



Coventry & Warwickshire
Local Enterprise Partnership

UPDATED STRATEGIC ECONOMIC PLAN

AUGUST 2016

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Foreword

by the Chairman of the Coventry & Warwickshire Local Enterprise Partnership

The Coventry & Warwickshire Local Enterprise Partnership (CWLEP) is delighted to present its updated Strategic Economic Plan.

In the last two years the political landscape of this country has fundamentally changed; the election of a Conservative majority government in 2015, the emergence of a West Midlands Combined Authority and, more recently, the outcome of the EU Referendum will create new opportunities and challenges that Coventry & Warwickshire must take and overcome in equal measure.

Over the last two years since the original SEP was first published, CWLEP has made great progress in helping to bring additional growth to our area's economy. The updated SEP has been developed to reflect on progress since 2014, to provide the tools to further stimulate growth, and to provide a pipeline of projects and schemes across the region that will enable this growth.

We are confident this plan has the vision and ambition that can, with the right support, establish beyond doubt that Coventry & Warwickshire is the 'Knowledge Capital of the UK' and enable the area to achieve its fantastic potential.

The SEP was first published in March 2014 and since then CWLEP has secured significant support for the area including £89.4 million of funding through the initial Growth Deals. This is being invested in a range of projects such as; the Coventry to Nuneaton rail link, the new access to Coventry City Centre from the Railway Station and Warwickshire College's Apprenticeship Centre.

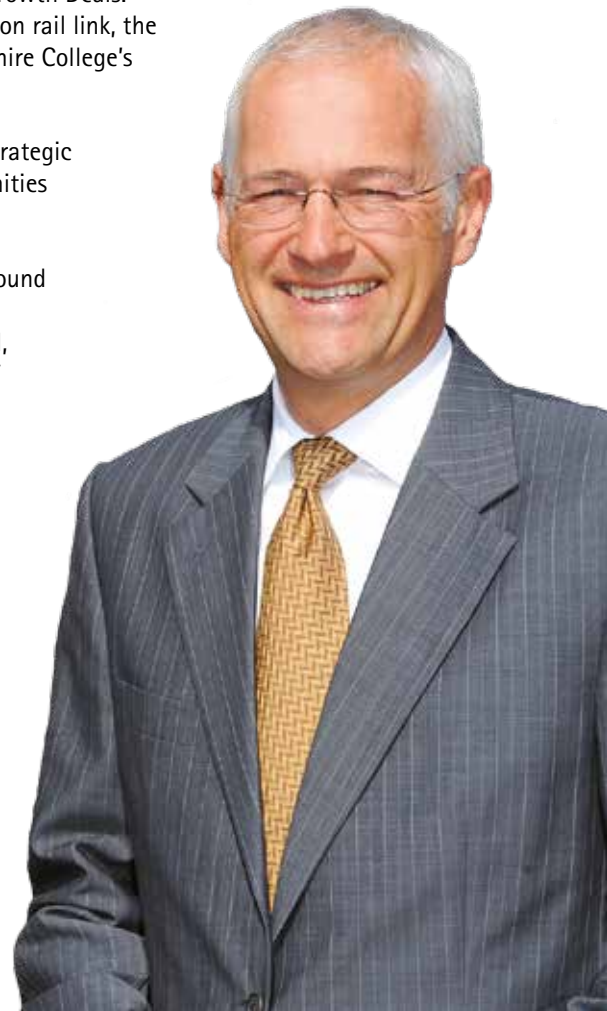
This updated plan builds on that progress and identifies further important strategic initiatives that will address the emerging economic challenges and opportunities facing the area.

We have established five strategic pillars to allow us to focus investment around clear priorities. These pillars are: Unlocking our Growth Potential; Advanced Manufacturing and Engineering; Growing our SMEs; Growing our Talent and, (additional to the original SEP in 2014), Culture and Tourism. The pipeline of projects and schemes that support these pillars form the substance of our Growth Deal 3 bid to Government.

We look forward to negotiating a Growth Deal with Government that will enable many of these projects and schemes to be delivered. It is vital that the private sector, our local authorities and our two world-class universities continue to collaborate to deliver our updated SEP and we are confident that the strong relationships between companies, local authorities and organisations in our area will enable us to achieve our ambitions.



Jonathan Browning
Chairman of the Coventry & Warwickshire LEP





Coventry & Warwickshire Strategic Economic Plan Update: 2016

Executive Summary	7
1 Review of The 2014 Strategic Economic Plan	8
1.2 Unlocking Our Growth Potential	13
1.3 Advanced Manufacturing and Engineering	15
1.4 Growth Hub	17
1.5 Growing Our Talent	17
1.6 Programme Management and Governance	18
2 2016 Strategic Economic Plan Update	20
2.1 Vision, Objectives, Strategy and Plans	20
2.2 Baseline Economic Forecast	21
2.3 Objectives and Core Strategic Themes	22
2.4 Unlocking Our Growth Potential	24
- 2.4.1 Employment Land	24
- 2.4.2 Transport Connectivity	26
- 2.4.3 Digital Connectivity	28
2.5 Advanced Manufacturing and Engineering	30
2.6 Growing Our SMEs	33
2.7 Growing Our Talent	35
- 2.7.1 Skills	35
- 2.7.2 Developing the Technologies of the Future	37
- 2.7.3 Digital and ICT Economy	39
2.8 Culture and Tourism	42
3 The West Midlands Combined Authority and Midlands Engine	44



Coventry Station

AMAZING
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Train Lane

Executive Summary

The Coventry & Warwickshire Strategic Economic Plan (CWSEP), published in March 2014, set out how the Coventry & Warwickshire Local Enterprise Partnership (CWLEP), along with its partners in the public, private and third sectors, will grow the economy over the short, medium and longer term. It recognised that co-ordinated action from all sectors will play a key role in stimulating growth and prosperity, and increasing the competitiveness of the local economy.



Review of the 2014 Strategic Economic Plan

Although Coventry & Warwickshire has many characteristics of a high performing economy, such as its strong transport links and presence of world-class universities and R&D institutions, it was recognised that the area's overall economic performance could be described as average. The Plan therefore sought to improve this performance, through targeted interventions across four thematic areas, many of which were funded through the Growth Deal.

Progress Against 2014 CWSEP Strategic Pillars

Unlocking our growth potential

This has included enhancements to the local rail infrastructure, with contractors already appointed for the enhancements to Coventry Station and development of Kenilworth Station. Significant improvements are also earmarked for the local road infrastructure, including the M40, A45, A46, A444 and A5 corridors. It is envisaged that these investments will bring key sites forward for development, which will result in significant business investment and growth and job creation impacts for the local economy.

Advanced Manufacturing and Engineering sector development

This has included a series of investments to help realise the growth potential of a key sector where Coventry & Warwickshire has a competitive advantage. The investments are focused on enhancing levels of Research & Development (R&D) and improving skills levels, with a new National Transport Design Centre in Coventry having secured planning permission in March 2016.

Coventry & Warwickshire Growth Hub

A core outcome of the Coventry & Warwickshire City Deal, the Hub was launched with physical premises in July 2014. Demand for the Hub's services is increasing, with it having engaged with 1,880 businesses and assisted 212 of these to improve their performance, generating £31.7m in GVA in its first year of operation. In addition, Venture House which provides 2,500 sq ft of flexible space and business advice to Stratford-upon-Avon start-ups and SMEs, opened in Quarter 2 2016.

Growing our talent

This focuses on enhancing skills levels of local residents as a means of raising local productivity levels, particularly in key sectors such as Advanced Manufacturing & Engineering, ICT, Digital & Creative Industries, Logistics, Culture & Tourism, Professional & Financial Services and Healthcare. The Trident Centre in Leamington Spa, providing courses and apprenticeships in manufacturing and engineering, and the Advice Centre at City College Coventry have successfully been developed and are now operational.

CWLEP, through Growth Deal, has been instrumental in tackling transport barriers to growth by investing in our railways with visible changes to Coventry Station that commuters and businesses are already experiencing, and the new Kenilworth Station is on track for opening in 2017. Warwickshire College has opened its doors to new

students and will train advanced and higher apprentices. Already, over 200 apprentices from Jaguar Land Rover and SMEs are enjoying the class-leading industry facilities including engineering workshops and computer laboratories. Coventry students will benefit from tailored job search advice in their new Advice Centre with a

high profile new on-campus facility. The low business start-up rate in Stratford-upon-Avon has been tackled with a dedicated business hub called Venture House, which opened in Quarter 2 of 2016. With calls for Local Growth Fund 3 underway, we are confident that further programmes of infrastructure will begin at pace to build on these important achievements to date.

Coventry City Council is the statutory Accountable Body for the financial oversight and management of the portfolio of projects funded through the Growth Deal, reporting progress to CWLEP's Board. By the end of the 2015/16 financial year, CWLEP was on track to deliver its Growth Deal programme by 2020, having successfully committed its initial full year allocation of £17.18m on kick-starting the schemes mentioned above.

2016 Strategic Economic Plan Update

The past two years have seen much progress in Coventry & Warwickshire's economy, with the early Growth Deal investments providing strong foundations for growth; however, it is important that the Strategic Economic Plan evolves in its focus, priorities and plans to respond strategically to the area's ever-changing economic challenges.

Despite the fact Coventry & Warwickshire's GVA grew more rapidly than the national average between 2010-2014 (3.75% compared to 3%), the area still had an output gap of some £460.2m in 2014, which rises to £2.328bn if we only consider local employee jobs (given that GVA per worker in Coventry & Warwickshire is just 90% of the national average). This is a key strategic issue that needs to be addressed. The local economy needs to grow at 3.3% per annum (assuming a UK GVA Growth Rate of 3%) if this output gap is to be removed by 2030.

The main sectors that are expected to contribute to this GVA growth include the Automotive, Construction, ICT, Architecture/Civil Engineering and Logistics sectors. The Culture and Tourism sector is also expected to make an important contribution, and this is reflected in the five themes that now form the Strategic Economic Plan:

2016 CWSEP Update Strategic Pillars

Unlocking our growth potential

Although the area has witnessed growth in the demand for employment land, particularly in Advanced Manufacturing and Logistics, there is a need to address the low stock and immediate pipeline of employment land, particularly in Coventry and Nuneaton & Bedworth, where job densities are low. Transport infrastructure and urban centre improvements, as well as significant expansions of the superfast broadband infrastructure, will play a crucial role in bringing major sites forward for development and attracting business investment.

Advanced Manufacturing and Engineering sector development

There is a need to capitalise on the potential of this sector, which is growing more rapidly in Coventry & Warwickshire than the UK overall. A key priority is to increase levels of business engagement with the area's world-class R&D and innovation assets, and fulfil the area's potential as a test bed for new low carbon products.

Growing our SMEs

The Growth Hub will continue to deliver a central business support co-ordination function within Coventry & Warwickshire, with the Hub now being a subsidiary of CWLEP with its own bank account and core team. Its portfolio of activity will continue to expand to ensure future sustainability and reflect the evolving demand for business support locally. All Business Account Managers are accredited by the Association of British Mentors.

Growing our talent

This will target improvements to skills levels in Coventry & Warwickshire's priority sectors and ensure the supply of training meets demand from employers. It will also entail investments in the capital infrastructure which will unlock barriers to developing technologies in energy efficiency, low carbon, assistive technologies, intelligent mobility, sustainability, digital technology and data analysis in particular. Interventions in this theme will help to drive growth, tackle unemployment and ensure a stronger fit between education and employment.

Culture and tourism

This will focus on growing the visitor economy, particularly around Coventry's opportunity to become UK Capital of Culture in 2021, and further developing the renowned offer that is "Shakespeare's Stratford".

Recognising the role that a range of sectors need to play in growing and diversifying the Coventry & Warwickshire economy, the CWSEP vision has been updated to reflect this:

"Coventry & Warwickshire is recognised as a global hub for knowledge-based industries, leading the way in advanced manufacturing & engineering and digital sectors.

Building on its central location, employment sites, distinctive businesses, innovation and cultural assets and highly talented workforce, by 2025 Coventry & Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing better paid employment opportunities for all of our residents across both our rural and urban areas."



West Midlands Combined Authority and Midlands Engine

The seven metropolitan authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have established a West Midlands Combined Authority, working alongside the Local Enterprise Partnerships of the Black Country, Greater Birmingham & Solihull and Coventry & Warwickshire and other Local Authorities.

Nuneaton & Bedworth Borough Council is a non-constituent member, whilst Warwickshire County Council, North Warwickshire Borough Council, Rugby Borough Council, and Stratford-on-Avon District Council act as observers, with a view to joining as members in the future.

A Strategic Economic Plan has been established for the Combined Authority and three-LEP geography, which includes clear objectives and targets for the 2016–2030 period. As a result, the objectives proposed in the 2016 Coventry & Warwickshire Strategic Economic Plan are closely aligned with those of the emerging Combined Authority Strategic Economic Plan, particularly in terms of growing the manufacturing and digital/creative sectors, raising skills levels as a means of both supporting growth of key economic sectors and increasing employment rates, and enhancing the transport infrastructure as an enabler for economic growth.

2015 also witnessed the launch of the Midlands Engine, where the 11 Midlands-based LEPs will work together to respond to the Government's economic and political challenges, particularly in:

- Enhancing transport connectivity.
- Increasing inward investment and local business growth.
- Enhancing education and skills.
- Increasing capacity and collaboration in Research, Development and Innovation.



Review of the 2014 Strategic Economic Plan

1.1

Introduction

The Coventry & Warwickshire Strategic Economic Plan, published in March 2014, set out how Coventry & Warwickshire Local Enterprise Partnership (CWLEP) will grow the economy over the short, medium and longer term. It recognised that building growth and prosperity requires co-ordinated action from all sectors.

In particular, investment from both national and local government would be required in the development of the Coventry & Warwickshire economy, and private sector companies would remain the key drivers of economic growth.

The ultimate aim set out in the Strategic Economic Plan (SEP) was to improve the competitiveness of the Coventry & Warwickshire economy, and increase employment and wealth opportunities for all, reflected in the creation of 94,500 new jobs and £15.823bn GVA per annum in the Coventry & Warwickshire economy by 2030. This was encapsulated in the vision presented in the plan:

"Coventry & Warwickshire is recognised as a global hub in the advanced manufacturing and engineering sector, with business and research links across the world.

Building on its central location, employment sites, distinctive businesses, innovation assets and highly

talented workforce, by 2025 Coventry & Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing better paid employment opportunities for all of our residents across both our rural and urban areas."

The vision was long-term in nature, and reflected the requirements at that time that were needed to significantly grow the economy and build a stronger private sector. In this context, the Strategic Economic Plan set out a framework for growth and the economic priorities that would help deliver the economic vision.

The 2014 Strategic Economic Plan also recognised that the Coventry & Warwickshire area has many of the key characteristics of a high performing economy. It is extremely well placed on the strategic transport network and has excellent links with London. It is home to two leading global universities, six Further Education colleges and world-class R&D institutions. It has a range of multi-national companies (many with their headquarters here), and is a highly attractive environment for businesses to locate and residents to live, with a strong cultural and heritage offer.

However, when looked at in total, today's Coventry & Warwickshire economic profile could be described as average, with multiple smaller economic geographies existing across the LEP area. It has the complexity of an urban city economy mixed with areas of deprivation and prosperity and a diverse peri-urban and rural county economy. It has generally higher levels of prosperity in the south in the districts of Stratford-on-Avon and Warwick, alongside challenges for skills, job creation and



access to higher value jobs in the northern boroughs of Warwickshire.

