

Communities O&S – February 2021

Economic Development Update

The following briefing note provides an update to the Communities Overview & Scrutiny Committee on recent economic development activity in Warwickshire. It covers work undertaken by County Council officers and partners across a range of services and areas as well as other key pieces of relevant news and information.

Government Coronavirus Business Support

Following the announcement of a further period of national lockdown from 5 January 2021, the Chancellor announced a further package of grants for businesses in the retail, hospitality, and leisure sectors worth up to £9,000 per property. A £594m discretionary fund was also made available to support other businesses.

The newly announced grants are again awarded through the Districts & Boroughs either based on the rateable value framework or via a discretionary pot, eligibility for which continues to vary on a council by council basis.

Most recently, businesses which took advantage of 'bounce back' loans are to be given more time to pay, including the option of paying the total sum back over 10 years rather than six and allowing them to choose to pay only the 2.5% interest on the loans.

EU Exit

Whilst initially very quiet, feedback from partners is that enquires are now picking up as local exporters start to encounter issues (both between the UK and the EU and GB and NI). The most common query appears to be in respect of guidance/ clarification around VAT rules, which is expected to settle down as understanding improves.

Growth Hubs have taken on additional staff to support business (as part of a Government funded EU Transition project). CWLEP Growth Hub are leading for the West Midlands and have set-up a new web site where businesses can access information and advice about the post-EU landscape. <https://www.wmgrowthhubs-eusupport.co.uk/>

The Coventry & Warwickshire Chamber of Commerce also deliver services in Coventry and Warwickshire on behalf of the Department for International Trade. The Chamber took on additional staff in the Autumn and have set-up a useful EU Transition Hub. <https://www.cw-chamber.co.uk/international-trade/department-for-international-trade/> <https://www.cw-chamber.co.uk/international-trade/coventry-warwickshire-eu-transition-hub/>

Megalab

In mid-November, government announced the opening of a new 'megalab' in Leamington Spa. Operational in early 2021 the lab will add 300,000 to daily testing capacity. Cutting-edge technology, including automation, robotics and consumables,

will enable faster turnaround times for tests at a lower cost. Diagnostic capabilities will also be used for critical illness including cancer, cardiovascular and metabolic diseases.

Fully staffed, the lab will employ up to 2,000 people with the current focus on a strong push to recruit 800 lab technicians. This entry level job is aimed at a wide demographic and whilst being led by DWP, we are supporting through promoting the opportunity through our network of schools, college and university contacts.

Interactive Futures

Warwickshire County Council is working with Warwick District Council and CWLEP to host the 3rd iteration of Interactive Futures, this year taking place online. Interactive Futures 2021 runs from Tuesday February 16th – Saturday February 20th with the Leamington Spa games hub opening its virtual doors to again showcase the talent and creativity of the video games studios within the region.

Interactive Futures 2021 will also provide exclusive insight into the many career options available within the games industry – along with practical advice and guidance to students, young people and children on how to navigate their own pathways. Importantly, the event will speak to parents too, highlighting that a career in games is a valid, valuable and well-rewarded one – and one that exists right on their doorsteps.

Economic Recovery

- On 1 February 2021, **the Adapt and Diversify business support grant** was launched with the release of eligibility and application documentation. The scheme, available to small Warwickshire businesses, is designed to complement the national coronavirus business support schemes administered by the D&Bs, providing funds to enable businesses to adapt and diversify their service offer, safeguarding their immediate future and the jobs of their workforce.

Grants ranging from £2,500 to £20,000 are available towards the costs of specialist advice, i.e. accountants or digital specialist and/or purchasing equipment or refurbishing property. The application window will open on Monday 15 February with a total of £1.5m available, Run in two rounds, £1m available in the first round on a first-come, first-served basis with a second round later in the year to allow applicants more than one opportunity to apply should they miss the first window.

These new grants follow WCC's successful retail and hospitality grant scheme last year which awarded £222,000 to 55 businesses for projects which should help safeguard 170 jobs

- **The Future Careers Schools Fund** now closes after supporting over 35 schools who required emergency funding to adapt their careers provision to be remotely accessible to students. The programme has made significant positive impacts and supported hundreds of young people to access and engage with careers activities around their online curriculum learning.

School feedback suggests that flexibility in the design of investment, allowed the fund to supported schools in shaping access and activities to meet new needs responsively, avoiding large gaps in the delivery of careers activity.

- **National Apprenticeship Week Activity** (February 8th – 14th) sees the launch of a number of activities pledging the council's commitment to invest in Apprenticeships and boost local engagement.

