

Communities O&S – June 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.

ECONOMIC RECOVERY

Adapt & Diversify Grants – To date, a further £738,963 has been awarded to 54 businesses as part of Round 2 of WCC’s “Adapt and Diversify” grant scheme. The scheme – which was set up to complement the various Government grants available via the District & Borough Councils – provides grants of £5,000 towards the costs of accessing specialist external advice and up to £20,000 for projects which involve specialist advice and/or the purchase of equipment or the refurbishment of property. It was open to all retail, hospitality, tourism and leisure businesses and certain identified businesses in their supply chains that have also been affected by Covid-19. Applicants had to be able to demonstrate that they have been negatively affected by Covid-19, and have clear plans to adapt and diversify their business.

As with Round 1 held in February, Round 2 of the scheme was overwhelmed with applications; 211 applications worth over £2.7 million were submitted on the first day and the scheme had to be closed again by 6pm. A budget of £850,000 was available in Round 2 and we expect this will be allocated in full. The Round 2 awards follow grants of £594,389 to 51 businesses in Round 1 earlier in the year and WCC’s successful Retail & Hospitality grant scheme in Summer 2020 which awarded £222,378 to 40 businesses.

Coventry and Warwickshire Redundancy Support Service is now a well-established service. Whilst the number of redundancies in Warwickshire remains low compared to the national picture, we are mindful this may change as the Furlough Scheme draws to a close. A number of new resources are due to launch soon with downloadable support packs and YouTube clips of advice and guidance aimed to be accessible for all.

Warwickshire County Council and Coventry City Council have joined an initiative from Solihull MBC called the [CSW COVID Business Pledge](#). By taking the pledge, businesses make a positive commitment to social distancing, hygiene, face coverings, ventilation, testing and health and well-being of staff. Businesses can sign up online. In Warwickshire those businesses signing up are automatically enrolled in the EAP (Employee Assistance Programme) for small and micro businesses. The pledge was launched in April, to coincide with the reopening of non-essential retail and personal care and beauty.

The pledge in Warwickshire was extended to create the [Warwickshire COVID Secure Community Pledge](#), where community facilities in the county can sign up and display the poster.

PLACE SHAPING & ECONOMIC RECOVERY FUND

The **Survive, Sustain and Grow** business support programme (which is funded by £295,000 from the Place Shaping and Economic Recovery Fund) continues to see high demand. The programme has had just under 600 enquiries since August 2020 and 574 businesses have now been supported by the programme across a range of sectors and geographies. 173 businesses have now worked with one of WCC's specialist, industry-specific consultants to develop and implement a dedicated economic recovery plan, helping safeguard 369 jobs. Grants worth over £330,000 have also been awarded to 55 businesses on the programme to support the costs of implementing their recovery plans. The programme will now run until the end of June. A number of case studies have been produced and are available on WCC's web site: <https://www.warwickshire.gov.uk/SSG>

The **Future Careers Digital Market Place** project recently commenced filming again including the Warwickshire Police and Fire Service working with us to film their career opportunities. A steady stream of new businesses has engaged with the team including Hello Fresh and JLR who are considering the types of roles they wish to showcase. The project now has over 30 films available for schools and employment groups to access. All available through the Warwickshire Skills Hub website.

The **Tech Challenge Fund** was set up after a business survey undertaken by CWLEP identified the need for digital products to help support and promote town centres following the end of national lockdowns, engaging existing and new customers, and improving consumer confidence. After a competitive process, three projects were offered funding to progress their projects. The first project to complete was the Leamington LYT Festival which brought together Local Young Talent with existing businesses to create a shop window trail around Leamington throughout the month of May. More information can be found at <https://lytevents.co.uk/> The other projects, Myndy and Maybe loyalty rewards, are preparing for launch with more details available shortly as the projects roll out.

Support under the **Employee Assistance Programme** has been extended to include all Warwickshire small businesses (50 staff or less) and all hospitality businesses (100 employees or less).