The 2014 SEP was built around four key themes:

Unlocking our growth potential

Advanced Manufacturing and Engineering sector development

Coventry & Warwickshire Growth Hub

Growing our talent

CWLEP, through Growth Deal in particular, has been instrumental in ensuring that positive progress has been made against the above four themes since 2014. This has included tackling transport barriers to growth by investing in our railways with visible changes to Coventry Station that commuters and businesses are already experiencing, and the new Kenilworth Station is on track for opening in 2017.

Warwickshire College has opened its doors to new students and has extended its training of advanced and higher apprentices. Already, over 200 apprentices from Jaguar Land Rover and SMEs are enjoying the class-leading industry facilities including engineering workshops and computer laboratories. Coventry students will benefit from tailored job search advice in their new Advice Centre with a high profile new on-campus facility. The low business start-up rate in Stratford-upon-Avon has been tackled with a dedicated business hub called Venture House, which opened in Quarter 2 of 2016. With calls for Local Growth Fund 3 underway, we are confident that the key programmes of infrastructure will begin at pace to build on these successes.

1.2

Unlocking our Growth Potential

An important part of the Strategic Economic Plan was to ensure that there are appropriate and available employment sites to allow existing business to grow and to attract inward investment. The focus of intervention has been on major employment and innovation sites, all closely linked to the rail or strategic highway network and all within relatively close proximity.

The priority employment and innovation sites are mainly located within a strongly established north-south travel to work corridor extending from Hinckley – Nuneaton – Coventry – Leamington Spa – Warwick, within which 80% of all travel to work activity occurs.

The ability to facilitate physical business-to-business interaction and to support access to labour in this corridor is critical to achieving the targeted growth. While the area benefits from good transport connectivity, this needed to be further strengthened to ensure the area remains competitive and attractive to new inward investment.

Investment through the Growth Deal signed by the then Minister for Universities, Science and Cities, Greg Clark MP, for sites and infrastructure included:

NORTH-SOUTH RAIL

- Delivery of the North-South Rail and Coventry Station scheme, which will improve passenger capacity and secure an increase in train service frequency between Coventry – Bedworth – Nuneaton.

CITY CENTRE ACCESS

- Delivery of the Coventry City Centre road access project that will enable housing growth, support retail regeneration and city centre employment accessibility:
 - Supporting the development of 18,000 m² of commercial floorspace and 1,230 housing units.

KENILWORTH STATION

- A new rail station in Kenilworth, including platform, an accessible footbridge with lifts, a staffed ticket office, waiting room, toilets, a 90 space car park and a stand for two buses:
 - Increase sub-regional GVA by approximately £30.6 million per annum.
 - Significantly enhance rail access for Kenilworth's 25,500 residents.

The Growth Deal included other projects with provisional allocations starting in 2016/17 and beyond:

ACCESS TO WARWICK

- Delivery of the A46/A425/A4177 Stanks Road network scheme. This will enhance access to Warwick town centre and facilitate future employment and housing growth in the area.

A5 CORRIDOR

- Delivery of the A5 Corridor scheme. This will enable the dualling of the A5/A47 Longshoot to Dodwells which will: reduce congestion, improve journey time reliability, and support current and future economic activity in Warwickshire, Leicestershire and the wider A5 corridor.

ACCESS TO UK CENTRAL

- Improve links to UK Central, Birmingham Airport & High Speed 2 (HS2). This scheme will improve key junctions along the A45, connecting the major employment sites of the University of Warwick, Whitley, and Ansty to major national and international gateways.

A45 CORRIDOR COVENTRY RAPID TRANSIT

- Contribution to a series of targeted improvements at junctions along the A45 from the A46/A45/A444 Stivichall junction through to the A45/Broad Lane junction.

COVENTRY SOUTH MASS RAPID TRANSIT

- Contribution towards enhanced transport connectivity between Coventry Airport, Middlemarch Business Park, Whitley Employment Zone with Coventry City Centre and Coventry Station.

In January 2015, Oliver Letwin MP, then Minister for Government Policy and Chancellor of the Duchy of Lancaster announced further sites and infrastructure investment through an extension to Growth Deal, including:

EMPLOYMENT SITES

- An Investment programme to bring forward key employment sites for development (e.g. Friargate and further employment land around J12 M40), enabling business growth and creating new job opportunities:
 - Creating 43,200 m² of new commercial floorspace.
 - Stimulating £88.5 million of private sector investment into employment land.
 - Creating 3,600 new jobs for the local economy by 2020.
 - Creating almost £172 million in GVA.

INVESTMENT FUND

- A fund that will support local businesses to make major capital investments, develop buildings and infrastructure or access new technologies that will facilitate business growth and job creation:
 - Creating at least 97 new jobs for the local economy by 2020.
 - Creating £11.2 million in GVA within Coventry & Warwickshire.

CAPACITY IMPROVEMENT

- Capacity improvements in the A444 corridor at the Coton Arches roundabout in Nuneaton, which will facilitate housing and employment growth (including at the flagship Bermuda Park employment site) and improve access to Nuneaton town centre:
 - Enabling over 400 new homes to be built.
 - Enabling over 700 new jobs to be created.
 - Creating at least £24.2 million in GVA for the local economy.

The impact is forecast to be significant, with the financing secured through the Coventry & Warwickshire Growth Deal enhancing the locality as a place to live and work. Indeed, significant progress has already been made, with the principal contracts for both the Coventry and Kenilworth Station projects being let, and the programme of public realm improvements for Coventry City Centre completed.

Once delivered, the investments within this theme will improve road connections and, by tackling congestion on the area's roads, it will make moving around by car and public transport quicker and easier and improve people's journeys to work and business-to-business connectivity. Vital infrastructure developments will help unlock new sites for industry, bringing new jobs into the area.



1.3

Advanced Manufacturing and Engineering

Advanced Manufacturing and Engineering (AME) is a key driver of economic growth and is of global significance.

It is a competitive asset in terms of its depth, capability and industrial heritage. Coventry & Warwickshire has retained its technical and engineering strengths and is home to large AME businesses which are critical to future growth. Companies such as Aston Martin, BMW, Jaguar Land Rover and Tata have chosen Coventry & Warwickshire as a base to do business. Many technology businesses based here have been at the cutting edge of using new materials and developing them into innovative products.

Coventry & Warwickshire has a strong base of employment in Advanced Manufacturing and Engineering, specifically motor vehicles (automotive), aerospace, architectural and engineering activities, fabricated metal products, machinery and equipment, electrical equipment and other transport equipment. Private sector businesses have invested significantly into Research & Development (R&D) and modern technologies in AME and rely on a highly-skilled workforce with transferable skills.

Alongside private businesses, Coventry & Warwickshire has access to world-class Research & Development and Innovation Infrastructure including Coventry University, the University of Warwick, the Manufacturing Technology Centre (MTC) and Horiba-MIRA. Support for AME is a priority and through strong public-private sector collaboration Coventry & Warwickshire will be globally regarded as a centre of excellence for AME with strong and innovative businesses with world-class Research & Development and a highly-skilled and flexible workforce. A key enabler will be to support a greater number of businesses (particularly SMEs) to work with the area's fantastic innovation assets to foster innovation and facilitate their growth. Marketing these innovation assets will also play an important role in attracting further investment from knowledge-intensive sectors to Coventry & Warwickshire.

Advanced Manufacturing and Engineering (AME) is the foundation of CWLEP's SEP. AME directly employs 34,000 people in Coventry & Warwickshire accounting for 10% of all employment. This is 57% greater than the UK average overall and 500% greater than the UK average for the automotive industry¹.

¹ See "Coventry & Warwickshire Economic Review – Strand 5: Advanced Manufacturing and Engineering in Coventry & Warwickshire", August 2013

Investment through Growth Deal included:

TRANSPORT DESIGN CENTRE

- Development of a National Transport Design Centre at Coventry University Technology park:
 - 1,700 m² of purpose built grow-on space.
 - 115 jobs created.
 - 253 businesses assisted by 2021/22.

APPRENTICESHIP CENTRE

- Development of a new Apprenticeship Centre at Warwickshire College. This investment will enable the college to purchase new equipment and refurbish college buildings, which will provide additional apprenticeship training in advanced manufacturing and engineering:
 - 312 Advanced Apprenticeships.
 - 342 Higher Apprenticeships.

Investment through Growth Deal includes:

RESEARCH & DEVELOPMENT

- A new centre to deliver R&D activities developing new steel products that will service key sectors such as Automotive, Aerospace, Rail, Defence and Energy:
 - Support 30 businesses in developing new high-value steel products.
 - Safeguard 40 jobs initially within the businesses supported.
 - Create at least £3million in GVA within Coventry & Warwickshire by 2018.

BUSINESS INVESTMENT FUND

- A fund that will address difficulties businesses are currently encountering in accessing finance from commercial providers to fund expansion projects.
- The fund will support businesses to make major capital investments, develop buildings and infrastructure or access new technologies that will facilitate business growth and job creation. The fund will create around 100 new jobs directly for the local economy.

EMPLOYMENT SITES

- Investment programme to bring forward key employment sites for development (e.g. further employment land around J12 M40, Gaydon). This will result in business growth and the creation of new job opportunities within the local economy.



The planned activities within this theme, particularly those funded through the Growth Deal, will potentially have a considerable impact on the local economy in the form of facilitating business growth and job creation. Indeed, planning permission has been secured and construction work started on the National Transport Design Centre. Longer-term, the development of the new R&D Centre for Innovative Steel Based Products, combined with the launch of the Business Investment Fund, will help to strengthen local supply chains within the automotive, aerospace, rail, defence and energy sectors, in particular.

1.4

Growth Hub

The creation of the Coventry & Warwickshire Growth Hub was a core outcome of City Deal in April 2014.

It launched soon afterwards in July 2014, and is located in Cheylesmore House (Coventry). The Growth Hub is now well established and seeing a huge increase in demand for its services, engaging with 1,880 businesses in its first year of operation. This scale of business engagement is only likely to increase, particularly in light of decisions made within the 2015 Government Spending Review, which reaffirmed the position of Growth Hubs as the vehicle for business support. The decision to close the national Business Growth Service, which included the Manufacturing Advisory Service (MAS), has also created opportunities for the Growth Hub to offer more specialist advice around productivity, particularly for the AME sector.

Clearly there have been many changes since the 'City Deal' was signed in 2014 but the original objectives of the City Deal remain unchanged. In addition, the Growth Hub is now also seen as essential in providing an indispensable service for Coventry & Warwickshire to deliver economic impact against the SEP.

The Growth Hub is a one-stop shop, serviced by proactive Account Managers who work with growth companies and advise on the optimum course available to maximise their potential growth. Their expertise is used to provide information, diagnostics and brokerage across Local Authority and sector boundaries leading to an efficiency that would be difficult to replicate on an individual authority basis.

Support services provided include access to finance, business innovation, international trade, inward investment, improving workforce skills to enable business growth, advice with the submission of planning applications, and general business support and advice.

As well as engaging with 1,880 businesses in its first year of operation, the Hub assisted 212 businesses to improve their performance, and provided 312 referrals to national business support products. The support activities have led to £5.25m of private sector investment and the generation of some £31.7m in Gross Value Added (GVA) for the Coventry & Warwickshire economy².

In addition, Venture House, which provides some 2,500 sq ft of flexible space to new and existing SMEs with support from Growth Hub business advisors, opened in Stratford-upon-Avon in Quarter 2 of 2016. Part-funded through Growth Deal, this facility will play an important role in developing sustainable new start-ups, as well as the growth of micro-businesses within Stratford-upon-Avon.

1.5

Growing Our Talent

The Coventry & Warwickshire Strategic Economic Plan identified IT Services, Digital and Creative Industries, Logistics, Culture and Tourism, Professional and Financial Services and Healthcare as sectors that will make a significant contribution to growing the Coventry & Warwickshire economy.

It was recognised that further investment in these sectors was vital to ensure that we enhance the productivity and competitiveness of the wider business base, thereby increasing employment opportunities. This additional investment needed would be in supporting new business start-ups, increasing business resilience and improving the skills levels of residents.

Investment through Growth Deal included:

SKILLS CENTRE

- Development of a new Skills Centre at Coventry City College. This will provide support for young and unemployed people in acquiring skills for employment, and for marginalised groups to acquire basic skills especially English and mathematics:
 - 88 additional apprenticeships over three years.
 - 769 additional learners developing skills over three years.

START-UP FACILITIES

- Provision of new business start-up facilities in Stratford-upon-Avon by converting an existing local authority building into a state-of-the-art facility.
 - Refurbishment of 244 m² vacant property.
 - Enable 23 business start-ups and growing small businesses to locate in the building.

² See Coventry & Warwickshire Growth Hub Final Evaluation (January 2016)

CITY CENTRE ACCESS

- Delivery of the Coventry City Centre road access project that will enable housing growth, support retail regeneration and city centre employment accessibility.

ACCESS TO UK CENTRAL

- Improve links to UK Central, Birmingham Airport and High Speed 2 (HS2). This scheme will improve key junctions, connecting the major employment sites of University of Warwick, Whitley and Ansty to major national and international gateways.

Investment through Growth Deal included:

FE COLLEGES

- New facilities at FE Colleges to deliver skills as demanded by local employers. The Growth Deal will invest in skills training to increase the number of technically trained people to meet the continuing demands from existing and future local employers in the advanced manufacturing and construction sectors:
 - Create 1,200 m² of new learning space.
 - Generate 1,200 new learners per annum.
 - Create 730 new apprenticeship opportunities, particularly within construction and AME.

Significant progress has already been made within this theme, particularly through investments from the Growth Deal. The Trident Centre, a new 1,675 m² learning centre for Warwickshire College in Leamington Spa, has been constructed, and the Centre is already operational. This delivers much needed courses and apprenticeships within the AME sector.

In addition, a new Advice Centre at City College Coventry to provide help and support for people wanting to find information about jobs, training or education, is also fully operational. A cross-LEP Skills Partnership has also been successfully established to deliver a co-ordinated approach that will enable residents to access training and employment in the North Warwickshire, Nuneaton & Bedworth and Hinckley & Bosworth Local Authority areas.

