

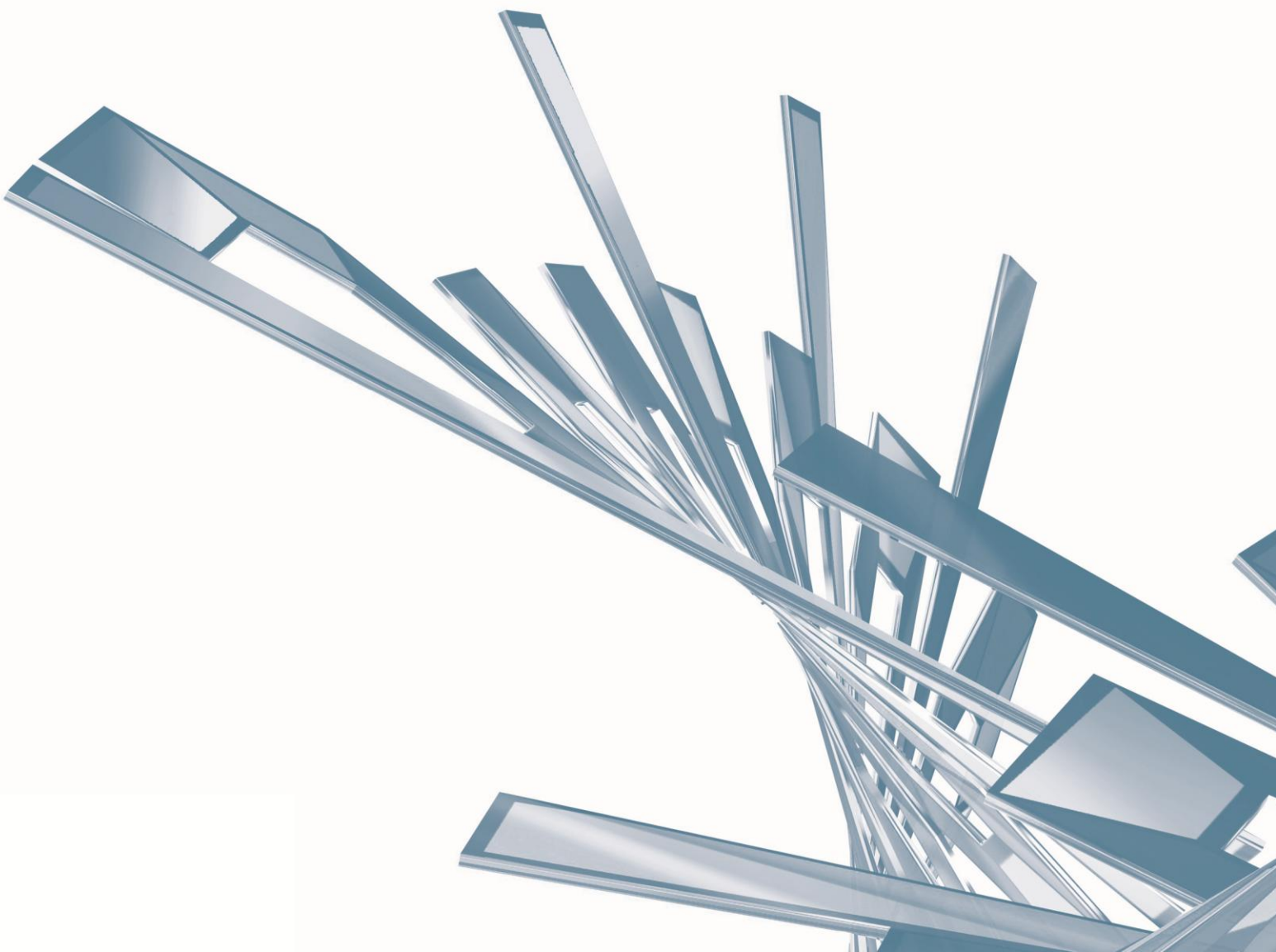
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Coventry & Warwickshire
Local Enterprise Partnership

A SEP for the future and for bringing manufacturing home

Strategic Economic Plan
31st March 2014





Coventry & Warwickshire
Local Enterprise Partnership



FOREWARD

The Coventry & Warwickshire Local Enterprise Partnership (CWLEP) is delighted to submit this Strategic Economic Plan. **As one of the 39 plans being submitted to government that will create the economic plan for England, we are confident this plan offers vision and ambition with far-reaching private and public sector collaboration that will deliver outstanding results.**



We are now starting to see an economic recovery of which Coventry and Warwickshire has been a major contributor. This multifaceted strategic economic plan is central to continuing this positive trend. It sets out our vision and priorities, our offers and asks of Government for the 2015/16 growth deal, an outline of our medium-term growth deal interventions and how the European Structural Funds will support the overall delivery of our plan. CWLEP has been highly successful in understanding and articulating the needs and issues of our local economy and in providing the leadership to drive positive change. For this plan we have engaged and met with our businesses, stakeholders, partners and our MP's all of whom have been key to shaping it's content.

The population of Coventry & Warwickshire will have increased by nearly **200,000 people** by 2030 and the economy will employ an additional **94,500 people**. This poses a significant challenge which Coventry and Warwickshire will rise to. We have innovative businesses that compete internationally, provide well -paid jobs and have huge growth potential. Our Strategic Economic Plan will:-

- Develop **50,099 new employment opportunities** by creating new businesses, securing new innovation assets and developing new and existing employment sites. Most importantly with the **Coventry and Warwickshire Gateway, Friargate, Lyons Park, Whitley Business Park and Bermuda Park** as the top 5 priorities.
- Encourage investment in new housing; our newly formed Joint Committee and its constituent local authorities have unreservedly agreed to plans to build a minimum of **75,000 houses** here by 2031. The Joint Committee has gone further; committing, by the end of March 2015, to review this requirement, following the grain of the market with a view to increasing the total number.
- Invest in our transport infrastructure; both the strategic road network and, significantly, **north – south rail links, the A46** and the redevelopment of **Coventry Station**.
- Capitalise on **cross-LEP opportunities** in transport, research and development and supply chain development particularly around the co-ordination of clearing house / growth hub activities.
- Enable us to negotiate with government a Local Growth Deal. It is recognised that the investment requested is significant however the SEP identifies a **prioritised set of proposals, projects, and powers** that have been **agreed locally** and will facilitate growth.

Advanced Manufacturing and Engineering is uniquely rooted in our community and so it is natural that we should reinforce this sector's potential within this plan. We are proud that Coventry and Warwickshire is the UK global hub of AME with enviable global business and research links and

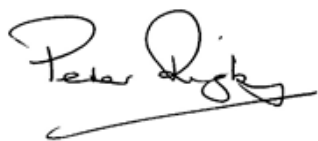
relationships. There is an unrivalled concentration of employment in the automotive industry, (particularly in the research and development side of the sector), and levels of productivity are well in excess of the UK average. With such a track record and an unprecedented commitment to partnership working in our CWLEP, we believe that this plan will be central to driving forward growth not only in our locality but also UKplc.

The CWLEP led **City Deal, "Re-engineering Engineering: Raising our Game"** again with the committed support of all local authorities, including Hinckley & Bosworth Borough Council in this case, was designed to stimulate the economy, initially in advanced engineering and manufacturing (AME), by improving skills, innovation, productivity and creating jobs. The **Clearing House**, which is the primary intervention of our City Deal, is a core component of our plans going forward and we will continue to invest in its development over the lifetime of this strategic economic plan. For Coventry and Warwickshire targeted support must be provided to improve the resilience of our businesses and an increase in the number of new business start-ups.

We have identified specific investment in **capital infrastructure** that is central to both local economic growth and productivity. Through the Local Growth Deal to be negotiated with Government CWLEP is prioritising investment that will improve our road, public transport (including north-south rail and the redevelopment of Coventry Station) and sustainable transport to enable residents to access new and existing employment opportunities. Alongside **transport** we are also seeking immediate capital investment in essential, **quality employment sites** to increase the level of grow on space for business and in **skills capital** to increase the capacity and capability of our further education colleges.

Coventry and Warwickshire is very supportive of the government's desire to exploit new opportunities that are occurring in the global economy that are leading towards the **reshoring** of supply chain companies in Advanced Manufacturing and Engineering back to the UK and will be further exploring ways that this trend can be accelerated in conjunction with UKTI and the Manufacturing Advisory Service.

We look forward to negotiating a strong growth deal with Government for the projects and schemes that will start to be delivered in spring 2015. Locally, the private sector, our local authorities and our two universities are keen to participate in a collaborative approach to the execution of this plan and are confident that it will be successful. Our goal remains to deliver our vision and grow the economy faster and further than would otherwise be the case, securing a high performing and sustainable economy for Coventry and Warwickshire.



Sir Peter Rigby
On behalf of the CWLEP Board
31st March 2014



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Coventry and Warwickshire

Geography

Size: **2076km² (802m²)** Distance (length): **81 kms (50.3m)**

Demographics:

Population (2012): **871,100** Working age: **556,700**

From census 2011:

CWLEP

Total

Urban (total)
Rural (total)

Usual residents

862,434

681,772 (79%)
180,662 (21%)

Area (hectares)

207,373

33,920
173,453



Jobs Market:

Number of businesses:
(UK business size etc 2013) **35,960**

Number of Employees:
(APS Sept 2013) **392,100**
(emp rate: 71.8%)



Productivity:

GVA / worker **£36,700** (UK: £40,000)
GVA (CE, 2011 data) **£16,252m**



Leading Private Sector Employers:

(employing over 1000 staff)

- Jaguar Land Rover **5,668**
- GE Power Conversion **2,500**
- National Grid **2,500**
- Caterpillar (automotive/engineering) **2,000**
- IBM **1,500**
- Rolls Royce **1,160**
- Aston Martin **1,147**
- Alstom UK **1,000**



Key Sectors:

- Healthcare & Assistive Technology
- Advanced Manufacturing & Engineering
- Digital and Creative Industries / IT Services
- Logistics
- Culture and Tourism
- Business & Professional Services



Education / Innovation Assets:

- 1 Coventry University
- 2 University of Warwick
- 3 City College Coventry
- 4 North Warwickshire and Hinckley College
- 5 Stratford College
- 6 Hereward College
- 7 Henley College
- 8 Warwickshire College
- 9 MIRA
- 10 Manufacturing Technology Centre



Airports:

- 11 Birmingham Airport
- 12 Coventry Airport



Rail – HS2 Hub

- 13 Coventry Station (to M: 2hr10min, B: 20mins, LE: 1hr 2mins)
- 14 Leamington Spa (M: 2hrs 25mins, B: 35mins, LM: 1hr 12mins)
- 15 Rugby (M: 1hr 56mins, B: 36mins, LE: 50mins)
- 16 Nuneaton (M: 1hr 43mins, B: 28mins, LE: 1hr 6mins)
- 17 Warwick Parkway (M: 2hrs 25mins, B: 26mins, LM: 1hr 20mins)
- 18 Coleshill Parkway (M: 1hr 54mins, B: 13mins, LE: 1hr 43mins)

Key: • LE: London Euston • LM: London Marylebone • B: Birmingham (New or Moor St) • M: Manchester Piccadilly

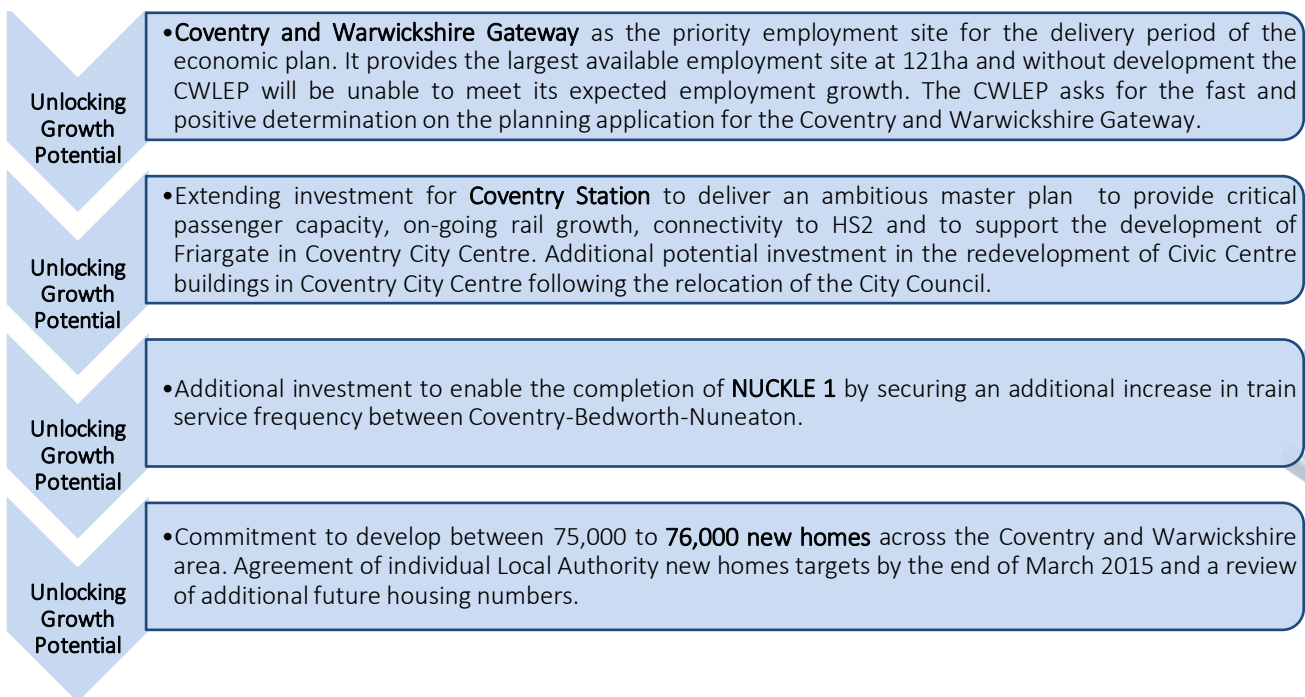
1. EXECUTIVE SUMMARY

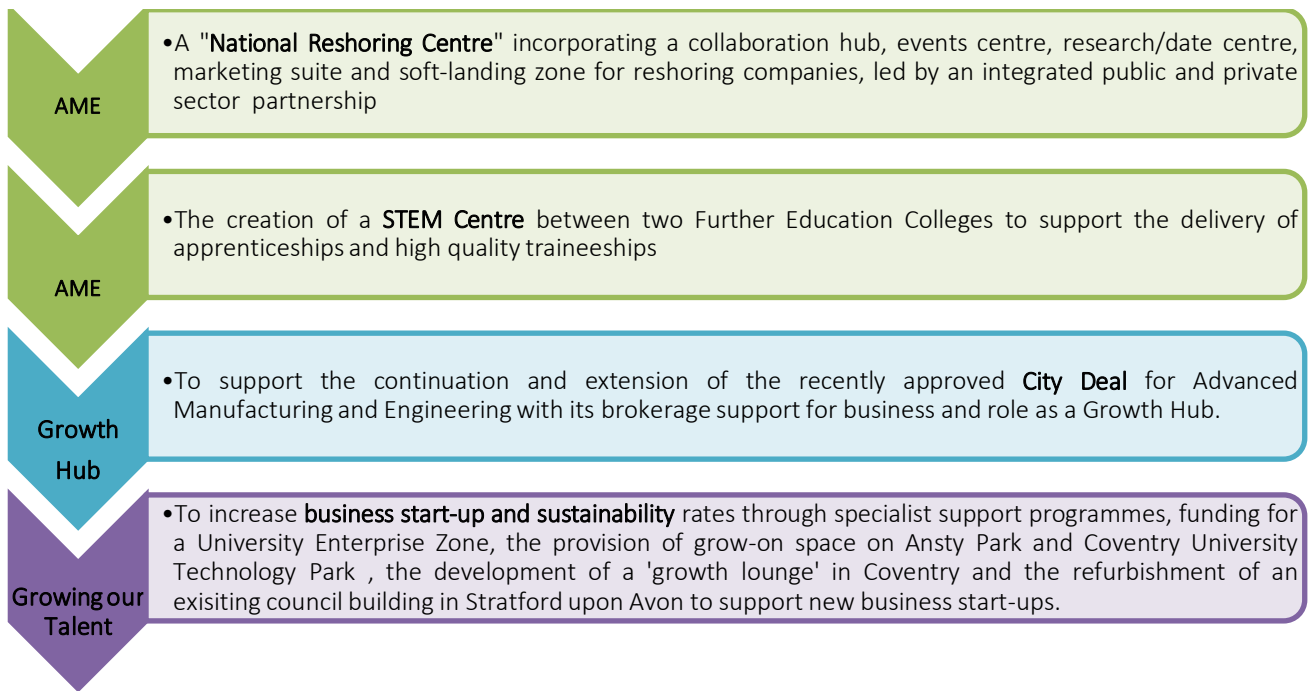
1.1 INTRODUCTION

Coventry and Warwickshire is recognised as a global UK hub in Advanced Manufacturing and Engineering (AME), with business and research links across the world. AME directly employs 34,000 people in Coventry and Warwickshire accounting for 10% of employment, 57% greater than the UK average overall and 500% greater than the UK average for the automotive industry and with an AME workforce that is 10% more productive than the UK average. This provides a compelling basis for locating a national centre for reshoring to drive jobs growth and support the next step in globalisation.

