

# **Briefing note**

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

Date: 27th November 2024

Subject: Economic Development and Skills Strategies Progress Report

## 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.

#### 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 Skills Strategy

3.1 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.

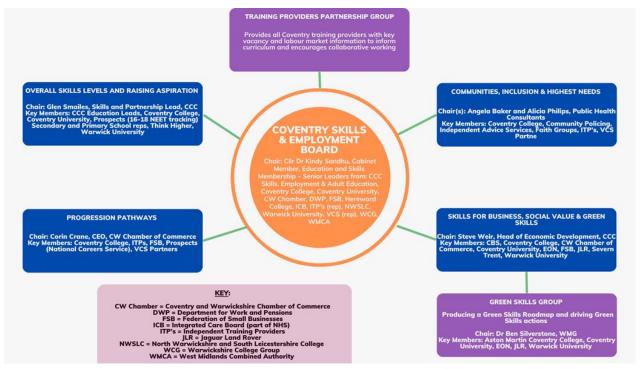
- **7. Skills for Business:** A skills system which provides the skills required by Coventry's businesses, both current and future and contributes to economic growth and the prosperity of the city and region.
- **8. Social Value and Sustainability:** A skills system which is well positioned to maximise 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:

- 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
- 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.
- 3.2 **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 and skills funding for Coventry residents.
  - Worked together with Coventry College to deliver significant improvements, boosting achievement rates to 84% (a 9% increase), raising learner numbers by 500 per year, securing over £4.4 million in capital investment, and developing a specialist Green Skills Hub that includes electric vehicle (EV) courses and the region's only external and internal insulation retrofit courses.
  - Increased adult education participation by 6%, with nearly 6,300 residents enrolling in adult skills courses in 2023/24. Achieved a 16% rise in learners completing Level 3 qualifications, with over 1,000 enrolments in 2023/24.

- Launched a new Construction Pathway, training over 1,300 residents in 2023/24, with plans to expand capacity to meet the skills demand for major developments such as City Centre South.
- Built a strong industry partnership with Severn Trent, resulting in 50 paid
  work placements through the Job Rotation Pilot an innovative upskilling
  pilot which Coventry is leading on for the West Midlands Combined Authority
  region. The partnership with Severn Trent involves a range of joint activities,
  including delivering virtual reality jobs support sessions at the Job Shop and
  co-hosting large-scale employment events (at the Job Shop & the Transport
  Museum).
- Developed the region's leading careers support service, with Coventry schools improving their careers offers at the fastest rate in the region.
- Assisted over 1,600 residents into high-quality paid employment through the Coventry Job Shop.
- 3.3 **Governance Visual:** The below visual shows the Governance Structure for the Skills Strategy including the four 'Framework for Action Groups'. The visual shows Group Chairs, key members, hierarchy and relationships:



- 3.4 Key activity and achievements to date:
  - **Primary School Aspirations:** Launched new 'Primary Aspirations Week' in February 2024. This supported 500 children to interact with 10 employers including NFU, National Grid, The University of Warwick and Tech She Can.
  - **GCSE Maths and English Improvements:** Work to support schools through increased use of Outdoor Education support and new behaviour support pathways. This has supported the bringing of results closer to national averages.
  - Improved Schools Careers Programmes: Coventry Careers Hub launched in September 2023. Delivered in partnership with Think Higher (The University of Warwick) the Careers Hub has improved employer connections to secondary schools and Coventry College and the support given to school Careers Leads. This has led to an increase in schools achieving their Gatsby Benchmarks with 100%

- achieving 3 or more, 90% between 4 and 7, and 35% all 8. The progress made has been the best in the West Midlands Combined Authority Region.
- 16-18 NEET and Not Known Rates: Partnership working between Prospects, Coventry Job Shop, Coventry College, Coventry Virtual School (for Care Leavers) and others has resulted in NEET (Not in Employment, Education or Training) and Not Known rates well below National/Regional Averages.
- Increased SEND Employment Programmes: Coventry Adult Education Service
  have successfully grown SEND Supported Internships from 8 to 16 places per
  annum and launched the new Step into Programme. This is a 1-year programme
  focusing on moving SEND young people from education into employment, with 28
  places offered per annum. Both programmes have seen the majority of learners
  move straight from education into paid employment.
- Built Progression Pathways: Progression Pathway visuals have been created for the Hospitality, Construction and Creative (TV, Theatre and Film) sectors. These short visual documents help show young people and adults the routes into the sectors, how to build a career and where to acquire the relevant skills locally.
- Increased Adult Education Participation: We have mapped Coventry's Adult Skills offer and worked with frontline advisors to improve skills advice and guidance. This coupled with improved marketing has led to growth in residents engaging in Adult Education courses with a 6% increase in 2023/24 compared to 2022/23.
- Strengthened 'Resident Voice': Our Annual Skills Surveys provide 'resident voice'
  with more than 1000 residents inputting into the design of adult skills provision each
  year.
- Upsurge in Employer Co-designed Courses: Our Skills Mapping work and engagement with employers has significantly increased employer designed 'Into Employment' programmes. These include Sector Work Academy Programmes short courses at Level 1 or 2 designed to move unemployed residents directly into employment and Skills Bootcamps – short courses at Level 3, to either move unemployed residents into employment or upskill low paid employees.

