

Coventry City Council
Minutes of the Meeting of Business, Economy and Enterprise Scrutiny Board (3)
held at 2.00 pm on Wednesday, 20 February 2019

Present:

Members: Councillor J McNicholas (Chair)
Councillor J Birdi
Councillor G Crookes
Councillor R Lancaster
Councillor B Singh
Councillor T Skipper
Councillor K Taylor

Employees (by Directorate):

Place G Holmes, A Hunt, M Salmon, P Singh, A Williams

Apologies: Councillor C Miks

Public Business

29. Declarations of Interest

There were no disclosable pecuniary interests.

30. Minutes

The minutes of the meeting held on 5th December 2018 were agreed and signed as a true record.

Further to minute 25/18 headed 'Coventry City Council and West Midlands Manufacturing Group: Driving Growth in Partnership', the Board were informed that an all Member Seminar had been arranged for 27th February 2019 on the future plans for development in the city.

31. Support to Small Businesses and Start-ups

The Business, Economy and Enterprise Scrutiny Board (3) received a briefing note and presentation from the Deputy Chief Executive (Place) on the support the Council gave to small and medium-sized enterprises (SMEs), the role of the Coventry and Warwickshire Chamber of Commerce and Coventry & Warwickshire Local Enterprise Partnership (CWLEP).

There were nearly 10,000 SMEs in Coventry and this business community played an integral role in the local economy for both wealth creation and employment and also its contribution to local business rates. It was vital that SMEs were given the best chance of success through the support available from the Council and Partner organisations. The Council had a proactive approach to partnership working, constantly redeveloping existing networks and finding new connections. Currently the Economic Development Service (EDS) was supporting the emerging

Local Industrial Strategy for West Midlands which set strategic objectives and brought major new aspirational projects for Coventry which would ultimately open up supply chain opportunities for SMEs.

EDS was proficient at supporting Coventry's SMEs through the provision of advice and support with access to finance and infrastructure. This was facilitated by building effective relationships with key representative bodies such as the CWLEP Growth Hub and the Chamber of Commerce, relationships to provide the delivery of a suite of business support programmes. The varied support included advice on access to grants/loans, new start-up support, skills support or lobbying government to develop policy or access funding. The Growth Hub's initial diagnostic on a business helped to filter the appropriate business support to Partner organisations such as the Council, Universities, Chamber, Princes Trust etc.

EDS were currently managing three European Regional Development (ERDF) Business Support Programmes valued at £11.9 million, including £4.75 million in grants available for business within Coventry and Warwickshire up until December 2021. The previous ERDF Support Programme which ended 31st December 2018 awarded £4.5m in grant funding, generating £16.8 million of private sector investment and supported 264 start-up enterprises. With 867 SMEs receiving non-financial support. In addition, the Green Business Programme had saved over 11,600 tonnes of greenhouse gases by supporting businesses. This combined support had generated 775 new jobs in the local economy.

New start-up support was provided by the Chamber of Commerce through a dedicated project offering specialist on business planning, finance, marketing and 1-2-1 mentoring and coaching. It also offered dedicated support around exporting. To ensure SMEs possessed the necessary digital skills to benefit from opportunities generated by new technology, the Chamber also offered specialist ICT advice such as developing a digital marketing plan, implementing Superfast/Ultrafast broadband and moving to the Cloud.

Through the EDS Skills 4 Growth programme, a total of 22 SMEs had been supported to train over 60 employees. The social value work around the planning process had been recognised nationally and this year 786 local people were now employed on sites with Skills and Employment plans. The work had facilitated investment in digital infrastructure, recently being awarded £5.7m through the Local Full Fibre Network Fund Wave 2 and delivering an innovative Gigabit Voucher Scheme for SMEs. This would help support innovation and growth in key sectors such as intelligent mobility/Connected and Autonomous Vehicles and provide foundations for the successful delivery of UK City of Culture 2021.

The Council had a strong relationship with local businesses and worked across all areas of the business base. The Cabinet Member for Jobs and Regeneration was supportive of the work with small businesses and had visited local businesses that had been assisted through the Council's work. He was the opening speaker at the official launch of the new ERDF Business Support Programmes at the end of February 2019. Such initiatives would enable Coventry to continue to prioritise delivering integrated and comprehensive business support programmes, enabling SMEs to grow and prosper.