New Economic Recovery Projects – Cabinet approved the funding for three new business support projects in April:

- £107,524 to support Coventry and Warwickshire Reinvestment Trust with the delivery of their JumpStart project. The £275k project is one of two economic recovery projects designed to help people start a business, increasing the number of sustainable new businesses. This community-based project will offer support to individuals starting a business for the first time. It will complement the county-wide start-up service delivered by the Chamber of Commerce on behalf of WCC by focusing on underrepresented groups and hard-to-reach individuals in certain parts of the county.
- £513,622 for a new Tourism and Leisure scheme. The project will establish and deliver a dedicated programme to support the recovery and future growth of the tourism and leisure sector. This initiative builds on the Survive, Sustain and Grow programme which offers industry-specific support to tourism business and complements the new "Visit Warwickshire" marketing campaign. The investment from the Place-Shaping Fund and Economic Recovery Fund will also allow WCC to apply for further funding from the European Regional

Development Fund to increase the scale and reach of the programme. The new programme will be launched in the Summer once a specialist delivery organisation has been appointed, following a procurement exercise.

- £38,514 to support Coventry and Warwickshire Co-operative Development Agency with the delivery of their social enterprise support programme in Warwickshire for a further 12mths along with a small number of new services to be developed specifically for social enterprises in the county. The funding will bridge the gap between current budgets which ended in March 2021 and the commissioning of WCC's new third sector support contracts from April 2022.

ECONOMIC & BUSINESS SUPPORT

WCC's "**CW Business Start, Grow and Scale**" project – which is part funded by the European Regional Development Fund (ERDF) – continues to see high demand despite a difficult year for the economy. 169 businesses completed the intensive support provided by the programme in 2020/21 and 52 new jobs were created. The programme provides three areas of support:

- Warwickshire Start-Up Support Service – One-to-one support and workshops/masterclasses for start-up businesses in their first 24 months of trading and Warwickshire residents looking to start a business. The service is delivered by the Chamber of Commerce on behalf of WCC.
- Business Ready – Support for tech-based and other innovation-led early-stage businesses in Coventry and Warwickshire. Business Ready is delivered by University of Warwick Science Park
- Advice and support for other businesses looking to grow with focus on access to finance. This support is delivered by WCC's Business Support Team.

WCC recently submitted a request to the Ministry for Housing, Communities and Local Government for an 18mth extension until June 2023. The £1m extension, if approved, will lever a further £0.59m of investment from the ERDF and partners as well as increasing the scale and reach of WCC's new tourism and leisure programme.

The Inward Investment team recently provided support to the **Variant of Concern Stand-up Activity** in the Nuneaton town centre. The team helped identify and contact businesses in the key wards and made introductions to the WCC Business Centres.

EMPLOYABILITY & SKILLS SUPPORT

The Warwickshire Skills Hub continues to grow. Now a team of six, there are two further roles to fill, specialising in funding and careers. The Skills Hub's social media platforms continue to increase their reach, gaining over 40 new followers each week.

- The most popular service continues to be the "Business Skills Review" service with 90% of businesses calling for this support. Over 80% of businesses who use this service remain engaged with the team and go on to feature in campaigns and access further support as part of their growth journey.
- General enquiries have also significantly increased with businesses reaching out for support to recruit and re-train employees. The team currently host up to 5 virtual calls per day, with common topics being Apprenticeships and Kickstart.

Further to the launch of **Inclusive apprenticeships**, we have received a great level of interest from the NHS, Warwickshire Police and various manufacturing organisations. 7 of the 15 places are now taken. Such positive early interest is really encouraging, allowing consideration around the permanent transition journey those with SEND could follow and how we might want to scale up this offer across the county.

Following on from the success of last year's **Future Careers Fund** (a £2000 grant made available to schools to switch careers to digital delivery), this year's theme is around "building back". The fund once again offers schools the opportunity to apply for up to £2000 to build back their careers provision adapting their content and delivery to meet the additional needs of young people who have been negatively impacted by the pandemic and the evolving shape of Warwickshire's economy. The first round of applications are invited for July with a second round in September.

The **Further Education Transitions Fund** is a new £80,000 fund for Further Education Providers to bid into. Providers are encouraged to build events and interactions to support young people (yr11) transition into college life.

