

Communities O&S – September 2020

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.

Warwickshire County Council

- Significant work continues on economic recovery planning and a range of initiatives to support businesses and the economy. Cabinet have now approved allocations of £608,418 from the Place Shaping and Capital Feasibility Investment Fund to support the next phase of the economic recovery in Warwickshire and the **Council's Covid-19 Recovery Plan**. The projects are:
 - **Survive, Sustain, Grow**
The funding will be used for an intensive business survival programme for businesses most affected by Covid-19. Specialist advisors will work with business owners on a bespoke, 1:1 basis to review the business and its financial position, explore diversification and growth options, and to help them develop an action plan. The programme will focus on sectors most affected by Covid-19 (retail, tourism, hospitality & leisure, and manufacturing). It will be complemented by existing/ new finance support including new CIF retail and Covid-19 recovery grants.
 - **Art Challenge for Economic Recovery**
The project aims to enliven and provide creative ways to support safe movement, social distancing and community confidence around our town centres and outdoor spaces, to encourage shoppers and visitors back to the high street and to support active travel. The project will also create linkages with initiatives being delivered as part of Coventry City of Culture, strengthening Warwickshire's contribution to 2021 and to the celebration of art and culture in public spaces. Creative place curators will be commissioned to deliver a £194,000 Government capital grant, through the Coventry & Warwickshire Local Enterprise Partnership, for art and culture based public realm regeneration in the north of the county as well as to deliver art interventions elsewhere across the county.
 - **Employee Assistance for Economic Recovery**
This project focusses on a Mental Health and Wellbeing support offer to independent micro high street businesses, through expanding the WCC Employee Assistance Provision. It will provide a paid for support mechanism which allows for staff from these businesses to access counselling and other resources which would not normally be available to them.

- **Marketing and Promotion for Economic Recovery**
The funding is to support an enhanced marketing campaign to promote Warwickshire as an open and safe tourism destination, to include support for existing Destination Management Organisation activity, additional targeted collective marketing, and support for small independent tourism businesses. The focus will be on promoting rural tourism to relevant domestic markets. It will require a coordinator, a commissioned consultant, to steer and deliver the work, liaising with multiple local, regional and national partners.
- **Tech Challenge for Economic Recovery**
The funds will be used on the two winning ideas from a competition to encourage projects and ideas to come forward that can help support the retail and cultural sectors with solutions to the challenges they face. The aim is to encourage businesses to adapt to the Covid-19 crisis, ensuring jobs are retained, whilst adopting a more digital approach and increasing skills levels and confidence of introducing digital capabilities into their business.

These projects are the first investments from the £4 million earmarked by Cabinet to support the immediate economic recovery phase.

- Coventry and Warwickshire Reinvestment Trust has now allocated loans worth £1.56 million to 15 small businesses in Warwickshire as part of **the Government (CBILS) Coronavirus Business Interruption Loan Scheme**. CWRT – a not-for-profit, FCA accredited finance provider – are among the approved lenders for the CBILS alongside all the major banks. WCC moved quickly in March to agree a loan to CWRT to allow it to support small businesses unable to secure loans from mainstream lenders. WCC's £1 million loan was followed by a further £750,000 from NBBC, RBC and WDC. The CWRT loans have so far safeguarded 217 jobs across Warwickshire and they are expected to support the creation of at least 44 new jobs as the economy recovers.
- WCC has launched a new £250,000 **Retail and Hospitality Recovery and Investment Grant Fund** to support the retail and hospitality sectors in the county. Small businesses in these sectors could apply for grants of between £2,000 to £7,500 to put towards the costs of capital investments. This could be refurbishing or refitting property to increase footfall, creating an online sales presence, investing in dedicated IT and computer software or the purchase of minor equipment. 192 applications worth £1,090,194 were submitted in Round 1 which closed on 11th September 2020. It is expected that there will be further opportunities to apply later in the year. This grant scheme is funded through previous allocations from the Capital Investment Fund to the wider small capital grants programme for business, and a further extension of £750,000 to this programme to provide additional support was approved by Cabinet in September.
- WCC has launched a further phase of its **Digital Training Programme for Retailers**. It is open to all “bricks and mortar” retail and hospitality businesses to help reach and connect customers through online and social media tools. Covid-19 has shown that now customers are online more than ever before and the

workshops will help retailers embrace digital trends to grow their business. Interest has been very strong, highlighting the important role that digital platforms will play in the recovery of the retail sector. It is delivered by Coventry and Warwickshire Chamber of Commerce in conjunction with Stories Marketing: <https://www.cw-chamber.co.uk/business-support/towncentres/>

