

Coventry City Council
Minutes of the Meeting of Business, Economy and Enterprise Scrutiny Board (3)
held at 2.00 pm on Wednesday, 14 April 2021
(This meeting was held remotely)

Present:

Members: Councillor C Miks (Chair)
Councillor G Hayre
Councillor M Heaven
Councillor T Jandu
Councillor R Lancaster
Councillor E Ruane
Councillor B Singh

Other Members
(by invitation):

Councillor J O'Boyle - Cabinet Member for Jobs and
Regeneration
Councillor K Maton - Cabinet Member for Education and Skills

By Invitation:

A Davis - Coventry and Warwickshire Local Enterprise Board
K Hughes – Coventry and Warwickshire Local Enterprise
Board

Employees (by Service):

Business, Investment and Culture D Hope

Law and Governance G Holmes. M Salmon

Property Services and Development R Moon (Director of Property Services and Development),
L Lewis, D Peters, B Willers

Apologies: Councillor R Ali

Public Business

36. Declarations of Interest

There were no disclosable pecuniary interests.

As a member of the Coventry and Warwickshire Local Enterprise Partnership's Culture and Tourism Group, Councillor B Singh declared an interest in the matter the subject of minute 38 below headed 'Coventry and Warwickshire Local Enterprise Partnership'. He remained in the meeting but took no part in the consideration of the matter.

37. **Minutes**

The minutes of the meeting held on 3rd March 2021 and the minutes of the Joint Meeting of the Business, Enterprise Scrutiny Board (3) and the Finance and Corporate Services Scrutiny Board (1) held on 24th March 2021, which would also be submitted to the next meeting of the Finance and Corporate Services Scrutiny Board (1), were agreed as a true record. There were no matters arising.

38. **Coventry and Warwickshire Local Enterprise Partnership**

The Business, Economy and Enterprise Scrutiny Board (3) received a briefing note and presentation of the Coventry and Warwickshire Local Enterprise Partnership (LEP) that provided a review of the work of the LEP and the impact of Covid-19 and plans for recovery.

Over the previous decade Coventry and Warwickshire economy had grown at a rate unsurpassed by any other LEP area in the country. Economic growth, measured by total GVA and productivity, both grew by 45% with manufacturing showing an outstanding performance as the fastest growing sector in the country, growing over 110% over the decade. The Coventry and Warwickshire employment rate stood at 75.9%, and grew by 5.4% since 2014, faster than growth seen in the West Midlands Combined Authority area (4.2%) and England (3.8%). An unemployment rate of 3.8%, was lower than the regional (5.1%) and national rates (4.1%). Average workplace earnings in 2018 were £30,2713, having grown 12.6% since 2014. This growth was higher than any of the other LEP areas. Coventry and Warwickshire had held a top 10 growth position since 2014 (15.5%) amongst all LEP areas on proportion of people aged 16-64 with an NVQ Level 4 or above, at 38.2%.

Currently 19,600 jobs were furloughed in Coventry, 12.5% of all jobs. A cumulative 56,600 Coventry jobs had been furloughed since the start of the pandemic, 36.3% of all jobs. 6,750 CBILS and BBLs, Government loans had been given to support business in Coventry worth £262.7m. 7,416 Government grants to support businesses, worth £57.9m, had also been issued in Coventry. Centre for Cities estimate current footfall in Coventry city centre to be a quarter of its pre-pandemic level, whilst spending was currently around one fifth of pre-Covid times. Claimant Count in Coventry jumped from c7,000 in March 2020 to c17,000 by July. The CW Employment Solutions site, since launching in Nov 2020, had had over 27,500 visits, with 6,300 users and there were currently nearly 3,500 vacancies on the site.

The presentation outlined the CWLEP reset strategic framework which had been established through an approach that needed to be responsive and agile to adapt to the rapidly changing nature of the economic recovery. CW Economic Reset Taskforce and Business Groups would feed into the CWLEP Board. The LEP's Objectives and reset principles, and pillars had been set around Coventry and Warwickshire being a safe and highly attractive place to live, study, work and invest. The presentation provided details of the implementation plan priorities and progress 2021 for Transport and Infrastructure, Planning and Housing, Culture and Tourism, Digital and Creative, Productivity and Skills, SME, International, and CW Place Board and Champions. It also highlighted case studies on Completing the Cultural Capital in Coventry, the Coventry Station Masterplan, Coventry Very Light

Rail, and the UK Battery Industrialisation Centre. It further highlighted the Electrification Taskforce that CWLEP had set-up to ensure greater connection between sectors as well as recognising the need for upskilling for the future of the economy.

The next steps were:

- Reset of the economy whilst living with Covid-19 and its impacts – implementation of One Coventry & Warwickshire Strategic Reset Framework across jobs, skills, innovation, and net zero agendas
- Continued impact and implications of the end of EU Transition
- Electrification - securing a Gigafactory in Coventry & Warwickshire
- Budget – Levelling-up Fund, UK Shared Prosperity Fund; Review of LEPs
- Maintaining Delivery in the final year of Local Growth Fund, and delivering the local Getting Building Fund projects
- Increasing already strong role in strategic projects including City of Culture and Commonwealth Games

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

- Coventry and Warwickshire Champions – speaker’s messages were valuable and should be made widely available
- Establish the required skills needed and ensure capacity to deliver them in the Sub-Region
- Continue work to remove barriers to investment and attract businesses to the region
- Continue work on promoting and keeping people connected, through challenging times
- Establishing trade deals around the world following Brexit
- The changing profile of businesses and new opportunities for manufacturing to expand the way they conduct business
- The resilience of retail using on-line and virtual opportunities through lockdown
- The Government review of Local Enterprise Partnerships to enable stronger Partnerships to evolve