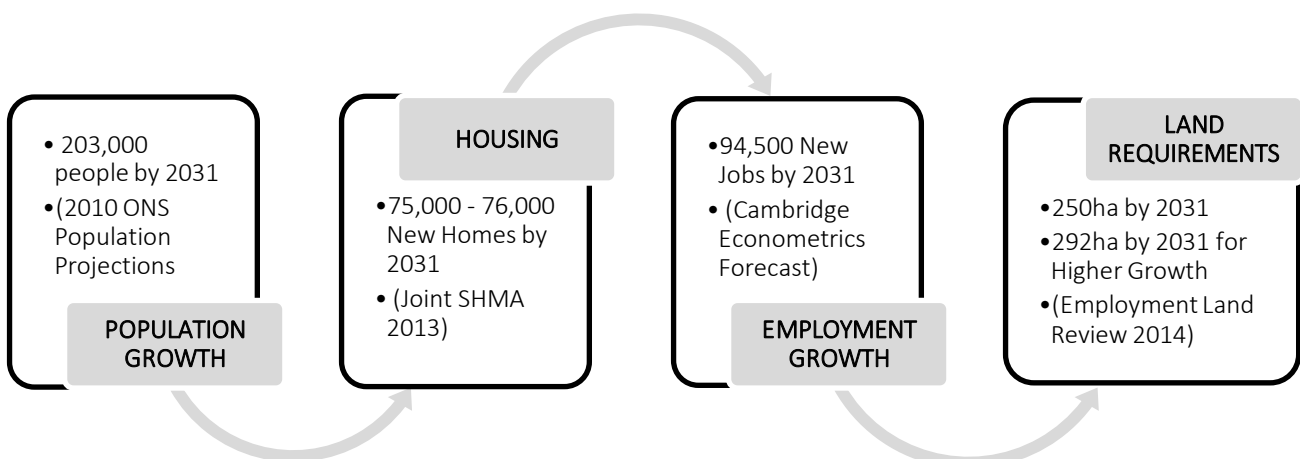
The area has major R&D and innovation centres; Coventry University, the Manufacturing Technology Centre (the location of a new high temperature research centre for the development of future generation aero engines), the University of Warwick and WMG (home to the National Automotive Innovation campus and Tata Motors European Technical Centre) and on the border with Leicester and Leicestershire LEP, MIRA, a world class independent vehicle engineering consultancy. Coventry and Warwickshire is home to major AME employers including; Tata, Jaguar Land Rover, Aston Martin, BMW, Rolls Royce, Alstom, Ricardo, Lear, Meggitt, Unipart, Delphi, Geely, GE Converteam and Bosch. This foundation of employers, R&D and innovation centres provides a significant basis for further inward investment and the enhancement of employment through the promotion of reshoring is the foundation of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Strategic Economic Plan (SEP).

This plan sets out the CWLEP ambitions for economic growth; proposals for realising these ambitions; the “offers and asks” of the Growth Deal with Government; and the initial calculation of Local Growth Fund investment that we will require to 2020/21. CWLEP is proposing a six year programme of private and public sector investment of ~£1.93billion. Government is requested to invest £304.7m of Local Growth Fund in delivering this strategic economic plan. Through the SEP CWLEP is prioritising:





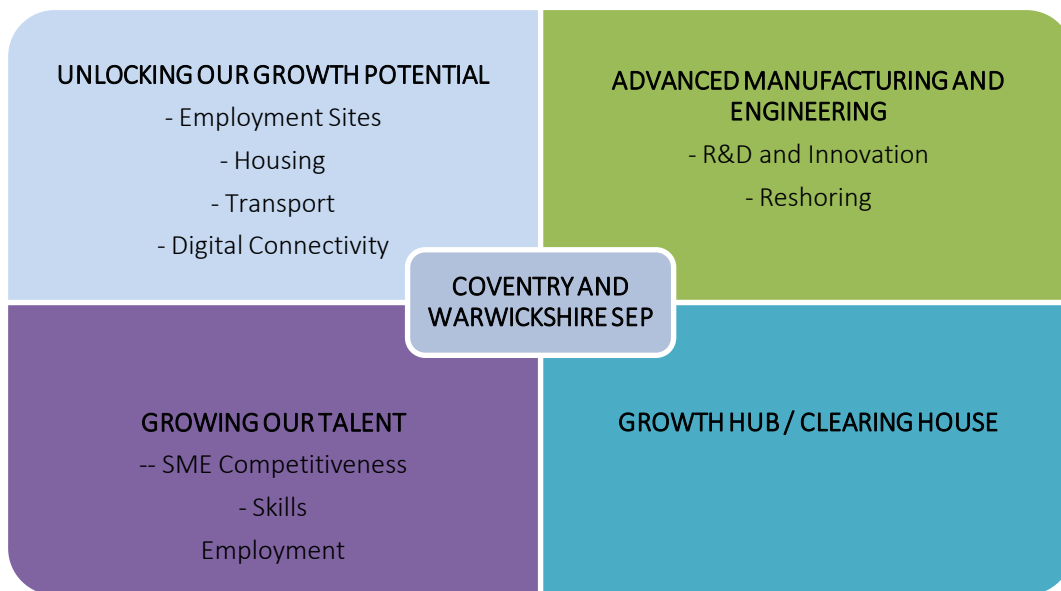
The Coventry and Warwickshire LEP area is situated in the Heart of England. The area includes the County of Warwickshire with a population of 545,474 people and covering a geographical area of 1,975 Km². It incorporates the Districts of North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-on-Avon and Warwick and the City of Coventry which is the 12th largest City in the UK outside of London with a population 316,900 and which covers a geographical area of 38.09 Km². The area has 398,400 people employed in both the public (17.5%) and private sector (82.5%), 364,350 homes and a stock of 35,960 VAT and/or PAYE based businesses. By 2031 Coventry and Warwickshire will have increased in population by 203,000 people, generated 94,500 new jobs, unlocked a minimum of 250ha of employment land and have provided approximately 76,000 new homes.



The vision for Coventry and Warwickshire recognises that we will build on our central location, employment sites, distinctive businesses, innovation assets and highly talented workforce, to become a high performing economy with innovative businesses competing internationally, growing and providing better paid employment opportunities for residents across both rural and urban areas. It is recognised that Coventry and

Warwickshire has a strong inward investment offer with its combination of an urban and rural identity and wealth of cultural, tourism and sporting assets.

Investment through the SEP will result in clear, tangible economic benefits to the businesses, residents, visitors, workforce and diverse communities in the Coventry and Warwickshire area. There are four investment programmes which are at the heart of the SEP vision.



1.2 UNLOCKING OUR GROWTH POTENTIAL

Economic growth and competitiveness depend upon having the right infrastructure. The SEP includes a high level “Jobs-Led Spatial Plan”, providing an overarching framework for growth and highlights infrastructure investment proposals in line with the assisted areas proposed for 2014-2020. The plan supports priority capital infrastructure projects which are designed to stimulate and accelerate business investment around identified priority employment sites; support sector-specific site developments, enhance transport connectivity, ensure commitment to the development of new homes and increase superfast broadband coverage.

Employment Sites

The availability of employment sites is fundamental to attracting new investors, retaining local businesses and reshoring of manufacturing. CWLEP has prioritised a portfolio of sites of differing sizes and readiness. These are Ansty Park, Bermuda Park, Coventry and Warwickshire Gateway, Friargate, Fen End, Lyons Park, Prologis Park (Ryton), Stoneleigh Park, Thickthorn, Whitley Business Park and Tournament Fields. CWLEP through its Major Sites Group will work with site developers and local stakeholders to identify investment priorities, freedoms and flexibilities to support future development. Building on the success of Ansty Park as a major development site and its anticipated next stage of development, CWLEP with the support of the local authority joint committee has identified the Coventry & Warwickshire Gateway as the priority site for sub-regional employment within the SEP delivery period, providing 121 hectares of employment land in a central strategic location. The site of Daw Mill Colliery will be considered as a future priority sub-regional employment site and CWLEP will work with North Warwickshire Borough Council to assess its development and investment requirements.

Housing

CWLEP recognises that Coventry and Warwickshire needs significant numbers of new homes by 2031 to support population growth, demographic change and maintain the jobs-housing balance. CWLEP fully endorses the conclusions of the Strategic Housing Market Assessment finalised in November 2013 that a higher level of provision (e.g. 75,000-76,000 homes) should be targeted. CWLEP will work with its constituent local authorities to identify future investment priorities, freedoms and flexibilities to support our future housing growth. It is the intention that all local authorities will have agreed their individual new homes targets by the end of March 2015 and a review of the potential for additional housing numbers will have been undertaken.

2015/16 LOCAL GROWTH DEAL: HEADLINE EMPLOYMENT SITE ANNOUNCEMENTS

ADVANCED PROPULSION CENTRE	<ul style="list-style-type: none">•As the pre-eminent location for private and public sector R&D and Innovation in Advanced Manufacturing and Engineering we have sites ready and available for the Advanced Propulsion Centre and request that through the APC this is funded as part of the Coventry and Warwickshire Local Growth Deal.
ANSTY PARK GROW ON SPACE	<ul style="list-style-type: none">•The grow on space creates capacity to develop SME capability, aligned to MTC High Value Manufacturing processes.It will enable companies to spin out from IPR generated by MTC and academic partners and provide the early support necessary to nurture these companies and other small start-up businesses in the Coventry and Warwickshire region.
COVENTRY UNIVERSITY TECHNOLOGY PARK GROW ON SPACE	<ul style="list-style-type: none">•An opportunity to address the limited capacity on Coventry University Technology Park in 2015/16 is available The proposed project will see the construction of a business incubator / grow-on space facility to support the development of new-business start-ups and the growth of existing businesses.

Transport

Coventry and Warwickshire is located in the centre of the country, and as such it benefits from good connectivity to the national road and rail network in terms of the M6, M40, M42, M45, M69, A5, A45, A46 and West Coast Main Line. Through the SEP investment in transport has been prioritised which directly complements economic growth in Coventry and Warwickshire by connecting hubs within the LEP area (e.g. MIRA to Coventry and South Warwickshire), two Universities, hubs in adjoining LEP areas, similar clusters of industry and skills and vitally connectivity to UK Central, Birmingham Airport and HS2.

Coventry and Warwickshire has a Local Transport Body (LTB) and the CWLEP Board has agreed that this group remains in place in the interim to ensure the delivery of the previously agreed priorities until the Single Local Growth Deal is agreed. The LTB and CWLEP Transport Group will merge and have a role supporting the LEP Board to bring forward the transport priorities of the SEP and will adopt a revised version of the LTB assurance framework.

2015/16 LOCAL GROWTH DEAL: HEADLINE TRANSPORT ANNOUNCEMENTS

NORTH-SOUTH RAIL & COVENTRY STATION	<ul style="list-style-type: none">•The SEP proposes to extend the investment already secured for Coventry Station in order to deliver an ambitious master plan which provides critical passenger capacity to accommodate a major employment development (Friargate) and on-going rail growth which is projected to add a further 2m passengers per annum demand to the station by 2023. It also seeks to cover the additional funding required to enable the completion of NUCKLE 1 by securing an additional increase in train service frequency between Coventry-Bedworth-Nuneaton and an additional bay platform at Coventry Station.
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Digital Connectivity

Commercial broadband rollout will leave some 91,385 premises without access to superfast broadband, whilst at the end of the currently contracted BDUK project some 57,326 premises will not be able to achieve superfast speeds (24Mbps). This reinforces the importance of broadband investment continuing beyond 2015, both to narrow the gap between those able and unable to access superfast services and to increase broadband speeds, as businesses' requirements will only increase over time. Through the strategic economic plan, CWLEP is seeking overall capital support of £26m to install the wholesale fibre network.

UNLOCKING OUR GROWTH POTENTIAL: 2015/16 LOCAL GROWTH DEAL INVESTMENT REQUESTED

LOCAL GROWTH DEAL: 2015/16 INVESTMENT:	
Unlocking our Growth Potential: Interventions	Local Growth Fund 2015 / 16
Ansty Park - Grow On Space	£7m
Fen End – Utilities Upgrade	£3.0m
Coventry University Technology Park – Grow on Space	£4m
North-South Rail And Coventry Station	£15.945
A46 North-South Corridor	£3.1m
A444 North-South Corridor	£3.07m
North-South Sustainable Transport Corridor	£2.0m
Connectivity To UK Central, Birmingham Airport And HS2	£600k
Housing And Local Growth Access	£2m
Digital Connectivity	£1.25m
TOTAL	£41.965m

Investment priorities beyond the 2015/16 Local Growth Deal will include continued investment in transport connectivity (specifically NUCKLES, Coventry Station and corridor improvement programmes on the A45, A46, A444 and A5), direct capital investment on employment sites, investment to support future housing growth and superfast broadband connectivity.

1.3 ADVANCED MANUFACTURING AND ENGINEERING

Advanced Manufacturing and Engineering is the foundation of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Strategic Economic Plan (SEP). Coventry and Warwickshire will be recognised as a major global centre for research and development in Advanced Manufacturing and Engineering and particularly Automotive Technologies. The SEP supports interventions which will accelerate research and development and innovation particularly within supply chain companies and enhancing access to World Class Research and Development and Innovation Infrastructure, supporting business growth in the AME Supply Chain and which will ensure current and future skills needs are met.

Investment priorities beyond the 2015/16 Local Growth Deal will include R&D and innovation technology support programmes, development of R&D 'campus' facilities at major employment sites such as the Coventry & Warwickshire Gateway and Fen End and demonstrator programmes and projects and will support business growth by the provision of coaching and mentoring, targeted access to finance, initiatives to address current and future skills needs and the creation of employment opportunities and those aimed at meeting employer demand.

2015/16 LOCAL GROWTH DEAL: HEADLINE AME ANNOUNCEMENTS

<p>R&D AND INNOVATION INTELLIGENT MOBILITY</p>	<ul style="list-style-type: none"> • A scalable architecture will be implemented to deliver optimised traffic flows on both the strategic highways (controlled by the Highways Agency) surrounding our cities and the urban roadways controlled by local authorities. Coventry and the surrounding strategic highways will be used as a blue print because it is highly representative of many UK and European cities.
<p>SKILLS STEM CENTRE</p>	<ul style="list-style-type: none"> • The creation of a STEM Centre (≈2,000sqm new build) is a proposed joint development between two further education colleges and will consolidate existing provision and develop new programmes to support the skills required for the labour market. This will be critical in creating a real employer-driven, responsive skills system. The core focus of the STEM Centre will be apprenticeships and high quality traineeships.
<p>ADVANCED PROPULSION RESEARCH LABORATORY</p>	<ul style="list-style-type: none"> • The creation of an Advanced Propulsion Research Laboratory (with a strong link to the Advanced Propulsion Centre) at WMG with world-leading facilities including engine, chassis and e-dynamometers; thermal fluids equipment; battery emulators; e-machines, charging and emissions laboratories; hardware-in-the-loop rigs and electric device analytics.

ADVANCED MANUFACTURING AND ENGINEERING: 2015/16 LOCAL GROWTH DEAL INVESTMENT REQUESTED

LOCAL GROWTH DEAL: 2015/16 INVESTMENT:	
Intervention	Local Growth Fund 2015 / 16
Advanced Propulsion Centre – Located in Coventry and Warwickshire	Funded through the APC
Advanced Propulsion Research Laboratory	£15m
Accelerating Research And Development And Innovation In AME – Intelligent Mobility	£1.5m
Skills Capital – AME STEM Centre and AME Apprenticeship Training	£4.95m
TOTAL	£21.45m + APC

1.4 GROWTH HUB / CLEARING HOUSE

This programme of intervention will support the continuation and extension of the recently approved City Deal (developed in collaboration with Hinckley and Bosworth Borough Council) for Advanced Manufacturing and Engineering with its brokerage support for business and role as a Growth Hub / Clearing House. It will integrate with the activities outlined in the growth programmes for Advanced Manufacturing and Engineering and Growing our Talent within this Strategic Economic Plan. CWLEP intends to use a significant proportion of the Structural & Investment Funds to provide the revenue funding required by the Growth Hub beyond its City deal financing. The Growth Hub will play a significant role in the development of the AME supply chain and support the development of the Coventry and Warwickshire offer for AME inward investment and reshoring. There is no capital investment request through the local growth deal for 2015/16 in relation to the Growth Hub.