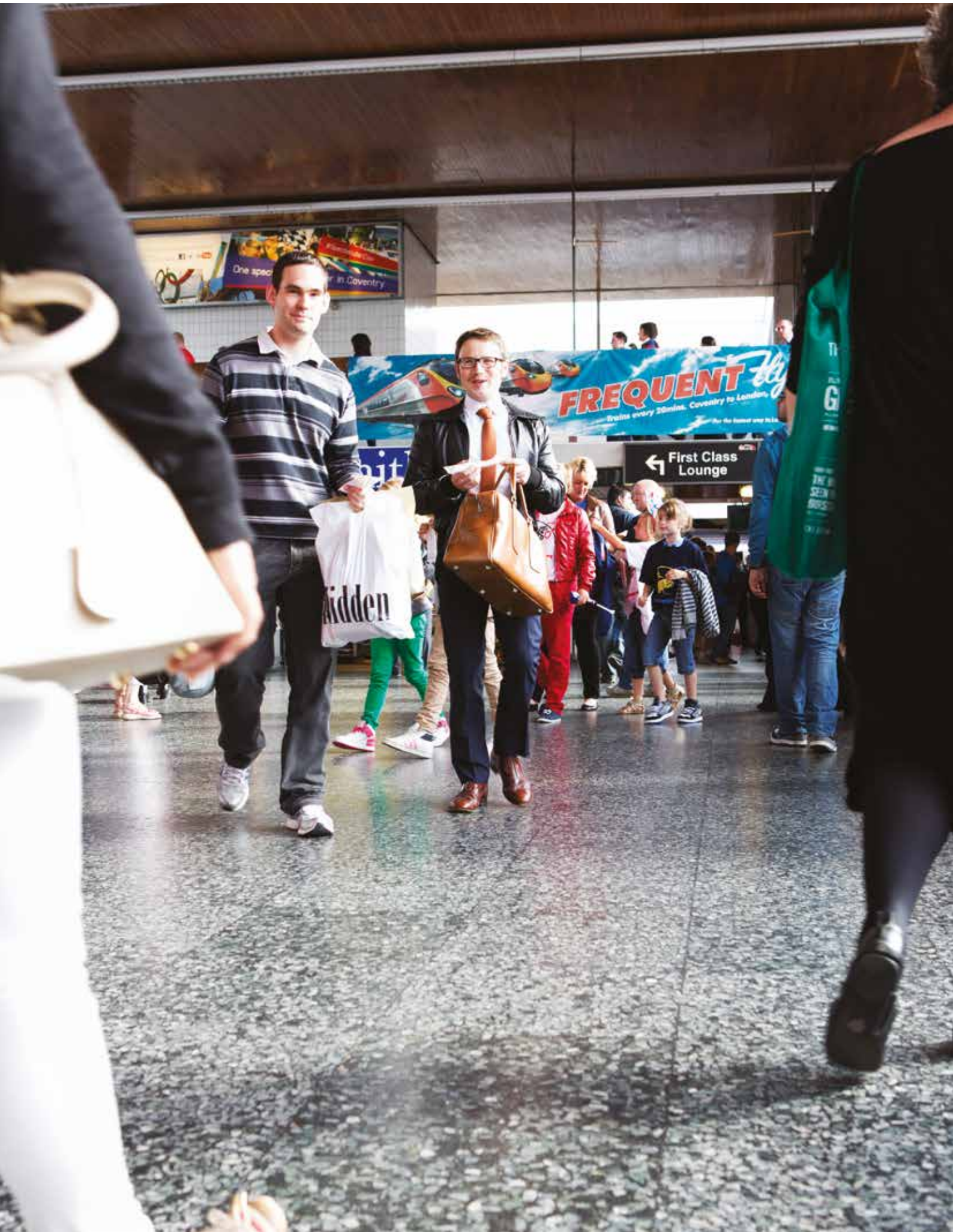
1.6

Programme Management and Governance

Coventry City Council is the statutory Accountable Body for delivery and financial oversight and has put in a place a Growth Deal Programme Management Team. This team is responsible for managing the portfolio of projects funded through Growth Deal, and reporting progress to the CWLEP Board.

The CWLEP were early adopters of an approved Assurance Framework setting out how the Growth Deal Programme would be managed and governed. The programme is regularly monitored through monthly meetings with the Government's Cities & Local Growth Unit and is accountable to the LEP Board via the board's Programme Delivery Sub-Committee where the expenditure, delivery and output profiles are scrutinised on behalf of the LEP Board.

In December 2015, the Annual Performance Conversation took place between Government and the CWLEP. The CWLEP was judged to be delivering effective management, distribution of funds and execution of commitments within both the City and Growth Deals. Moreover, by the end of the 2015/16 financial year, CWLEP was on track to deliver its initial Growth Deal programme by 2020, having successfully committed its first full year allocation of £17.18m on kick-starting flagship schemes.



2016 Strategic Economic Plan Update

2.1

Vision, objectives, strategy and plans

The past two years have seen significant progress within Coventry & Warwickshire's economy, with the early Growth Deal investments providing a strong foundation for longer-term economic growth.

However, the SEP is a living document that must remain relevant to the key strategic socio-economic challenges and opportunities facing the area. Therefore, whilst we acknowledge the encouraging progress, we at CWLEP also need to continually revisit our focus, priorities and plans.

As a Local Enterprise Partnership area, Coventry & Warwickshire can highlight particular positive aspects of economic performance:

- The area has the lowest level of unemployment within its comparator group of 13 "Producing Places"³ LEPs within England.
- The area has the 2nd highest level of employment opportunities compared to its population (job density) across our comparator group of 13 "Producing Places"³ LEPs within England.
- The area is ranked 4th across our comparator group of 13 "Producing Places"³ LEPs within England in relation to nominal GVA per head.
- The area has seen skills attainment and higher level skills attainment levels increase by greater than the English average between 2011 and 2014.

³ Note: The typology of Local Enterprise Partnerships is based on comparative performance across a range of indicators. LEPs in the producing places group including Coventry & Warwickshire have a concentration of businesses in the production industries.

Yet there remain significant challenges that need to be addressed at both the Coventry & Warwickshire and individual Local Authority area levels, alongside the new opportunities that have emerged as a result of our success and in light of the changes taking place in both national and local government.

This 2016 update to the economic plan builds upon the 2014 SEP that supported negotiations with Government for the first local Growth Deal. It presents the most recent information and view on the local economy. It also includes an early view of the linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.

Alongside this update to the Strategic Economic Plan, CWLEP issued a call for Expressions of Interest to create a "long-list" of potential projects and programmes that could unlock further economic development. These projects and programmes are expected to align with the established priorities outlined in existing Coventry & Warwickshire LEP strategies. As a result of the call for Expressions of Interest, this update of the SEP identifies additional investment priorities that CWLEP will support through potential future rounds of Local Growth Deal.



2.2

Baseline Economic Forecast

The Office of National Statistics (ONS) estimated the contribution of Coventry & Warwickshire in terms of Gross Value Added (GVA) to the economy in 2010 to be £17.931bn. Undertaking calculations based on ONS population and GVA estimates, the output gap based on GVA per capita totalled £1.137bn in 2010.

From 2010 to 2014, GVA growth in the UK has been estimated utilising ONS estimates at 3%. In comparison over the same time period the Coventry & Warwickshire LEP area grew by 3.75%. This growth above the UK average has resulted in a significant reduction in the output gap based on GVA per capita, with the gap reducing to £460.2m in 2014⁴. However, given that GVA per worker in Coventry & Warwickshire (£43,639) is just 90% of the national average⁵, if we only consider local employee jobs, this productivity gap rises to £2.328bn⁶.

Utilising national and sub-national population projections and an estimated UK GVA growth rate of 3% from 2015 to 2030, it is estimated that the Coventry & Warwickshire economy will need to increase the value of its goods and services by 3.3% per annum over the same time period for GVA to be in line with the UK per capita average by 2030. The key sectors that are expected to contribute to this GVA growth include the Automotive, Construction, Information & Communications Technology (ICT), Architecture/Civil Engineering, and Logistics sectors.

The 2014 Coventry & Warwickshire Strategic Economic Plan highlighted that through all the proposed Local Growth Deal Initiatives and Government asks that there would be a net additional increase in GVA per annum of £1.216bn by 2020, £2.221bn by 2025 and £2.761bn by 2030. Our current forecast, based on population and GVA estimates, is for overall growth in GVA per annum in Coventry & Warwickshire of £3.942bn by 2020, £9.916bn by 2025 and £15.823bn by 2030.

Moving forward, we recognise the need to focus our attention on productivity, and translating our stronger than average performance in total economic growth into more effective, efficient and productive growth.

In particular, there is a need to tackle the key factors driving Coventry & Warwickshire's productivity gap:

- **Lack of growth in our knowledge-intensive sectors** – while the Coventry & Warwickshire area has a reasonably strong proportion of its economy in these sectors (particularly advanced manufacturing and digital & creative industries), the total amount of knowledge-intensive activity within the economy is growing at a rate that is slower than average.
- **Lack of growth in our small and medium sized businesses** – again, while the Coventry & Warwickshire area performs well in terms of the number of new business starts, we are not seeing as many of these small companies growing into larger businesses as we should.
- **A need to invest in skills within the local population**, increasing qualification levels, and ensuring that the workforce in Coventry & Warwickshire have the skills that effectively meet the needs of our business base.
- **Increasing agglomeration effects within the local economy** by improving connectivity both within and between the economic centres within Coventry & Warwickshire, and ensuring stronger connections across the wider Midlands area as part of Midlands Connect.
- **Extracting increased value added from the economic activities within Coventry & Warwickshire** through improved supply chain linkages, business support focused on growth and improving the competitiveness of Coventry & Warwickshire companies. This will ensure that we maximise the impact of key strengths within the area – including our culture and tourism offer.

There is also a need to address the inequality in economic performance within Coventry & Warwickshire and the underlying factors, which further contribute towards the productivity gap. For example, Nuneaton & Bedworth and Coventry have low job density levels (number of jobs relative to population size), whereas Stratford-on-Avon and Warwick districts have high job densities. Coventry's unemployment rate also significantly exceeds the national average.

⁴ Coventry University Analysis (2016)

⁵ Warwickshire County Council Analysis (2016)

⁶ In other words, the Coventry & Warwickshire economy would generate an additional £2.3bn in output if our productivity levels per worker were the same as the national average.

In addition, qualification levels in Nuneaton & Bedworth, Coventry and North Warwickshire are significantly lower than in the southern districts of Warwickshire. The proportion of residents in those areas with no qualifications exceeds the national average and the number with degree level qualifications is also below the national average, leading to employment rates below the national average.

These important economic differences, coupled with an analysis of Coventry & Warwickshire's strengths and opportunities, have helped shape the major pillars that now form the updated Strategic Economic Plan.

In recognising the range of economic sectors that will play a key role in growing Coventry & Warwickshire's economy, the four strategic pillars included in the 2014 SEP have evolved into five, with "Culture and Tourism" added as the fifth pillar given that sector's increasing strategic importance. The sections that follow summarise the significant progress and evolution that has taken place within each of the five pillars.

2.3

Objectives and Core Strategic Themes

After considering Coventry & Warwickshire's recent economic performance, and the area's economic needs, it was apparent that the vision from the 2014 Strategic Economic Plan remains broadly valid, but needed updating to reflect the growing importance of the digital and cultural sectors:

"Coventry & Warwickshire is recognised as a global hub for knowledge-based industries, leading the way in advanced manufacturing & engineering and digital sectors.

Building on its central location, employment sites, distinctive businesses, innovation and cultural assets and highly talented workforce, by 2025 Coventry & Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing better paid employment opportunities for all of our residents across both our rural and urban areas".

It is also important to revisit the objectives that underpin this vision, and the 2016 Strategic Economic Plan Update proposes seven strategic objectives that reflect the five pillars of activity (detailed below).

2016 CWSEP Update Strategic Pillars

Unlocking our Growth Potential

Ensuring the availability of appropriate employment sites to allow existing businesses to grow and to attract inward investment.

Advanced Manufacturing & Engineering

Coventry & Warwickshire will be globally regarded as a centre of excellence with a strong and innovative business and R&D base and a highly skilled and flexible workforce.

Growing our SMEs

Building on the work of Coventry & Warwickshire Growth Hub to enable business development and improvement, through providing information, diagnostics and brokerage services, and ensuring a strong support infrastructure is in place to address barriers to business growth.

Growing our Talent

Enhancing the productivity and competitiveness of our wider business base and increasing employment opportunities by supporting the development of new business start-ups, increasing business resilience and improving the skill levels of residents.

Culture & Tourism

An essential element of Shakespeare's England and the wider Coventry & Warwickshire economy. Improvements to the local tourism infrastructure will help to grow the sector.

The concept of sustainable development will be integrated into all activities delivered through the five strategic pillars.

In measuring success, four outcome targets will be used which, when achieved, reduce disparities in performance between the Coventry & Warwickshire economy and the national economy as a whole by 2030. If these objectives and targets are to be achieved, it is a pre-condition that CWLEP works effectively with the public, private and third sectors locally.

Objectives

- Improve Coventry & Warwickshire's economic competitiveness.
- Address the existing productivity gap between the CWLEP area and the UK average.
- Ensure strong road, rail and broadband connectivity across the full CWLEP area.
- Become a global centre for R&D in Advanced Manufacturing and Engineering.
- Create a supportive environment within which businesses can grow and prosper.
- Invest in employment and skills provision to meet evolving demands of employers, providing a world-class apprenticeship offer.
- Grow the creative and cultural industries with Coventry becoming UK Capital of Culture 2021.

Five pillars of activity

<p>UNLOCKING OUR GROWTH POTENTIAL: Unlocking of new employments and housing sites.</p>	<p>ADVANCED MANUFACTURING & ENGINEERING: Enhance innovation, R&D and raise skills levels in the sector.</p>	<p>GROWING OUR SMEs: Build on the work of the Growth Hub as an enabler of business growth through IDB service, and deliver a strong business support system.</p>	<p>GROWING OUR TALENT: Raising skills level to help enhance business growth and raise employment rates.</p>	<p>CULTURE & TOURISM: Grow this strategically important sector.</p>
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Outcome Targets

- A minimum growth rate of 3.3% per annum to remove the output gap by 2030.
- A GVA per annum increase of £15.823bn by 2030.
- An economy which will employ an additional 94,500 people by 2030.
- The provision of 75,000 – 76,000 new homes by 2030.

All pillars of activity will ultimately help to improve the quality of life for Coventry & Warwickshire residents, particularly by stimulating additional sustainable employment and helping to raise income levels. The following sections describe the key activities that are proposed within each of the five pillars from 2016 onwards.

2.4

Unlocking our Growth Potential

2.4.1 Employment Land

It is recognised that the ambitious plans CWLEP and its partners have for the area, building on the very positive growth of key sectors in recent years, has driven the take up of land on high-quality sites. These sites are now close to being exhausted and future growth will be constrained unless currently proposed sites are delivered and future sites are identified. The CBRE Employment Land Study commissioned by CWLEP was published in August 2015 and provided an up-to-date assessment of the 'Objectively Assessed Need' for employment land in Coventry & Warwickshire. Following the guidance set out in the National Planning Policy Framework and associated planning practice guidance it found that:

- Demand has been strong across the main components of employment land in the CWLEP area – in advanced manufacturing, particularly the automotive sector, and in logistics within the 'Golden Triangle' (bounded by the M6, M69 and M1). As a result, the supply of suitable sites is now at a critical level, with less than two years supply available across the area, much of it in smaller, ageing and unsuitable units.
- Future projections of demand have increased since previous assessments. Using the different Government recommended methodologies for calculating future demand, the range to 2031 ranges from 353 ha (sectorial), through 405 and 570 ha (demographic/labour market) to 637 to 660 ha (take up). The CBRE Employment Land Study recommended that CWLEP plans for the higher end of this range.
- Only 64 ha is available on 'oven-ready' sites which can meet current occupier demand. A further 93 ha may come forward on secondary sites with development potential. However future supply is reliant on new major strategic sites being brought forward.

STRATEGIC PROGRAMME: URBAN CORE DEVELOPMENT

As highlighted in the introduction to this SEP Update, Coventry & Warwickshire overall has a strong employment profile but this highlights significant challenges within specific economic geographies. In particular, Coventry and Nuneaton & Bedworth both face issues of lower job densities, economic inactivity and employment rates, relative to the Stratford-on-Avon and Warwick districts (where the number of jobs exceeds the resident population) and national average. The Urban Core strategic programme will concentrate investment in Coventry City Centre and in transforming Nuneaton to address these challenges where the focus will be on developing the town centre and the A444 growth corridor. Areas for investment include highway improvements and rail infrastructure enhancements to support north-south connectivity, town centre infrastructure and investments that support growth in tourism, the visitor economy, and the leisure and retail offer.

