fixed Revenue	-12%	CPI and Labour inflation has been consistently lower than in the Financial Model. Currently 20% lower but has been as much as 32% lower.
Fixed Costs	+19%	Significant repairs to the heat network spine at Bar Road.
Overheads	+78%	Overheads are related to costs and therefore higher costs have resulted in higher than expected overheads.

- 6.5 The three biggest factors negatively affecting the financial performance of Heatline have been:
- Lower inflation in prices compared to the Financial Model
 - Slower than expected build out of Friargate Business District, and
 - Unexpected maintenance costs with the Bar Road section of the network.
- 6.6 CCC has not been exposed to any of this financial underperformance due to the concession contract and has benefited from lower heat costs than were initially predicted.
- 6.7 It should be noted that the impact of the 2 new buildings in the Friargate Development (Indigo Hotel and Two Friargate) have yet to come through in annual financial reporting. These new connections should help to improve the financial performance in 2025.
- 6.8 The relatively low customer base for the scale of the private investment put into the scheme is an underlying factor for the current financial performance of the network.

7 Current Activities to Address Financial Performance

- 7.1 The main activity that will address the financial performance of Heatline will be to increase the number of customers using the network. Since Bring Energy has taken over operational control of CDEC in early 2024, significant renewal of efforts to expand the network have been undertaken. CCC and CDEC have worked together to secure the connection of 11 Coventry University buildings to the Network. This work is currently taking place with connections expected to be fully completed in 2026. This will see a significant increase in the revenue from heat sales without significantly affecting the fixed costs of the network. This expansion has been funded by Coventry University and the Public Sector Decarbonisation Scheme (PSDS).
- 7.2 The Ministry of Justice (MoJ) has also secured PSDS funding to support the connection of the two courts buildings to the network. These connection opportunities are currently being assessed by MoJ but are anticipated to be completed by 2028. These connections would be funded by MoJ and PSDS.
- 7.3 In addition, CCC has utilised the flexibility of the WMCA Retrofit Pilot funding to enable 6 new public sector connections to be brought forward in Hillfields. This additional anchor load further enabled CDEC to secure funding to support connections to a further 12 buildings bringing the total to 18 new potential connections. These connections are still subject to detailed design and final contracting but are anticipated to be also completed by 2028. In order to maximise the grant support that CDEC can attract into the scheme, an extension of the Concession contract extension to 2043 has been requested by CDEC. Without the contract extension, CDEC would not be able to offer the new customers a commercially viable heat price and the expansion would not take place. The overall expansion will be funded through a combination of customer contributions, grant funding and CDEC investment.
- 7.4 Figure 2 below shows the extent of the proposed expansions above. Shading indicates whether a building is already contracted, part of CCC's proposed pipeline for the WMCA Retrofit Pilot or part of other CDEC expansion schemes. It also shows the City Centre South and Friargate regeneration areas which are also expected to connect as they build out.