1. **The Warwickshire Apprenticeship Progression Programme** is designed to encourage small to medium size businesses in supporting employees to progress onto a second apprenticeship with a £1000 training incentive fund. The chosen apprenticeship must support the sustainability of the business with the qualification also delivered by a local apprenticeship provider.

The programme is designed to support busines to acquire new skills the pandemic may have presented, upskill existing staff and boost the uptake of apprenticeships locally.

2. **The launch of Inclusive Apprenticeships** significantly broadens the opportunities for young people with SEND. Inclusive apprenticeships support individuals by removing certain barriers and making reasonable adjustments in how they access training to gain a qualification and work opportunity.

The launch will see a call out to employers, followed by a series of supportive workshops providing an inclusive route to employment as autumn approaches.

- **WCC Small Business Apprenticeship Levy Programme** further to the ongoing success of this programme, 2021 will see a further £200,000 investment of WCC's apprenticeship levy fund, which will be distributed to small businesses wanting to invest in apprenticeships and in need of funding support
- WCC's **Digital Training Programme for Retailers** continued to see significant demand throughout the end of 2020, supporting 62 businesses and has been recommissioned for a further phase during Spring 2021. It is expected that many customers will continue to demand online services even once the pandemic has passed and these workshops help retailers embrace digital trends to grow their business. It is delivered by Coventry and Warwickshire Chamber of Commerce in conjunction with Stories Marketing. <https://www.cw-chamber.co.uk/business-support/towncentres/>
- A further £0.5 million loan to Coventry and Warwickshire Reinvestment Trust (CWRT) in support of the Government's **Coronavirus Business Interruption Loan Scheme** (CBILS) is the subject of a Leader Decision on 10th February 2021. CBILS was scheduled to finish at the end of December (after two previous extensions), however the scheme has been extended again until 31st March 2021. A total of £2.724 million has now been lent by CWRT to 25 businesses in Warwickshire, safeguarding 248 jobs with over a further 151 new jobs expected to be created. CWRT are continuing to see significant demand from Warwickshire businesses for CBILS loans. There is currently a pipeline of enquiries and applications worth nearly £3.3 million from businesses based in the county.

Lending by smaller lenders such as CWRT complements the lending by the major high street banks and other mainstream providers.

- WCC's **Survive, Sustain and Grow** programme – designed to support those businesses most affected by Covid-19 – continues to see huge demand. The programme has received nearly 300 enquires/referrals since its launch in late August and 227 businesses have so far been supported by the programme. There is a good spread of businesses both across Warwickshire and by sector. Support is delivered by a network of specialist, industry-specific consultants appointed by WCC. Grants worth just under £100,000 have been awarded to businesses on the programme towards the costs of implementing recovery plans. A number of case studies have been produced and are available on WCC's web site: <https://www.warwickshire.gov.uk/information-coronavirus/coronavirus-wcc-economic-recovery-programmes/1>
- The **Tech Challenge Fund** was set up after a business survey undertaken by CWLEP identified the need for digital products which help support and promote town centres, engage existing and new customers, and improve consumer confidence in returning following the end of national lockdowns. Applications closed in November and after an extensive appraisal process, three projects have been offered funding to progress their projects. More information about the individual projects will be available shortly once contracts are in place.

Inward Investment News

Despite the pandemic, we have seen several investments over recent months, with performance in the digital and logistics sectors being particularly strong. We continue to work with number of new and potential investors to identify suitable commercial property and help facilitate a 'soft landing'.

- **Mediatonic** opened their games development studio in Leamington Spa in November 2020, aiming to have a 60 strong team in place by 2022. Mediatonic have had huge success with their latest release, Fall Guys, which has sold over 7 million copies on PC and became the most-downloaded title on Sony's PlayStation Plus subscription service in history.
- The **Norton** brand has returned to the West Midlands. Invest in Warwickshire worked with parent company TVS to source a location in proximity to WMG at the University of Warwick. Unable to identify a suitable site in the Warwickshire area, the factory has been initially set up in Solihull and we continue to talk to about future opportunities in Warwickshire and Coventry.
- Polish mobility provider **Triggo** has set up a UK base at MIRA Technology Park on the outskirts of Nuneaton, and we continue to provide soft landing support.
- **Pizza chain Dodo Pizza** – which is in 657 locations across 13 countries – has signed a 15-year lease for 1,608 square feet of ground floor space at 52-54 Warwick Street, which used to form a part of the former Co-op store. We are supporting them to look at other locations and opportunities in the county.
- We have been supporting the **Transport Innovation Showcase** strand of **Coventry UK City of Culture**, introducing a range of Warwickshire businesses to the opportunity from the aero, auto, energy, rail and marine sectors

