

Business, Economy and Enterprise Scrutiny Board (3)
Cabinet
Council

15th February 2018
6th March 2018
13th March 2018

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O'Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All

Title:

Coventry's Economic Growth and Prosperity Strategy 2018-2022

Is this a key decision?

Yes - it has the potential to affect all Wards within the City and expenditure is in excess of £1m.

Executive Summary:

Since 2011 Coventry has had a *Jobs Strategy* which sets out the Council's plan and approach to growing the number of jobs and economic opportunities in the city. In order to deliver a modern and fit-for-purpose service for the people of Coventry it is proposed to adopt a more holistic approach and support a new *Economic Growth and Prosperity Strategy (EGPS)* to replace the previous jobs strategies.

This five-year Strategy sets out Coventry's vision to deliver sustainable and inclusive economic growth which enables all of our residents and businesses to prosper. The aspirations of the Strategy are to:

- further reduce the gap between Coventry's productivity and the UK average
- empower local people to connect with jobs and develop their skills
- reduce the employment gap between disadvantaged groups and the overall population average
- support the growth of an innovative economy with a focus on key sectors
- ensure social value is incorporated into economic growth
- influence local, regional and national policy to maximise opportunity and investment for Coventry

For every £1 invested by the Council, it is anticipated to create £40 of additional investment in local economic growth.

Set against three strategic themes Business, People and Place, the EGPS will deliver directly against the following priorities of the Council's Plan:

- **Promoting the growth of a sustainable economy** by supporting businesses and helping people into jobs whilst raising the profile of Coventry and physically transforming our city
- **Improving quality of life for Coventry residents** by contributing to skills development, social mobility and creating an attractive, cleaner and greener city
- **Delivering our priorities with fewer resources** by attracting new funding and opportunities to make the most of our assets.

It will also deliver against the Coventry & Warwickshire Local Enterprise Partnership (CWLEP) Strategic Economic Plan, the West Midlands Combined Authority (WMCA) Strategic Economic Plan and the emerging local industrial strategy.

Coventry ranks as the 8th best city to live, work and do business in the UK (Good Growth For Cities Index 2017), and has a flourishing national and international reputation. This is evidenced by the fact that in 2016, Coventry received the 7th highest number of Foreign Direct Investment projects of all UK cities outside of London (EY's Attractiveness Survey UK, May 2017), and the city's successful bid for 2021 UK City of Culture will further increase its attractiveness to domestic and international investment. Moreover, the UK Government has selected Coventry as the location for the National Battery Manufacturing Facility and will provide £80m of funding into the Facility, which will further enhance the area's competitive advantage in automotive manufacturing and lead to the creation of up to 10,000 new high quality jobs.

Although job creation and local employment levels have seen strong growth, business stock is growing and resident qualification levels are improving, there are on-going challenges that need to be addressed. Notably Coventry's productivity levels (which remain lower than the UK average) and lower wage levels for residents. In addition, nationally there is a reduction in growth forecasts and uncertainty around the impact of the UK leaving the European Union. This Strategy sets out a framework for action to promote economic and social prosperity within this current economic context.

Recommendations:

List of Appendices included:

Appendix 1 - Coventry's Economic Growth and Prosperity Strategy 2018-2022

Background papers:

None

Other useful documents

West Midlands Combined Authority [Strategic Economic Plan](#)
Coventry & Warwickshire Local Enterprise Partnership [Strategic Economic Plan](#)

Has it been or will it be considered by Scrutiny?