INWARD INVESTMENT

The **Invest in Warwickshire** service works with the **Department for International Trade** (DIT) service to promote the local area and provide support to overseas owned businesses (any business with a 10% or higher ownership) to set up in Warwickshire and Coventry. DIT recently ran a second round of the High Potential Opportunity Programme where local areas can collaborate on specific investment propositions.

- Warwickshire was selected as a **High Potential Opportunity (HPO)** area for the promotion of Video Games. The HPO programme is intended to develop bespoke propositions for areas of excellence to attract potential investors to this location first above any other region in the UK. The bespoke proposition has now been finalised and presentations have been given to the Central European Network, Skane region of Sweden and at the end of June they will be hosting an investor webinar for the markets of Europe & the USA.
- Warwickshire wrote a bid in collaboration with CCAV (Centre for Connected and Autonomous Vehicles), OXLEP and SEMLEP areas and West Midlands Growth Company for a **HPO covering the Connected and Autonomous Vehicles (CAV) opportunity**. The bid was successful and the HPO proposition is close to completion and launch. We've already been able to make use of the draft content when speaking with investors.

A new investment showcase called the **Invest Midlands Conference** took place online in May, organised by magazine Business Desk. Warwickshire was represented through the Invest Coventry & Warwickshire partnership, showcasing opportunities across the sub region. We promoted Sarah Windrum, CWLEP Chair as a speaker and supported the automotive session, with speakers from HORIBA-MIRA and Norton Motorcycles. The event's keynote speaker was Business Secretary Kwasi Kwarteng.

Invest in Coventry & Warwickshire is joining up with the DIT Midlands Engine Investment Hub to exhibit at **Rail Live**, on June 16th and 17th at Long Marston, near Stratford-upon-Avon. The annual event will be one of the first UK trade shows to go ahead since the lockdown. It is a showcase of UK rail technology and is the rail equivalent of the aerospace showcase Farnborough Air Show.

Invest in Warwickshire has submitted a joint bid with Coventry City Council around a **joint presence at COP26** in Glasgow in November. The City Council brought together

a group of local stakeholders and a number of submissions were made under a joint banner, also referencing WMCA activity at COP26. Whilst the bid wasn't successful, we have since submitted another bid to DIT to promote low carbon technologies in Warwickshire & Coventry, to be used by DIT around COP26.

The Invest team provided input and introductions to businesses for Transport Innovation Showcase, led by Coventry City Council and Culture Coventry, for **Coventry UK City of Culture 2021**. The showcase will launch in July as [Our Future Moves](#). Warwickshire businesses have provided physical content for the exhibition and digital content for the online showcase.

Input has been provided to a variety of Midlands initiatives ensuring the Strengths of Warwickshire's economy are reflected in their work, these include:

- Midlands Engine Tech consultation; ensuring that local strengths are represented across the region for further promotion
- West Midlands Growth Company (WMGC) are updating their collateral and we have contributed on Advanced Manufacturing and Engineering, Future Mobility and Digital Creative industries
- Create Central, The West Midlands Screen Industry body has conducted a review

Work continues with number of new and potential investors to identify suitable commercial property and help facilitate a 'soft landing'. We recently supported Malaysian company **Petra Modular**, a manufacturer of offsite housing units, to locate at Hams Hall, near Coleshill.

BUSINESS NEWS – Major business headlines from around Warwickshire
(more business news items available from [Warwickshire Means Business](#))

Digital sector update

REPL Group, a Warwickshire-based systems integrator has been snapped up by acquisitive multi-national, Accenture. Based in Henley in Arden, REPL specialises in Blue Yonder software, which principally supports blue chip customers in the retail, convenience and logistic sectors on their digital transformation. The company employs more than 400 people.

Skyfarer to conduct the drone trials in Warwickshire to test the capability of drones in delivering urgent medical supplies, working with, among others, the NHS on the possibility of using drones to reduce the time it takes to move medical critical supplies to where they are needed urgently. That includes plasma, blood, organs and samples that could be delivered to locations much more quickly than by road. The Business has been supported by Business Ready, a programme which is supported by WCC. The company recently received a £50,000 grant from Innovate UK.

The University of Warwick has announced that is investing £275,000 of its own earned income into establishing a new esports centre to be located at the Warwick campus. It will operate alongside new facilities to stimulate innovation in the newly named 'Junction' facility.