- **Covid Secure in the Workplace** – WCC and its local authority partners are continuing to advise businesses on how they can operate safely in light of updated guidance from Government. This includes practical guidance and webinars where businesses can hear from a panel of experts from Public Health, Environmental Health, Trading Standards and Community Safety, Fire and Rescue and Warwickshire Police. <https://www.warwickshire.gov.uk/coronavirusbacktoworkguidance>
- **“Buy Local” PPE campaign** – WCC is encouraging local businesses to source their personal protective equipment from local suppliers. The ‘Find it in CW’ portal and CW Chamber Recovery Hub both list businesses based in the area that supply PPE. The message is part of the wider campaign encouraging us all to “Buy and Eat Local”.
- The **Coventry and Warwickshire Duplex Investment Fund** – which provides a combined loan and grant to businesses towards the costs of capital investments – has supported a further Warwickshire business. Duplex has now provided loans worth £359,848 to six businesses in Warwickshire across a range of sectors. The investments have safeguarded 30 jobs and are expected to create a further 21.5 jobs. Duplex is funded by a £1 million loan from WCC’s Capital Investment Fund as well as by funding from Coventry City Council, the Government’s Growth Deal and Coventry and Warwickshire Local Enterprise Partnership. One of the first businesses supported by Duplex, XPD Print Limited in Offchurch, was featured in the press in August: <https://www.cwlep.com/news/investment-and-expansion-warwickshire-printing-business>.
- WCC’s **Small Capital Grants Programme** – which provides grants to small businesses with growth plans – has supported a further three businesses. The three grants worth £43,128 are expected to create 5.5 jobs. The programme has now provided grants worth over £1.68 million to 91 businesses, unlocking over £3.35 million of private sector investment and creating 172 new jobs across the county. A luxury chocolate maker based in Leamington, Cenu Cacao, and an exhibition and display specialist based in Harbury, Kaleidoscope Displays Ltd (K Display), were the latest grant recipients to feature in Warwickshire Means Business in August: <https://business.warwickshire.gov.uk/august-27-2020/news-in-brief/luxury-chocolate-shop-opens-its-doors-in-leamington>
<https://business.warwickshire.gov.uk/august-27-2020/news-in-brief/warwickshire-exhibition-specialists-growing-their-services>

- **Kickstart** – Government has launched the new Kickstart scheme which will create hundreds of thousands of new, fully subsidised jobs for young people across the country. The scheme will create six month placements open to those aged 16-24 who are claiming Universal Credit and at risk of long-term unemployment. There will also be extra funding to support young people to build their experience and to help them move into sustained employment after they have completed their Kickstart-funded job. Employers will receive funding for 100% of the relevant National Minimum Wage for 25 hours a week, plus associated employer National Insurance contributions and employer minimum auto-enrolment pension contributions. DWP are now accepting applications from employers and groups of employer. The first placements are likely to be available from November. WCC officers are working with DWP and other partners (WMCA, CCC, Chamber of Commerce) to co-ordinate promotion of the scheme in Warwickshire and to encourage and to support employers to participate. We are also considering what role WCC should play as an employer in our own right.
- **Redundancy support** – WCC officers are working with DWP and other partners (CWLEP Growth Hub, Chamber of Commerce, CCC, etc) to develop, promote and implement a joined-up approach to redundancies across Warwickshire including support packages for both businesses and employees. We are also developing a new “staff sharing model” to help businesses avoid job loss and address skills shortages.
- **Digital careers offer** – We are supporting secondary schools and colleges to adapt their careers work to digital content, and to create a “Future Careers Digital Market Place” (films for use in careers talks and a forum for digital careers events and interactive employer engagement). A pilot programme is being supported by the Skills for Employment programme and it is hoped that a further allocation from the Place Shaping and Capital Feasibility Fund will allow a significant expansion to the activity.