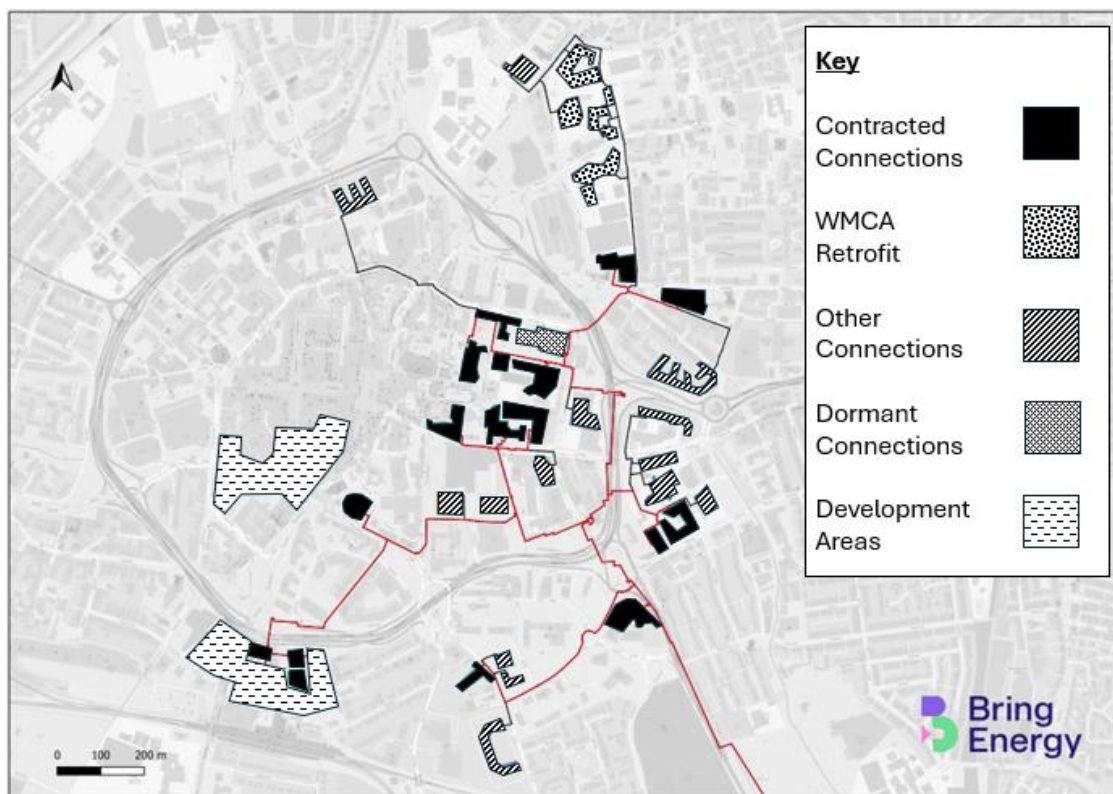


Figure 2 - New Connections Pipeline 2025-2028

7.5 Following the buildout of the proposed expanded networks, the investment breakdown for the Heatline network is expected to be as follows:

Funding Source	Investment Proportion (%)
Grant Funding	53%
CCC	2%
Friargate Coventry LLP	2%
Other Public Sector	13%
CDEC	30%
Total	100%

The ability to attract significant grant funding into the scheme over this phase of expansion is expected to rebalance Heatline's revenues and costs and bring the scheme back in line with original expectations over the moderately extended concession term.

8 Social Value Impacts from Coventry District Energy Company

8.1 The primary social value from Heatline is the avoidance of carbon emissions associated with the heat provided to the customers on the network. To date it is estimated that 14,176 tCO₂ has been avoided through the use of Heatline. It is anticipated that successful expansion of the network as proposed above will result in avoided emissions of 7,305 tCO₂/yr.

- 8.2 CDEC is staffed using a shared regional workforce that also manages the Bring Energy heat networks in Birmingham and Leicester. As CDEC is the smallest of these operations, there is only 1 FTE permanently based within Coventry and none of the direct Bring Energy employees live locally. Bring Energy does currently have 2 apprentices supporting the heat network however, they are based in Birmingham. The recent engagement with Coventry University has seen Bring Energy offer 6 work experience opportunities over the summer to their students.
- 8.3 Overall, based on the Social Value Portal's Themes, Outcomes and Measures (TOMs) metrics, the CDEC Contract is expected to generate over £750k of social value this year and has delivered over £3.6m of social value since the start of the contract. This is largely because of the emissions savings delivered.
- 8.4 The current expansion works are delivering further social value for the wider WMCA region. The current works are using a specialist heat network civils contractor based in Solihull. They currently have 20 FTEs working on the CDEC expansion project some of whom are Coventry residents and, as capital intensive aspect of the works, represents a significant spend within the regional economy. The expansion works also support a large number of other jobs from outside the region and therefore indirectly support the local economy via spend on accommodation and subsistence during the works. Including this wider context of social value increases the expected impact this year by over £2.5m.

9 Impact of Forthcoming Legislation

- 9.1 New Heat Network Regulations are coming into effect in 2026. This will require Heat Network Operators in the UK to be regulated by Ofgem and comply with new codes of practice, consumer protection policies and reporting requirements. As CDEC is a wholly owned subsidiary of Bring Energy, CCC will not be responsible for complying with the new regulations in relation to Heatline.
- 9.2 Bring Energy is in the process of setting up internal processes and compliance systems to enable compliance and the reporting of relevant data to Ofgem as and when required. This includes:
- Current work to upgrade existing metering & billing processes to enhance compliance readiness across all Bring Energy schemes.
 - Work to ensure that all contractual tariff reviews and pricing models are up to date as would be required by the new Ofgem regulations.
 - Undertaking "technical due diligence" to ensure that all Bring Energy schemes meet the requirements of the proposed heat network technical standards.
 - Assessing potential commercial and legal risk (for existing & new contracts) to determine if any of the proposed changes are sufficient to trigger 'Change in Law' provisions.
 - Committing staff towards working on the preparation and reporting of any relevant data to Ofgem as required.
- 9.3 It is anticipated that Heat Network Zoning regulations will also come into effect sometime in 2026. This will introduce a new regulatory burden for Zoning Coordination that may either sit with Local Authorities or Combined Authorities. The principle is that they will be responsible for identifying and designating Heat Network Zones (much like setting a conservation area). Once designated the Zoning Coordinator will be responsible for procuring a Heat Zone Developer to build out and

operate the heat networks in the zones. CCC is currently evaluating how existing procured contracts relating to Heat Networks will fit with this new requirement. The Zoning Coordinator would also be responsible for any oversight and enforcement requirements that apply to the designated zones. It is suspected that the long-term direction of Heatline will be significantly influenced by the final decisions the Government makes on the Heat Network Zoning regulations.

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