

## Communities O&S – February 2019

### Economic Development Update

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***The following note provides an update to the Communities Overview & Scrutiny Committee on economic development activity in Warwickshire over the past couple of months, and includes work undertaken by County Council officers, the work of the Coventry & Warwickshire Local Enterprise Partnership (CWLEP), the Coventry & Warwickshire Growth Hub, and other key pieces of relevant news/information.***

- The new **Coventry and Warwickshire Duplex Fund** has been launched. Duplex – which is a joint initiative between Coventry and Warwickshire Local Enterprise Partnership, Coventry City Council and WCC – is a new fund designed to help finance capital investments by local businesses. It offers a combined loan and grant to businesses unable to generate sufficient cash to progress other viable investment projects. Loans of £30,000 to £100,000 are available and up to 40% of expenditure could be available as a grant, allowing businesses to manage their cash flow flexibly. Duplex is funded by £3.9 million of Government grants via CWLEP, a £2 million loan from CCC and a £2 million loan from WCC via the Capital Investment Fund. It is delivered by Coventry and Warwickshire Reinvestment Trust. Duplex is part of a £5 million investment by WCC in access to finance programmes for Warwickshire businesses including WCC’s own small capital grants programme.
- WCC has been invited by MHCLG to apply for a further 18 months of funding from the European Regional Development Fund (ERDF) to support the **Warwickshire Business Support Programme**. The programme – which is now its second phase of delivery – has so far met or exceeded all targets. It has supported 498 businesses, helped 343 people to start a business, and created 264 new jobs. The ERDF grant part funds a comprehensive county-wide start-up service which is delivered by Coventry and Warwickshire Chamber of Commerce on behalf of WCC and the Districts and Boroughs; the “Business Ready” programme for tech-based and other innovation-led businesses which is delivered by University of Warwick Science Park; the “Creative Springboard” programme for micro and start-up businesses in the creative sector which is delivered by Coventry and Warwickshire Reinvestment Trust; and WCC’s own access to finance and other support services for businesses looking to grow or invest in Warwickshire. The MHCLG application, if approved, will extend the programme for an additional 18 months from January 2022 to June 2023.
- **Interactive Futures** returned to Leamington on 31<sup>st</sup> January and 1<sup>st</sup> February. The two-day conference and expo once again showcased to the industry and the public the rich seam of talent within the Leamington Games Hub. The event highlighted Leamington’s heritage within the UK games industry, its talent and creativity, the unrivalled community of studios, and career opportunities both for students and those already working in the games industry. Day 1 saw an Indie Investment Forum and a “speed dating” event where the area’s independent studios had the opportunity to meet investors, publishers and advisors. A conference also highlighted key issues relevant to Leamington Spa, the wider region and the games industry. Day 2 saw Interactive Futures open its doors to consumers and students to inspire the next generation of talents with career opportunities the key focus for the day. The day also featured a range of practical activities including the chance to try out the best of the

games created in Leamington, competitions and e-sports challenges plus a CV clinic and portfolio reviews for students. Interactive Future is funded by WCC, CWLEP, and Warwick District Council alongside support of local industry.

- Interactive Futures also saw the launch of a highly-anticipated report by UKiE – the video games industry trade body. **UKiE’s “Regional Economic Impact”** report takes a look at where the UK games industry clusters are centred, highlighting the growth of individual regions, the jobs that have been created and the impacts those areas have had on the country’s games output. The report highlighted that Leamington Spa was the largest cluster in terms of economic output outside of London. Our strength and depth in this sector is also set to increase - the organisers of Interactive Futures conducted a poll of the area’s leading games development studios to help understand the careers and employment opportunities that will emerge over the next two years. This found that the Leamington Spa Games Hub is set to create 500 new jobs, which will further cement our position in this sector.
- **The UK Battery Industrialisation Centre (UKBIC)**, which is based on the Coventry & Warwickshire Gateway Site at Baginton in Warwick District, passed a major milestone in January. The practical completion of the new 18,000m<sup>2</sup> building has been achieved and phase two is now underway to add the production equipment, services and the internal finish which will be needed at the home of the UK’s new centre to help companies develop and scale-up production of the latest UK battery technology. The facility is being created with funding from the Faraday Battery Challenge which is part of the Government’s Industrial Strategy Challenge Fund to help the UK lead the world in the development of battery technology. UKBIC will offer the same industrial-standard production equipment found in major battery production factories around the world, and hopes to run at the rates and volumes needed to tip the balance of risk and confidence in favour of new UK technology. The Centre will open later this year. Further information can be found at: [www.ukbic.co.uk](http://www.ukbic.co.uk)
- **As part of the Transforming Nuneaton programme**, December Council approved the investment of almost £19.5 million into a landmark building for Nuneaton which will house the library, a new business centre, café and changing places facility. The building will act as an anchor to this prime development site on Vicarage Street and encourage investment from the private sector.
- The inaugural meeting of the **Nuneaton Town Board** took place on 15<sup>th</sup> January 2020. This new Board brings together a wide range of knowledge and skills across private and public sectors and will focus on the development of a Town Investment Plan which will be used to apply for up to £25 million from the Government’s Towns Fund. Nuneaton is one of 100 places which has been invited to develop proposals for a Town Deal, as part of the new £3.6 billion Towns Fund. This is not a competitive process, but selected towns need to develop coherent and impactful Investment Plans that will enable a “Deal” to be agreed. Town Investment Plans have to be produced by Summer 2020 and it is expected that the Town Deals will be agreed by the end of 2020/ 2021.
- Nuneaton and Leamington Spa have also been shortlisted for the new **Future High Streets Fund**. The objective of this £1 billion Government fund is to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. Nuneaton and Bedworth Borough Council and Warwick District Council have been invited to submit business cases for capital funds which deliver key schemes in the two town centres, and WCC are providing