The Board questioned officers and discussed the following issues:

- Types of businesses supported – only retail trade was excluded (retailers contact the Chamber of Commerce for support). Predominantly engineering trade. SMEs based overseas supported. Boundary in UK is Coventry and Warwickshire. Assess any request against SME definition/criteria and support all possible.
- The definition of an SME – under 250 employees, a turnover of 50m euros, can have wider group ownership, company accounts inspected
- Larger businesses/take-overs – provide support but not usually relating to finance. State aid rules apply. SME definition applies to enable full support.
- Finance/funding – Funding of £10m in place for 3 years: Authority provides revenue of 50% with 50% match funding. Local organisations go through Coventry and Warwickshire Re-investment Trust. Shared Prosperity Fund is likely source of future funding comprising one pot feeding into different funding streams – could be a regional level concept.
- Honda closure – concerns about future impact. Data gathering required to assess effects on suppliers.

Members of the Board requested that they be provided with information on targets for future SME start-ups, to include a breakdown of targets for specific groups.

The Chair, Councillor McNicholas, thanked officers for their presentation. The Board endorsed the support the Council gave to small and medium-sized enterprises and welcomed a further report on progress in due course.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3):

- 1) Notes the briefing note and the presentation.**
- 2) Makes the following recommendation to the Cabinet Member for Jobs and Regeneration:**

The Cabinet Member for Jobs and Regeneration be requested to consider how to engage under-represented groups and communities in the city, in order to establish and support small and medium enterprises from these communities

- 3) A further report on progress be submitted to the Board in due course.**

32. Changes to the High Street Offer and the Impact on City Centre South

The Business, Economy and Enterprise Scrutiny Board (3) received a briefing note of the Deputy Chief Executive (Place) that provided a summary of the key challenges and changes the 'high street' was currently experiencing and how the Council was working to ensure that the flagship 'City Centre South' development scheme was embracing these challenges to deliver a scheme fit for the future.

Whilst 'the high street', and town and city centres had always faced challenges and dynamic change, the past ten years had seen a number of factors come together to create a period of unprecedented upheaval. Beginning with the major economic downturn in 2008, the upheaval resulted from the continued importance

of out-of-town shopping centres and supermarkets, the rapid rise in online shopping (Internet retailing was more popular in the UK than any other country in the European Union) and wider shifts in consumer spending and behaviour, that had created a situation where what the customers of today and the future want wasn't being delivered by traditional retail-led high street environments. The last three years had seen a string of well-known retailers entering into insolvency or administration resulting in hundreds of store closures in high streets across the country, affecting the high street rather than out of town stores.

This challenging context had been well researched and had been met with wide ranging reviews that influenced national policy responses. The Portas Review in 2011, reviews from the ex-CEO of Iceland and Wickes, Bill Grimsey, in 2013 and 2018, and a review by Sir John Timpson in December 2018 which were underpinned by a focus on the future success of the British high street requiring a 'complete community hub solution' where uses such as public realm, housing, health, education, the arts, workspace and leisure became as much a part of a town or city centre as retail traditionally had. This was reinforced by wider demographic changes and a subsequent reshaping of the housing market which was resulting in more housing types being brought forward in city and town centres, often with a focus on young people, professionals and, increasingly, older people all of who placed increasing value on the benefits of city centre living.

In January 2017, following an Office of the Journal of the European Union (OJEU) compliant procurement process, Cabinet and Council approved the appointment of Shearer Property Group (SPG) as the preferred bidder for the City Centre South (CCS) scheme and authorised that the Council enter into the necessary contractual arrangements with SPG to bring forward the delivery of the CCS scheme. CCS, the Council's key regeneration priority for the city centre, would transform some of the most tired and out dated areas of the city centre, including Bull Yard, Shelton Square, City Arcade and Hertford Street. The vision for the scheme approved by Cabinet in January 2017 was for a vibrant mixed use redevelopment, including new shops, car park, restaurants, leisure provision and homes, all set within a high quality environment for businesses, shoppers, visitors and residents. The Council would be entering into a Development Agreement with SPG before the end of March 2019 and would then work in partnership with them to develop a planning application for the scheme.