Yes – Business, Economy and Enterprise Scrutiny Board (3) 15th February 2018

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 6th March 2018

Report title: Coventry's Economic Growth and Prosperity Strategy, 2018-2022

1. Context (or background)

- 1.1 Coventry's Economic Growth & Prosperity Strategy (See Appendix 1) will build on the achievements of previous Jobs & Growth Strategies by bringing more services areas together in partnership with a greater and stronger focus on key economic and social priorities.
- 1.2 There are signs that the number of jobs in the city are growing, resident employment levels have seen strong growth and the gap between the unemployment rates locally and nationally has closed over the last two years.
- 1.3 However, whilst local labour market measures are positive, Coventry faces some challenges around lower than average productivity, a relatively low business stock (although beginning to improve), lower than average resident wages and lower qualification levels (despite recent improvements).
- 1.4 Nationally the UK economy is predicted to grow in 2018 at a moderate and slowing rate. In addition, the UK is due to leave the European Union in 2019 and this places uncertainty on any economic forecasts.
- 1.5 As a result, while the prospects for Coventry appear to be good, they are partly dependant on the outcome of negotiations to leave the EU and the national economic context.
- 1.6 Therefore, this Strategy has a five-year lifespan to allow stretching aspirations to be achieved and to fully assess and respond to uncertainty in the current economic climate. The aspirations are to:
 - reduce the gap between Coventry's productivity and the UK average
 - empower local people to connect with jobs and develop their skills
 - reduce the employment gap for disadvantaged groups
 - support the growth of an innovative economy with a focus on key sectors
 - ensure social value is incorporated into economic growth
 - influence local, regional and national policy to maximise opportunity and investment
- 1.7 These aspirations have been set against three work themes – People, Business and Place.
- 1.8 Success will be measured through a range of indicators that are based on:
 - ✓ economic and social priorities
 - ✓ past experience of delivery within these areas
 - ✓ understanding of the current and future local economy as we know it
 - ✓ where the funding flows from and priorities that surround those funding streams
- 1.9 The key indicators within the EGPS provide a holistic understanding of the impact of our local activity against the vision of the strategy.
- 1.10 The EGPS will be delivered primarily through the Economic Development and Employment Teams in the Place Directorate.
- 1.11 Critical to the success of achieving the vision and aspirations of the strategy are our local, sub-regional and regional partners. We are already a strong part of the Coventry & Warwickshire Local Enterprise Partnership (CWLEP) and the Coventry EGPS will deliver against the Strategic Economic Plan. At Combined Authority level, we will influence and work with partners to shape devolved policy that will make a real difference to the economic opportunities the people and businesses of Coventry have access to. With our strong track

record of securing external funding we will engage with colleagues in the WMCA to bring those resources into Coventry.

- 1.12 Beyond our local and regional engagement, we will influence central Government through strong engagement with DWP, CLG, BEIS and other Government departments to ensure Coventry is at the forefront of new policy initiatives, pilot schemes and large scale funding opportunities.

2. Options considered and recommended proposal

- 2.1 The Council can choose not to have an Economic Growth and Prosperity Strategy and rely on the strategic plans of the Combined Authority and Local Enterprise Partnership. The risk in this approach is the focus and flexibility of real local interventions to tackle the economic issues that larger programmes will fail to deliver on. Not having a Coventry strategy would remove the opportunity for focused interactions with partners and stakeholders, and could hinder Inward Investment.
- 2.2 Option 2 is the development of a strategy that gives Coventry a focus and a voice in economic growth. It gives the city a focus in economic development that places Coventry businesses and people at the heart of our economic development, attracting investment, new jobs, upskilling our people and improving social mobility. It will seek to align resources in this area to deliver the best possible outcomes for Coventry.
- 2.3 It is recommended that the Council endorse Option 2 and endorse the Economic Growth & Prosperity Strategy 2018-2022.

3. Results of consultation undertaken

- 3.1 Partners, stakeholders and customers have influenced the development of this Strategy through a range of activities including discussion at formal strategic partnership groups.
- 3.2 It is worth noting that the Business, Economy and Enterprise Scrutiny Board will consider Coventry's Economic Growth and Prosperity Strategy 2018 -2022 on the 15th February 2018.

4. Timetable for implementing this decision

- 4.1 Coventry's Economic Growth and Prosperity Strategy 2018 -2022 is a five year strategy. Progress will be reported annually to the relevant Cabinet Member (Jobs and Regeneration) and to Cabinet.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

- 5.1.1 A proactive and innovative approach will be adopted to finance the EGPS, building on existing core Council funding to secure external resources from a variety of sources. Coventry has a track record of securing more grant funding than its neighbours, the EGPS plans to keep this record intact.
- 5.1.2 Table 5.1 shows the investment by the City Council and expected external funds that will be generated to deliver the EGPS.