1.5 GROWING OUR TALENT

One of the biggest challenges for the CWLEP will be to close the productivity gap between the CWLEP area and the UK, this gap will only widen (to 87% by 2025) without further intervention. Additionally the CWLEP will need to work to narrow the gaps between local authority areas within Coventry and Warwickshire in terms of economic output and wealth. These disparities will be addressed by concentrating on identified

growth opportunities in IT Services / Digital and Creative Industries, Logistics, Culture and Tourism, Healthcare and Assistive Technologies and Business and Professional Services. Investment priorities beyond the 2015/16 Local Growth Deal will include R&D and innovation technology support and demonstrator programmes and projects to support service innovation, increasing business start-up and sustainability rates and investment in a University Enterprise Zone, creating a step change in business growth to address issues of productivity, mainstreaming the rural growth network and enhancing our skills and employment base.

GROWING OUR TALENT: 2015/16 LOCAL GROWTH DEAL INVESTMENT REQUESTED

LOCAL GROWTH DEAL: 2015/16 INVESTMENT:	
Intervention	Local Growth Fund 2015 / 16
Increasing business start-up and sustainability rates – Refurbishing an existing council building to support new business start-ups.	£300k
Growing our Talent Skills Capital - Trade Based Training Programme Facility, Community based skills hub and IT based learning platforms	£2.08m
TOTAL	£2.38m

Note: The project interventions summarised within the SEP are detailed in supporting documentation available from CWLEP.

1.6 INVESTMENT

These four investment programmes are at the core of the Coventry and Warwickshire SEP vision. They provide the basis for the “offers and asks,” which comprise the Coventry and Warwickshire Growth Deal. Investment in developing employment sites total £1.3bn over the lifetime of the plan. The phasing of this investment will be quantified on an ongoing basis. A summary of the investment plan over six years from 2015 to 2021 is detailed below:

COVENTRY AND WARWICKSHIRE SEP 6-YEAR INVESTMENT PLAN

£s	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Local Growth Fund	65,795,000	54,160,000	41,890,000	25,567,000	40,267,000	78,017,000	304,695,000
ESIF	18,688,870	18,693,208	18,585,720	18,585,720	17,521,196	17,571,196	109,645,908
Public	31,384,888	21,541,056	23,335,312	17,502,312	16,749,182	15,849,182	126,351,056
Private	25,390,467	7,601,553	11,247,809	13,947,809	13,936,416	12,936,416	90,109,594
Sub Total	141,259,225	101,995,817	95,058,841	75,602,841	88,473,794	124,373,794	630,801,558
Private Sector Employment Sites	-	-	-	-	-	-	£1.3bn

1.7 OUTPUTS AND OUTCOMES

CWLEP has established an assessment mechanism for evaluating investment projects to enable project proposals to be tested and assessed with regard to their fit, alignment and likely impact on achieving the vision for Coventry and Warwickshire. Based on established priorities, relevant benchmark data, the assessment mechanism reflects the timeframe for achieving impacts and outcomes from different interventions.

CWLEP will build on the substantial experience of local authorities in monitoring and evaluating the impact of interventions. Evaluation will enable us to determine if our funded investment projects are achieving the

desired results and if not, why not. The evaluation activities will have four dimensions; to monitor progress, to assess performance, to determine the achievement of outcomes and to assess the level of impact. This will enable adjustments to be made to the plan to achieve the vision and related goals and outcomes. The SEP output and outcome targets have been established by assessing the combination of project interventions and baseline economic growth. The overall targets are as follows:

COVENTRY AND WARWICKSHIRE SEP: OUTPUTS AND OUTCOMES

SEP Intervention	Short-Term	Medium Term	Long-term
Outputs and Outcomes	2020	2025	2030
Gross Additional Jobs	31,820	42,453	50,099
Net Additional Jobs	25,456	33,962	40,079
Annual Net Additional GVA	£1.216bn	£2.221bn	£2.761bn
Cumulative Net GVA	£3.160bn	£11.663bn	£23.313bn
Gross Extra Floor Space	567,873SqM	1,014,170SqM	1,195,000SqM
Businesses Assisted	8,661	-	-
Net additional positive outcomes into employment	4930	-	-
Net additional skills assists leading to a qualification	10,135	-	-
New Homes	-	-	76,000
Private Sector Investment	-	-	£1.39bn

1.8 GOVERNANCE AND ACCOUNTABILITY

The CWLEP Board will provide local accountability and business rigour for the Strategic Economic Plan and the Local Growth Deal. The local authority Joint Committee will play a critical role through its representation on the LEP board, its scrutiny (local accountability) and role through Coventry City Council as the accountable body. Coventry and Warwickshire has a Local Transport Body (LTB) and the CWLEP Board has agreed that this group remains in place in the interim to ensure the delivery of the previously agreed priorities until the Single Local Growth Deal is agreed.

The CWLEP board and the Joint Committee have agreed that resources should be pooled to create an organisational structure to ensure the clear and coherent development of sub-regional planning, transport and economic policy and strategy and the alignment of key delivery initiatives across Coventry and Warwickshire.

Coventry and Warwickshire, in developing this SEP, have realised that it needs to raise its game in the on-going management of the Local Growth Deal implementation and the continuing development of the SEP together with managing the European Structural and Investment Fund Strategy. It also realises that an opportunity exists to effectively utilise resources across partners to deliver efficient relevant functional services across the CWLEP area. Joint teams covering policy, finance & monitoring and economic development will be developed to enable CWLEP to have an organisational structure that is fit for purpose to deliver on its responsibilities for managing the Strategic Economic Plan, the European Structural and Investment Fund Strategy and the CWLEP core activities. This management and delivery resource will be monitored on an ongoing basis to ensure that it remains appropriate. Reporting to the CWLEP Chief Executive, this structure will be developed overtime and as appropriate to meet the responsibilities and accountabilities placed on the LEP.

2. VISION AND ECONOMIC PRIORITIES

2.1 INTRODUCTION

Coventry and Warwickshire LEP is committed to working in partnership with its stakeholders to build a fair and prosperous society where everyone can enjoy a better quality of life now and in the years to come. A strong economy is needed to deliver this goal.

The Strategic Economic Plan sets out how CWLEP will grow the economy over the short, medium and longer term. Building growth and prosperity requires co-ordinated action from all sectors. It will require assistance from both national and local government and the continued support of national government in investing in the development of the Coventry and Warwickshire economy is acknowledged. However, private sector companies remain the key drivers of economic growth.

2.2 VISION FOR 2025

The ultimate aim for the Strategic Economic Plan is to improve the economic competitiveness of the Coventry and Warwickshire economy, as this remains the benchmark against which developed economies continue to be measured. To that end, CWLEP is determined to increase employment and wealth opportunities for all.

Coventry and 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 and 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 is long term in nature and reflects the reality of the time required to significantly grow the economy and build a stronger private sector. The SEP sets out a framework for growth and the economic priorities that will help deliver the economic vision.

2.3 CWLEP'S ECONOMIC PRIORITIES

The rationale for growth is detailed in Annex A to this SEP and a detailed SWOT analysis is provided in section 2.8 outlining the key strengths which we will build upon and the weaknesses that the SEP will seek to address. In summary, the Coventry & Warwickshire area has all the key characteristics of a high performing economy. It is extremely well placed on the strategic transport network, has excellent links with London, houses two universities and a number of world-class R&D institutions, has a range of multi-national companies (many with their headquarters based here), and a highly attractive environment for businesses to locate and residents to live, with a strong cultural and heritage offer. In addition, many parts of our economy have above average performance on a range of key indicators on economic prosperity, including business start-up rates, % of the population with a Level 4 or equivalent qualifications, employment rate, and job density.

A core priority is to ensure strong connectivity across the urban north/south spine (Nuneaton through to Coventry, Kenilworth, Warwick and Leamington) to improve travel by road and rail and within Coventry and the towns of Warwickshire, supply chain connectivity across the business base and the links between businesses and innovation and R&D assets potentially resulting in an increased GVA of upto ≈£2bn per annum.

In addition the SEP will support growth in productivity and Coventry across the whole of Coventry and Warwickshire with improved performance generating an additional ≈£1.7bn per annum.

The plan for unlocking and realising growth potential is outlined in section 3, 4, 5 and 6 of this SEP. This shows that the path chosen to economic competitiveness is to increase employment and wealth building on the recognised assets and resources of Coventry and Warwickshire, including strengths in advanced manufacturing and engineering, research and development capability and capacity, location and connectivity and range of available employment sites.

The economic priorities of the SEP are summarised below. They are aimed at *unlocking* key assets by improving physical connectivity across the economic area, enabling key employment sites to maximise their potential, and linking our key assets to support future growth. Alongside this, we are taking a number of immediate and complementary actions aimed at *realising growth potential* by supporting *Advanced Manufacturing and Engineering and Growing our Talent* to improve performance in key growth sectors, tackle areas of underperformance, and address employment and skills issues to the benefit of everyone in Coventry and Warwickshire.

2.4 UNLOCKING GROWTH POTENTIAL

Coventry and Warwickshire has an exceptional reputation for attracting some of the world's most successful businesses. This success is down to an ongoing commitment to creating the right infrastructure and conditions for growth. Every economy needs to continually invest, develop and grow to maintain and grow the competitive base.

Unlocking Growth Potential Priorities

- Coventry and Warwickshire will be recognised as a place to invest and innovate and the business base will compete and collaborate successfully in the global marketplace
- Infrastructure provision will be consistent with a growing global economy and support reshoring of activity within Advanced Manufacturing and Engineering and particularly the Automotive Industry
- Economic benefits are levered from the Research & Development and Innovation assets of Coventry and Warwickshire which are of national and global importance with connectivity and collaboration improved
- Future business grow is achieved with an increase in new business start-ups and the overall business stock and the creation of high productivity jobs

2.5 ADVANCED MANUFACTURING AND ENGINEERING (AME)

94% of investment in research and development and innovation is accounted for by our top 5% largest R&D investors with 95% of R&D investment in manufacturing. It will be through further investment in these areas that we will be able to build on the progress made since the establishment of the Coventry and Warwickshire LEP.

The SEP builds on existing strengths and the exploitation of new opportunities in the global economy. Many businesses are already competing successfully overseas. Support to these businesses will be continued and new exporting companies will be assisted to increase and diversify our export base.

Advanced Manufacturing and Engineering Priorities

- Coventry and Warwickshire will be globally regarded as the UK Centre of Excellence in Advanced Manufacturing and Engineering (AME) with strong supply chains
- Economic benefits are levered from the Research & Development and Innovation assets which are of national and global importance
- Coventry and Warwickshire will nurture, attract and retain talented people to meet business needs, leading to higher productivity
- AME businesses will be able to recruit the right people with the right skills to meet current and future growth needs
- AME businesses will be able to access dedicated sector specific support on a range of issues including Access to Finance, Skills, Innovation, Employment, International Trade and Process Improvement
- Economic growth will lead to better paid, accessible employment opportunities.

2.6 GROWING OUR TALENT

Sectors including IT Services, Digital and Creative Industries, Logistics, Culture and Tourism, Professional and Financial Services and Healthcare make a significant contribution to the Coventry and Warwickshire Economy in supporting employment and economic performance. Further investment in these areas particularly in supporting new business start-ups, increasing business resilience and improving the skills levels of residents is vital to ensuring that we enhance the productivity and competitiveness of the wider business base and increase employment opportunities.

Growing our Talent Priorities

- Coventry and Warwickshire will have a dynamic and productive business base with higher levels of entrepreneurship and improved business resilience
- Warwickshire will have a competitive rural economy with improved quality of life in rural areas
- Residents (and particularly young people and marginalised groups) across all areas of Coventry and Warwickshire will see an increase in employment opportunities in a range of sectors including culture and tourism where there is clear potential for growth
- Employed residents of Coventry and Warwickshire have the opportunity to improve and extend their skills throughout their working life and to deploy them to help drive productivity and growth.
- Unemployed residents are supported to retrain and acquire the skills needed for long term, satisfying and productive employment

2.7 ECONOMIC IMPACT

CWLEP commissioned independent economic consultants, Regeneris Consulting to build an economic impact model that captures the gross and net additional impacts from the activities, in terms of Gross Value Added (GVA) and Full Time Equivalent (FTE) jobs created.

Based on baseline data, the economic outcomes from the delivery of the SEP and future projections by 2025 we expect to achieve the following impacts in line with our vision and the outcomes of the four investment programmes: -

Vision: A global hub in Advanced Manufacturing and Engineering

- Increase direct employment in Advanced Manufacturing and Engineering by 8,835 people by 2025
- Increase Annual GVA in Advanced Manufacturing and Engineering by an additional £745m by 2025

Vision: A high performing economy with innovative businesses competing internationally

- Through the SEP increase annual net additional GVA by £1.216bn by 2020, £2.221bn by 2025 and £2.761bn by 2030
- Increase business stock by 2660 businesses by 2025 with a corresponding increase in GVA of £1.26bn per annum

Vision: Employment opportunities for all residents

- Through the SEP provide 31,820 new jobs through an increase in the employment rate by 2020, 42,453 new jobs overall by 2025 and 50,099 new jobs by 2030

2.8 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> • Strong representation of employment in Advanced Manufacturing and Engineering, specifically motor vehicles, architectural and engineering activities, fabricated metal products, machinery and equipment, electrical equipment and other transport equipment. • High Location Quotient of Advanced Manufacturing and Engineering employment in all areas of Coventry and Warwickshire • Growth in the Service Sector Economy of 88% over the last 30 years, specifically in Education, ICT, Finance, Insurance and Real Estate • Coventry and Warwickshire has double the employment share in foreign owned firms than the UK average at 30% compared to 15%. (Wholesale and Retail, Manufacturing, Administration and Support Services, Transport and Storage) • Employment rate above the EU 2020 target in Coventry (77%) and the Warwickshire districts of Nuneaton and Bedworth (80%), Rugby (83%), Warwick (85%) and Stratford (75%). • 2 World Class Universities and a strong network of Further Education Colleges • Access to World Class Research and Development and Innovation Infrastructure including Coventry University, University of Warwick, Manufacturing Technology Centre and MIRA • Businesses on average invest more in innovation than comparator LEAs and against the UK average and generate more patents than comparator LEAs • Availability of High Speed Digital Networks in Urban Areas • The Coventry and Warwickshire LEP area is situated in the Heart of England with good road and rail connectivity • Reductions in CO2 emissions and reductions of more than 10% in Nuneaton and Bedworth, Coventry, Warwick and Stratford between 2005 and 2010. • A great wealth of culture, tourism and sporting assets located within both an urban and rural environment. 	<ul style="list-style-type: none"> • Increasing productivity gap between the Coventry and Warwickshire LEP Area and the UK (productivity growth is one of the main drivers of economic growth). • Low levels of Research and Development investment in service sector industries (5% overall) in comparison to spend in manufacturing and low in relation to comparator LEAs. • Major employment sites with potential to significantly strengthen R&D capability are constrained by lack of key infrastructure and digital connectivity • Employment rate below the EU 2020 target in North Warwickshire (73%). • Job density or Job availability in Coventry (79%) and Rugby (75%) is low and significantly low in Nuneaton and Bedworth (61%). • Income and growth disparity between the north and south of the Coventry and Warwickshire due to large out-commuting in the north and large in-commuting in the south • Coventry and Warwickshire has significant levels of deprivation within a range of its local areas. Coventry is ranked 50th and Nuneaton and Bedworth is ranked 108th most deprived local authority out of 326. • Coventry's unemployment rate of 9.4% compares unfavourably to the national average of 7.8% with areas of Warwickshire also experiencing higher unemployment. • High youth unemployment rates which range from 29.2% in Nuneaton and Bedworth and 29.1% in North Warwickshire to 19.8% in Stratford-on-Avon, while they stand at 24.8% in Coventry and 24.4% in Rugby. • Rates of educational attainment below the national average across Levels 2-4. • High percentage of the population with no qualifications, 8th Lowest in the UK and below the English Average. • North - South Transport Connectivity, with 'A' classification roads (e.g. A46) often reaching capacity during peak travel times alongside poor North –South rail connections • Availability of High Speed Digital Networks. Warwickshire's average downstream speed is currently 12Mbps (13 per cent of the population - 2Mbps)

OPPORTUNITIES

- Forecast growth in employment and gross value Added in **IT Services and Health**
- **Large investment into research and development** and modern technologies in Advanced Manufacturing and Engineering. Relying on capital and knowledge and a highly-skilled workforce with transferrable skills.
- Potential **Research and Development ‘spillovers’** impacting on economic sectors and business groups
- **Utilisation of our Research and Development** and innovation Assets by our local Small and Medium Sized Enterprises
- Availability of significant **major sites** to support Research and Development
- Increase in number of **business start-ups** and an increase in the number of medium-sized businesses post economic downturn and related employment
- Projected increase in **Managerial, professional and associate professional employment**
- Further **reductions in CO₂** emissions in industry and commercial activity in Rugby
- A forecast **population growth** with 50% of the increase being in Coventry and a 20% increase of young people expected in Coventry.