In Coventry, the unlocking of key development sites is essential to support private investment, job creation and housing growth. These include; City Centre South which will provide a significantly enhanced retail and leisure offer; the extension of the Friargate development; and the Civic Centre redevelopment by Coventry University. As with Nuneaton, transport connectivity is essential both within the City, north-south into Warwickshire and to UK Central and HS2.

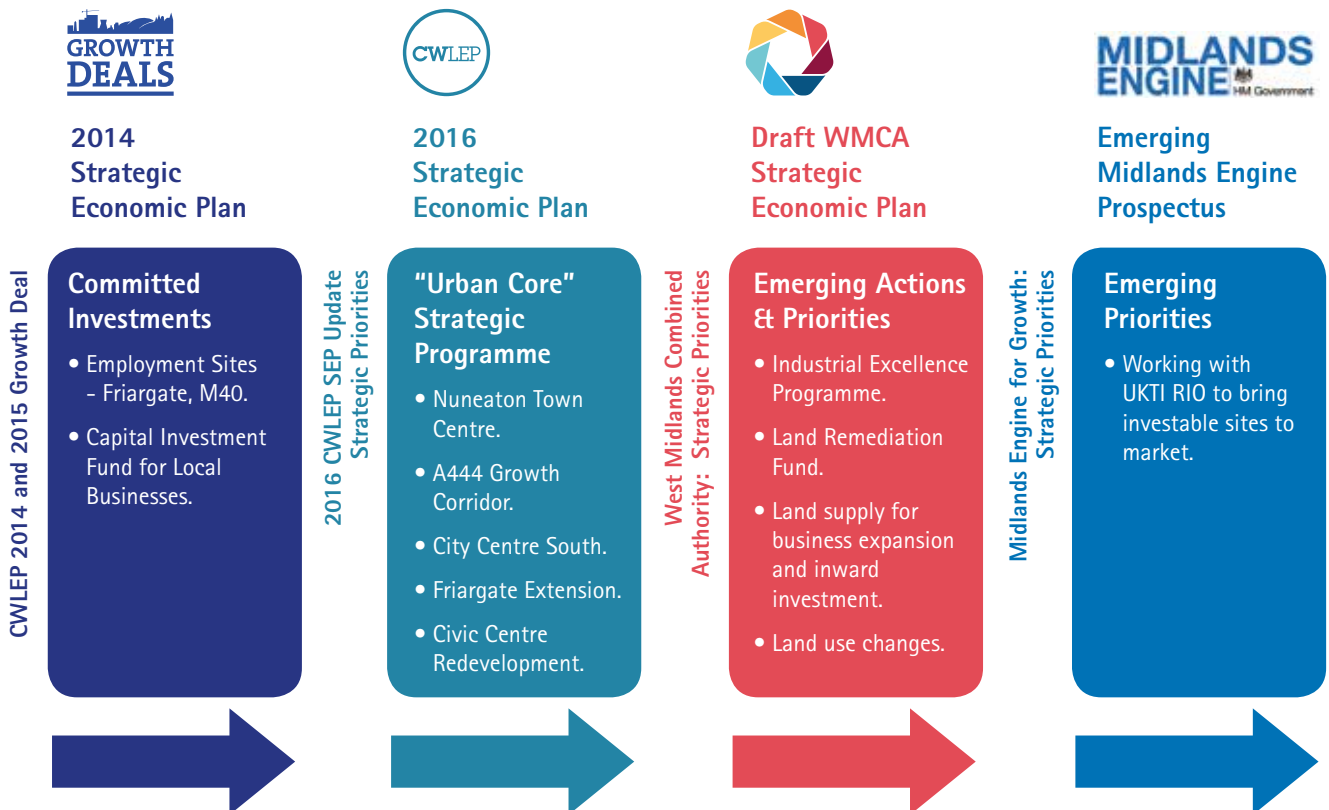
The scarcity of available land in the short-term has the potential to damage the economic prospects of the area by preventing investment opportunities to be fully secured. Indeed, there is the risk that potential investors would be forced to consider alternative locations outside of Coventry & Warwickshire. Research carried out by the Federation of Small Businesses also identified shortages in industrial space as a notable barrier to business growth that affects a range of sectors. Moreover, there is a particular need for additional strategic sites that are capable of accommodating the largest storage and distribution requirements and sites suitable for development as R&D centres, in order for CWLEP to achieve its targets in relation to the growth of the local automotive cluster.

Therefore, if the area is to realise its economic growth potential, it is crucial that the future supply of employment land, both in terms of size and location, and the subsequent supply of units, can respond to the demands of investors. It is also important, in planning new commercial and housing developments, that the sites have access to superfast broadband, the necessary energy infrastructure, and that the necessary flood risk assessments have been conducted. The effective use of Section 106 Agreements will play an important role.

Summary of Employment Land Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.



2.4.2 Transport Connectivity

The need to maintain good connectivity both to and within the LEP area requires sustained investment in the transport network at both a strategic and local level. The LEP is actively involved in the Midlands Connect initiative, which is developing a clear and evidenced strategy for investment in the strategic road and rail network to support the 'Midlands Engine for Growth'.

CWLEP is also represented on two multi-agency groups which are identifying the medium and longer-term needs of the A5 and A46 corridors, both of which are critical to the sub-regional economy. These corridors are predicted to come under significant pressure over the next 10-15 years as a result of planned housing and employment growth. Traffic switching from other routes (M1/M69, M42 etc.) as they become over capacity due to wider traffic growth and strategically significant growth proposals such as UK Central and HS2 will also add to the problem. CWLEP has funded development work to bring forward proposals to support the long-term economic sustainability of both these corridors. It is also working with Highways England to help inform its Strategic Economic Growth Plan and the emerging priorities across Coventry & Warwickshire for the next "Road Investment Strategy" period.

STRATEGIC PROGRAMME: ENABLING ECONOMIC GROWTH

Coventry & Warwickshire's location in relation to the strategic transport network is a key enabler and driver of economic activity, and provides the basis for our high-level spatial plan. An effective transportation system provides the labour pool with the ability to access training and jobs; allows the local, national and international customer base to access goods and services; facilitates and supports growth; and enables efficient business to business activity, supporting innovation and the supply chain.

As highlighted previously, the need to maintain good connectivity both to and within the LEP area requires sustained investment in the transport network at both a strategic and local level. The LEP will support investment that enhances our rail infrastructure and transport corridors, including the A5, A45, A46, A444 and A452 corridors.

The LEP is also working with its Local Authority partners to develop robust proposals to ensure the impacts of housing and employment growth on the local transport network are properly understood and mitigated. The LEP has highlighted a number of locally strategic corridors which will require investment both to maintain their existing function and adapt to the pressures which growth will bring, both within urban and rural areas.

These include not only the A46 and A5 corridors, but also the A444 between Nuneaton and Coventry, the Coventry Ring Road, the A452 between Kenilworth, Leamington and the M40, the A3400 Birmingham Road in Stratford-upon-Avon and the A426 between the M6 and Rugby town centre. The A5 Corridor will also be a focus of infrastructure improvements to capitalise on potential future expansions to the MIRA site. Work to develop improvements in each of these corridors is well underway in terms of business case development and design.

Work on a number of heavy rail initiatives, including the next phase of improvements in the North-South Corridor, is also underway as part of the LEP's adopted Rail Strategy for Coventry & Warwickshire. These, together with enhancements to rail connectivity from Stratford-upon-Avon, will play an important role in providing residents with access to employment and training opportunities. Improvements to the local bus and cycle networks will complement enhancements to the rail infrastructure.

Coventry & Warwickshire is at the forefront of the developing Connected and Autonomous Vehicles (CAV) sector, also known as Telematics, Infotainment or Mobility. The firms in this sector are adapting technologies from elsewhere for application in designing transport networks as systems of the future. From remotely operated vehicles to developments with iPad applications and diagnostics, the sub-region has a global presence in this sector with world-class research. The area is home to MIRA, the University of Warwick and Coventry University, who are all at the forefront of this new technology.

STRATEGIC PROGRAMME: UK CENTRAL CONNECTIVITY

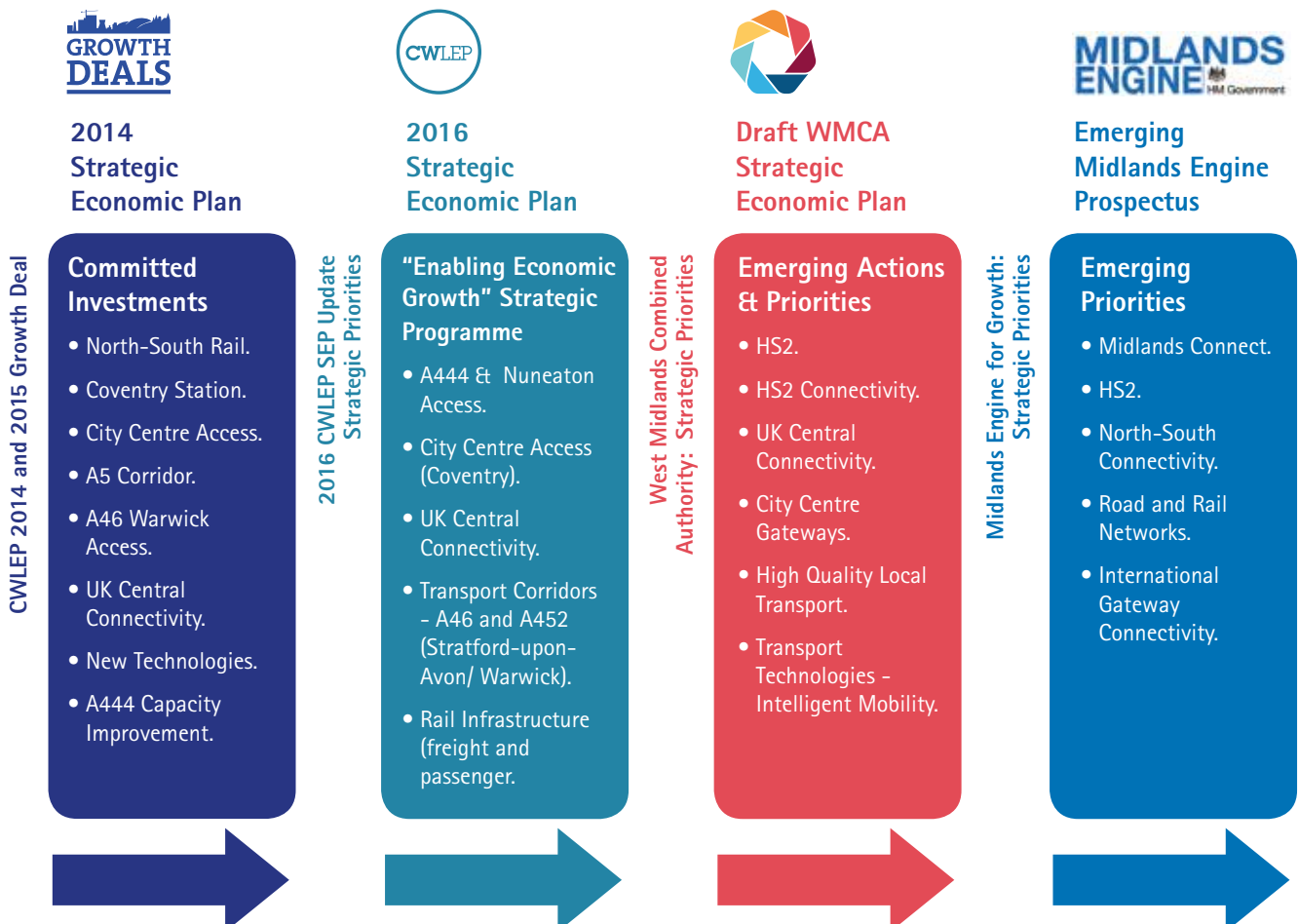
Located immediately adjacent to the Coventry & Warwickshire LEP area, UK Central (previously known as the M42 Economic Gateway) in Solihull will be the West Midlands' principal international gateway. The area already contains Birmingham Airport (a key strategic transport asset attracting around 10 million passengers annually and enabler of international trade) and will include the new HS2 interchange. This will support an estimated 100,000 jobs region-wide and contribute £5.1 billion to regional GDP. The proximity of UK Central to Coventry & Warwickshire has the potential to provide employment opportunities for local residents, and further inward investment and business growth within Coventry & Warwickshire, particularly once HS2 is operational.

To maximise these economic growth opportunities, full connectivity with UK Central for the entire CWLEP area is essential. This includes the establishment of a core network of rapid transit connections from Coventry City Centre and Coventry South with the main UK Central HS2 Hub. Similarly, within Warwickshire, transport corridor improvements will be essential, particularly along the A446 to enhance connectivity and also mitigate local impact during the construction phase for HS2.

Summary of Transport Connectivity Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.





Both mobile and fixed internet access is one of the fastest growing aspects of modern life. It is critical to supporting the dynamism of the modern economy and the mobility of the labour force. In terms of mobile access, small parts of Coventry & Warwickshire still suffer from being limited to 2G access only, a technology from the 1990s.

STRATEGIC PROGRAMME: DIGITAL CONNECTIVITY

The UK government terms superfast broadband to be 24 Mbps, which it aims to make available to 95% of UK premises by 2017. Current broadband uptake in UK is patchy, with superfast broadband take up in Coventry & Warwickshire between 70-80%, which is slightly below the UK average of 80% of premises having access to superfast fibre broadband.

When we examine the percentage of premises that have access to superfast broadband (24 Mbps), we see that large patches of South-East and West Warwickshire, as well as North Coventry, have below 50% access. Despite the success of the recent Coventry, Solihull and Warwickshire Broadband Superfast Broadband programme which helped to expand superfast broadband provision, very few areas in Coventry, Kenilworth, Warwick, and Stratford-upon-Avon have superfast broadband access at over 80%.

The low percentage of superfast broadband access and the high percentage of slow broadband access in Coventry & Warwickshire is falling well short of the UK government's broadband policy which stipulates that 95% of premises should have access to 24 Mbps and that the remaining 5% will have access to 2 Mbps.

Future investment is required to ensure that at least 95% of Coventry & Warwickshire premises have access to reliable superfast broadband by 2020, and that a higher number of businesses can access ultra-fast broadband. This will particularly target the extension of superfast broadband to the areas within Coventry & Warwickshire still without superfast broadband, particularly new strategic commercial and housing development sites, through fibre broadband infrastructure or other technologies – capable of delivering a minimum 30Mbps download speed in line with the EU2020 targets. CWLEP will consider the commissioning of a technical study on future digital connectivity requirements and investment priorities.

2.4.3 Digital Connectivity

Coventry & Warwickshire's industrial sector is dominated by high-technology and high-value manufacturing and is also particularly strong in the areas of digital media and the development of various communications tools and software applications. These sectors are increasingly reliant upon high-performance connectivity to support, for example, collaboration and data exchange with national and international partners and suppliers. Indeed, FSB research indicates that 94% of small businesses view a reliable broadband connection as an important enabler of success.