Table 5.1 – Economic Growth and Prosperity Strategy Funding

	18/19 £000'	19/20* £000'	20/21* £000'	21/22* £000'	Total £000'
Council Funding	1,445	1,468	1,491	1,515	5,919
External Funding	113,097	76,149	16,060	31,521	236,826
Total	114,542	77,617	17,551	33,036	242,746

**Funding in these years has elements of unconfirmed grant but is based on experience, current bids and anticipated future funding sources*

5.1.3 It is important to note that securing this external investment is dependent on the provision of match core funding – Over the period of the strategy **for every £1 of Council investment in the Strategy we will deliver £40 additional funding.**

5.1.4 It should also be recognised that part of this estimated funding is for Coventry and Warwickshire, reflecting our role and partnership working within the region, and where some of the employment growth is for Coventry Citizens.

5.2 Legal implications

5.2.1 There are no direct legal implications arising out of this report at this stage save for noting the Council's duty under the Equality Act 2010.

5.2.2 Whilst there is no statutory duty to produce an Economic Growth and Prosperity Strategy, doing so provides an important framework for helping to deliver the Council's statutory obligations and will help drive forward the Council plan.

5.2.3 The Equality Act 2010 requires public authorities to have regard to the need to eliminate discrimination and advance equality of opportunity. The Council must further take into account its wider Public Sector Equality Duty (PSED) under s. 149 of the Equality Act 2010 when making its decisions. The public sector equality duty (s.49, Equality Act 2010) requires the Council when exercising its functions, to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act, advance equality of opportunity between those who share a 'protected characteristic' and those who do not share the protected characteristic and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (this involves having due regard, in particular, to the need to (a) tackle prejudice and (b) promote understanding).

5.2.4 The Council will consider the impact of changes that might arise as a result of implementing work coming out of this strategy on those protected equality characteristics. Individual proposals will be subject to a full equality analysis wherever relevant prior to any decision taken to proceed, including the identification of mitigating action where possible.

6. Other implications

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

The Economic Growth & Prosperity Strategy will deliver against all three of the key objectives within the Council plan:

6.1.1 **Globally Connected** - the EGPS will drive the Council's support to businesses to grow and develop, it will support the delivery and development in creating the infrastructure needed for growth. It will help local people access local jobs through bespoke support and training, reducing the impact of poverty across the city.

6.1.2 **Locally Committed** – the EGPS will contribute to improving the quality of life for Coventry people by creating new opportunities and growing the diversity of jobs available for local people. The EGPS will deliver core activity to employers and those in work, improving skill levels and education outcomes, which research confirms will contribute to reducing health inequalities for those from our more vulnerable groups.

6.1.3 **Delivering our Priorities** – the EGPS will in the main be delivered with over 50% of resources coming from external public funding. The strategy will utilise both capital and revenue funding sources to deliver the best economic growth possible for Coventry.

6.2 How is risk being managed?

6.2.1 The key risks associated with EGPS for Coventry are:

- Economic uncertainty - Coventry City Council acts proactively and flexibly to identify ways to deliver the strategy within a difficult economic context.
- The increasingly limited funding opportunities and the changing funding environment - Coventry City Council is proactively responding to these changes through identifying more innovative ways of funding priorities, and developing more partnership approaches to delivery.
- Stakeholders could be reluctant to commit to work jointly on the delivery of the strategy - Stakeholders continue to respond very positively to the strategy, and the City Council continues to experience excellent partnership working arrangements.

6.3 What is the impact on the organisation?

6.3.1 The EGPS will have wide reaching positive impacts on the residents of Coventry – improving health and wellbeing, targeting vulnerable groups and boosting local businesses and job creation. This will reduce reliance on other Council services and have public health benefits.

6.4 Equalities / EIA

6.4.1 One of the key aspirations of the EGPS is to have a positive impact on people who are identified as more vulnerable in terms of economic wellbeing and gaining sustainable employment. Initiatives, projects and programmes will be tailored to meet those vulnerable groups. Data is regularly collected and analysed to ensure continuous improvement and effective identification of the most vulnerable groups and areas of the city.

6.5 Implications for (or impact on) the environment

6.5.1 The EGPS will support investment in businesses working within the low carbon and new energy sectors. The strategy will deliver programmes and initiatives designed to work with businesses developing new and emerging technologies that create new markets and support new job creations. The EGPS will also support the development of designated employment land within the local plan as part of increasing business investment and growth.

6.6 Implications for partner organisations?

6.6.1 The Strategy will be delivered in partnership with stakeholders across the city, sub-region and West Midlands region. This is an emerging strategy for the city, it is a strategy that the Council cannot deliver on its own. Engagement with partners to align programmes, investments and collaboration on key initiatives will be required if we are to see its successful implementation.

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