THREATS

- **Decline in manufacturing employment.** Motor vehicles, metals and metal products, machinery and electronics have seen the largest decline since 1981 (of 37%, 71%, 77% and 96% respectively). Forecast GVA growth in AME in the North and Centre of the LEP area.
- **Insufficient support provision** to growth sectors that will drive Employment and Gross Value Added
- Failure to support young businesses and SMEs to invest in new products and services and develop new markets to build **economic resilience**
- Availability of **innovation space** to link businesses with research and development infrastructure
- **Relocation of foreign owned firms** from Coventry and Warwickshire
- The impact of an **ageing society.** Warwick, Rugby and Nuneaton and Bedworth are all forecast to see 2% increases in the percentage of people aged 65 and over, while North Warwickshire and Stratford-on-Avon will see increases of 4%, with Stratford having approximately 26% of its population aged 65 and over in 2021.
- **Impact of Climate Change.** One in seven of Warwickshire’s Local Enterprise Partnership (LEP) proposed employment sites are at risk flooding. Coventry city centre, the focus of its current economic prosperity and future development, is at significant residual risk of flooding if any of its major culverts were to fail.
- Continued **Imbalance of economic development** between the North and South of the Coventry and Warwickshire area
- Continued **poor transport connectivity** (road and rail) between the North and South of the Coventry and Warwickshire area.





Unlocking
our growth potential

Sites and infrastructure

Transport



Commuter flows in (69,015) and out (64,719) of LEP and within LEP (309,769) by mode:



By train: in (1,429) out of LEP (3,820) within LEP (1,007)



Car driver: in (59,242) out of LEP (52,691) within the LEP (178,745)



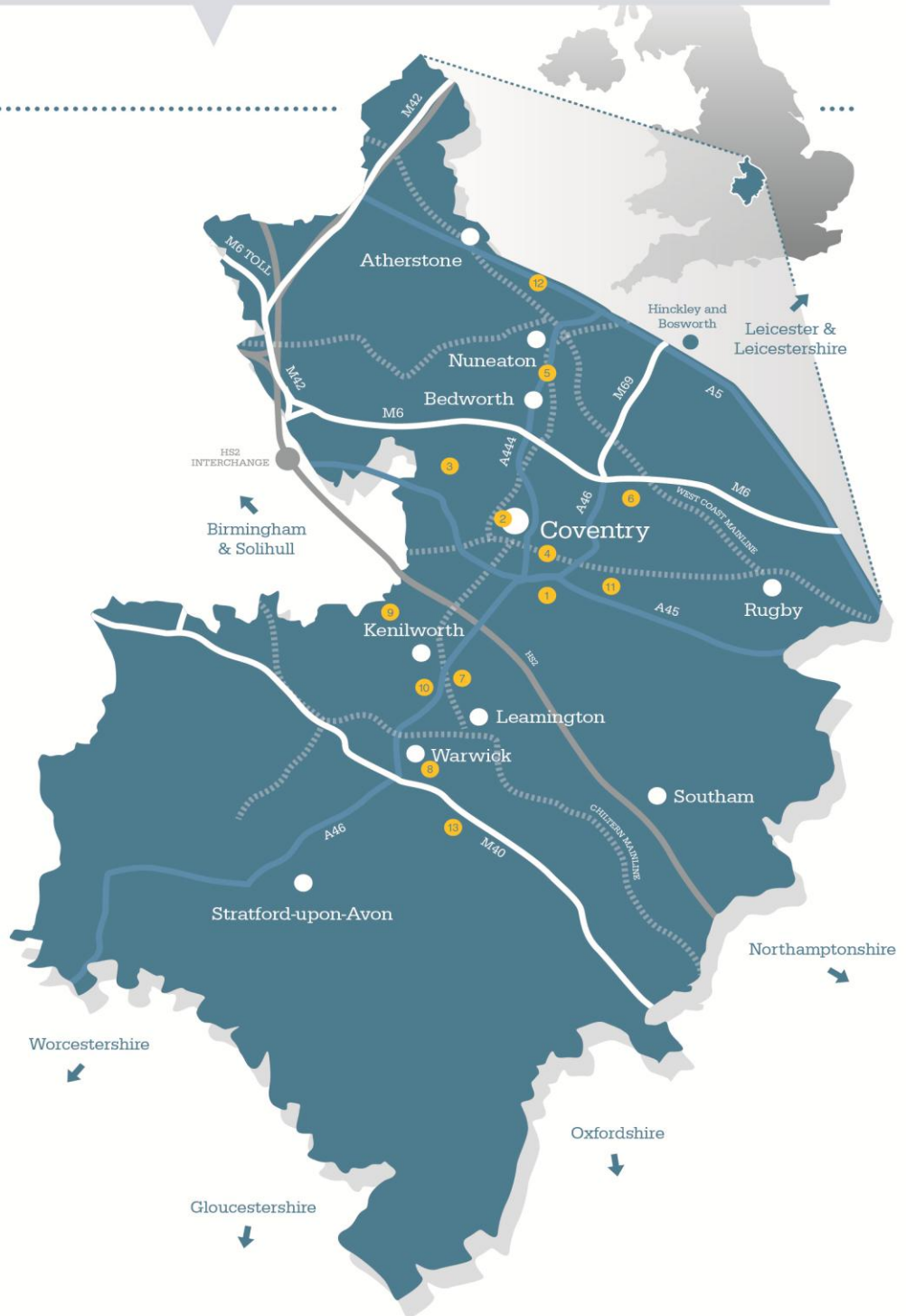
Prioritised Employment Sites:

- 1 Gateway
- 2 Friargate
- 3 Lyons Park
- 4 Whitley Business Park
- 5 Bermuda Park
- 6 Ansty Park
- 7 Stoneleigh Park
- 8 Tournament Fields
- 9 Fen End
- 10 Thickthorn
- 11 Prologis Park
- 12 MIRA Technology Park
- 13 Gaydon



Transport:

- A46 North-South Corridor
- North-South Rail Corridor
- A444 North-South Corridor
- A5 Corridor
- Coventry Station



3. UNLOCKING GROWTH POTENTIAL

3.1 INTRODUCTION

Coventry and Warwickshire has an exceptional reputation for attracting some of the world's most successful businesses as a base to do business including Jaguar Land Rover, Aston Martin, TATA, Severn Trent, BMW, Freestyle Games and TNT. This success is down to commitment to creating the right infrastructure and conditions for growth. Economic growth and competitiveness depend upon having the right infrastructure in place and there is a continued need to invest in order to maintain and grow the economic base. No economy can stand still and the importance of strategic planning of infrastructure requirements is recognised.

Coventry and Warwickshire is located in the centre of the country, and as such benefits from good connectivity to the national road and rail network in terms of the M6, M40, M42, M45, M69, A5, A45, A46 and West Coast Main Line. As a result there is excellent connectivity to London (one hour away), Manchester and Birmingham and international connectivity through proximity to Birmingham Airport. Our central location is a key competitive asset and the CWLEP area and its immediate surroundings are a key logistics hub for the country. This connectivity offers significant opportunities in terms of labour supply, the location of employment sites and employment for residents. Opportunities for working with neighbouring LEPs e.g. Leicester and Leicestershire, Northamptonshire and Greater Birmingham and Solihull are also significant for supporting the development of employment and economic growth (e.g. identification of transport infrastructure which will have cross-boundary benefits and the development of key employment sites such as MIRA). Investment in capital infrastructure is therefore central to both local economic growth and national productivity.

Investment is critical given that:

- Through population growth and demographic change the area will see an increase in population of ≈200,000 people by 2031
- We will generate ≈94,500 new jobs between 2013 and 2031 and will increase this further through the development of our economic plan.
- Through economic growth opportunities we will require ≈76,000 new homes by 2031
- We need a minimum of 250ha of employment land and 292ha to realise high growth potential

There is a recognised need to capture the benefits arising from growth, and to manage and mitigate the negative impacts (particularly congestion) across the functional economic area of Coventry & Warwickshire. The focus of intervention is on major employment and innovation sites, all closely linked to the rail or strategic highway network and all within relatively close proximity. The prioritised 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 support excellent access to labour in this corridor is critical to achieving the targeted growth. While the area benefits from good transport connectivity, this needs to be further strengthened to ensure the area remains competitive and attractive to new inward investment.

This section of the SEP sets out a high level “jobs led spatial plan”, providing an overarching framework for growth and highlights the key infrastructure investment proposals that are required to facilitate, support and

manage growth. The plan is to support priority capital infrastructure projects which are designed to stimulate and accelerate business investment around our identified key employment sites; support sector-specific site developments and facilitate wider economic growth.

3.2 COVENTRY AND WARWICKSHIRE INFRASTRUCTURE PRIORITIES

Coventry and Warwickshire has identified Advanced Manufacturing and Engineering as crucial to the development of our economy. Significant growth opportunities to 2025 in IT Services / Digital and Creative Industries, Culture and Tourism, Construction, Health, Logistics and Education have also been identified. Infrastructure support for these growth sectors is a key priority of this plan. Alongside the presence of supply chain businesses and the make-up of the resident labour pool, the quality of the transport network is a critical aspect of inward investment decisions. It has the ability to amplify the already excellent offer which Coventry and Warwickshire has in terms of ease of access to national and international markets, access by business to the supply chain and can expand the size of the pool of relevantly skilled labour.

Coventry and 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.

Coventry and Warwickshire has seen significant cooperation in the development of a distinctive sub-regional identity and spatial strategy.

- The City of Coventry has been identified as a major urban area with significant capacity for growth and regeneration
- Nuneaton/Bedworth, Warwick/Leamington Spa, Rugby and Stratford-upon-Avon were identified as "settlements of significant development". These towns are all proposing significant levels of new housing and employment growth through existing and emerging Local Plans and Core Strategies. Coventry & Warwickshire is a single Housing Market Area (HMA) and all authorities are working together under the Duty to Cooperate to identify and meet housing needs across the HMA.
- A strong North-South corridor across the CWLEP area running from Nuneaton through Coventry to Warwick and Leamington Spa has been established.
- Major investment sites of regional importance, including a regional investment site at Ansty, and sit within this corridor with recognition that a further investment site would be needed to meet future development needs.

The plan builds upon this and prioritises investment and other support including:

- Transport Corridors: The A46 (from M40 Junction 15 to M6 Junction 2), The A45 (from Tollbar Island to Birmingham Airport) A444 (from Coventry to Nuneaton), A5 (In North Warwickshire and Nuneaton and Bedworth) and the rail corridor from Warwick and Leamington Spa to Nuneaton via Coventry
- Key Urban Centres: Warwick/Leamington Spa, Kenilworth, Coventry, Nuneaton/Bedworth, Stratford-upon-Avon and Rugby
- Universities: Coventry University, University of Warwick

This geographical area also has the strongest concentration of AME companies within the CWLEP area, and includes the areas of local deprivation as identified in the (former) Coventry and Nuneaton Regeneration Zone.

UNLOCKING GROWTH POTENTIAL

Growth Challenges:

- Lack of employment opportunities, particularly within Nuneaton and Bedworth
- High levels of youth unemployment in Coventry and North Warwickshire
- Lack of readily available high quality and large employment sites
- Limited agglomeration effects along the north/south corridor as a result of poor connectivity
- Availability of housing and affordable housing to meet current and future employment demand - Only 42% of the homes Coventry and Warwickshire needs each year are being built
- Traffic congestion, lack of public transport, parking and poor access to basic amenities
 - A46: constrained despite investment at Longbridge and Tollbar as the benefits are limited without further investment
 - North-South Connectivity to connect people to employment
 - Capacity of Coventry Station to support current and future passenger numbers
- Lack of commercial property is acting as a strong disincentive for inward investment and is limiting growth in areas of higher employment
- Digital connectivity is a problem facing businesses and influencing investment decisions. Lack of superfast broadband to commercial parks and industrial estates is severely impacting on the ability of businesses in Coventry and Warwickshire to compete in the global market place

Priority Investments:

- To ensure transport connectivity and employment opportunities to support population growth and demographic change and linkage to the residents of 76,000 new homes
- Improving connectivity along the north/south urban spine to increase effective density and improve benefits from agglomeration
 - Investments in the NUCKLES rail line between Nuneaton and Leamington Spa and consideration of future extensions to Stratford-upon-Avon, the East Midlands and the Thames Valley
 - Addressing pinch points along the A46 corridor, initially between the M40 and M6/M69 whilst working with the Highways Agency to develop the case for further investment in capacity on the A46 between Stratford-upon-Avon and the M5 at Ashchurch
- Delivering actions that will unlock our key employment sites and enhance transport connectivity
 - Investments that support initial site development and critical infrastructure including digital connectivity, critical for R&D activities
 - Investments in grow-on space at Ansty Park and Coventry University Technology Park
- Addressing the main transport issues for connecting our existing and future key employment sites for our key economic growth sectors and our main innovation and research and development assets
- Enhancing our connectivity locally to UK Central, HS2, Birmingham Airport and Birmingham City Centre and our national connectivity through the road and rail network, including
 - Investment in Coventry Station to address future growth in passenger numbers
- Increased fibre footprint and the availability of the high speed wholesale broadband throughout the area
 - Commitment to the development of 76,000 new homes by 2031

SEP Employment Site Output and Outcomes			
Outputs and Outcomes	Short-Term 2020	Medium Term 2025	Long-term 2030
Gross Extra Floor Space (Sqm)	567,873	1,014,170	1,195,000
Net Jobs	21,842	29,495	34,082
Annual Additional GVA	£1.05bn	£1.98bn	£2.52bn
Cumulative GVA	£2.82bn	£11.2bn	£22.85bn

3.3 COVENTRY AND WARWICKSHIRE: SPATIAL JUSTIFICATION FOR JOBS LED GROWTH

A critical element of the SEP is the recognition of the distribution of employment opportunities and workforce population across a geographic area, in terms of the proportion of jobs per household and its implications on employment sites and the strategic transport network. Qualitative matching between skills, aspirations and job type is critically important as well as numerical balance. The aim of jobs-housing balance is to provide local employment opportunities that may reduce overall commuting distance among residents (or to provide homes near to workplaces).

The current job –housing balance is 1.06 (e.g. ≈1 job per house) based on 398,400 people employed and a housing stock of 374,350 dwellings in comparison to an English average balance of 1.004. Future baseline employment growth to 2031 equates to an additional 94,500 jobs and with an additional 76,000 new homes this would result in a jobs-housing balance of 1.09, confirming the requirement for new homes to maintain the jobs-housing ratio.

This however hides the disparities within Coventry and Warwickshire which need to be addressed through the location of new homes, new employment sites and enhanced transport connectivity. Coventry, Rugby and Stratford-upon-Avon all currently have a ratio in line with the Coventry and Warwickshire average yet North Warwickshire (1.37) and Warwick (1.28) have higher levels of employment than housing stock while conversely Nuneaton and Bedworth (0.75) has higher levels of housing than employment. It is these disparities which highlight the need for improved transport connectivity (e.g. Nuneaton and Bedworth connectivity through NUCKLES and the A444; A46 and A45 to support employment in Warwick) and employment growth sites (e.g. Nuneaton and Bedworth - Bermuda Park; Stoneleigh Park, Thickthorn and Tournament Fields near Warwick) and sites within the wider area (e.g. Ansty, Coventry and Warwickshire Gateway, Friargate, Lyons Park, Whitley Business Park and Prologis Park) to account for both an expansion in employment opportunities and to address issues of underemployment.

In this context the geographical concentration is in the following areas:

- The A45 and A46 key corridors which link; areas of major employment, education/training and technology activity; Coventry and the major towns; and connectivity through to UK Central, Birmingham Airport, Birmingham City Centre and the West Midlands Hub of HS2.

The A45 and A46 corridors are the location of:

- Whitley Business Park, which is the global headquarters for Jaguar Land Rover and provides a location for national, regional and local businesses with further development potential.
- The Coventry & Warwickshire Gateway scheme which is recognised by constituent local authorities as a regional employment site which will create a major new £250m Technology and Manufacturing / Distribution park on land adjacent to Coventry Airport and is planned around 300 acres of land that is to be developed and which will provide up to 10,000 new jobs in automotive, aerospace and digital technology; in manufacturing and logistics; and in support services and facilities.
- Lyons Park which can accommodate industrial and office facilities.
- Prologis Park at Ryton with industrial and distribution facilities and the location for Freeman, LG, Network Rail and UK Mail.
- The University of Warwick and University of Warwick Science Park which is home to the National Automotive Innovation Campus, a £92m investment between the Government, Jaguar Land Rover (JLR) and TATA Motors European Technical Centre (TMETC) and the International Institute for Product and Service Innovation.
- Thickthorn in Kenilworth, which lies immediately adjacent to the A46.
- Tournament Fields in Warwick, which will see the development of a business park and office accommodation immediately adjacent to Junction 15 of the M40 and the A46.

- North-South public transport infrastructure (NUCKLE 1 and 2) which links Nuneaton in the north through Bedworth, Coventry, Kenilworth to Leamington Spa in the south
- The North-South corridor (which forms the principal spine of our transport network), which includes a number of strategic highway corridors (e.g. A45, A46, M69, A444 and A452)

The North-South corridor is the location of:

- Bermuda Park, our second largest employment site, which has already attracted major occupiers such as Norbert Dentressangle, RS Components, Dairy Crest and UPS. Further development will provide detached buildings from 50,000 to 205,000 sq ft on 10.2 acres.
- Ansty Park, a major development site for Science, Technology and Innovation which is home to the Manufacturing Technology Centre (and one of the centres of the National Advanced Manufacturing Catapult) and the location of a new high temperature research centre for the development of future generation aero engines.
- Stoneleigh Park, managed by LaSalle Investment Management under a 150-year lease from the Royal Agricultural Society of England (RASE). LaSalle has committed up to £50 million investment by 2020 into a Science and Technology Park for focussing on innovation, sustainability, the environment, agriculture, rural businesses and research activities. The site houses the DEFRA funded Rural Innovation Centre and is home to the Agriculture and Horticulture Development Board.