The majority of SMEs in the UK use broadband, with 53% utilising a wired DSL connection, 12% with fibre optic connections, and the remaining 35% using mobile cellular networks. Worryingly, around 45,000 SMEs in the UK still use a dial-up connection, which can only achieve 20-56 kbps of data speed. This is primarily due to the lack of broadband access or expensive broadband connections in their area.

Up to 1 in 7 SMEs still identify that a low broadband speed is a barrier to growth, and these findings are evidence that there is both a private consumer demand and an industrial demand. To address this, there is already a strong recommendation to the government from both the FSB and the LEP Network to create a national strategy to deliver a universal minimum 10 Mbps broadband service to all premises in the UK by 2018/19, and increase that service floor to 100 Mbps by 2030⁷.

⁷ FSB Research (2015)

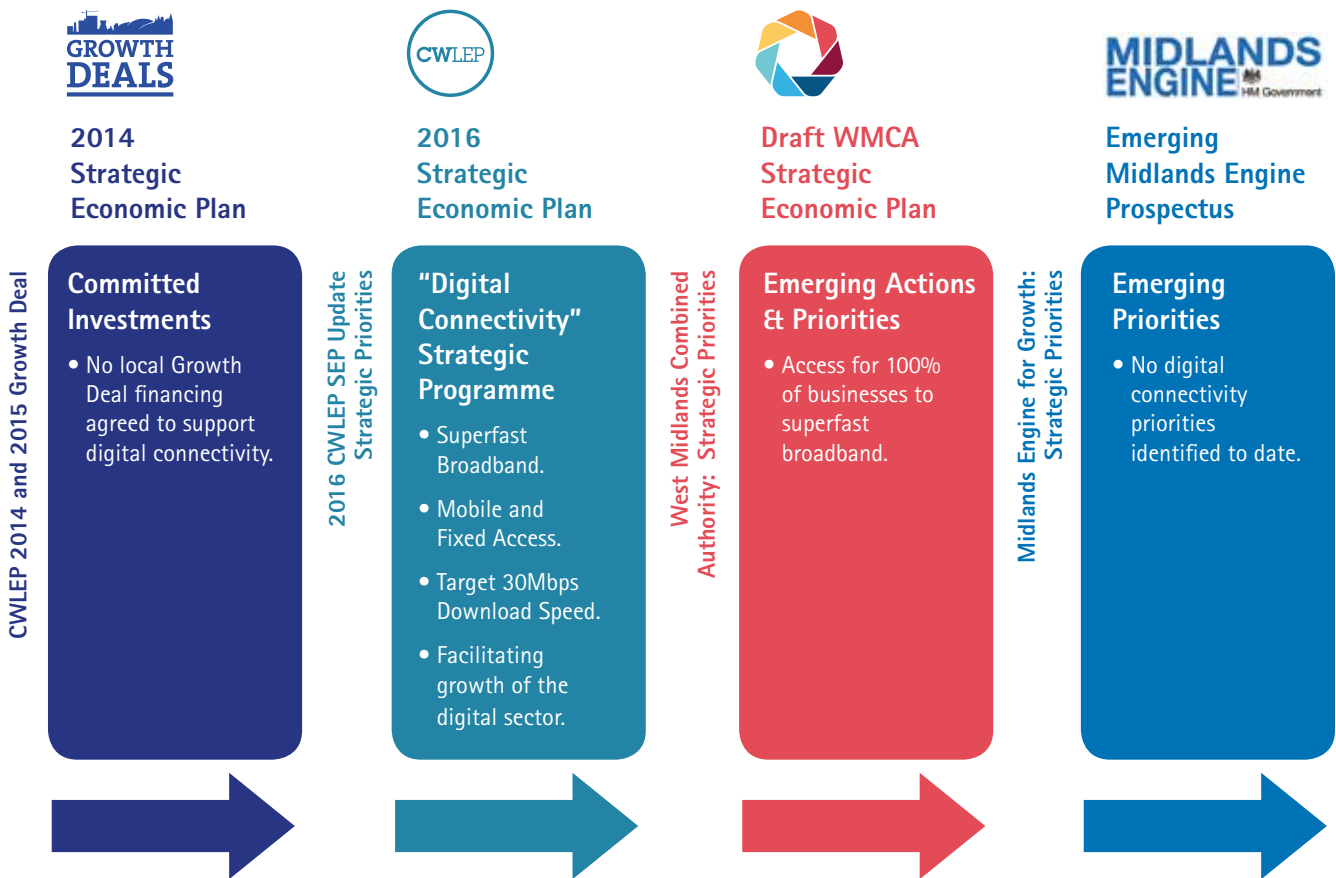
Investment is needed to extend the reach of existing macro base stations or to install new ones, such that coverage of the basic 3G service is extended across all areas. It is also important to consider metrics beyond the average or peak data speeds. Ubiquitous connectivity, both outdoors in built-up or wooded areas, and indoors, remains a challenge.

Additional investment in small-cells is recommended for business parks and public buildings to improve indoor signal strengths, especially given the abundance of old buildings in the area with thick walls that absorb electromagnetic radiation. This will enable users to fully utilise the benefits of 4G data speeds both indoors and outdoors. In terms of fixed broadband provisioning, superfast broadband (24 Mbps) is critical to business, and also to quality of life which will fall below international standards if investment is not focused directly into this area.

Summary of Digital Connectivity Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.



2.5

Advanced Manufacturing and Engineering

Manufacturing, particularly automotive and machinery, remains a core strength of the Coventry & Warwickshire economy, and is the fifth largest sector in terms of GVA.

Coventry & Warwickshire considers itself to be the home of the automotive industry in the UK. Established here in the 20th century, the industry continues to be one of the mainstays of the local economy.

As a result of that, Coventry & Warwickshire has developed a strong competitive advantage in Advanced Manufacturing, with aspirations to become a globally-recognised leader. There are several internationally-renowned companies based in the region including Jaguar Land Rover, BMW, General Electric, and Aston Martin Lagonda; a high concentration of jobs in these sectors (34,000 people in Coventry & Warwickshire are employed in Advanced Manufacturing); and higher recent growth rates than the UK as a whole.

As the country's economic recovery continues, the automotive and advanced manufacturers in general see the area as being the ideal place for new operations or for the expansion of existing ones. Coventry & Warwickshire is centrally placed in the country with excellent transport links and the area's strong tradition of manufacturing and excellent universities means that skilled engineers are readily available. The way in which major OEMs seek to interface with their Tier 1 suppliers is changing and it is now becoming more and more common for OEMs and suppliers to co-locate in

order to build partnerships focused on developing a particular technology.

This has led to the region being widely recognised as an established leader in the design, development and deployment of low carbon vehicles and powertrain. The work has been a natural progression from the area's expertise in vehicle engineering. The area is home to a number of prestigious businesses and support organisations operating in the fields of electric, electric hybrid, fuel cells and hydrogen power systems and lightweight materials. Coventry has a network of publicly available third generation electric vehicle points and boasts the UK's first all-electric bus service. The extensive Research & Development capability and capacity positions Coventry & Warwickshire as the ideal test-bed for low carbon transport technologies.

Jaguar Land Rover (JLR) has been behind a significant amount of capital investment into the Midlands automotive sector in recent years. In March 2015, JLR revealed the expansion of the company's engineering and design centre at Whitley, Coventry. This will involve a doubling of the footprint at this site and allow for JLR's development of ultra-low emission technologies. In September 2015, it also announced significant investment into its R&D facilities at Gaydon (near Stratford-upon-Avon) to further consolidate and expand its activities there. Following this, in January 2016 JLR announced its proposed £500m expansion plans for Whitley South including the co-location of top level JLR suppliers alongside a business park and hotel development. JLR are also a partner in the £150m investment to create the National Automotive Innovation Centre at the University of Warwick alongside Tata Motors European Technology Centre.



STRATEGIC PROGRAMME: ADVANCED MANUFACTURING AND ENGINEERING

A great deal of important and exciting work to grow the sector is already being undertaken by our partners – employers, local authorities, membership organisations, education and training providers, and through national Industrial Strategies. Our approach is not to replace what is going on but to support, to stimulate and to help fill gaps so that the sector has the confidence and strategic vision to take advantage of market opportunities.

A key priority includes promoting and championing business engagement with the world-class breadth of capability and expertise in our R&D and innovation assets to (i) enable business to get ahead and stay ahead and (ii) secure inward investment. It is crucial that we strengthen the competitive advantage of our manufacturing businesses in national and global markets.

In this context we will support investments that retain and support the growth of the OEMs in our area; enable innovation and its commercialisation; strengthen supply chain links and re-shore activity to the region and secure further inward investment. We will focus in particular on action to enable businesses to translate new ideas in volume manufacture and use Industry 4.0 (the next stage of digitisation of the manufacturing sector, which covers computing and data science) to reinforce local supply chains.



Chinese firm Geely, which purchased Manganese Bronze Holdings in 2013, owners of the London Taxi Company, is developing a £250m R&D and assembly facility at Ansty Park. The new development is expected to create up to 1,000 jobs, with the capacity to assemble up to 36,000 vehicles a year.

The R&D facility itself will focus on the next generation of electric and ultra-low emission taxis that will need to comply with new emissions targets being introduced by the Mayor of London from January 2018. In October 2015, during a visit by the Chinese President, Geely announced a further £50m of investment into 37,000 m² of further new R&D facilities.

Coventry and Nuneaton & Bedworth have highest employment in aerospace, and Coventry, Rugby and Warwick have higher employment levels in Machinery & Equipment and R&D. North Warwickshire borough has

higher levels of employment in electronic components than the other districts in CWLEP. Stratford is the only area to have employment in the pharmaceutical products sector and also contributes to the manufacture of computers.

Despite these key economic strengths and investment successes, a major challenge facing the Coventry & Warwickshire economy is to support the diffusion of innovation throughout the local business base, particularly its SME base, and address the tail of less innovative firms that is currently limiting the growth of the local economy.

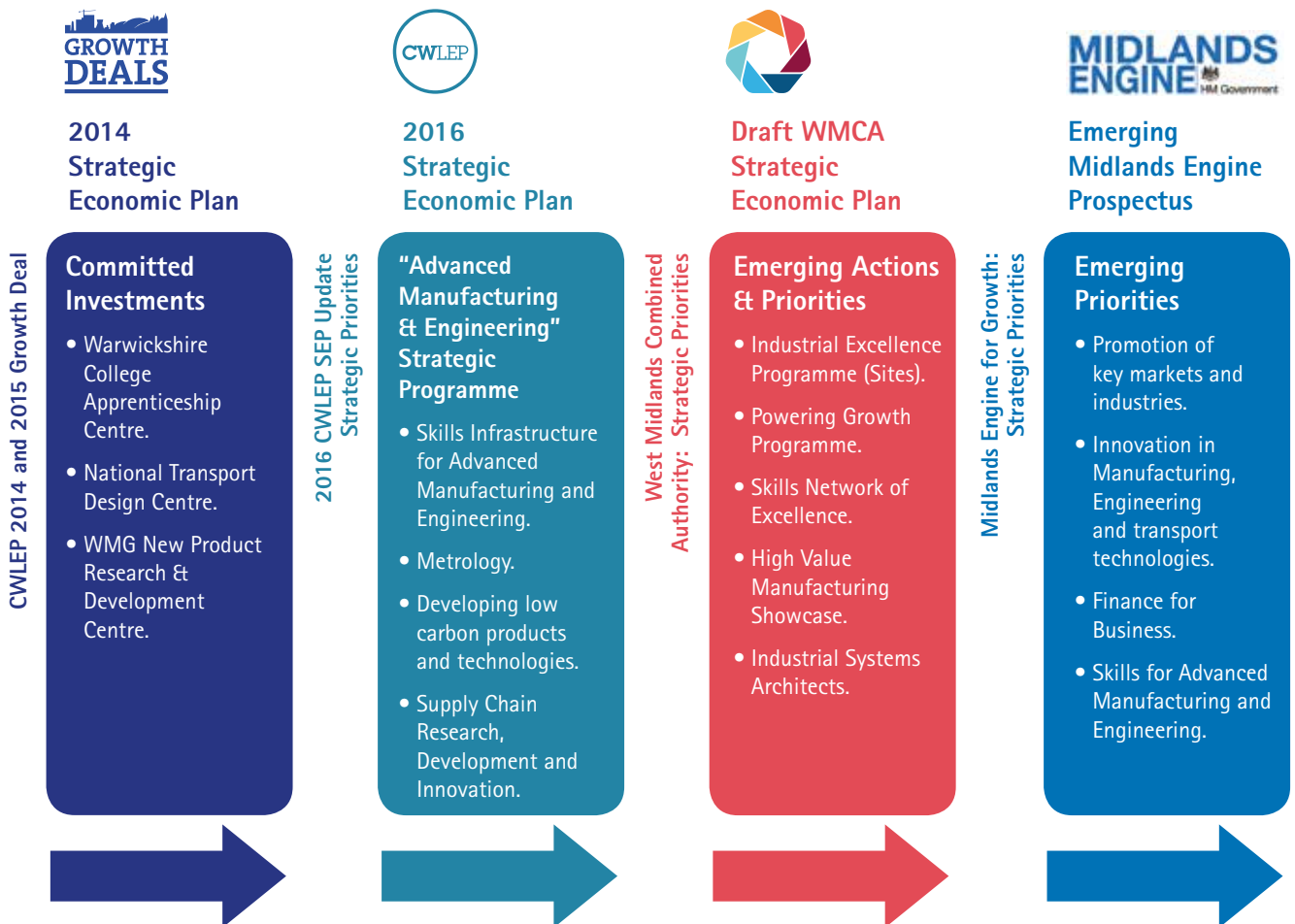
This will include supporting local SMEs to collaborate with the knowledge base in developing innovations, and strengthening local supply chains for the major OEMs.



Summary of Advanced Manufacturing and Engineering Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.



2.6

Growing our SMEs

The Coventry & Warwickshire Growth Hub will continue to act as a central business support co-ordination function and will service business across a wide range of sectors. This will be across both urban and rural areas and enable businesses (particularly local SMEs) to grow and create new jobs within the local economy.

The Hub will provide a high quality service focused on delivering positive outcomes for the businesses supported. It will develop stronger integration with other national and local business support activities, as well as meet the demand of businesses looking to use the Hub's services. Given that Coventry & Warwickshire is home to some 40,155 businesses, of which 99.5% are SMEs (83% micro businesses), the provision of a strong SME support infrastructure is an important enabler of economic growth.

The Growth Hub has evolved into operating as a subsidiary of CWLEP, with its own bank account and a core team of staff, which includes a Managing Director and Account Managers that engage directly with businesses. Moreover, a coherent financial plan is in place, which focuses on diversifying the Hub's income base to ensure its future sustainability, including securing funding from other public sources (such as European Regional Development Fund), additional subcontracting opportunities, private sector rental of facilities and conferencing income.

To help to continually improve the quality of advice being given to businesses, Growth Hub staff are engaged in a training programme that will ensure the delivery of business support to a common standard. Moreover, all Growth Hub Account Managers have gained accreditation by the Association of British Business Mentors.

The Hub's staff will continue to monitor changes in UK business support policy, as well as changes in the macro-economic environment and demand for business support provision, and adapt and align its services accordingly.