support. Bids of up to £25 million can be made, however, it is expected that bids will be in the region of £10 to 15 million each. The High Streets Fund is a competitive fund, and schemes have to be submitted for consideration in June 2020.

- **Town centre business** are being offered the chance to increase their visibility and connect better with customers through WCC's new digital training programme for retailers. There are a range of workshops taking place during the first few months of 2020 combined with one-to-one sessions to address individual business needs. The programme, which is being delivered by Coventry and Warwickshire Chamber of Commerce, is open to all town centre retailers across Warwickshire. The workshops are being held in Leamington, Rugby, Stratford and Nuneaton.
- **My World or Work 2020.** My World of work is an extensive project which is a collaborative piece of work bringing business and schools together to showcase the careers Warwickshire businesses have to offer. Working with partners such as the C&W Chamber of Commerce, CWLEP and Warwickshire Careers Hub the project supports schools to recognise and imbed certain quality benchmarks and demonstrate good practice across Warwickshire.

The project is open to all Warwickshire schools and is focused on the employability skills and employer encounters ahead of GCSE year. There are several workshops which will be delivered from January to July 2020 providing solid outcomes to those participating

Understanding your own personal attributes	Research sectors
Which careers suit my skills	Write an application
CV Creation	Preparing for an interview
Speaking with confidence to an employer	Meet the Boss

Along the programme participants will also visit a college to experience college life and visit two businesses from different sectors to understand cross sector transferable skills and what future roles in Warwickshire look like.

The ambition is to support our young people to experience first-hand what the world of work has to offer and how they access the wonderful opportunities our Warwickshire businesses have available, the relationships built between all involved will have a positive impact on NEET figures and see a rise in applications from school leavers to businesses taking part.

- **MIPIIM 2020** - Invest in Warwickshire is working closely with colleagues at Coventry City Council and Coventry & Warwickshire LEP to prepare for the Coventry & Warwickshire MIPIIM Partnership presence at MIPIIM 2020, the property show taking place in Cannes, France in March.

Coventry & Warwickshire partners, numbering 20 private and public organisations, will join up to 100 partners from across the Midlands and West Midlands to promote the region, in order to attract further investment, development and new jobs.

- Warwickshire County Council and Coventry City Council hosted the annual **Coventry & Warwickshire Automotive Dinner** this year at MIRA Technology Institute, on the outskirts of Nuneaton and North Warwickshire. Keynote speakers included event sponsors Shakespeare Martineau, CWLEP Board member Marion Plant, Tony Harper from the Faraday Institute, Jeff Pratt MD of UK Battery Industrialisation Centre, and Derek Benfield of Envision AESC, the Chinese battery manufacturer who have a base in Sunderland.
- **Inward Investment News** - Warwickshire County Council's inward investment service has been working with a number of companies over recent months and can report the following significant activity:
  - During games development conference **Interactive Futures**, games studio **Mediatonic** announced it would be opening a new studio in Leamington, joining recent investments from studios Sumo Digital and Electric Square.
  - Aerospace company **CFS Aero** has moved premises to a new facility on Wedgnoek Industrial Estate in Warwick. Located on Harris Road, the new 30,000 sq ft premises includes factory and office space, as well as an additional 10,000 sq ft mezzanine which will see the company repair and overhaul over 100 turbine aero engines each year. The company has moved from another site in the district at Baginton, near Coventry Airport.
  - Energy company **Cadent** is relocating its HQ to a major new office development site at Ansty Technology Park; the company is currently located at Prologis Keresley, in Bedworth.
  - **Porterbrook**, the rail rolling stock company, and St Modwen, the developers, announced the signing of a 15 year lease at the Quinto Rail Technology Centre at Long Marston, near Stratford-upon-Avon. The deal secures the future of the site as a rail technology test and development centre, and is a major boost for the Midlands rail cluster.
  - **HMV** meanwhile announced they would be leaving Nuneaton, as their current landlord Ropewalk had found another tenant. We were unable to identify with local agents and landlords an alternative of the right size for the company with the right financial terms.