- The redevelopment of Coventry station which has limited capacity and is critical for the development of North-South connectivity, and given its position on the West Coast Main Line for access locally to Birmingham Airport, UK Central and Birmingham and connections to the wider national rail network. In addition the station lies immediately adjacent to the development of Friargate within Coventry City Centre.

- Friargate is an office-led scheme planned to be a sustainable development with efficient, low energy buildings around a vibrant new public realm. Friargate covers an area of 15 hectares (37 acres) and will provide 300,000 sq m (3.2 million sq ft) of space in 26 new buildings. Planned new office buildings can provide up to 15,000 new jobs during the life of the project that is forecast to take 15 years to reach full completion. Proposals include two new hotels, new homes and supporting retail and restaurants.
- Coventry Station will also support development at Coventry University. Coventry University is the leading modern University of the year for 2014 and is renowned for its innovative and entrepreneurial focus and linkage with business. It focuses on employability and enterprise and its prestigious Technology Park hosts many leading knowledge centric businesses including the Serious Games Institute.

- The A5 which provides access to a number of important employment facilities, including Birch Coppice, TNT, MIRA, Magna Park, DIRFT and a number of industrial estates in the Nuneaton and Hinckley area.

- MIRA will be providing a total of 155,000 square metres of research and development facilities within the new MIRA Technology Park which includes the redevelopment of the existing MIRA buildings of 24,500 square metres.

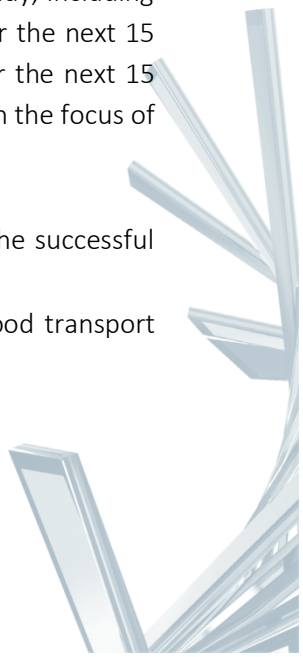
3.4 EMPLOYMENT SITES

The availability of employment sites is fundamental to improving the competitive edge of Coventry and Warwickshire, to attract new investors and retain local businesses in support of economic sectors and wider business growth. CWLEP through its Major Sites Group will work with site developers and local stakeholders to identify investment priorities and key freedoms and flexibilities to support future development.

An “open-call” for sites exercise was undertaken in September/October 2013 to enable the CWLEP to prioritise its support for future employment sites within the Coventry and Warwickshire area. These sites would be available for either direct foreign investment or for home-grown businesses. Significantly, sites would need to be available, commercially attractive and deliverable. This has resulted in the establishment of portfolio of sites of differing sizes (with gaps identified) and readiness (including those available within the next 18 months).

In addition CWLEP commissioned Atkins in November 2013 to conduct an Employment Land Study, including an assessment of the need within each district/borough for employment site requirements over the next 15 years by land use type and size and for an employment site(s) of sub-regional significance over the next 15 years by land type and size of site. The consultation exercise conducted for the study concurs with the focus of our strategic economic plan, namely that:

- Coventry and Warwickshire has great potential for further economic growth, building on the successful manufacturing, engineering and logistics clusters already located there.
- Coventry and Warwickshire is strategically located in the heart of the country and has good transport links which are important to businesses.



- Future growth opportunities include advanced manufacturing and engineering; logistics and distribution; and research and development activities linked to the expansion potential of the local universities.

Most stakeholders agreed that the sub-region needs at least one new large site of sub-regional importance and possibly two or three such sites in order to remain competitive and attract further investment from major British or international companies. It was suggested that these sites should be flexible in their use in order to be able to meet the specific requirements of key businesses, especially in the advanced manufacturing and engineering, logistics and research and development sectors. At the same time, a good supply of smaller sites should be maintained to meet the needs of local businesses.

The Employment Land Study assessed future employment growth prospects and the resulting demand for employment land and premises by B use class for the LEP and the individual local authority areas (it should be noted that our major employment sites include space for A, C and D use class.) The analysis was based on a number of forecasting techniques and scenarios, including Cambridge Econometrics' employment forecasts and the housing targets identified in the joint Strategic Housing Market Assessment. Based on three scenarios (Cambridge Econometrics Baseline, Cambridge Econometrics Growth and Housing Based) the requirement for B Class employment land was identified as 201ha, 292ha and 175ha respectively, with the recommendation of 250ha as the additional employment land requirement that Coventry and Warwickshire should plan for between 2011 and 2031. As outlined previously the strategic economic plan will prioritise investment and other support around:

- Transport Corridors: The A46 (from M40 Junction 15 to M6 Junction 2), The A45 (from Tollbar Island to Birmingham Airport) A444 (from Coventry to Nuneaton), A5 (In North Warwickshire and Nuneaton and Bedworth) and the rail corridor from Warwick and Leamington Spa to Nuneaton via Coventry
- Key Urban Centres: Warwick/Leamington Spa, Kenilworth, Coventry, Nuneaton/Bedworth, Stratford-upon-Avon and Rugby
- Universities: Coventry University, University of Warwick

This area also has the strongest concentration of AMEs within the CWLEP area, and includes the areas of local deprivation as identified in the (former) Coventry and Nuneaton Regeneration Zone. Significantly, the area includes a number of existing and proposed major employment sites. These sites are outlined in the table below. The sites are all at different stages of development however the successful delivery of them all, and the extent to which all will contribute to delivering the broader aims of this Strategic Economic Plan, will depend on a co-ordinated and focussed approach across the CWLEP area. It should be noted that these sites are not an exhaustive list of all available employment sites and additional sites will continue to be prioritised on an ongoing basis and marketed within our inward investment offer.

CWLEP recognises that green infrastructure (GI) and the historic environment play important roles in attracting and retaining industry and labour within the area and can provide many other social, economic and environmental benefits and Tourism opportunities. The LEP will promote sustainable development in both the existing sites and future employment and residential developments.

Site	Site Area Remaining	Gross extra floorspace (if fully developed out)	Total gross jobs that could be accommodated (FTEs)		Net jobs after local displacement and multiplier effects (FTEs)	
	Hectares	000s sqm	by 2030	by 2021	by 2030	by 2021
C&W Gateway ZONE A and B	121	428	10,300	4,100	7,300	2,900
Friargate	15	173	10,000	3,900	8300	2,900
Lyons Park	16.5	82	2800	2800	2000	2000
Whitley Business Park	37	98	5,100	3,800	3,800	2,800
Bermuda Park Extension 1 and 2	62	131	2500	1300	170	900
Ansty Park Phase 2	23.4	89	5,700	5,700	5,700	5,700
Stoneleigh Park	5	12	700	700	500	500
Tournament Fields, Warwick	15.5	56	1,400	1,400	900	900
Fen End	10.1	28	1,580	924	1612	942
Thickthorn, Kenilworth	8	56	3,600	2,100	3,600	2,100
Prologis Park, Ryton	20.6	44	500	500	200	200
Total	334	1,197	44,180	27,224	34,082	21,842

3.4.1 COVENTRY AND WARWICKSHIRE GATEWAY

The Coventry & Warwickshire Gateway site lies immediately to the south of Coventry at the heart of the CWLEP area. When completed, it will offer 408,000 sq m of B1, B2 and B8 floorspace on 121 hectares in a central strategic location which capitalises and unlocks current and planned investment and supports economic and social priorities across the CWLEP area. The site is recognised by constituent local authorities as the major regional employment location for development and utilises the value of the land (partly owned by Coventry City Council) to develop the infrastructure and unlock private sector investment. The former West Midlands Regional Spatial Strategy identified the area within which the Gateway site lies as a High Technology Corridor, and Gateway is well located in relation to both local universities and to other major employment sites across the CWLEP area (in particularly the Whitley Business Park, home to the world headquarters of Jaguar Land Rover). Employment land studies, carried out for the CWLEP by independent consultants (WS Atkins and GL Hearn) have identified the requirement for a priority regional employment site and confirmed that Coventry and Warwickshire Gateway is the priority employment site. The Gateway provides the largest available employment site at 121ha and without development the CWLEP will be unable to meet its expected

overall employment growth. There is no public sector capital investment required through the local growth deal to bring this site forward.

3.4.2 ANSTY PARK

Ansty Park is a major site in Coventry and Warwickshire for the growth of Advanced Manufacturing and Engineering. Through the SEP the CWLEP is seeking funding through the local growth deal to develop grow-on-space linked to the Manufacturing Technology Centre.

LOCAL GROWTH DEAL 2015/16: ANSTY PARK GROW-ON SPACE

The grow-on space creates capacity to develop SME capability, aligned to MTC High Value Manufacturing processes. It will enable companies to spin out from IPR generated by MTC and our academic partners and, provide the early support necessary to nurture these companies and other small start-up businesses in the Coventry and Warwickshire region. The facility needs to combine office and workshop accommodation and provide the capacity and capability to support SME start-ups and nurture them in an innovative campus environment, providing access to larger businesses and potential clients, leveraging support from MTC. The facility needs to be flexible and offer the potential for MTC and other large innovative business to deploy rapidly and flex project team sizes, co-located with the SME start-up and local SME community.

Due to the lack of immediately adjacent and available floor space, there is limited interface and interaction between the MTC and SME's. This has been identified as a weakness in the Park's offering and the overall benefit that the MTC can deliver to the Midlands and the UK's wider manufacturing/R&D and the resultant benefits that can be delivered. The MTC have also recognised this and are working closely with Coventry University who are helping them with an SME incubator support programme. Whilst there is confidence that the grow on scheme immediately adjacent to the MTC will be a success, there is no appetite in the current climate for the private sector to develop premises, which have a restricted use and flexible lease terms. Public sector funding is therefore required for the capital costs of the scheme. A revenue stream will be generated in due course from the operation of the grow-on space as it becomes established and all running costs are recovered.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
Grow on Space at Ansty Park	£11,1110,000	£7,000,000			£4,111,000
	Measurable Outcomes				
	<i>Businesses Assisted</i>	<i>Jobs Created(Gross)</i>	<i>GVA Generated(2020)</i>	<i>GVA Generated(2025)</i>	
	20	240	£36,000,000	£43,200,000	

Finding local advantage in the global economy is a critical component for driving economic growth. Coventry and Warwickshire has international connections present in many different activities, networks and individuals - from large multinational exporters, to professional networks. As a result it is ranked first out of all 39 LEPs for the highest share of total employee jobs in foreign-owned enterprises. Coventry and Warwickshire must attract higher-value added employment in line with the existing success in Advanced Manufacturing and Engineering. The return of production to the UK from overseas ("Reshoring") presents a significant opportunity for bringing the benefits of globalisation back to local areas of the UK. As outlined in the SEP

executive summary the productivity of Coventry and Warwickshire in Advanced Manufacturing and Engineering is higher than that of the UK average and we employ proportionately more people in AME than the average across the UK and have significantly higher employment in the automotive sector.

The availability of employment sites, productivity, innovation and research and development make Coventry and Warwickshire a prime location for the reshoring of production back to the UK. CWLEP has identified the potential for a “National Reshoring Centre” which builds upon the new Reshore UK service announced by the Prime Minister at the World Economic Forum in Davos. It would be led by an integrated partnership including UKTI, MAS, the Manufacturing Technology Centre, CWLEP and the automotive sector.

In 2015/16 CWLEP will discuss with MAS and UKTI the principles of a reshoring centre and will support the principles of reshoring support through the Clearing House funded through the City Deal. It is envisaged that a proposal will be forthcoming for the 2016/17 Local Growth Deal which would incorporate a collaboration hub, events centre, research/date centre, marketing suite and soft-landing zone for reshoring companies. The facility would support high-level supply-chain analysis, productivity analysis and strategy development, harness available data and the brokerage potential of both UKTI and Foreign Office through their work with business in International trade and MAS in their support for SMEs, enable linkage between large businesses and innovative small businesses, support product development through linkage to our national manufacturing innovation assets (Catapult Centres and Advanced Propulsion Centre) and support companies in reshoring by providing a “soft-landing” opportunities for inward investors.

To support the reshoring of Advanced Manufacturing and Engineering within Coventry and Warwickshire and the creation of new high-productivity jobs, CWLEP requests the establishment of a one-off £100m capital allowance scheme for 100% capital allowances which can be claimed on the cost of constructing industrial and commercial buildings (including offices).

Intervention Summary:	Funding Requirement (£s)				
	Total	Growth Deal	ESI Funds	Public	Private
National Reshoring Centre	£15,000,000	£15,000,000	0	0	0

3.4.3 FEN END

The Fen End site provides a key opportunity to unlock additional R&D provision supported by a critical test track facility. Development of this site will complement the growth of other key automotive sector employment sites with test tracks at MIRA and (JLR) Gaydon as the nature of the test track offer differs significantly. Its location offers a discreet setting for R&D activities and track testing and although slightly removed from the main north/south growth corridor it has good communication links to Birmingham International Airport the Birmingham-Euston rail link and all the major motorway networks and will directly benefit from the planned investment to create Kenilworth station and improve the Stanks junction on the A46. These locational benefits have already attracted a major foreign car producer to locate, on a lease basis, R&D activities at the site with a view to a more permanent arrangement. The proposed development of the site will create a significant cluster of specialist accommodation for AME sector, particularly OEMs that required dedicated access to test track facilities. Extant outline planning consent is in place for the development of up to 27,836m² of additional floor space which, over the development period, could create 1,706 additional jobs in the sub-region, 1,612 of which would be at the site.

LOCAL GROWTH DEAL 2015/16: FEN END

Expansion of the site was initially stalled by the need to provide access improvements and improvements to the local highway network. This has been addressed through the CW City Deal which released £559,000 of s31 funding to Warwick District Council to allow the highways upgrades to be completed during 2014/15. However, even with this enabling development, the owner's negotiations with overseas companies seeking to relocate R&D facilities to the site have been hampered by a lack of available funding to complete a suitable utilities upgrade. The current development programme, as outlined in the CW City Deal, envisaged an initial upgrade in late 2015 after the completion of the development of the first phase of new buildings delivering 3,587m² of new floorspace. This is now being compromised by a situation, previously experienced at Ansty Park, where it is clear that there is a need for the utilities to be upgraded in order to attract the R&D occupiers, but the owners have insufficient funding to build speculatively and need to attract occupiers to fund the upgrade.

This situation can be resolved by a modest Growth Deal investment totalling £3m. This investment would be supported by £4m private sector funding for infrastructure upgrades to the site and test track and would unlock £57m private sector funding for the development of the R&D facilities and accompanying jobs growth.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
Fen End Utilities Upgrade	£7,000,000	£3,000,000	0	£559,000 (City Deal)	£4,083,000
	Measurable Outcomes				
	<i>Additional Net New Jobs</i>		<i>Additional Private Sector Investment (NPV)</i>		
	810		£23,400,000		

3.4.4 FRIARGATE / COVENTRY UNIVERSITY

Coventry and Warwickshire has access to World Class Research and Development and Innovation Infrastructure at the University of Warwick and Coventry University. Alongside the Universities are the University of Warwick Science Park and Coventry University Technology Park which both offer office space as well as a range of business support services.

LOCAL GROWTH DEAL 2015/16: COVENTRY UNIVERSITY TECHNOLOGY PARK

An opportunity to address the limited capacity on Coventry University Technology Park in 2015/16 is available. The project led by Coventry University Enterprises Ltd will see the construction of a business incubator / grow-on space facility which can be redeveloped in a 12 month period at a cost of £4m (excluding land) to provide 800 sqm of space on Coventry University Technology Park. Coventry University Enterprises Ltd has significant experience of managing large capital and revenue projects. The full financial and project management systems which have been utilised in earlier projects will be deployed for this capital project. Without financing the build will not proceed and the existing capacity constraints on the park will remain. The project will support the development of new-business start-ups and the growth of existing businesses. The project includes the development, fit out and commissioning of a grow-on space building on the Coventry University Enterprises (CUE) Technology Park. The tenant companies will be recruited through the general activities of CUE. They will have access to the wider facilities of Coventry University Technology Park and will be able to bring potential customers and collaborators in.

Through the layout of the facility, they will be able to mix socially with other users to interchange ideas and potential projects. Once established Coventry University Enterprises Ltd will provide facilities management and will deliver business support through retained rental income.