STRATEGIC PROGRAMME: COVENTRY & WARWICKSHIRE GROWTH HUB

The Growth Hub will continue to operate as a subsidiary of CWLEP, with a core team of staff, which includes the Managing Director, Business Account Managers that will engage directly with businesses, a Planning Officer, and Data Manager. Moreover, a coherent financial plan is in place, which focuses on diversifying the Hub's income base to ensure its future sustainability, including:

- Securing funding from other public sources (such as European Regional Development Fund).
- Additional subcontracting opportunities.
- Private sector rental of facilities.
- Conferencing income.

This focus has already resulted in new high profile contracts being secured, which has led to income generation, and new licenses being purchased.

To help maximise the quality of advice being given to businesses across a wide range of sectors, the Growth Hub staff are engaged in a training programme that will ensure the delivery of business support to a common standard. Moreover, all Growth Hub Account Managers have gained accreditation by the Association of British Business Mentors.

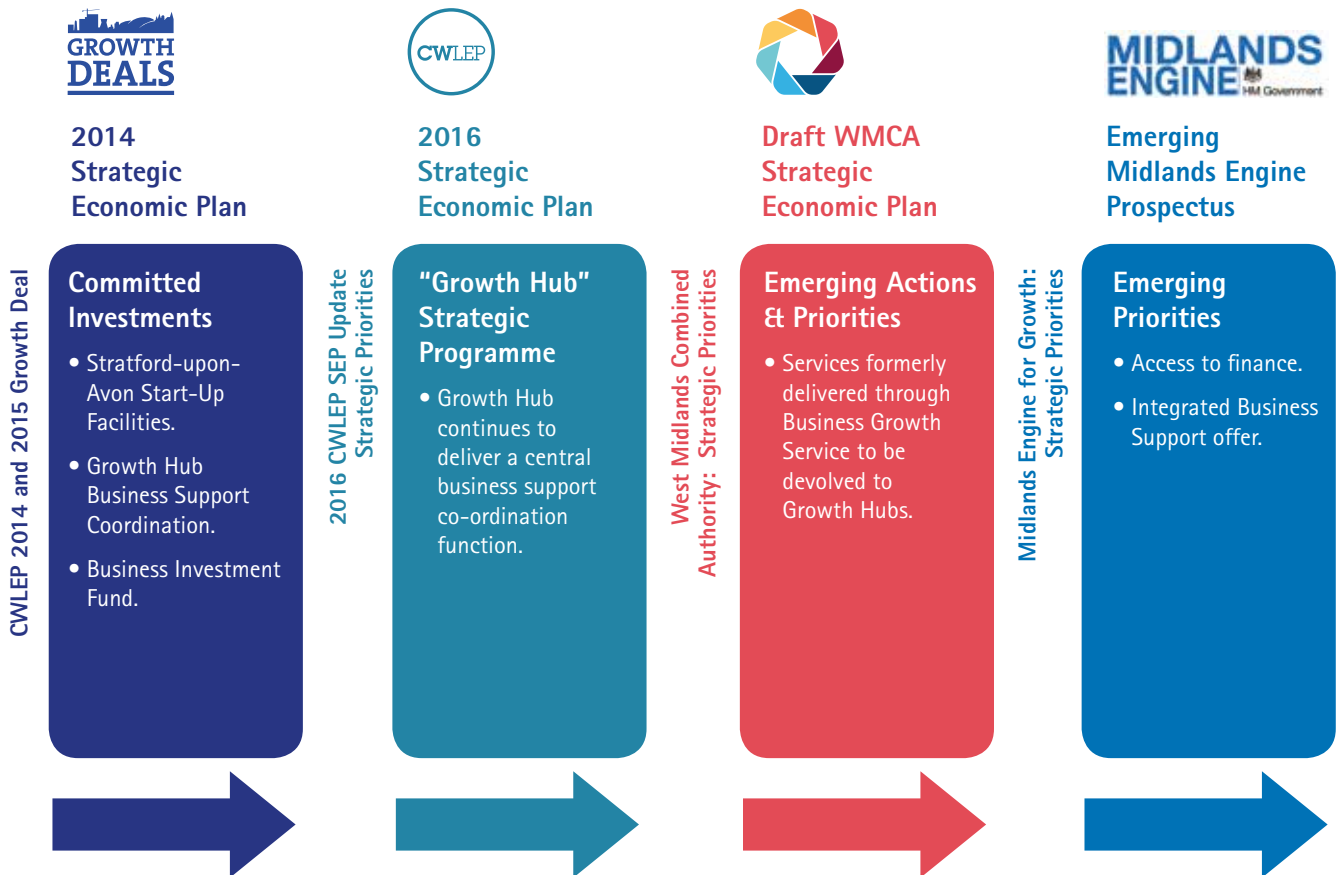




Summary of Growth Hub Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.



2.7

Growing our Talent

2.7.1 Skills

It is recognised nationally that a significant factor in the relatively poor productivity performance of the UK overall is the low level of skills in the workforce: "We rank in the bottom four OECD countries for the literacy and numeracy skills of our 16–24 year olds. We also perform poorly on intermediate professional and technical skills, and are forecast to fall to the bottom five OECD countries for intermediate skills by 2020." (HM Government, English Apprenticeships: Our 2020 Vision, 2015).

Nationally, projections indicate that over the next decade, there will be around 5 million new and replacement job openings for high skilled jobs (including management and professional roles) and 3.6 million openings for medium-skilled jobs (including skilled trades and associate professional/technical roles). There are also growing skills shortages in the Science, Technology, Engineering and Mathematics (STEM) and digital sectors (including computer science and digital science), which are increasingly critical to the strength and competitiveness of the UK economy. (HM Government, English Apprenticeships: Our 2020 Vision, 2015). As a result, there is a growing need to address job-specific vocational skills requirements across a range of sectors, which places a high importance on Further and Higher Education providers and employers working closely to address this issue. Increasing the provision of higher and degree level apprenticeships will also play an important role in addressing key job-specific skills shortages.

Skills attainment was a core issue identified in the 2014 Strategic Economic Plan with qualifications at all levels below the English average. The Coventry & Warwickshire LEP area skills profile has improved in relation to those people with no qualifications, seeing a reduction of 2.7% overall between 2011 and 2014 from 14.2% to 11.5%, against an English average reduction of 1.9% and a West Midlands area reduction of 0.8% over the same period. However, the CWLEP area (11.5%) remains above the English average (8.6%).

In relation to higher level skills at NVQ level 4 and above (including HND, Degree, Postgraduate level qualifications), a similar position emerges. The Coventry & Warwickshire area has improved its NVQ Level 4+ attainment rate by 5.2 % between 2011 and 2014 to 34.7% of the population overall. This compares with an English average of 35.7% in 2014 and an improvement

of 3.2% over the same timeline. Within the CWLEP area, it is notable that Coventry, North Warwickshire and Nuneaton & Bedworth contain a higher proportion of residents with no qualifications and fewer residents with degree level qualifications than the other Local Authority areas⁸.

STRATEGIC PROGRAMME: SKILLS

Through its Skills Strategy and Strategic Economic Plan, CWLEP will focus support on the skills and sectors most important for Coventry & Warwickshire to develop processes to ensure that its planning is informed by data on supply and demand and raise the profile of skills and local employment opportunities. A continued focus will be given to:

- Using skills to drive growth and create jobs – overcoming skills gaps and skills shortages to support the high value industries of the future.
- Developing skills to tackle unemployment and worklessness – future-proofing the workforce and helping those without jobs to get the skills that employers need, as well as tackling major barriers to employment such as poor health. This will include expanding the provision of apprenticeships, particularly by encouraging employers in key growth sectors of the local economy to utilise the Apprenticeship Levy. Indeed, CWLEP aims to make Coventry & Warwickshire a national exemplar in the provision of Apprenticeships, particularly in high value manufacturing.
- Getting a better fit between education and employment – closer working between employers and schools, colleges, universities and training providers. This will also include a need to retain more graduates from local universities to help ensure that higher value job opportunities are filled. Increasing the provision of work placements and traineeships will play an important role.

Investment through the local Growth Deal will include support for skills infrastructure for the renewal, modernisation and rationalisation of skills and education infrastructure, particularly to ensure that the evolving job-specific skills, generic and customer service skills needs of employers in growth sectors of the local economy are met. This is particularly important for the Advanced Manufacturing, Construction/Civil Engineering,

⁸ NOMIS data (2016)

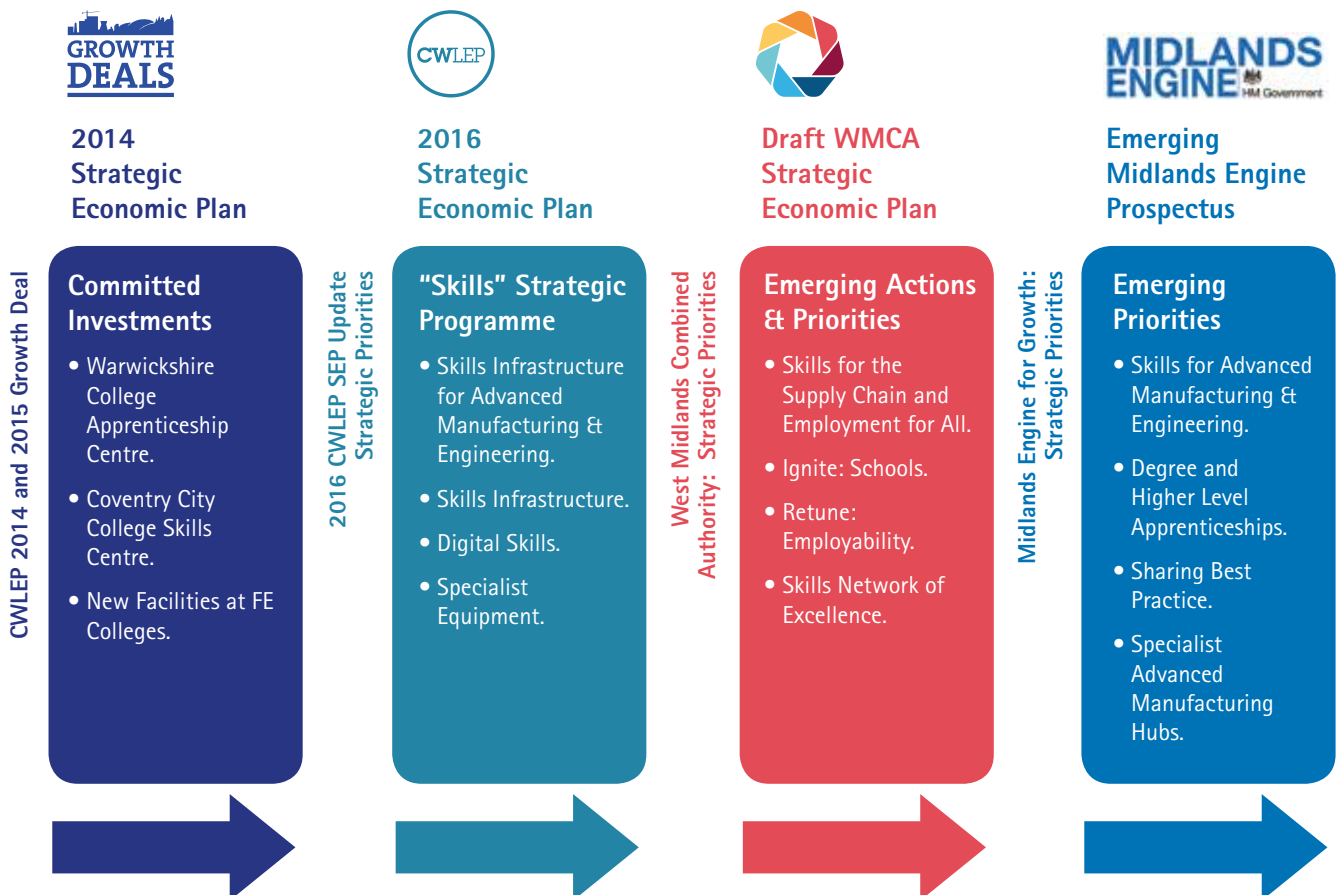
Tourism, Professional Services, Health & Social Care and Digital & Creative sectors. There is also a need to enhance leadership and management skills, particularly within the local SME base.

Investments will enable the provision of good quality accommodation and specialist equipment to support education and training, which promotes economic growth and helps learners reach their potential. Investment will also be targeted at initiatives to raise the skills of the existing workforce and encourage and enable young people to pursue careers in high value manufacturing and other growth sectors of the economy, and to increase the ability of our young people and residents to engage effectively in the digital age. We need to ensure that the whole of the population has access to the technology and skills needed and to avoid inequality of access to the benefits of a technological age.

Summary of Skills Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.



2.7.2 Developing the Technologies of the Future

Supporting technologies where our science strengths and business capabilities combine is a core part of the Government's Industrial Strategy. In Autumn 2012, the Chancellor highlighted 'eight great technologies' where the UK can lead the world. Each technology is an area in which the UK has world-leading research, has a range of applications across a spectrum of industries, and has the potential for the UK to be at the forefront of commercialisation.

The eight great technologies are:

- Big data and energy-efficient computing.
- Satellites and commercial applications of space.
- Robotics and autonomous systems.
- Synthetic biology.
- Regenerative medicine.
- Agri-science.
- Advanced materials and nanotechnology.
- Energy and its storage.

These are not exclusive or exhaustive, and there are many other important areas of science and innovation in which the UK excels and will excel in future. The most valuable applications are likely to come when companies develop new combinations of these technologies. For example combining big data, satellites and autonomous systems could lead to cars and planes that drive and fly themselves.

In Coventry & Warwickshire, the unlocking of wider economic growth potential needs to be addressed by interventions which are both cross-cutting and sector specific. The areas of health, logistics, environmental technologies, IT Services and Digital & Creative Industries are increasingly important to our economy, alongside growth through innovation in rural areas and innovation in rural technologies. The 2014 Strategic Economic Plan highlighted the importance of interventions including technology centre facilities; specialist technology support programmes; demonstrator programmes and innovation support programmes for product design and development and systems integration.

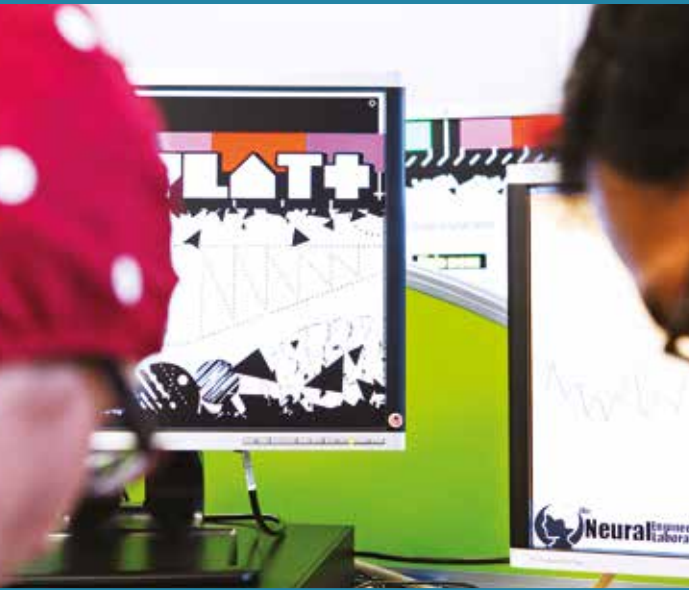
It remains important to capitalise on the area's world-class innovation assets and research institutions, given that the development and commercialisation of new technologies pertinent to the area's priority growth sectors will play an important role in facilitating economic growth longer-term.