## **Business News**

Major business headlines from around Warwickshire.

[Funding Boost for Rural Businesses](#)

Rural businesses in Warwickshire are being urged to move quickly to take advantage of newly-released grant funding to help create jobs, boost tourism and unlock growth across the county.

The Rural Development Programme for England (RDPE) growth programme provides grants for rural start-ups and businesses to purchase equipment and machinery to create jobs, boost tourism and unlock growth in rural areas.

### Aeristech

Aeristech's 11,000 sq ft new premises in Hermes Close in Leamington was officially opened by the Royal Leamington Spa Mayor Councillor Bill Gifford and Warwickshire County Council leader Councillor Izzi Seccombe OBE during a ribbon-cutting ceremony which attracted around 100 guests.

Aeristech, which designs and manufactures clean energy applications, specialises in the development of electric air compressors for the international automotive was able to secure a total of £50,000 in grants with help from the Coventry & Warwickshire Business Support Programme which is part-funded by the European Regional Development Fund (ERDF) via Coventry City Council and the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub. This grant contributed towards building Aeristech's new engineering and development floor.

### Borg Warner Acquires Delphi Tech

Auto engineering company Delphi Technologies, a major employer in Warwick, has been taken over by Borg Warner, a rival auto tech company. Delphi Technologies was formerly based at the AP Technologies site in Leamington but is now based at Warwick Tech Park. The combined company will be better placed to invest in new vehicle electrification technology.

### Aston Martin Lagonda in Talks

Luxury car maker Aston Martin Lagonda, who are in the process of launching the new DBX SUV vehicle developed in Warwickshire, has agreed a £500m rescue deal from Lawrence Stroll, the Canadian billionaire and Racing Point Formula 1 team owner, over a rival investment from Chinese automotive giant Geely, which owns Volvo and Lotus. It is believed that this deal will allow the company to retain more control of the business. The Stroll deal includes investment from JCB. Daimler Benz is a common thread – they provide engines to Aston and to Racing Point, and Geely own a 5% stake in the German automaker.

### LEVC in Japan

Konichiwa! to LEVC, the Ansty based maker of the iconic London electric taxi, the TXe City, which launched in January into the Japanese market. The new domestic taxi market is dominated by the Toyota JPN, a van-like vehicle whose shape was inspired by the original 'London taxi', the FX4, the forerunner to the current Ansty built vehicle.

### Mega Merger for Coventry Lion

PSA Group, the owner of Peugeot, Citroen and Vauxhall brands and retains a major presence in Coventry, announced its intention to merge with the Italian-US company Fiat-Chrysler. The announcement made a take over by PSA Group of Jaguar Land Rover less likely, as this will already be a complicated merger, and there are already similar premium brands in the new group.

Jaguar Land Rover has already announced a co-operation with BMW on EV technology, and the two companies have major engine and battery sites at Hams Hall in Coleshill.

#### Silicon Valley Comes to Nuneaton

Silicon Valley investment platform Plug and Play launched its Future Mobility focused UK presence at MIRA Technology Park in December. The plan is to attract major partners to establish a permanent UK base there.

#### Severn Lamb Announces Major Rail Order

Severn Lamb, the Alcester based specialist transport design and manufacturer, announced a major light rail order on winning the contract to replace the rolling stock at Southend Pier. The company created the current trains, which came into use in the mid-1980s.

#### CWLEP in China

A major new group is to work on creating economic and investment opportunities with a leading province in China. The Coventry and Warwickshire Local Enterprise Partnership (CWLEP) became the first LEP to use a cultural visit to a Chinese city to develop economic and investment opportunities during a visit to Fuzhou.

Vice chair Nick Abell and chief executive Martin Yardley visited Fuzhou on a cultural trip with Stratford-on-Avon District Council and Shakespeare's Birthplace Trust. The duo is now working to forge stronger economic ties with Jiangxi Province, its capital Nanchang and its cultural capital Fuzhou.

#### Nominations Open

The nominations for the Coventry & Warwickshire First Pro Awards 2020 are open which takes place on April 2nd. The event celebrates success and achievement in the professional services industries: legal, insurance, accountancy, marketing, property and business services. There are three new categories this year and nominations should be made by the 14th February deadline via the website.