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Coventry University Technology Park : Grow-On Space	£8,000,000	£4,000,000	-	£4,000,000	-
	Measurable Outcomes				
	Businesses Assisted	Jobs Created(Gross)	GVA Generated(2020)	GVA Generated(2025)	
	15	173	£26,000,000	£31,000,000	

In addition Coventry University and Coventry City Council have announced at the recent MIPIM property exhibition that they have concluded an exclusivity agreement for 12 months on the redevelopment of Civic Centre buildings in Coventry City Centre following the relocation of the City Council to the new Friargate development adjacent to Coventry Train Station. Given the prominent location of the sites, the identified need within the SEP consultation process to support the development within the City Centre and the importance of the location for driving future growth the University will be seeking capital funding through the Local Growth Deal to 2020/21 and will be profiling detailed project interventions for funding from 2016/17. A projection of £4m per year (excluding land) has been included in the SEP financing which along with match-funding details will be revised when final plans have been concluded.

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Friargate / Coventry University	£20,000,000	£20,000,000	0	0	0

3.4.5 GAYDON – FUTURE OPPORTUNITY

Jaguar Land Rover has a significant presence at Gaydon, the location of its key product development facilities (M40 Junction 12). It is actively promoting plans involving a consolidation and expansion of its operations at this location. In its emerging Core Strategy, Stratford-on-Avon District Council is proposing to allocate a site of 100 hectares adjacent to the existing JLR site to facilitate the proposed business expansion and a significant amount of housing. A short distance to the north off Junctions 13/14/15 of the M40, Warwick District Council is seeking to build on the success of the location of National Grid, Rolls Royce (Energy division) HQs and is proposing in its emerging Local Plan an expansion of the Warwick Technology Park/Tachbrook Business Park as well as several thousand houses and new educational facilities. Both of these emerging proposals are likely to have significant overlapping implications for local/national transport and other infrastructure. The CWLEP supports both of these proposals and will want the Government's/Highway Agency's co-operation to investigate and invest to deliver the infrastructure to enable these developments to happen successfully.

3.4.6 COVENTRY AND WARWICKSHIRE INWARD INVESTMENT & INFRASTRUCTURE FUND

The regeneration of potential strategic development sites (particularly brownfield sites) presents a significant opportunity for supporting the growth of the CW economy. One of the key areas of market failure is that in

many cases, banks are unable to support the full costs of businesses undertaking large-scale premises developments.

Similarly, the continued austerity measures and pressure on public sector finances means that developers and local authorities alike are unable to cover the investment in major new land and transport infrastructure developments that will unlock job creation impacts within their core budgets. There are a significant number of underused brownfield sites, which present potential growth opportunities for the local economy, through the development of new employment land, which will help businesses to modernise their operations, and also directly lead to job creation. There are a number of foreign investors seeking to bring large scale investment into the UK, investment that would stimulate new and existing supply chains creating new jobs. Many of these investors are working with national and local governments to seek public financial support as part of their decision making process and bridging the gap of initial financial costs in making the investment decision.

Support to the development of major infrastructure projects across Coventry and Warwickshire, through the provision of grant and loan finance, which would be made available through Coventry and Warwickshire's local authorities. This could include the development of new employment land that will enable business to start or modernise/ diversify their operations, or investments in the land and transport infrastructure that will unlock sites for development and lead to job creation impacts. Support within a combined fund to bridge financial gaps in large foreign investment into the sub-region, maximising local employment and business supply chain benefits.

The fund will be financed through a range of sources, but primarily from Local Authority funds matched by LGF. It is also envisaged that banks will also act as a key source for generating match funding for the infrastructure projects. It will be a capital fund. The total size of the fund would initially be around £100 million. This is based on assumptions that are emerging from current local infrastructure fund currently being planned within the sub-region will be around £50 million in value and will work with local authority partners to look to increase this further.

The expectation is that the generation of local funds will be matched at a national level by government as part of the commitment and delivery of the SEP. The initial local request from government would be that for every local £1 put into the fund, government would match it with a £1 from within the SEP. Building on Cabinet Office benchmarks and figures included in Coventry and Warwickshire's ERDF and RGF programme bids, it is assumed that each £10,000 of funding will lead to the creation of a new job. Any fund of £100 million in value could therefore potentially support the creation of 10,000 new jobs.

3.5 BUILDING NEW HOMES

At the time of publication (March 2014) only Rugby Borough Council has confirmed their future planned housing numbers. As a result of this, proposals for interventions that support an identified need for housing will be detailed in future revisions of the strategic economic plan. There is no capital investment request through the local growth deal for 2015/16 in relation to housing; however, the local authorities in the area (supported by CWLEP) do ask Government for the ability to increase their borrowing levels to support investment in the housing market. Funding towards local transport pinch point improvements will inevitably help housing growth delivery in the medium/long term given the strategic locations on the transport network that have been prioritised within the SEP.

CWLEP recognises that Coventry and Warwickshire needs significant numbers of new homes by 2031 to support population growth and demographic change. The Coventry & Warwickshire Joint Strategic Housing Market Assessment (SHMA) Final Report (November 2013) identified an assessed need for 75,000 to 76,000 new homes between 2011 and 2031 based on midpoint headship assumptions and an absolute minimum provision of 66,700 new homes. CWLEP fully endorses the conclusions of the SHMA and given affordable housing needs and economic evidence that the higher level of provision (e.g. 75,000 - 76,000 homes) should be targeted. CWLEP will work with its constituent local authorities to identify future investment priorities and freedoms and flexibilities to support future housing growth and to review future housing numbers to support economic growth.

The shortage of new homes is a significant barrier to achieving sustainable economic growth. Data from the National Housing Federation highlights that “the average home in the Coventry and Warwickshire LEP area costs around £187,760 - nearly nine times the average local wage - making the standard 25% deposit almost £47,000. Costs of renting privately are also high and set to spiral further. The high cost of accommodation has left over 39,000 households on social housing waiting lists in the LEP area alone. Only 42% of the homes Coventry and Warwickshire needs each year are being built”.

The overall need for housing identified in the SHMA has been based on Draft Planning Practice Guidance (CLG, Aug 2013) and the 2011 Interim Household Projections. Adjustment has been made to take account of latest information and to consider need over longer-term timeframes for strategic planning including population trends and particularly migration.

To help address the shortfall in housing CWLEP requests that the housing borrowing cap is lifted and local authorities (if necessary) are allowed to invest in housing under normal responsible borrowing guidelines. Local housing associations and local authorities are well placed to explore the provision of purpose-built homes for market rent so that these are available for the employees of business seeking to relocate. In Rugby for example, well managed, high quality, privately rented homes are key for the sustainability of the borough’s new urban extensions, as well as for the expanding DIRFT development.

The overall assessed need for housing outlined in the SHMA is as follows:

Housing Need per Annum	CWLEP Area	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	Stratford-on-Avon*	Warwick
Minimum Provision	3,335	1,040	150	430	575	480	660
Assessed Need	3800	1,180	175	495	660	570	720

*Stratford on Avon DC has commissioned a report by ERM Consultants to examine the Coventry Housing Market SHMA. The advice provided indicates a housing requirement for the District of 10,500-10,800. Stratford has agreed its objectively assessed housing need is 10,800 and is including this provision within its emerging core strategy.

These figures represent housing needs rather than housing targets as they do not take account of land availability and development and infrastructure constraints in different areas. As such they are not adopted

planning policy. They also do not take account of any potential shortfall in housing provision in other local authorities, within or beyond the housing market area (HMA). For the above reasons, the SHMA recommends that greater weight is ascribed to the HMA-level conclusions.

The local authorities across the CWLEP area are working together to ensure that their development strategies are aligned with needs identified in this Strategic Economic Plan. Local Plans and Core Strategies that are currently in preparation are being informed by the SHMA Assessment. Beyond this, the local authorities are working to refresh this assessment and develop a collaborative strategy which will:

- Ensure that the total housing requirement for the Coventry and Warwickshire Housing Market Area is met in full;
- Align the location of new housing with the sub-regional growth agenda as identified in this Strategic Economic Plan; and
- Identify strategic spatial options for meeting housing needs and, based on this, identify broad locations for development.

A coordinated timetable will be prepared for reviewing local plans and core strategies as necessary where new evidence points to the need for additional sites to be identified or where there are other implications (such as infrastructure requirements) which impact upon existing plans.

As was concluded in the Coventry and Warwickshire SHMA, “in moving forward it will be important that the local authorities continue to collaborate in considering how the housing need identified for the Housing Market Area (HMA) can be addressed and if there is a need to consider any unmet needs from adjoining HMAs. It would seem appropriate to bring together the needs evidence and capacity assessments and to consider how these relate. Where an authority is unable to meet its own housing need in full, it will need to work with the other authorities, first of all within the HMA, to consider how these needs can be met. Ideally the authorities should collaborate to agree, taking account of the wider evidence, the appropriate spatial strategy for housing provision across the HMA. On-going collaboration on these issues, including in addressing unmet needs, will be important in ensuring that the authorities meet their statutory ‘Duty to Cooperate’ in respect of plan-making. Local authorities will need to continue to work together to consider these issues and have a ‘Duty to Cooperate’ in doing so”. Recent discussions at the Local Authority Joint Committee have focussed on ensuring the success of the necessary collaboration and the fulfilment of the duty to cooperate.

Considering affordable housing the SHMA concludes that “there is a much stronger relationship between the sizes of households and the sizes of homes people occupy, particularly for working-age households (taking into account the under-occupancy charge (the so-called ‘bedroom tax’)). The mix of housing needed is thus focused more towards homes with fewer bedrooms”. The SHMA recognises the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

3.6 ENHANCING TRANSPORT CONNECTIVITY

Investment in transport will directly complement economic growth in Coventry and Warwickshire by connecting hubs within the LEP area (e.g. MIRA to Coventry and South Warwickshire), our two Universities, hubs in adjoining LEP areas and connecting similar clusters of industry and skills.

The transport network of the Coventry and Warwickshire area and the accessibility which it affords is one of the reasons why over time business has chosen (and continues to choose) to locate here. Directly located at the centre of the UK the area of growth focus benefits from excellent accessibility to the UK and international markets - via air from nearby airports and by sea via rail freight from various sites located across the northern and eastern LEP area and which are at the centre of the UK's rail freight network.

Four headline transport issues have been identified which will directly impact the attractiveness of prioritised employment sites, in terms of marketability, productivity and employment. Addressing these through the identified priority programmes will enable growth to be brought forward more quickly and for the associated market lead economic activity to be more productive and more likely to closely align with Advanced Manufacturing & Engineering and Logistics.

In recognition of the complexity of the transport agenda and scale of proposed SEP investment a separate detailed supporting transport document is available from the CWLEP website. This is intended for transport specialists or those with a specific interest in transport.

1. A46 & A5 corridors: Constrained despite investment

- Welcome investment of approaching £200m has been made in the A46 corridor over the last 10 years by the Highways Agency at Longbridge (M40, J15) and Tollbar (A46/A45). The rationale and business case for this investment was significantly influenced by the role which the A46 plays within the strategic highway network with the business cases for these schemes taking some 20,000 vehicles per day off the M42 corridor
- Continuing limitations to the function of this corridor (as a part of the wider strategic highway network and as a route that directly correlates with the dominant travel to work area in the LEP area) will undermine the potential benefits of the committed investment.
- Without investment to further improve the A46 corridor there will be a number of additional critical adverse impacts on network resilience and economic growth.
- There is also a broader role for the A46 in providing access between the M5, M40, M69 and M1 (South West to East Midlands) corridor. There are severe constraints on the function of the corridor south of the M40 where significant stretches of the route are not dual carriageway.
- The A5 corridor is similarly constrained. There is significant committed investment in the corridor by the major employment sites which sit along it, but this is focused on measures to directly access or cross the corridor and alone is insufficient to lift the route to an adequately functioning strategic corridor.
- As a broader corridor the A5 directly supports a significant element of the freight and logistics operations that serve the role of the West Midlands as major contributor of the UK export market. The corridor directly links the M69 and M42 and along with the A46 forms an important component of resilience in the strategic highway network serving the freight and logistics activity which directly supports significant employment growth potential in Coventry & Warwickshire LEP, Greater Birmingham & Solihull LEP and Leicester and Leicestershire LEP.
- Improvements on and around the A5 will help to unlock housing growth in North Warwickshire (e.g. Polesworth and Dordon), Nuneaton and Bedworth and Rugby.

- Failure to improve these strategic routes could ultimately constrain the potential of the national rail freight strategy, which identified the Midlands as a central hub well connected by an electrified rail spine which supports the movement of containerised rail freight from the UK's main ports.

2. HS2 & Rail connectivity: Enabling access to growth, retaining excellent direct rail services and maximising the benefits of investment

- The majority of the Coventry and Warwickshire growth sites are within an 8-10 mile radius of HS2 Interchange and many rely on connectivity to Coventry Station to provide access to the national rail network
- Direct access to HS2 will also be critical and without high quality public transport access the default mode of access for business use is likely to be a car
- Without direct connectivity to HS2 and without a strong strategy of investment in the capability of the passenger rail network to serve targeted investment sites then negative economic displacement impacts are likely.
- Any change proposed for a reduction of the current 3 fast services per hour from Coventry to Euston to 2 per hour would result in a loss of jobs and £182m in GVA over 30 years from the local economy. This excludes potentially far more significant displacement impacts.
- In order to release maximum benefit from current scheme commitments, further investment is required to create an effective gateway to the rail network and in the provision of rail services and targeted infrastructure enhancements to make best use of the rail network.

3. Access to employment opportunities: Distorting and restricting the labour pool

- There are significant differences in social-demographics between the north and south of the Coventry and Warwickshire LEP area. This is reflected in different levels of access to travel opportunities and consequent differences in flexibility and mobility of the labour pool.
- Priority employment sites will need to be able to draw on a wide supply of labour and will benefit from being able to access talent and skills from across the geographic area.
- There is an identified need to increase the availability of viable public transport options so as to enable car use to be minimised, releasing capacity and efficiency in the highway network for business activity and for travel to work journeys which are not viable by public transport or cycling.

4. Local Pinch Points: Addressing public transport impacts, constrained access to the local and strategic road network and reduced 'place' value

- The CWLEP area has a number of dense urban networks. Each supports a broad range of local services, employment and civic facilities which in turn support the ability of the area to accommodate housing growth.
 - Efficient management and operation of the network is critical in order to enable a strengthened sense of 'place' in the urban environment.
 - Without this the urban areas will be less attractive to new development or redevelopment, ultimately leading to pressures on the quality of the residential environment that can be created.
- There are a number of critical pinch points across the urban networks
 - In particular linking the urban networks of Nuneaton-Bedworth-Coventry-Kenilworth-Leamington Spa (A444 & A452 corridors) that directly impact the ability to access services in

the town centres, access local employment centres and operate public transport as a reliable and viable alternative.

- In Stratford-upon-Avon, Warwick and Rugby similar issues can be observed, and in Stratford and Warwick these have a specific dynamic and impact on the tourist industry.

Further investment in the transport network is therefore needed to ensure that it continues to operate efficiently, meets the needs of its users, helps deliver growth and supports the local and sub-regional economy. Doing nothing or making only a limited investment in transport infrastructure therefore is not an option, as it will increase congestion, constrain growth and undermine the value which the asset brings to the area and its economy. These are the transport projects which will connect our prioritised employment sites and our R&D and innovation assets and which will support our local connectivity to UK Central, HS2 and Birmingham City Centre and nationally through the road and rail network.

A substantial element of the 2015/2016 SEP capital allocation is for transport schemes. Of these rail projects form a large part, with spend across three distinct but related projects. Notably the NUCKLE 2 (Kenilworth Station) project has firm DfT and Ministerial level commitment to make it happen with timescales set out. Network Rail are actively engaged in all the projects and there is firm rail industry awareness and support for all the projects. With projects coordinated by the relevant local authorities there are clearly established cross industry governance arrangements in place, full political backing and awareness, clearly developed plans and proposals and established project delivery infrastructure in place. Warwickshire County Council and Centro have a strong proven track record of working with the rail industry to secure delivery, with Warwickshire having delivered 3 stations in the last 15 years. With two further new stations forming the first fully committed phase of NUCKLE 1 which will be complete by March 2015, the collective corporate and staff experience from across the organisations acquired from these projects provides a firm base and cooperative project infrastructure to spring board from to delivering just one more new station and additional platforms at two others.

Remaining spend is across relatively small scale but large impact Local Pinch Point and Local Sustainable Transport Fund type schemes which would be delivered by the relevant local highway authorities. Both Coventry City Council and Warwickshire County Council have been successful in the last few years in securing and discharging funding for these types of works and have clearly established delivery teams, project governance and risk management infrastructure in place which is ready to be rolled on directly into 2015/16. There are a variety of delivery contracts in place and available to the authorities to enable construction to be mobilised (in addition to a strong in-house Direct Labour Organisation capability providing local employment). All statutory powers are in place for the schemes, land requirements are all within the Highway Boundary or within local authority controlled land.