Since 2011, the Council has invested over £57m in high quality public realm schemes within the city centre. These schemes had focused on transforming areas with the highest footfall, the main visitor attractions, the key arrival points and likely venues for City of Culture, to ensure the links between these places were seamless, high quality, greener and more accessible. The importance of high quality public realm within the new CCS scheme could not be overemphasised, it would act as an 'anchor' in itself create a sense of place and attract customers to an urban environment which was a catalyst and setting for other important multi-uses to thrive. Within large scale retail schemes, an 'anchor' was there to attract other occupiers and other uses and high quality new public realm, coupled with multi-uses that brought people back into the city centre to shop, relax, consume experiences and live, could help deliver this.

The Council was delivering a new public realm scheme in the Upper Precinct with high quality water features, landscaping, lighting and paving materials which would

set a new standard for the city centre. This standard would be replicated in CCS through a set of public realm design principles for inclusion as part of the Development Agreement. Key to the success of CCS would be the quality of its “leisure” offer, including an improved evening and night-time economy. The offer would need to draw people into the city and be part of a day or half-day experience within Coventry where shopping could be ancillary to a different purpose for visiting. In addition to the new ‘The Wave’ leisure facility, with its estimated 1.3m visitors per year, there was an opportunity to create a new leisure quarter, including high quality new food and beverage occupiers, that could complement the new facility opening from Spring 2019.

As important as high quality public realm, flagship stores and a new leisure offer, was the role urban living would play in creating the conditions for CCS to succeed. Currently there were no residential occupiers within the CCS boundary. Residents would bring vibrancy to a city centre and with two highly successful universities within Coventry and thriving local industries, talent retention was crucial. Being able to offer homes within a city centre environment played a key role in enhancing Coventry’s image as a natural place for people to choose to live.

The Council and SPG would work together throughout the planning application process to explore the potential for delivering the optimal amount of new homes for sale and rent for all. Given the central location CCS had there was opportunity to encourage city centre living where new residents could take advantage of the new public spaces, leisure uses and shops that would be created. Another key aspect was opportunities for creating modern, flexible and affordable work spaces (particularly within the context of encouraging university students to set up businesses within the city) that would add economic development outcomes for the city.

The current economic, retail and demographic context was an enormous challenge for both the existing city centre and the future CCS scheme, but offered the opportunity, through working in a partnership with SPG, for providing a strong focus on high quality public realm and the delivery of a mix of city centre uses to realise a scheme that would set a new standard for city centre development schemes for now and for the future.

The Board questioned officers and discussed the following issues:

- Councillor O’Boyle confirmed that funding was in place for the City Centre South Scheme and it would be delivered. It was important that expertise was sought to ensure the appropriate offer was in place to secure the future of the City Centre offer over the next 25 years. Towns such as Leeds, Manchester and Altringham were examples of successful City Centres with the right mix of offers. The planning application for the Scheme was currently being progressed.
- The City Centre offer – vision for varying types of tenure and priced residential (The Co-op re-development as an example of City Centre living), leisure, retail with more artisan crafts and boutiques, music, arts, and craft venues, and businesses offering services/goods and providing employment opportunities.
- Investment – important to provide the best offer to attract a major investor.

- Central Six, City Centre South, Upper Precinct, Coventry Rail Station – no scheme to be isolated, important that all offers linked together and complemented each other rather than competing assets.
- Research to be undertaken into Coventry's student population to identify shopping and entertainment habits - market for specialist provision for student communities.

The Chair, Councillor McNicholas, thanked officers for their briefing and commented that Coventry was progressing well with change and was a good place to be. The Board indicated that they were encouraged by the direction of travel for the City Centre proposals and would welcome a further report on progress in due course.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3):

- 1) **Notes the briefing note, with no further recommendations.**
- 2) **A further report on progress be submitted to the Board in due course.**

33. **Outstanding Issues**

There were no outstanding issues.

34. **Work Programme 2018/2019**

The Business, Economy and Enterprise Scrutiny Board (3) considered the Work Programme for 2018/2019 and discussed the scheduling of proposed issues for consideration at future meetings of the Board.

Members were informed that an additional meeting of the Board had been arranged for 20th March 2019.

The Board noted that the report back on attendance at the two Economic Engagement Visit to China, would now be submitted to the Board in the next Municipal Year.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) notes the Board's Work Programme for 2018/2019, including the additional meeting arranged for 20th March 2019 and the re-scheduling of the report back on the Economic Engagement Visits to China.

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

There were no other items of private business.

(Meeting closed at 3.45 pm)