Business News – Major business headlines from around Warwickshire

Digital sector update

- Over the last 8 months the key highlight for the games sector is the level of recruitment seen even throughout periods of lockdown. Most major studios have been recruiting and several of our studios have been highlighted as some of the best places to work.
- **Electronic Arts (EA)** has agreed to buy UK video games developer Codemasters in a move that could see the US publishing giant wrest control of the racing video game genre. The deal is expected to close in the first quarter of 2021 for £6.04 (~\$7.98) a share, valuing Codemasters at around \$1.2 billion.
- Over £60,000 of funding has been awarded to **Enable iD** (a subsidiary of software developer Enable International based in Stratford-upon-Avon) to improve the day-to-day experience of commuters in Coventry and Warwickshire by tailoring its 'MyJrny' intelligent mobility system for regional deployment.
- A Warwick technology company **Telent**, which specialises in the design, build, operation and maintenance of critical UK digital infrastructure, has been awarded a £12 billion contract by Openreach to support ultrafast, ultrareliable 'Full Fibre' broadband building new infrastructure for Openreach on sites across the UK, including in Coventry, Worcester, Wednesbury, Walsall and Bristol.
- **Yotta**, the asset management software and services division of Oxford Metrics, has secured a string of new contracts in a range of service areas such as highways, street lighting and waste management across the South West, Midlands and Yorkshire regions. Yotta is based in Warwickshire (Leamington Spa) while Oxford Metrics is headquartered in Oxfordshire.
- **REPL Group**, a Queen's Award-winning retail IT consultancy and technology company headquartered in Warwickshire grew both its turnover and pre-tax profits during its latest financial year. Based in Henley-in-Arden, it reported a turnover of £34.5m for the 12 months to 31 March 2020, up from £26.6m. Its pre-tax profits also went from £2.6m to £4m over the same period.
- **Tournament Fields** has secured a deal with Gallagher at its site on the outskirts of Warwick. New Zealand company, Gallagher is a security product and service organisation operating across 160 countries. The new premises at Tournament Fields will become the company's UK and European headquarters.

Automotive and Future Mobility:

- **BMW UK** is celebrating 20 years and 5 million engines produced at the Hams Hall factory, with the announcement of its latest apprenticeship drive. The site employs nearly 1000, producing engines and components, including powertrain for hybrid vehicles, and will soon take on the V8 and V12 power units, which are transferring from Munich.
<https://www.autocar.co.uk/car-news/industry-news-manufacturing/bmw-marks-20-years-uk-production-hams-hall-factory>

- **Jaguar Land Rover** posted pre-tax profit of £439 million as it continues to battle against the impact of the pandemic. The firm posted a quarter-on-quarter rise for the 3 months to December 31, 2020, up from £374 million during the summer, and a year-on-year rise of £121 million on the final quarter of 2019. https://www.business-live.co.uk/manufacturing/jaguar-land-rover-welcomes-profit-19727029?utm_source=twitter.com&utm_medium=social&utm_campaign=sharebar
- MTC Apprenticeships, part of the Ansty-based Manufacturing Technology Centre (MTC), has seen a surge in applications from prospective apprentices, with more than 700 young people looking to join the award-winning programme. <https://www.businessinnovationmag.co.uk/manufacturing-technology-apprenticeship-applications-hit-record-high/>
- Battery-maker **Britishvolt** plans to set-up a HQ and R&D centre at **MIRA Technology Park**. The new facility, in the heartland of UK automotive industry, will spearhead development of battery technologies for electrified vehicles. <https://www.ukspa.org.uk/member-news/britishvolt-plan-new-global-hq-at-mira-technology-park/>

e-Commerce and Logistics

- German logistics business **DB Schenker** has taken an additional unit at Centurion Park, Tamworth. Located on the Tamworth side of the M42, it lies (just) within North Warwickshire Borough. It will create up to 100 new jobs.
- Chinese e-Commerce fulfilment company **Winit** is investing in a 350,000sqft facility at St Modwen Park (J10 M42 on the Dordon/Tamworth border), creating up to 500 jobs. Birch Coppice next door has created 6000 jobs since 2013. Together with Centurion Park across the motorway, and TNT Express and Aldi a short drive away, this has been a major cluster of job growth since 2010.

Other News

- Tech start-ups and scale-ups in the West Midlands raised a record £390m in funding in 2020, almost three times more than 2019's previous record of £132m. Across the region, tech companies are showing positive signs of recovery from the coronavirus pandemic. Overall, there are 5,099 open tech roles in the West Midlands, including BT, Premier IT, Balfour Beatty and Aldi. <https://www.thebusinessdesk.com/westmidlands/news/2048137-investment-into-west-midlands-tech-sector-triples-in-2020>