Coventry & Warwickshire Local Enterprise Partnership / CWLEP Growth Hub

- The Coventry & Warwickshire Local Enterprise Partnership (CWLEP) has been with Government to promote and facilitate the new **Getting Building Fund**. The CWLEP undertook a call for projects, and considered 21 projects totalling £21.6m before negotiating and agreeing which projects in Warwickshire would be funded. Eight projects, which are now undergoing detailed assessment by the CWLEP ahead of any grant offer letters being sent, have been successful in **securing funding totalling £8.1m**, including four from Warwickshire County Council. The four WCC projects are:
 - the Warwickshire Cycle Links project which will deliver 7km of new or improved cycle routes (£1.9m)
 - the Warwickshire Green Recovery Project which will invest in EV charging point infrastructure (£350k)
 - the North Warwickshire and Nuneaton Arts Challenge Fund (£195k), and
 - Holly Walk Digital Creative Office Space in Leamington (£500k)

The other projects supported are: workspace for creative businesses in the Co-op Building in Nuneaton; funding to support the development of a retirement village in Rugby; investment in Stratford College to enhance training delivery; and new waterside pathways and parking in Stratford to create a new route into the town centre.

- **CWLEP Growth Hub** – WCC continues to work closely with CWLEP Growth Hub, Chamber of Commerce, the FSB, our District & Borough Councils and other partners to co-ordinate and provide support to local businesses. It is estimated that the partners have supported 3,000 businesses since 1st March 2020. Growth Hubs have also been administering new ERDF specialist grants on behalf of Government. CWLEP Growth Hub had an allocation of £312,000 from the new £20 million scheme and a further £188,000 from a £10 million Kick-starting Tourism Package specifically for tourism businesses. Small and medium sized enterprises were able to apply for small grants towards the costs of specialist professional advice such as HR, legal or financial expertise, adopting new technology and online systems, and purchasing minor equipment. The scheme – which was expected to support 200 businesses across Coventry and Warwickshire – was opened for applications on 24th August 2020. It had to close on 26th August due to the overwhelming demand. Applications are now being assessed and the CWLEP Growth Hub has confirmed that the grants will be allocated on a “first come first served” basis.
- The CWLEP are working on a **Reset Strategic Framework**, which seeks to review, update and expand the existing Strategic Economic Plan for the Coventry & Warwickshire area and set the key priorities and opportunities for growth and investment in the sub-region in a post-Covid economy. The plan will be important in shaping potential future investment programmes from Government, and will provide a clear set of jointly agreed strategic priorities across the private and public sector to support economic recovery and growth.
- The CWLEP, working with CCC and WCC, are **creating a “Golden Book” (a pitch document for inward investment) for a “Gigafactory”**. Gigafactory is a term coined by the Tesla company to describe their factory in Nevada, because it was designed to produce batteries with ‘gigawatt-hours’ of storage capacity. It has since been used to describe any large facility for the production of batteries, and sometimes vehicles on the same site, in excess of 1m sqft. By way of illustration, the largest factory building in Warwickshire is BMW’s engine plant at Hams Hall, which is 1m sqft, and constructed in 2000. The most recent building of that scale locally is Euro Car Parts at Birch Coppice, which is 778,000sqft and was completed in 2015. Department for International Trade (DIT) states that the Gigafactory investment will bring investment of £1bn - £1.8bn and 3000 new jobs. There are five potential locations for a Gigafactory in Coventry & Warwickshire:
 - J9 M42 Strategic Employment Site (IM Properties)
 - MIRA Technology Park – Southern Manufacturing Sector (HORIBA-MIRA)
 - Coventry Airport Site (CCC/ Rigby Group)
 - Segro Park Coventry Gateway (formerly known as Coventry & Warwickshire Gateway) - SEGRO

- Gaydon Employment Hub, Stratford-on-Avon (Gaydon employment land extension) – CEG/ Bird Group

Business News

- **Lotus Cars** has announced that it is to establish a new advanced technology centre on the University of Warwick's Wellesbourne campus. The centre will also be home to a new headquarters for the company's engineering consultancy.