IT consultancy, Tata Consultancy Services has agreed a ten-year lease at the Aura building at Precision Park, a former HQ building for Wolseley. The Mumbai headquartered company is consolidating under one roof following its move from Victoria Court and Bishops House in Leamington.

Automotive/ Future Mobility

Proposals for a **Gigafactory** in Warwick District have accelerated following the launch of a public consultation. The consultation aims to understand the views of residents and the local community before a planning application is submitted in the coming months. In February, Coventry Airport was announced as the preferred site for a West Midlands Gigafactory with Coventry City Council and Coventry Airport Ltd forming a joint venture partnership to bring forward a planning application.

REE Automotive UK (REE), a leader in e-Mobility, has announced the establishment of a new £66m state-of-the-art Engineering Centre of Excellence at MIRA Technology Park, on the outskirts of Nuneaton. The company plans to create 200 new jobs. It follows the announcement that **Britishvolt**, the battery maker start-up, will also locate its R&D and HQ at MIRA.

Warwickshire's MIRA Technology Park is now home to the development programme of a 1100bhp hydrogen-powered hypercar from nascent engineering firm **Viritech**, which aims to become "the world's leading developer of hydrogen powertrain solutions."

Croatian tech company and electric supercar firm Rimac (pronounced 'Rimat') announced it has set up a **UK Technical centre at University of Warwick Wellesbourne Innovation Campus** after Lotus Engineering also created a base there last year. 'We are of the strong opinion that British engineers are worldclass in the field of electrification and future of mobility,' said Mate Rimac, CEO and Founder.

Well-known automotive consultancy and specialist manufacturer, **Penso Consulting**, went into liquidation in May. The company had been hit by pandemic effects on multiple product activities. The company is well-known for its Mercedes Vito 'hackney carriage' conversions, but also produced aircraft seats and last mile light-weight delivery van conversions, and engineering services to JLR and others. The company employed about 200 staff.

Warwickshire company **Shield Manufacturing Technologies recently secured £11.3m of investment for motorsport-inspired energy recovery system** for electric vehicles. The e-MOTIF project led by the Southam company combines lightweight energy recovery technology from motorsport with a new motor and inverter for electric cars and vans to cut energy consumption and CO2 emissions.

WMG and the School of Engineering at the University of Warwick have been awarded just over £5m of funding and a key coordinating role in the Government's Driving the Electric Revolution Industrialisation Centre programme. WMG at the University of Warwick has been selected to provide leadership to the Midlands Driving the Electric Revolution Centre, which is one of four across the UK.

OTHER NEWS

One of the latest investments from the Midlands Engine Investment Fund was a **£250,000 funding package for Fertility Focus**. The Warwickshire business is responsible for creating revolutionary fertility monitoring products and is set to use the finance to invest in further research and development.

Baxi Heating's development of a boiler fuelled by hydrogen has won the Innovation category at the Gas Industry Awards. Baxi's Hydrogen boiler has been developed as part of its commitment to be a cleaner, greener manufacturing business. Karen Boswell OBE, Managing Director of Baxi Heating, said: "As a leading player in the British heating and hot water industry we are determined to play our part in achieving the goal of being a net-zero economy."

A recent report from [Beauhurst](#) shines a light on high growth Midlands businesses. Warwickshire is top the Midlands local authority area for share of high growth businesses as a percentage of the total number of businesses (6.8%) and is second after Nottinghamshire for equity invested (£282m and £323m). Meanwhile University of Warwick tops the 16 Midlands universities listed with 40 spinout companies 2011-2020.

Originally due to open in July 2020, but delayed due to COVID-19, **MOTO opened a flagship EV charging motorway service area in Rugby on April 30th** following a £40m site investment creating 120 jobs. Located at Junction 1 of the M6 it features 24 ultra-rapid electric vehicle charging points, 12 Tesla & 12 Electric Highway, making it the largest ultra-rapid charging site on the motorway network.

Construction of the new £33m Interdisciplinary Biomedical Research Building at the University of Warwick has recently been completed. The building brings together up to 300 researchers will also house world-class research in neuroscience, microbiology and infection, cell biology, and disease models.