

Jobs, Regeneration and Economy

CCC Scrutiny Committee – 16th September 2020



Contraction of UK Economy

- UK in deepest recession on record
 - GDP fell 2.2% in Q1 2020, 20.4% in Q2 2020
 - Decreasing consumer spending
 - Reduced production capacity of firms (25% stopped trading)
 - Domestic and international sales falling – cashflow challenges
- 12.4% contraction forecast for 2020 overall
 - West Midlands will see biggest contraction, with sector composition
- Economy not expected to recover to 2019 levels until late 2022
 - Assumes free trade deal with EU & vaccine/treatment within a year
 - Worst scenario suggests recovery will be late 2024



The Growing Jobs Problem

- Rise in unemployment following GDP contraction
- Since March, unemployment has more than doubled
 - Rise from 7,825 to 16,310 in Coventry
- 49,200 Coventry & 89,000 Warwickshire jobs furloughed
 - OBR forecasts 15% of these to be lost permanently
- UK unemployment expected to rise to 12% in Q4 2020
 - Would mean 4.1m people nationally, 23k in Coventry
- Youngest and oldest workers worst affected



CCC Actively Supporting Economy

- Award of Government COVID-19 grants
 - Small businesses and retail & hospitality firms
 - Business rate relief for 2020/21
 - Discretionary grants to SMEs
- Support with accessing other Government schemes
 - Loan schemes, Coronavirus Job Retention Scheme
- Negotiation of Getting Building Fund for priority capital projects
- Webinars for CCC's SME support programmes and green recovery
- Job Shop continued operations



Impacts of Support

- 4,500 Coventry businesses have accessed £50m of grants
 - Saved jobs & provided cashflow
- 5,000 Coventry businesses offered £185m of Government loans
 - Spread across Coventry's three constituencies
- £12m of Getting Building Fund – above per capita share
 - UK City of Culture, Commonwealth Games, Very Light Rail
- Attendance at webinars over triple previous physical workshops
- Gaps in support and impacts of slow economic recovery
 - Firms above grant thresholds (tourism, manufacturing)
 - Self-employed/freelancers (creatives)
 - More support needed on innovation/new practices



Continued Regeneration of Coventry

- £82m enhancements to Coventry Station continuing
 - On track for completion by Spring 2021
- Development of second Friargate office building approved
- New plans for £350m City Centre South announced
 - Mixed-use residential, retail and leisure scheme
- Coventry University city centre expansion approved
- Restoration of heritage sites – Burges, Charterhouse
- UKBIC on track for completion in 2020
 - Expansion of electric vehicle charging infrastructure



Changes to Ways of Working

- Engagement with wider range of businesses
 - Retail & hospitality
 - Work with other CCC teams (Business Rates & Property)
- External partnerships further enhanced - support & intelligence
 - CWLEP Growth Hub, Chamber, FSB, CWRT
- Webinars/digital support to remain alongside physical events
 - Job Shop also hybrid of digital & physical support
- Wider range of themes covered by future support
 - Innovation, digitisation, international trade, climate change
 - Account management model facilitated by CRM
 - Closer integration of business & employment support



Future Economic Opportunities

- Green-led recovery
 - Realise benefits of UKBIC for EV/battery supply chains
 - Secure Gigafactory & power supply enhancements
 - Support development of new green products (e.g. VLR) & digitisation
 - Support businesses to access new international markets
- Visitor economy & inward investment
 - City centre enhancements, UK CoC 2021, CWG 2022
- CCC SME & employment support programmes extended to 2023
- Partnership approach
 - Programme delivery (Growth Hub, Chamber, universities, third sector)
 - Lobbying for funds – WMCA, Government directly



Need for Inclusive Growth

- Ensure our residents benefit from economic recovery
 - Employer Hub & JCP identifying businesses planning redundancies
 - Job Shop work with Coventry BID supporting hospitality workers
 - Implementing Social Value Policy – commissioning/procurement
- Employment & skills support schemes now running to 2023
 - Strong focus on young people
 - Publicising transfer of Apprenticeship Levy
- Integrate employment & skills and SME support offers
 - Address “digital divide” – both businesses and residents



Delivering the Recovery

Continuing with our successful delivery of European funded business programmes to June 2023

- ...and making the case for successor funds from UK Govt.

Safeguard Coventry's businesses – protect jobs

- Get finance & support to businesses to help them change/adjust
- Deliver skills support to residents losing jobs
- Making the most of CWRT loans and Duplex Fund

City centre regeneration & investment in cultural assets

Invest in transport & digital infrastructure

Opportunities - renewable energy & climate change



Scrutiny Co-ordination Committee are recommended to:

- 1) Consider the content of the presentation**
- 2) Identify any further recommendations for the appropriate Cabinet Member**