# 3.5 Key current activity (2024/25)

- **Green Skills Roadmap:** To be published January 2025. Coventry City Council have worked with Dr Ben Silverstone (WMG) in partnership with Coventry University, CW Chamber of Commerce, Federation of Small Businesses, FE Colleges, Independent Training Providers, E.ON, JLR and Severn Trent.
- Continuing work to Increase Participation in Adult Education: Strengthening
  partnerships, marketing and information for residents. Ensuring improved evidence
  of positive destinations i.e. movement into employment/ better quality employment
  or further learning.
- **Developing a Graduate Retention Strategy:** Working with Coventry University and The University of Warwick on a range of actions to develop a Coventry strategy for retaining the best graduate talent.
- Building More Sector Pathways: Building on our initial 3 Sector Pathway documents we will build further sector pathways, focusing on key growth sectors and sectors with high vacancy demand.
- Social Value: Reviewing Social Value activity within Coventry City Council and with partners. Ensuring the employment and skills ecosystem supports good Social Value.

• Team Around Approach to Major Developments: Developing a consistent approach to ensure that all teams work effectively with major developers to maximise job opportunities for local residents.

# 4 Economic Development Strategy

- 4.1 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:
  - 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 Key Current Activity 2024/2025

- 5.1 Following our work with WMCA in establishing **Business Growth WM in Coventry** following the cessation of EU Structural Funds in 2023/24, 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) funded activities. Following the delivery of in-depth support to 480 Coventry businesses in 2023/24 (through a Part 1 Diagnostic of their current position and support needs), we have already delivered 261 Part 1 Diagnostics to Coventry SMEs between April and September for the 2024/25 financial year.
- 5.2 We have also made significant progress in **supporting Coventry businesses on their path to Net Zero and decarbonising their activities**. Any SME based in Coventry is able to access this support, and through UKSPF, we are also able to support retail businesses (these were previously ineligible for support through EU Structural Funds). The aim of this support is to support as many businesses across the city as possible with mitigating against raising energy costs. The support includes two elements:

- A free Standard Audit delivered by our in-house Decarbonisation Business
  Advisers. The energy audit will highlight areas of improvement in terms of
  energy savings and will detail recommendations to save money on energy bills.
- Net Zero Grants if a business decides to take forward one or more of the recommendations highlighted in the energy audits, we can provide 50% grants against the costs of such improvements (solar, LED lights, new windows, etc). Grants are match funded at 50% and are between £1k- £100k.
- 5.3 After 45 Coventry SMEs received an **Energy Efficiency Audit** during 2023/24, we have delivered 60 Audits to Coventry SMEs between April and September of the 2024/25 financial year alone. These Audits have collectively supported local businesses to reduce their carbon emissions by 1,840 tonnes. When examining the **geographical spread of the Audits**, we have supported businesses across a wide spread of geographical areas across the city, and unsurprisingly, we have found strong concentrations of those receiving Audits both within the city centre and where the main Business Parks and Industrial Estates are located. For example, 17.1% businesses receiving an Audit were located in St Michaels ward, 12.4% in the Westwood ward, 9.5% in Foleshill ward, 8.6% in Radford ward and 7.6% in Binley & Willenhall ward (a full breakdown is in Appendix 1). On top of these Audits for Coventry businesses, we have also delivered 92 Energy Efficiency Audits to Warwickshire SMEs since January 2024.
- 5.4 To ensure maximum geographical reach of our support, we have sought to be as inclusive as possible and have sought to spread "the good news of free energy audits and grants" across all businesses (not only the ones who usually engage with our business support Programmes). Specifically, we:
  - Have embarked on a journey with the Highlife Centre and the Community Business Hub Pilot the aim has been to engage with businesses embedded in the communities which would not normally reach for "help" or would not know where to go when seeking for support.
  - Are educating businesses around the importance of decarbonisation to save money on their energy bills and make their business more sustainable (our Green Business network has now reached 3,500 members; we have hosted 9 podcasts and 10 webinars so far.
  - Are working with key local UKSPF delivery partners (CW Chamber of Commerce & CW Co-operative Development Agency) to send referrals.
  - Will continue to target Industrial Estates across the city.
  - Are working with our Strategic Energy Partner E.ON to develop a joint strategy for SME support across Coventry.
- 5.5 We continue to successfully award grants to enable Coventry SMEs to accelerate vital investments to accelerate their growth or path to net zero, thereby creating new jobs and/or safeguarding existing jobs, and supporting businesses to reduce their energy costs and carbon emissions. As of 30<sup>th</sup> September 2024, we had awarded £1.592m in grants during the 2024/25 financial year, including the entire pot for the SME Capital Grants (to accelerate business growth) and over 80% of the Net Zero Grants fund. Businesses have successfully progressed these investment projects, reflected by the fact that £607k of this has already been claimed, which also stimulated £920k of additional investment from the businesses themselves.