Detailed design and development is not fully completed for all the 2015/16 schemes, however, all schemes are sufficiently well developed at this stage to provide a good degree of confidence over their scope and cost and it will be expected that individual scheme promoters will be required to underwrite project risks as part of scheme specific funding allocations. The relevant authorities have allocated over £1m of scheme development and readiness budget in 2014/15 out of their own resources to ensure that design and procurement is in place to support an immediate start on delivery in 2015/16. This is in addition to over £450,000 invested by the authorities and CW LEP in transport scheme and business case development and evidence production in 2013/14 in advanced preparation for the Single Local Growth Fund.

Coventry and Warwickshire has a Local Transport Body (LTB) and the CWLEP Board has agreed that this group remains in place in the interim to ensure the delivery of the previously agreed priorities until the Single Local Growth Deal is agreed. The LTB and CWLEP Transport Group will merge and have a role supporting the LEP Board to bring forward the transport priorities of the SEP and will adopt a revised version of the LTB assurance framework.

The 7 key transport projects are:

3.6.1 NORTH-SOUTH RAIL AND COVENTRY STATION

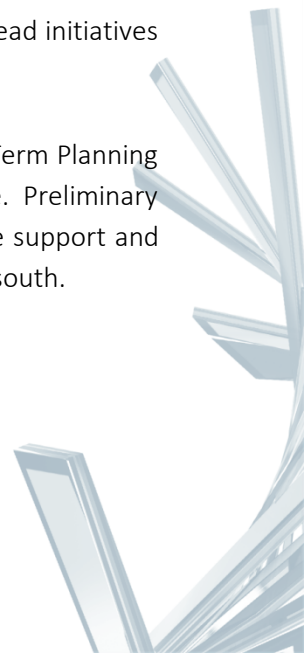
The LEP area benefits from good rail connectivity on the Chiltern, Cross Country and West Coast Main (WCML) lines, but has weak services which require strengthening on the North-South corridor connecting its main travel to work pattern area with neighbouring growth points in Leicester & Leicestershire. It is hoped that addressing these deficiencies will off-set some of the anticipated impacts of WCML timetable changes post HS2. Critically strengthening the North-South rail corridor, as well as having merit in its own right, also provides a means to connect by rail to HS2 both directly and via Coventry Station as an interchange.

Significant committed investment in developing the North-South rail corridor is already secured for NUCKLE 1 (new stations at Bermuda and Ricoh Arena in Coventry, with platform extensions at Bedworth) and for Kenilworth Station (with associated new train service from Leamington-Coventry-Birmingham International-Birmingham) as part of NUCKLE 2. These existing commitments are supported through priorities and allocations already made under the devolved local major scheme funding, which is to be incorporated in the SLGF.

However, further enhancement to the corridor is essential in order to build on the improvements which will be delivered through these initial phases. The SEP proposes to extend the investment already secured for Coventry Station in order to deliver an ambitious masterplan which provides critical passenger capacity to accommodate a major employment development (Friargate) and on-going rail growth which is projected to add a further 2m passengers per annum demand to the station by 2023. It also seeks to cover the additional funding required to enable the completion of NUCKLE 1 by securing an increase in train service frequency between Coventry-Bedworth-Nuneaton and a bay platform at Coventry Station.

The LEP will continue to work with Network Rail and partners to seek continued enhancement to the corridor, ultimately to enable connectivity to the East Midlands (Leicester) and Thames Valley (Oxford and Reading and thereby to Heathrow). It is recognised that there are many factors and issues that need to be taken into account to enable this, but that this is a significant opportunity that can add value to nationally lead initiatives such as the 'electric spine' and national rail freight strategy.

CWLEP will work to deliver local access and capacity schemes, whilst fully supporting the Long Term Planning Process and engaging more widely with neighbouring LEPs to develop the strategic business case. Preliminary discussions with Leicester and Leicestershire Enterprise Partnership have confirmed in principle support and interest in the strategic corridor and further discussion will be sought with them and LEPs to the south.



Interventions set out under the SEP will directly support the following major employment sites and support the established North-South travel to work corridor which includes Friargate, Whitley Business Park, Coventry University, University of Warwick, MIRA, Bermuda Park, Fen End and Stoneleigh Park.

- New Investment requested through the Single Local Growth Fund will support:
- The regeneration of Coventry Station: A new station entrance with improved platform access, additional parking and a new multi-modal transport interchange.
 - NUCKLE 1 Phase 2: Increased train service frequency, provision of a bay platform at Coventry Station and other track and signalling works.
 - Targeted changes to service patterns as part of a wider rail strategy for the CW LEP area. These accommodate a post HS2 world and support over 3,500 new jobs and £1.5bn in GVA over 30 years from rail services alone.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
North-South Rail and Coventry Station:	£66,376,000	£30,995,000	0	£26,681,000	£8,700,000
2015/16 Outcomes:	1 new station, 2 additional platforms at existing stations, 1 new multi-story car park, enabling works to support further works				
Whole Life Outcomes:	New station access and interchange, new train service from Coventry-Leamington & from Coventry to Nuneaton. Over 1,800 jobs directly generated and a further 18,000 jobs at major employment sites released, plus over £1.6bn in GVA over 30 years.				

3.6.2 A46 NORTH-SOUTH CORRIDOR

The A46 forms part of the national strategic highway network, linking the M1/M69 with the M5. The route connects a number of major employment sites to the wider motorway network, and forms a key element of the North-South travel to work area. The efficient and reliable performance of this corridor is therefore critical to the Coventry and Warwickshire area.

The investment focus for the SEP is based on a strategy to enhance the performance at a number of critical junctions along the A46 between the M40 and M6/M69, with significant benefits locally and for the strategic function of the corridor particularly in relation to the M42 and the pressures that HS2 and UK Central will bring to it.

There are a number of specific constraints to the current effective operation of the corridor:

- Junction capacity north of the A45/A46 Tollbar junction, where the only remaining at-grade junctions on the whole section from the M40 to the M6/M69 constrain local and strategic movements. The SEP seeks a funding solution using SLGF and/or Highways Agency funding to provide a fully grade separated solution at two major junctions to open up the strategic capability of the corridor and enable enhanced access to growth areas;
- Congestion at junctions along the A46 serving the University of Warwick, Stoneleigh Park, Kenilworth, Leamington Spa, Warwick and Stratford-upon-Avon which restrict access to the corridor and cause varying degrees of queuing on to the A46 (with associated safety issues). The SEP seeks funding to support locally delivered enhancement schemes on the section of the A46 between the M40 and M6/M69 which integrate the function of the local strategic network with the national strategic network.

The LEP will continue to work with the Highways Agency and developers to bring forward solutions at specific locations outside of this focus; and

- Limited link capacity on sections of the A46, notably around Warwick and from Stratford-upon-Avon south towards the M5 near Ashchurch are of on-going concern due to their impact on the resilience, safety and effectiveness of the corridor as a strategic route. The LEP seeks to work with the Highways Agency to find a solution to this, recognising that timescale for delivery falls outside the current SLGF period, but asks that the importance of this route and identification of measures to address the constraints are recognised as a critical matter requiring active attention now.

Interventions set out under the SEP will directly support the following major employment sites and support the established North-South travel to work corridor including Ansty Park, University of Warwick, Coventry and Warwickshire Gateway, Gaydon, Whitley Business Park, Prologis Ryton, Stoneleigh Park, Fen End and Tournament Fields.

New investment requested through the Single Local Growth Fund will support:

- A46 (A428 TGI to Walsgrave): Grade separation of the A428 and B4082 junctions
- A46 / A452 Thickthorn, Kenilworth: Signalisation and capacity enhancement of the junction
- A46/A425/A4177 Stanks, Warwick: Signalisation and capacity enhancement of the junction and immediately adjacent junctions on the A425 and A4177

Intervention Summary:		Funding Requirement				
A46 North-South Corridor*		<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
		£58,400,000	£58,100,000	0	£300,000	0
2015/16 Outcomes:		Access and capacity scheme providing major decongestion benefits and directly unlocking housing site.				
Whole Life Outcomes:		Major decongestion to A46 corridor and increased resilience supporting targeted major employment sites and housing and providing strategic cross LEP benefits to wider West Midlands. Over £700m of GVA and 900 directly generated jobs through agglomeration impacts.				

*Of the £58.1m requested £55m could equally be funded through the Strategic Economic Plan / Local Growth Deal or the Highways Agency (e.g. route based strategies).

3.6.3 A444 NORTH-SOUTH CORRIDOR

The A444 is a locally strategic corridor that complements the broader role of the A46 and the north-south rail corridor, as well as providing connectivity to the wider strategic road and rail network.

The A444 links the A46 south of Coventry with the A5 north of Nuneaton, and is critical to the economic activity in this area of the LEP given the support it provides to the employment sectors that correlate with a large physically coincident regeneration zone. With a focus on local employment and access to employment, the more localised nature of this route directly corresponds to a major regeneration zone extending from north Coventry to Bedworth, Nuneaton and Hinckley. The corridor connects significant employment centres and economic activity in the manufacturing, freight and logistics sectors that correlate well with the locally available labour pool. The SEP investment focuses on local decongestion schemes which improve connectivity

to the strategic highway network and enable improved access to and for public transport in order to improve non-car dependant access.

Introducing measures to increase the reliability and viability of public transport, through general decongestion benefits and specific priority measures will lead to an increase in public transport usage. Whether this results in mode-shift and therefore direct decongestion benefits, or allows headroom for increased more cost effective business related vehicle activity, benefits will be realised in a local economy which directly supports some of the most economically deprived wards in England. Increased viability of the corridor to support freight and logistics operations, in particular advanced logistics activities which have higher employment densities than traditional models, will have a direct correlation to increasing employment opportunities in this area, leading in turn to increased tax revenue and reducing exchequer outgoings.

- New investment requested through the Single Local Growth Fund will support:
- A444, Nuneaton Town Centre to Griff Roundabout: A package of junction capacity improvements to improve journey time reliability, reduce congestion and improve access to Nuneaton Town Centre, key existing and proposed employment sites, George Eliot Hospital and Bermuda Rail Station.
 - Bermuda Bridge: Opening up of an under-utilised bridge to all traffic and sustainable modes of transport.
 - A444, M6 to Coventry City Centre: A package of capacity enhancements to unlock development and junctions between M6 Junction 3 and the City Centre.

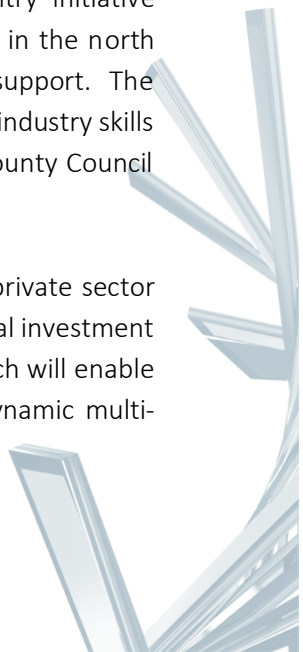
Intervention Summary:	Funding Requirement				
A444 North-South Corridor	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£21,820,000	£18,610,000		£250,000	£2,960,000
2015/16 Outcomes:	A new highway link directly serving a major employment site and providing safe sustainable transport access.				
Whole Life Outcomes:	Over 10 junction cluster decongestion schemes directly serving housing and employment growth. Over 550 directly generated jobs through agglomeration and £600m of GVA.				

3.6.4 NORTH-SOUTH SUSTAINABLE TRANSPORT CORRIDOR

To complement the proposed SEP investment in rail and highway decongestion and priority measures within the North-South corridor investment is also proposed in cycling.

This will build directly on the current £7m Local Sustainable Transport Fund scheme ‘Cycle Coventry’ initiative and roll these benefits out to the SEPs major employment site locations, connecting Nuneaton in the north and Leamington Spa in the south into an established network of physical routes and business support. The scheme will also directly provide new apprenticeships through a scheme to support construction industry skills and training. The investment is directly linked to a joint Coventry City Council, Warwickshire County Council and Centro bid for DfT LSTF revenue support.

The transport agenda is also closely linked to a complementary R&D scheme lead by a public-private sector partnership between MIRA, Siemens, Coventry University, Coventry City Council and Centro. Initial investment focuses on a pilot introduction of an enhanced traffic management technology to a corridor which will enable improved public transport journey times and reliability and is also linked to live in-journey dynamic multi-



modal traveller guidance. The technology development and pilot is seen a model which can be replicated at a UK and European scale.

New investment requested through the Single Local Growth Fund will support:

- o Cycle Coventry and Warwickshire: Corridor improvements in Coventry; between Coventry, Bedworth and Nuneaton; between Kenilworth and Leamington Spa; between Warwick and Leamington Spa; and between Leamington Spa and Gaydon
- o Cycle Coventry and Warwickshire: Provision of dedicated cycle infrastructure with connections to the existing cycle network, employment sites and residential areas

Intervention Summary:	Funding Requirement				
North-South Sustainable Transport Corridor	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£15,000,000	£12,000,000	0	£500,000	£2,500,000
2015/16 Outcomes:	<ul style="list-style-type: none"> • Opening up a new safe cycle route between the residential areas of Bedworth and the Bermuda Park employment site (connecting more people to jobs) • Opening up a new safe cycle route between Coventry City Centre and Coventry Station / Friargate to Jaguar Land Rover at Whitley Business Park. (connecting more people to jobs) • First phase of improved cycle links between Kenilworth and Leamington 				
Whole Life Outcomes:	A new linear network of cycle routes totalling 131kms directly supporting 18 major employment sites				

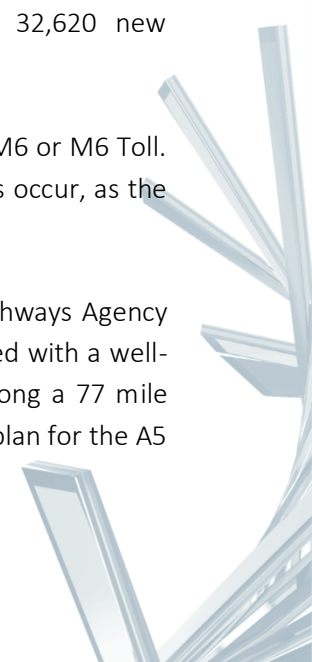
3.6.5 A5 CORRIDOR

The A5 is an important arterial route between the M42, M69 and M1 which acts as a feeder to the North-South travel to work area within Coventry and Warwickshire, as well as parts of Staffordshire and Leicestershire.

The corridor forms a significant spine of economic activity particularly for the logistics and freight industry, with facilities at Birch Coppice (Dordon), TNT (Atherstone), Sketchley Brook (Hinckley), Magna Park (Lutterworth) and DIRFT (Crick). The A5 also provides access to MIRA, which is a priority Enterprise Zone for Government and UK plc that supports economic activity across the wider region and beyond. The A5 corridor is predicted to come under further pressure over the next 15-20 years from the planned expansion at a number of these sites along with significant housing growth immediately adjacent to the route within Staffordshire, Warwickshire, Leicestershire and Northamptonshire totalling approximately 32,620 new dwellings.

The A5 is often called upon to act as a diversionary route when an incident occurs on the M1, M6 or M6 Toll. Further investment in the corridor would help provide more resilience for when such situations occur, as the current nature of the route does not lend itself to catering for such high levels of traffic.

The direct investment focus for the SEP is limited, but significant investment through the Highways Agency Route Based Strategy is sought to support already secured local investment. The LEP is engaged with a well-established cross boundary partnership with other Local Highway and Planning Authorities along a 77 mile section of the A5 between Staffordshire and Milton Keynes which has developed a clear action plan for the A5



corridor. Significant committed investment to develop and improve the A5 corridor is already secured for the A5 MIRA Enterprise Zone; A5/A47 Longshoot and Dodwells; Birch Coppice; M42 Junction 10; A426 Gibbet Hill; Catthorpe crossroads; Lilbourne crossroads; and access to Rugby Radio Station SUE and DIRFT 3.

New investment requested through the Single Local Growth Fund will support:

- A5/A47 Longshoot to Dodwells Dualling: Increased capacity and improved facilities for pedestrians and cyclists as the first phase of a broader investment package for the A5 corridor. The authorities along this route are working with the Highways Agency to develop proposals for a major improvement of the A5 between the M42 and M69.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
A5 Corridor	£2,000,000	£2,000,000	0	0	0
2015/16 Outcomes:	-				
Whole Life Outcomes:	Junction and link capacity enhancements providing decongestion benefits and improved access to MIRA and other key employment sites as part of a wider enhancement of corridor				

3.6.6 CONNECTIVITY TO UK CENTRAL, BIRMINGHAM AIRPORT AND HS2

HS2 is a potentially game changing opportunity with direct economic impacts in both CWLEP and GBSLEP geographies. The proposed HS2 Interchange station is located 3 miles from the CWLEP boundary and is expected to stimulate significant growth within the 'UK Central' planning framework. Direct access to the HS2 Station; adjacent Birmingham Airport; and immediately adjacent growth is important for the onward international and national business connectivity it supports, for localised business-to-business interaction and to enable employment opportunities for both areas of housing growth need.

The CWLEP growth focus complements the UK Central concept and with the right connectivity can lead to an overall scale of enabled growth which has a significant positive cross-LEP and overall UK level impact.