STRATEGIC PROGRAMME: DEVELOPING THE TECHNOLOGIES OF THE FUTURE

The development of future and emerging technologies is fundamental to enhancing business productivity and supporting economic growth. The LEP area has world-class universities providing access to leading Research & Development and innovation infrastructure, alongside a strong network of Further Education Colleges. It is vital that we utilise the core assets of our key partner institutions in the development, prototyping, testing, commercialisation, demonstration and training of new technologies for adoption across our major economic sectors.

CWLEP is particularly keen to invest in capital infrastructure that supports the development and uptake of solutions in energy efficiency, low carbon economy, assisted living and healthcare technologies, intelligent mobility, sustainability, digital technology and data analytics.





Summary of Technology Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

It highlights high-level examples of the strategic priorities resulting from the Call for Proposals to unlock further economic development and a summary of the potential related linkages to the emerging priorities of the West Midlands Combined Authority and Midlands Engine.



2014
Strategic
Economic Plan



2016
Strategic
Economic Plan



Draft WMCA
Strategic
Economic Plan



Emerging
Midlands Engine
Prospectus

CWLEP 2014 and 2015 Growth Deal

Committed Investments

- National Transport Design Centre.
- R&D Centre of Excellence for Innovative and New Steel Products.

2016 CWLEP SEP Update
Strategic Priorities

"Developing Technologies of the Future" Strategic Programme

- Technologies of the Future:
 - Energy Efficiency.
 - Low Carbon.
 - Sustainability.
 - Digital and ICT Economy.

West Midlands Combined
Authority: Strategic Priorities

Emerging Actions & Priorities

- Prioritisation of Disruptive and Emerging Technologies:
 - New manufacturing.
 - Creative & Digital.
 - Environmental technologies.
 - Medical, Health and Well Being.

Midlands Engine for Growth:
Strategic Priorities

Emerging Priorities

- Key Market Promotion and development in:
 - Agri-food and drink.
 - Healthcare & Lifescience.
 - Energy & Low Carbon Technologies.
 - Creative, Digital & Design.
 - Manufacturing, engineering and transport technologies.
- Science Parks and innovation Centres to play key role.



2.7.3 Digital and ICT Economy

Information and Communication Technologies saw significant growth in the 1997 to 2012 period in both Coventry & Warwickshire. Indeed, Coventry & Warwickshire is already home to some 2,500 digital businesses (mainly hardware, software, digital content and gaming). The growth of the digital and ICT sectors is set to continue between 2015 and 2030 with computer programming and information services (software, computer systems, communications technologies and data processing) forecast to be the 6th largest sector in the economy in GVA terms and 13th in terms of employment⁹.

It was recognised in the SEP published in 2014 that "Coventry & Warwickshire is a UK hub for Serious Games and the Video Gaming industry, with leading computer games companies and a leading cluster of game development." Silicon Spa is one of the UK's largest concentrations of computer gaming companies and is situated in and around Leamington Spa in the south of Warwickshire, with some 30 studios employing 1,200 people making up 10% of the UK's industry total. A strategic research study for Silicon Spa is being commissioned to create a rationale and basis for further action to support this key micro-cluster within Warwick District and the sub-region. In particular, further investment is required to enable the setting up of new studios, and retain and strengthen Coventry & Warwickshire's competitive advantage in this sector.

The global video games industry is an economic and cultural success story. Nearly 140 of the UK's best games businesses are based in the West Midlands creating highly-skilled, productive jobs and opportunities throughout the area. Between them, these businesses are responsible for many of the best known titles in the world including console blockbusters such as Forza Horizon and Guitar Hero Live, mobile hits like Warhammer, Freeblade and innovative PC titles such as LA Cops.

The growth of the games sector is key to the future economic growth of Coventry & Warwickshire, given that:

- Games are a blend of transferable 21st century skills: Making games is a fusion of art, design, programming, data analysis, science, mathematics – all skills transferable to other sectors.
- Games are key exports: 68% of games businesses generate over 60% of their annual turnover from sales outside the UK.

- Games appeal widely: 21m play games in the UK, half of them are women and 27% of them are over 44.
- Games are big sellers: The UK is the 6th largest global consumer market worth £3.9bn in UK consumer spend alone.
- Games can heal: Virtual Reality and Augmented Reality are used successfully in healthcare to treat and train.
- Games make you smart: Playing games gives you skills – problem solving, dexterity, systems thinking, team work. Games are also used to train surgeons and fighter pilots.

STRATEGIC PROGRAMME: DIGITAL AND ICT ECONOMY

CWLEP area has some 2,500 digital businesses, which principally consist of hardware, software, digital content and gaming. There is a globally-significant gaming cluster around Leamington Spa, Warwick and Southam, which has earned the title "Silicon Spa". This has one of the largest clusters of gaming studios in the UK. Over 30 gaming studios are based in the area in and around Leamington Spa, including established names such as Codemasters, Exient, SEGA Hardlight, Full Fat and Freestyle Games.

However, the scale of the sector is frequently not recognised, and with other progressive digital clusters in the UK delivering significant investment in infrastructure, it is important that continued investment takes place to enable new studios to set up, and retain the area's competitive advantage in this sector by growing this cluster.

As a result, CWLEP is keen to secure investment in Leamington Spa that will unlock its commercial and cultural potential in the creative and digital economy, including investment in buildings and improved transport and mobility infrastructure (e.g. A46, A452) and start-up facilities. Although this investment would enable the growth of a range of digital sectors, the local gaming sector is one that faces stiff competition from other clusters in the UK and overseas, and needs specific support to reach its full potential, given that:

- **Global competition is a threat** – since 2008 the games industries of Canada, South Korea and the Nordic countries have grown fast – clusters in these countries all benefit from consistent support and incentives from their national and regional governments.

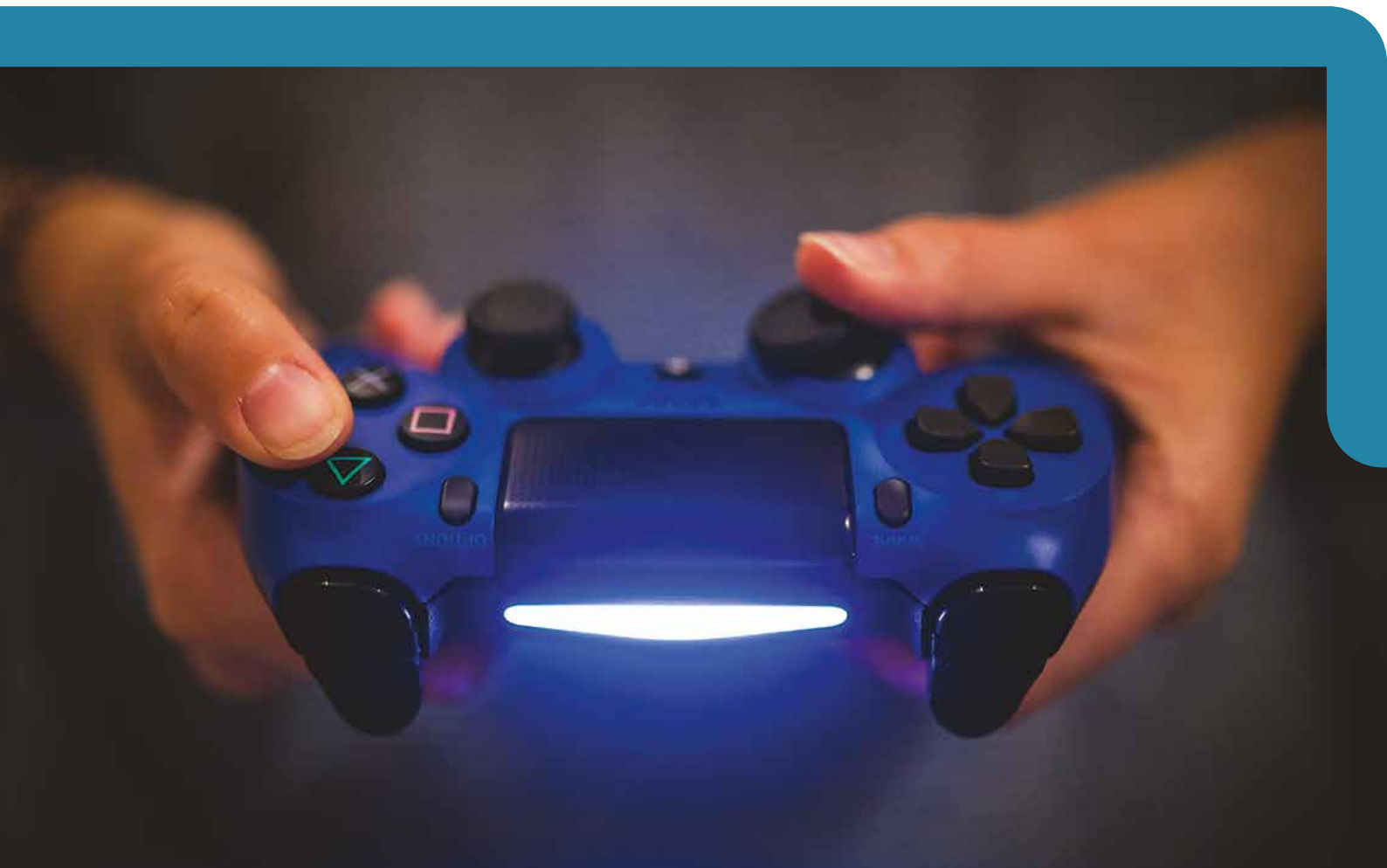
⁹ Coventry University Analysis (2016)

- **Games are a relatively new industry** – public funding for the sector is still poorly understood, coordinated and designed. This inhibits further investment, growth and exports in one of the UK's fastest growing export sectors.
- **95% of UK games businesses are SMEs** – further resources are needed to scale these businesses up in the West Midlands.
- **The 'competition for talent'** remains a major challenge and the region requires skills development from school age onwards. Failure to recruit and retain the best talent can lead to investment locating elsewhere in the UK or overseas and stifle the growth of all industries that rely on these skills.
- **The games sector relies on innovation and creativity** – support should encourage more risk-taking to help local games businesses to continue to create cutting-edge world-class interactive entertainment.

Many of these issues are also pertinent to other digital and ICT sectors of the economy, and it is important that a strong business support infrastructure is in place to tackle these issues and enable SMEs in these sectors to realise their growth potential.

It is also notable that **digital applications influence other strategically important economic sectors of the Coventry & Warwickshire economy** (including high value manufacturing and a range of creative and service sector industries).

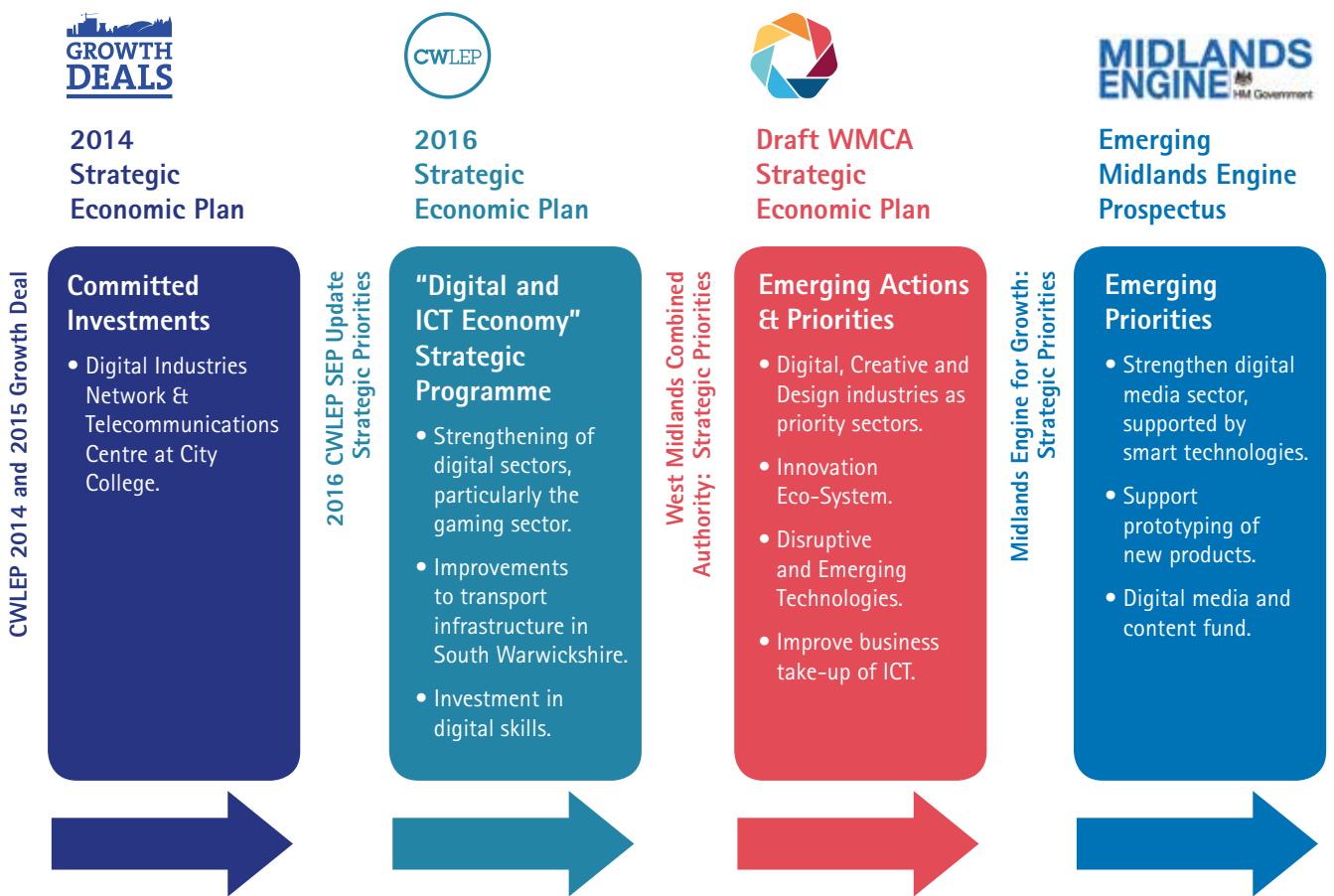
As a result, improving digital skills within the local workforce and addressing skills shortages in these areas will play an important role in improving the competitiveness of a range of key growth sectors of the local economy.



Summary of Digital and ICT Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

The chart below provides an overview of the programmes and initiatives funded in Coventry & Warwickshire through the 2014 and 2015 Local Growth Deal.

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2.8 Culture and Tourism

Tourism and the visitor economy are an essential element of the economy of Shakespeare's England, and the wider Coventry & Warwickshire economy. It supports businesses, jobs, routes to employment, and a wider supply chain with over 40,000 people employed in culture and tourism across the entire LEP area.

Both Warwick and Stratford-upon-Avon are considered to be two of Visit England's "Attract Brands", reflecting England's best known destinations, via visitor numbers and consumer perceptions. The 10.2 million trips to Shakespeare's England every year account for a total value from tourism to local businesses of £631 million, which supports 11,000 jobs.