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

- 1) Notes the Coventry and Warwickshire Local Enterprise Partnership reset strategic framework as detailed in the presentation.**
- 2) Made no further recommendations for Coventry City Council’s representative on the Coventry and Warwickshire Local Enterprise Partnership.**

39. Public Sector Decarbonisation Scheme Update

The Business, Economy and Enterprise Scrutiny Board (3) received a briefing note and presentation of the Director of Property Services and Development that provided an update on the progress of the Public Sector Decarbonisation Scheme (PSDS) project since Cabinet and Council approved the proposals on 9th December 2020 and 16th December 2020 respectively. Copies of the reports were attached as appendices to the briefing note.

The UK Government committed to provide financial support to help stimulate the economy following the economic downturn caused by the Coronavirus pandemic. They had established a number of funding schemes aimed at supporting the wider agenda of “Building Back Better” through supporting green job growth. The Department for Business, Energy and Industrial Strategy (BEIS) launched the Public Sector Decarbonisation Scheme on 1st October 2020. The Grant Scheme was delivered by Salix Finance and aimed to allocate up to £1bn of grant funding to encourage green investment aligning with the Government’s Net Zero and clean growth goals.

The final value of the PSDS Bid 1 grant of £6,052,216 was confirmed on the 11th January 2021 and included 120 eligible measures across 29 Coventry City Council owned and operated properties. Eligible measures were categorised as: low carbon heating; energy efficiency measures; non-efficiency measures that supported decarbonisation; and fossil fuel replacement of oil and coal. The Director of Finance, in consultation with legal and property officers, accepted the grant on the 19th February 2021 and work to take the approved projects to the delivery stage. The Council were informed by BEIS on the 25th February 2021 that a further grant allocation for the maintained education portfolio could also be funded and a provisional offer of a second grant for £2,486,827 for Coventry City Council educational properties was made. Due to timing constraints the grant was accepted by the Chief Executive, following consultation with the Cabinet Member for Education and Skills and the Director of Law and Governance, under emergency powers, on the 25th February 2021.

Funding aimed to support measures that did not meet traditional “Financial Payback” criteria. No match funding was required as long as projects met the PSDS criteria of £500 per tonne CO2 saved in the project lifetime and there was no maximum Grant Value. There was a very prescriptive definition of what was eligible as a “Public Building”, which could not be charity or voluntary organisation operated.

An Initial review of the potential deliverable pipeline of eligible projects indicated a grant request of £6m for Corporate Properties (Bid 1). A further desktop review by Greener Energy Futures indicated an additional £2.4m for primary school improvements may be possible (Bid 2). Both applications were submitted by the 11th January 2021 deadline to be assessed for Phase 1. PSDS Phase 1 had £2.4bn of bids submitted. The Authority was initially told Bid 1, with a target financial saving of £59k per year, was successful but Bid 2 with a target financial saving of £88k per year was unsuccessful. Due to unclaimed grants CCC were subsequently awarded Bid 2 grant as part of new Local Authority Grant Process. This grant included 49 eligible measures across seven City Council Maintained Schools.

The Council had now begun the process of delivering the projects that secured funding with a deadline of 30th September 2021 to complete the works.

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

- Academy schools could not be included in the Authority’s bids.
- The limited timescale for submission of the primary school bid required the inclusion of only those schools that were in a position to deliver the measures within the timeframe

- Scoping of all of the city schools in preparation for future bids would ensure that the Authority was in a position to submit bids quickly
- Consultants were engaged to assist with supporting the work on the bids
- A government decision to initially focus on district heat networks and to reduce the available funding to £70m, then to change focus to include schools, had impacted on the Council's timescales and capacity to work on the bid for schools
- The definition of match funding was a combination of 50% of a project cost being borne by the Authority and 50% being received in grant funding. These decarbonisation projects did not require match funding
- These schemes were an important part of a wider agenda for climate change and environmental improvements that would see the Authority supporting the Government's clean growth goals

Members of the Board requested that a list of Council buildings that would benefit from the funding secured, to include details of the initiatives/eligible measures that would be progressed in each building, be circulated to them. They further requested that similar information be circulated to them for school buildings, when it was available.

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

- 1) Notes the work undertaken to date to secure funding under the Public Sector Decarbonisation Scheme Grant Award**
- 2) Supports the progress made in delivery of the initiatives for which funding has been secured.**

40. Work Programme 2020/2021

The Business, Economy and Enterprise Scrutiny Board (3) considered the Board's Work Programme for 2020/2021 and the suggested items that would be carried forward for the incoming Board to consider.

The Board requested that information on how the Council submitted bids for capital funding, to ensure that opportunities were maximised, be circulated to Members of the Board.

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

- 1) Notes the completion of the work programme for the Municipal Year 2020/2021**
- 2) Notes the suggested items that will be carried forward for the incoming Board to consider and agrees that the following matters be added/amended:**
 - a) Gigafactory - to include plans for Coventry Airport**
 - b) International Overseas Trade Market Update**
 - c) Integrated Transport – to include a progress update on Very Light Rail**

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

There were no other items of public business.

As this was the last meeting of the Business, Economy and Enterprise Scrutiny Board (3) for the Municipal Year 2020/2021, the Chair, Councillor Miks, thanked Members for their commitment to the work of the Board throughout the year.

(Meeting closed at 3.30 pm)