- 5.6 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). Indeed, latest data released by DBT show that revealed Coventry and Warwickshire is the best performing location in the UK for FDI. Per capita (considering local population size), Coventry & Warwickshire was the leading destination, with one project per 21,464 per population. In terms of overall projects, the area ranked fourth in 2023/24, behind Greater Manchester, Birmingham & Solihull and Leeds City Region. Coventry & Warwickshire attracted a total of 53 FDI projects (up from 50 the previous year, supporting 2,717 jobs. Key sectors included 22 projects for Automotive & Future Mobility (up from 17 projects) and 8 Digital Creative and Software, 4 E-commerce & Logistics (5 projects 2022/23) and 4 Medtech projects. Altogether, the area accounted for 20% of UK automotive projects.
- 5.7 Notable inward investment successes in Coventry include Automotive Technology companies Tata Elxsi (100 jobs) and E-Propelled (15 jobs), energy companies Octopus Energy (150 jobs) and Corona Energy (70 jobs), logistics company Geodis (150 jobs) and government agency Ofqual (100 jobs).
- 5.8 Building on these successes, a further key potential catalyst for attracting additional inward investment from Electric Vehicles, Batteries and wider Advanced Manufacturing and related Mobility supply chains was put in place when the CW Gigapark was confirmed as a tax incentive and business rate retention site for the West Midlands Investment Zone. The first £1.962m of Investment Zone capital funding has been confirmed to deliver the first stage of infrastructure works on the site the design of 30 MVA of additional power connection, which will further increase the attractiveness of the site for investment in key green industries, such as battery manufacturing, recycling and ancillary activities. We will also continue to work with WMCA, WM Growth Company and local universities to continue building the pipeline of potential interested investors and ensure that supply chain, R&D and skills programmes are developed to connect Coventry and wider West Midlands businesses and residents with new growth and job opportunities.
- 5.9 We have also continued 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 34 projects across the city, with key impacts being:
  - 151 local people employed on site
  - 18 new local apprentice starts
  - £6m spent in the local supply chain
  - 77 local companies sub-contracted on projects
  - £28.18k donations or in-kind contributions to local community projects
  - 20 community organisations supported
  - A wide range of community activities from the developers, including sponsorship of the Coventry International Children's Games Team, Tree Planting initiatives, Christmas Food Hampers, and Food Bank donations.

#### 6 Health Inequalities Impact

6.1 The jobs that have been created for the local economy through these services will pay 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.
- On top of this, both CCC's Employment, Skills & Adult Education and Economic Development Services have been working with CCC's Public Health team and Health Determinants Research Collaboration to continue building awareness of "A Fairer Coventry" amongst local businesses. We are also establishing learning points from other localities on how we can increase the level of social value generated through our services and how best to measure this. We are also establishing learning points of how we can further direct and focus our employment and skills and business and enterprise support services to reduce inequalities and enhance the potential of residents from deprived areas or traditionally more excluded social groups with a pathway to new or improved employment or developing successful new enterprises.

Appendix 1: Breakdown of Coventry Businesses Receiving Energy Audits by Ward

# Background papers

Both strategies were originally considered by <u>Scrutiny Co-ordination Committee</u>, <u>Wednesday</u>, <u>28th September</u>, <u>2022</u>

<u>Coventry Skills Strategy – Coventry City Council</u> <u>Economic Development Strategy 2022-2027 – Coventry City Council</u>

Steve Weir Strategic Lead for Economic Development Stephen.Weir@Coventry.gov.uk

Kim Mawby
Head of Employment, Skills & Adult Education
Kim.Mawby@Coventry.gov.uk

Appendix 1: Breakdown of Coventry Businesses Receiving Energy Audits by Ward

Ward	Number of Audits
St Michael's	18
Westwood	13
Foleshill	10
Radford	9
Binley and Willenhall	8
Earlsdon	7
Lower Stoke	6
Longford	5
Upper Stoke	5
Henley	5
Bablake	4
Cheylesmore	4
Holbrook	3
Sherbourne	3
Wyken	2
Wainbody	2
Whoberley	1
Grand Total	105