- 10.2 million trips were taken in Shakespeare's England – 9.3 million day trips and 0.89 million overnight visits.
- Visitors spent £505 million in the area, which is an average of £42 million spent in the local economy each month. The overnight trips account for a total of 2.37 million nights in the area. These overnight visits generated £175 million, compared with £315 million from day trips.
- The 10.2 million trips account for a total value of tourism to the local business turnover of £631 million, which supports 11,077 jobs. These jobs breakdown as 8,678 direct tourism related jobs and an additional 2,398 non tourism jobs dependent on the multiplier spend from tourism¹⁰.

In addition to Shakespeare's England, Coventry City Centre contains a number of high-profile and internationally renowned visitor attractions such as the Cathedrals, Transport Museum and Herbert Art Gallery, whilst Nuneaton as the birthplace of the writer George Eliot, and Rugby (where the sport of Rugby Football originated) also both offer stronger tourism potential than is currently being fulfilled.

CWLEP will support the ambitions of cultural and touristic assets in the CWLEP area. The LEP will also support local cultural community activities, as well as high-profile events, that raise visibility nationally and internationally. It will also recognise the complementary rural and urban culture and tourism offers across Coventry & Warwickshire.

CWLEP is clear that a healthy cultural life is essential, and that tourism activity contributes to the positive economic performance, social environment, and wider health and wellbeing of our sub-region.

STRATEGIC PROGRAMME: CULTURE AND TOURISM

The Culture and Tourism strategic programme will focus on the opportunity for Coventry as UK Capital of Culture 2021 and support for developing the world renowned asset that is Shakespeare's Stratford. It will also focus on ensuring that the benefits of an enhanced visitor economy are felt throughout Coventry & Warwickshire.

The Department of Culture Media and Sport (DCMS) manages the process for the UK City of Culture title. Following a recent consultation about the timetable, the DCMS has committed to inviting proposals for the 2021 title by early 2017. The emerging economic case for Coventry bidding for UK City of Culture is considered to be strong.

A successful partnership proposal is likely to bring significant national investment into the city from public and private sources, increased visitor spend, enhanced student numbers, as well as the potential economic benefits of accelerated development. In Derry/Londonderry, major infrastructure developments were realised through the programme, and Hull is already attracting investment in transport, public realm and retail on the back of its successful bid.

Stratford-upon-Avon is a key asset within the CWLEP area, given its status as the birth place of William Shakespeare and a major English tourist town. Receiving around 5 million visitors per year, the district is home to the Royal Shakespeare Company (RSC) and Shakespeare Birthplace Trust (SBT) properties. The Shakespeare Birthplace Trust properties attract over 820,000 visits per annum with a significant proportion (approximately half) from international visitors.

Alongside this, the RSC has over 1 million visitors come to its Stratford-upon-Avon theatres each year. Both the SBT and RSC are a significant part of the wealth of cultural and tourism assets in Coventry & Warwickshire, contributing significantly towards the attractiveness of the LEP area as a place in which to locate business, work and study.

¹⁰ Warwickshire County Council "Destination Management Plan for Shakespeare's England Region 2015-2020"

Maintaining and growing our cultural and tourism assets is a key priority for CWLEP. To achieve this ambition, there is a need to build on existing strengths within the sub-region, coupled with a need to better package and promote key visitor attractions across the full CWLEP area. This would facilitate increases in overnight stays and therefore increases in visitor spend levels. Investment will focus on economic and cultural development, including:

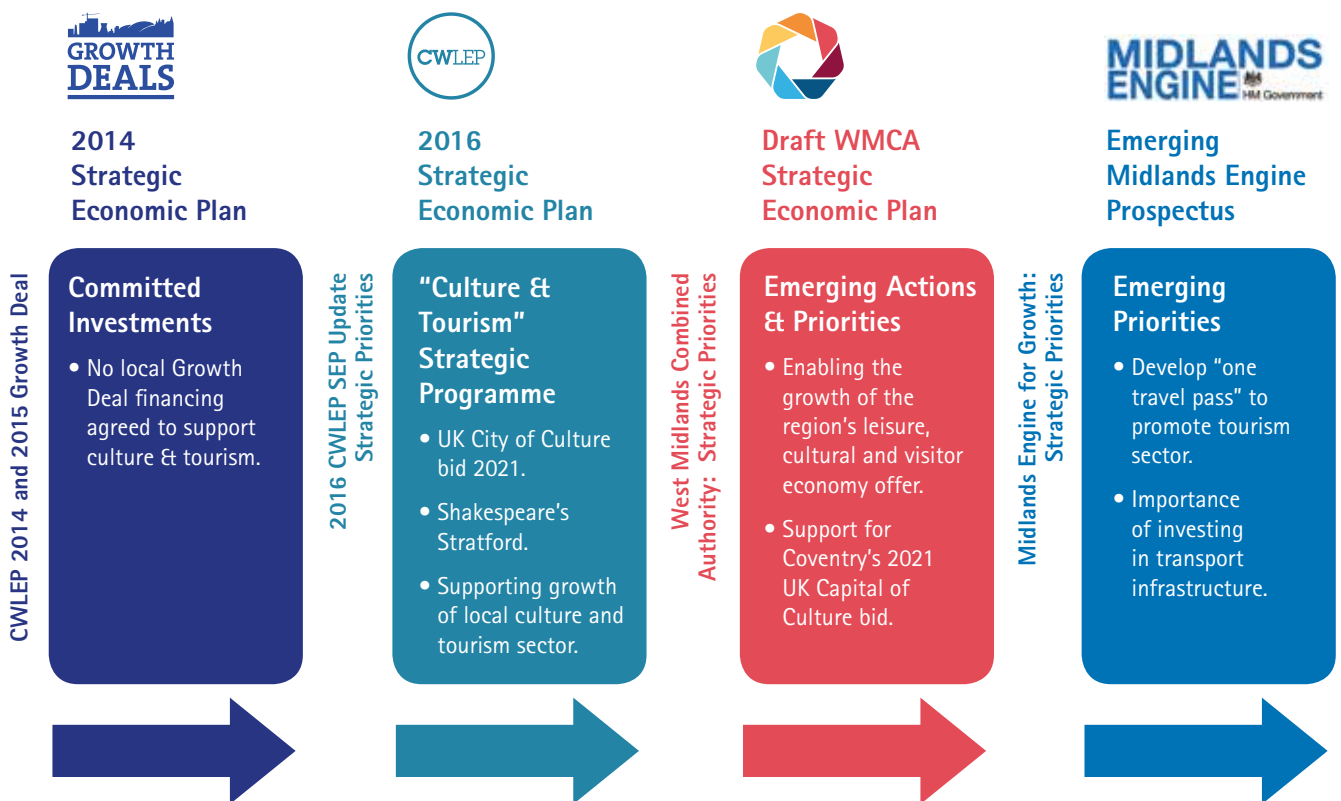
- Innovative contemporary approaches in historic environments and joined-up public spaces.
- Deliver an improved and integrated transport infrastructure to improve connectivity.
- Training, skills development and cultural education.
- Investment in digital infrastructure.
- Enhancing the supply of accommodation to enable longer stays and increased visitor spending.

To enable the growth of the sector and maximise the impacts of visitor spend, it is crucial that the area's visitor attractions, major events, and accommodation are marketed and promoted sufficiently.

Summary of Culture & Tourism Priorities at LEP, West Midlands Combined Authority (WMCA) and Midlands Engine Geographies

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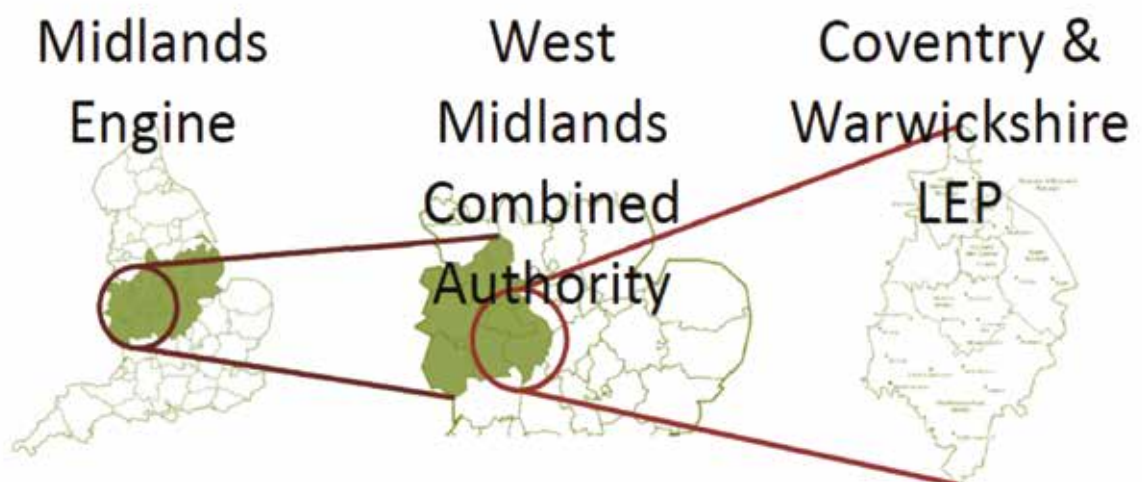
The West Midlands Combined Authority and Midlands Engine

The seven metropolitan authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have established a West Midlands Combined Authority, working alongside the Local Enterprise Partnerships of the Black Country, Greater Birmingham & Solihull and Coventry & Warwickshire and other Local Authorities.

Nuneaton & Bedworth Borough Council is a non-constituent member, whilst Warwickshire County Council, North Warwickshire Borough Council, Rugby Borough Council, and Stratford-on-Avon District Council have observer status with a view to joining as members in the future.

The West Midlands Combined Authority (WMCA) is based on the functioning economic geography of three LEP areas: Greater Birmingham & Solihull; Black Country and Coventry & Warwickshire. 90% of the area's population of 4 million live and work in this area. The region's economy is worth £80 billion of GVA. The WMCA has unique characteristics:

- A legal body with powers of decision making granted by parliament.
- Currently seven constituent members (LA) with ultimate voting rights and eight non-constituent members (five LAs and three LEPs), with more LAs to formally join.
- A metro mayor for the West Midlands will be elected in May 2017.
- Will drive forward a series of joint objectives in support of economic growth and public service reform as outlined in its SEP.
- Negotiated a Devolution Deal with the government to receive powers and funding from Whitehall, made possible due to the strong governance arrangements in place.



The Devolution Deal supports the overall aims of closing both the current productivity and the public spending gaps, and includes:

- Significant devolution of funding and financial flexibilities to support a locally controlled ten-year investment fund totalling around £8 billion. This will be used to take forward a Transport Investment Plan and to increase the supply of new development land.
- Implementation of the HS2 Growth Strategy, including regeneration around the Curzon Street (Birmingham city centre) and Interchange HS2 stations.
- An integrated new employment and skills system for the West Midlands.
- Transformation of public services for "troubled individuals", including support for people with mental health and reforms to the criminal justice system.

Other elements of the Devolution Deal include plans to revitalise the housing market, transform business support and inward investment, create a National Pathfinder for Innovation, and invest in quality of life through an improved cultural offer.

A Strategic Economic Plan has been published for the West Midlands Combined Authority and three-LEP geography. This will provide the case for economic devolution, with clear objectives and targets covering the period 2016-2030. It will also establish the evidence base for the added value of the Combined Authority Economic Plan and associated activity and programmes.

The Combined Authority Strategic Economic Plan:

- Sets out an economic vision for the West Midlands and the opportunities and barriers that require attention at a conurbation level.
- Articulates the added value of activity at a Combined Authority level to enable economic growth and set out a series of propositions to enable that growth.
- Demonstrates the contribution of the partnership between business and the public sector that the LEPs can deliver alongside the Combined Authority.



The Plan contains eight priority actions:

- Strengthening the West Midlands' position as one of the biggest concentration of high value manufacturing businesses and supply chains in Europe.
- Developing the Creative and Digital sector.
- Strengthening the Environmental Technologies sector.
- Enabling the further growth of the Medical and Life Sciences sector.
- Maximising the economic benefits of HS2.
- Meeting businesses' skills needs and ensuring residents can access jobs created by growth.
- Accelerating the delivery of housing plans to ensure house building levels support growth rates.
- Exploiting the region's economic geography.

It is important to note that the Combined Authority Strategic Economic Plan will sit alongside those of the Black Country, Greater Birmingham and Solihull and Coventry & Warwickshire LEPs. Indeed, the pillars and priorities of the 2016 CWSEP Update have been designed in a way that ensures alignment with the objectives and priorities of the Combined Authority Strategic Economic Plan.

In addition to the West Midlands Combined Authority, 2015 also witnessed the launch of the 'Midlands Engine'. The Midlands Engine stretches from Wales to the North Sea and from the northern Home Counties to the Peak District. It includes 11 Local Enterprise Partnerships who together with their Local Authorities, businesses and the wider partners have come together to respond to the Government economic and productivity challenges.

The Midlands Engine region makes a £222bn (14.6%) annual contribution in GVA to the UK economy, and this has grown by 30% in the last decade. The Midlands Engine is home to a population of just over 11.5 million people (17.9%), of which 24% are under 20 years of age, offering a long-term, sustainable workforce. Around 4.3 million people (15.7%) in the Midlands Engine region are in employment, with 38.3% judged to be in knowledge-intensive sectors. Unemployment rates are 5.3%, marginally lower than the UK average.

There is still much to do to grow the economy and productivity of the region to ensure that the Midlands Engine meets its full potential as a driver of national economic success. The Midlands accounts for 15.7% of the UK's employed population but only 14.6% of total UK economic output. GVA per worker is £46,310, some £7,000 below the national average. There are some particular socio-economic challenges, which have been characterised by a history of underinvestment. These include skills levels, an under-representation of knowledge-intensive business relative to the overall business base, levels of investment made by SMEs in innovation, and aspects of connectivity.

CWLEP needs to work in collaboration, both within its LEP geographical area and between its local authorities, businesses and educational institutions, and across wider economic geographies.

This is critical to ensuring that we are able to influence, inform, direct and benefit from major strategic initiatives that will support, for example:

- **Enhanced transport connectivity** – ensuring businesses and their supply chains are able to collaborate and distribute their products and services efficiently, and that our residents are able to access the widest possible employment opportunities.
- **Increased inward investment and local business growth** – ensuring that through joint marketing approaches at both a Combined Authority and Midlands Engine geography, we are able to actively promote our area as having a strong capacity and capability in terms of availability of employment land, skills, transport connectivity, and R&D infrastructure. This will encourage global employers to locate within our LEP area, and expand their operations.
- **Enhanced education and skills** – through combined approaches that directly target the skills deficits and challenges that exist at all levels, and through the exchange and transfer of the good practice that exists across the wider economic geographies.
- **Increased capacity and collaboration in research, development and innovation** – Coventry & Warwickshire is fortunate to have two world-class universities within its LEP area, operating alongside key national research and innovation centres. These institutions are engaged in strategically important collaborations operating on a local, regional, national and global scale. Through increased geographical collaboration, these institutions will be able to improve their existing infrastructure, resources and expertise.

Despite the importance of collaborating with wider economic geographies, it is critical that CWLEP does not lose sight of its own strategic priorities and how these align to those of the Combined Authority and Midlands Engine. CWLEP and partners will need to ensure that the benefits of this collaboration are maximised for the Coventry & Warwickshire economy.



"Coventry & Warwickshire is recognised as a global hub for knowledge-based industries, leading the way in advanced manufacturing & engineering and digital sectors."

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