Investment in a strong package of local connectivity solutions and a wider West Midlands connectivity package will directly support major employment sites including Friargate, University of Warwick, Coventry and Warwickshire Gateway, Lyons Park, Coventry University, Whitley Business Park, Fen End and Stoneleigh Park, as well as providing a means for existing and new housing and therefore labour pool in the LEP area to access and support growth immediately around the HS2 station.

Significant committed investment in developing the connectivity is already secured for the A45 Broad Lane – Tile Hill Lane Capacity Enhancement and the South West Coventry Junction Improvement Programme.

New investment requested through the Single Local Growth Fund will support:

- A45 Corridor Enhancement: Major enhancement to the capacity of key junctions (Kenilworth Road and Leamington Road)

Intervention Summary:	Funding Requirement				
Connectivity to UK Central, Birmingham Airport and HS2	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£20,500,000	£20,500,000	0	0	0
2015/16 Outcomes:	Junction enhancement on A45 corridor providing £10m per year of savings in journey time improvements				
Whole Life Outcomes:	Completion of a total corridor enhancement directly serving 4 major employment site targeted by the SEP and providing £48.7m of journey time savings per year and NPV of £1.6bn				

3.6.7 HOUSING AND LOCAL GROWTH ACCESS

The CW LEP area needs to support the provision of 75,000 to 76,000 new dwellings by 2031, as well as more localised employment growth outside of the major sites focus of the SEP. The recently completed Coventry and Warwickshire Joint Strategic Housing Market Study sets the overall level of housing growth that will need to be accommodated, which as Local Plans are brought forward across the area will highlight increased pressure on existing local pinch points. Significant work has been undertaken to scope the impacts of this, the detail of which can only be fully presented as these Plans reach an appropriate point in their respective development stages.

Notwithstanding this, it is possible to identify a number of clear pressure points in town and city centres and on the access routes to these which will need to be improved in order to facilitate growth. The SEP focuses specific investment on local pinch point constraints where schemes can have cross cutting benefits for multiple development areas as well as the wider transport network. This includes the creation of a local pinch point fund which can be applied flexibly on a merit basis to support more focused Local Plan growth using the similar criteria to that of the recent national Local Pinch Point funding rounds. This would enable critical housing growth schemes which due to Local Plan progress cannot be identified at this stage, but which are likely to become apparent towards the end of the SEP period.

Significant committed investment in addressing a number of existing local pinch points has already been secured for the Warwick Street Gyratory in Rugby, the A452 Europa Way corridor near M40 Junction 14, in the Gaydon area near M40 Junction 12, the A4600 corridor around Walsgrave in Coventry, around the University of Warwick and the Coventry Rapid Transit.

New investment requested through the Single Local Growth Fund will support:

- A452 Thickthorn – Bericote: Dualling of the A452 between the A46 Thickthorn and Bericote, including provision of a second bridge over the River Avon and a revised junction arrangement at Bericote Road
- A452 Ford Foundry and Shires Retail Park, Leamington Spa: Signalisation and capacity enhancement of these two junctions, including improved access for pedestrians and cyclists
- A425 Old Warwick Road/Bath Street/Spencer Street/Lower Avenue, Leamington Spa: Revised traffic management arrangements to deliver a gyratory in the old town area
- A426 Avon Mill and Hunters Lane, Rugby: Enhanced roundabout at Avon Mill and new roundabout at Newbold Road / Hunters Lane, dualling between the two junctions, and a second bridge over the River Avon
- A428 Lawford Road – Addison Road, Rugby: Signalisation and capacity enhancement

- A3400 Shipston Road/Tiddington Road, Stratford-upon-Avon: Signalisation and capacity enhancement of this junction
- Coventry City Centre Access Scheme: Measures to unlock housing growth, support retail regeneration and city centre employment accessibility
- Coventry North Western Orbital Capacity: A major capacity enhancement supporting access to HS2, Birmingham Airport, Lyons Park and to unlock housing growth

Intervention Summary:	Funding Requirement				
Housing and Local Growth Access	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£53,810,000	£36,410,000	0	£1,500,000	£15,900,000
2015/16 Outcomes:	City centre access scheme opening up sites capable accommodating 460 dwellings				
Whole Life Outcomes:	Decongestion and traffic growth impact supporting key housing growth areas, contributing towards the overall delivery of 66,700 dwellings.				

3.7 DIGITAL CONNECTIVITY

There is a clear link between the availability and adoption of ICT and broadband and economic recovery and growth. Indeed, superfast broadband can now be considered the 4th utility, alongside water, gas and electricity. Businesses in Coventry & Warwickshire are particularly reliant on ICT and broadband, given the increasing importance of the knowledge economy for future growth. SMEs could make much better use of ICT and broadband technologies to improve profitability and reduce costs. Supporting Coventry and Warwickshire SMEs in harnessing the potential of ICT and broadband will make a very significant contribution towards the sub-region's economic recovery and growth.

Coventry and Warwickshire's manufacturing sector is dominated by high tech, high value manufacturing. This sector is increasingly reliant upon high performance connectivity, for example, to support collaboration and data exchange with national and international partners and suppliers. Coventry and Warwickshire is particularly strong in the areas of digital media and the development of various communications tools and software applications.

Commercial broadband rollout will leave some 91,385 premises without access to superfast broadband, whilst at the end of the currently contracted BDUK project some 57,326 premises will not be able to achieve superfast speeds (24Mbps). This reinforces the importance of broadband investment continuing beyond 2015, both to narrow the gap between those able and unable to access superfast services and to increase broadband speeds, as businesses' requirements will only increase over time.

Through the strategic economic plan, CWLEP is seeking overall capital support of £26m to install the wholesale fibre network (based on 2011 data, plus inflationary uplift to 2015, and the incorporation of project management costs). The intervention would be led by Warwickshire County Council who currently manage the CSW broadband project.

In addition to support the development of Fen End we are seeking capital investment of c£1.25M to enable the provision of superfast broadband (100mps via direct fibre supply) to the site. Whilst the cost is driven by the distance from the nearest exchange the direct fibre option is preferable to the cheaper option of 4G

provision via a new tower which will only offer a c30mps service. An exchange upgrade will also enable the superfast service to be provided to the surrounding residential properties.

The issue of state aid compliance in relation to the provision of broadband networks is recognised. This has been delivered through the current CSW broadband project and geographic areas that are eligible for intervention have been clearly identified. Further Open Market Reviews and public consultations will be carried out to complete no more than 4 weeks before any procurements start.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
Digital Connectivity	£27,250,000	£7,250,000	£7,850,000	£10,050,000	£2,100,000
	Measurable Outcomes				
	<i>Enhanced Digital Connectivity</i>				
	<ul style="list-style-type: none"> • Installation of Wholesale Fibre Network • Superfast broadband connectivity to Fen End 				

3.8 UNLOCKING GROWTH POTENTIAL: SUPPORT FOR NATIONAL GROWTH

The capital investment in unlocking our growth potential supports Government policy in relation to transport, housing and digital connectivity.

Housing

CWLEP recognises in line with Department for Communities and Local Government policy on ‘Increasing the number of available homes’ that Coventry and Warwickshire needs significant numbers of new homes by 2031 to support population growth and demographic change in line with the national situation where it is recognised that there have not been enough homes to meet the needs of our growing and ageing population. While only one of our local authorities have confirmed future housing numbers, the CWLEP fully endorses the conclusions of the Strategic Housing Market Assessment and given affordable housing needs and economic evidence that a higher level of provision (e.g. 75,000 - 76,000 homes) should be targeted. CWLEP will work with its constituent local authorities to identify future investment priorities, freedoms and flexibilities to support our future housing growth.

Transport

Rail connectivity is vital to economic prosperity. If rail services are inefficient and do not meet people’s needs in terms of routing or frequency, business and jobs suffer. This is central to the investment requested for NUCKLES. Rail links with airports and ports are business opportunities for travel, tourism and the transportation of goods. In this context the regeneration of Coventry Station represents a key opportunity along with the linkage to HS2 and Birmingham Airport. The proposed investment in rail is therefore consistent with established Government and Department for Transport policy on ‘Expanding and improving the rail network’ and ‘HS2: developing a new high speed rail network’.

Specifically investment in transport packages for pinch point schemes on the A5, A46, A45, A444 and A452 aligns with policy of the Department of Transport and the Highways Agency for ‘Managing, improving and investing in the road network’ and the need to improve the quality of our road network and reduce congestion.

Investment in Cycle Coventry and Warwickshire recognises that a significant proportion of car journeys made are less than 5 miles. Many of these trips could be made on foot, by bike or public transport. Investment through the local growth fund will make these ways of travel more attractive which in turn will hopefully encourage people to leave their car at home in line with Department for Transport policy regarding 'improving local transport'.

Broadband

There is a clear link between the availability and adoption of ICT and broadband and economic recovery and growth. We want to narrow the gap between those able and unable to access superfast services and to increase broadband speeds in line with Department for Culture Media and Sport policy on 'Stimulating private sector investment to achieve a transformation in broadband' to reinforce our position as a leading digital economy. Superfast Britain is a Government programme of investment in broadband and communication infrastructure across the UK. Run by the Department of Culture, Media and Sport, this investment helps businesses to grow, creates jobs and will make Britain more competitive in the global race. Administered on behalf of Government by Broadband Delivery UK (BDUK), Superfast Britain is transforming Britain by promoting growth, enabling skills and learning, and improving quality of life.

3.9 UNLOCKING GROWTH POTENTIAL: NON-FINANCIAL OFFERS AND ASKS

3.9.1 CWLEP OFFERS:

Employment Sites

- CWLEP will support the appraisal of the Daw Mill Colliery Site and Ansty for future development and funding in the later years of the local growth deal. Daw Mill colliery is located between Nuneaton and Coleshill (North Warwickshire Borough), the colliery was closed in 2013 following a major fire and has resulted in the loss of 650 jobs.
- CWLEP will work with MAS and UKTI to establish a detailed proposal for a National Reshoring Centre that will be presented for the Local Growth deal in 2016/17.
- Linked to sites and planning, increased flood risk poses the most significant and specific climate change challenge to the UK economy. One in seven of Warwickshire's Local Enterprise Partnership (LEP) proposed employment sites are at risk flooding. Coventry city centre, the focus of its current economic prosperity and future development, is at significant residual risk of flooding if any of its major culverts were to fail. Flooding is therefore a barrier to growth in many parts of Coventry and Warwickshire, and a potential barrier to employment and sustainable development. This will be addressed through project interventions financed through the ESI funds.
- As the pre-eminent location for private and public sector R&D and Innovation in Advanced Manufacturing and Engineering we will work proactively with BIS and the APC to ensure that the Advanced Propulsion Centre is set-up and functioning quickly if the decision is taken to locate the Centre within our LEP area.

Housing

- CWLEP agrees as part of the Local Growth Deal to commit to between 75,000 to 76,000 new homes as the requirement across the Coventry and Warwickshire area and it is the intention that all local authorities should have agreed their individual new homes targets by the end of March 2015 and will

align the location of new housing with the sub-regional growth agenda as identified in this Strategic Economic Plan. A review of additional housing numbers will be undertaken.

- CWLEP will work with local registered social landlords (RSLs) including Orbit Group, Whitefriars, and Midland Heart around a collective investment programme in terms of new build and a retro-fitting programme to tackle fuel poverty. We will also explore in collaboration how to unlock additional investment to expand current plans to deliver against LEP priorities.

Transport

- Support and play an active role in the West Midlands Rail devolution proposal, ensuring the current London Midland franchise is developed and integrated with the local transport system whilst retaining the strategic benefits of inter-regional connectivity to major growth areas.
- Have a stronger direct input to the investment programme of the proposed re-structured Highways Agency, ensuring that national and local investment is better aligned in order to release the maximum economic growth potential.
- Work with Government to find a solution to releasing the full potential benefits of the M6 Toll – supporting the efficiency of the freight and logistics sector and enabling the M6 and A5 to perform their strategic national and regional function.
- A broad package of HS2 connectivity measures including direct public transport connectivity to HS2 interchange has been developed by Centro. CWLEP will continue to develop the detail of this.
- CWLEP and local authorities will work together with local developers and businesses to identify opportunities to augment detailed HS2 traffic management construction proposals to secure legacy benefits for the economy.
- CWLEP and Leicester and Leicestershire LEP will actively work with DfT and Network Rail to develop the case for the reinstatement and development of rail services from Leicester and the East Midlands to Coventry and through to the Thames Valley (Oxford / Reading).
- CWLEP and Leicester and Leicestershire LEP will work collaboratively with the Highways Agency and other stakeholders to develop the business case for a major improvement of the A5 between the M42 near Tamworth and the M69 near Hinckley.

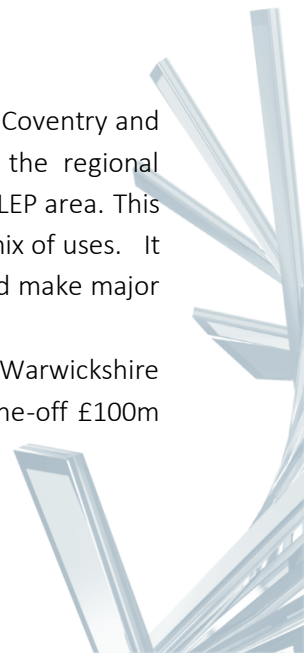
Digital Connectivity

- Utilise the European Structural Investment Funds as set out in our ESI funds strategy to support in part our investment in enhancing broadband connectivity

3.9.2 GOVERNMENT ASKS

Employment Sites:

- The CWLEP asks for the fast and positive determination on the planning application for the Coventry and Warwickshire Gateway. The gateway is recognised by constituent local authorities as the regional employment site for development. The scheme is of major strategic importance for the CWLEP area. This site is unique amongst those that have been prioritised in respect of its size and proposed mix of uses. It represents a long-term opportunity to create high value jobs, attract inward investment and make major improvements to the infrastructure of the area. It is a once-in-a-generation opportunity.
- To support the reshoring of Advanced Manufacturing and Engineering within Coventry and Warwickshire and the creation of new high-productivity jobs, CWLEP requests the establishment of a one-off £100m



capital allowance scheme for 100% capital allowances which can be claimed on the cost of constructing industrial and commercial buildings (including offices).

- CWLEP is creating an inward investment and Infrastructure fund. This represents a potentially innovative concept to supply finance to businesses or infrastructure projects. LGF has not been profiled in 2015/16 but CWLEP would welcome discussion regarding the potential additional investment from LGF of £10m in 2015/16 to match fund local investment and to consider further investment in future years.

Housing

- CWLEP requests that the housing borrowing cap is lifted and local authorities (if necessary) are allowed to invest in housing under normal responsible borrowing guidelines. Local housing associations and local authorities are well placed to explore the provision of purpose-built homes for market rent so that these are available for the employees of business seeking to relocate. In Rugby for example, well managed, high quality, privately rented homes are key for the sustainability of the borough's new urban extensions, as well as for the expanding DIRFT development.

Transport

- That DfT continue to work closely with Network Rail, CW LEP and the Local Authorities in order to seek to bring forward early delivery of the components of the Electric Spine in a way which complements the LEPs strategic focus on N-S rail connectivity, particularly in terms of rail infrastructure at Coventry Station, Nuneaton Station.
- That DfT work with the CW LEP, the Local Authorities and Network Rail to explore how Stratford-upon-Avon can achieve better rail connectivity to Birmingham Airport and the wider North-South rail corridor.
- That the Government ask the relevant agencies to work closely with developers and the Local Authorities along the whole of the A46 to bring forward early improvements to junctions which provide a strategic benefit, but which also can unlock and improve development land access. A particular early focus and engagement on the following key areas is sought:
 - The A46 south on the M40 at the following junctions serving development in Stratford-upon-Avon in sought: A46/A439 Marraway junction; A46/A3400 Bishopton and A46/A422 Wildmoor junction.
 - Joint investigation with HS2 Ltd to identify a long term capacity solution at the A46/C32 Stoneleigh junction which can be implemented in parallel with the HS2 works.
- That the Government work with Local Authorities and the relevant Agencies to undertake a investigation of the issues and solutions for capacity and safety enhancement and the development of a business case for a fundamental upgrade of two entire sections of the A46 corridor which appear to be suffering disproportionately high levels of delay:
 - M40 Longbridge-Leek Wootton section; and
 - The long standing proposals for dualling between Stratford-upon-Avon and Alcester.
- That Government provides an on-going national funding allocation for LSTF revenue activity in order to maximise the benefit of capital investment in cycle and sustainable transport measures to support employment locations. Currently revenue funding is only provided for 2015/16, but capital provision is being sought for a 6 year programme of capital investment.
- The M6 Toll represents an opportunity to provide a more efficient route for freight. We would ask Government to work with the West Midlands LEPs to explore the release of the full potential benefits of the M6 Toll including the possibility to use the £10m annual land purchase payment received by DfT from

Midland Expressway Limited to accelerate the delivery of strategic transport investments in the West Midlands

- That the Highways Agency investigate the potential of introducing “Managed Motorway” between Junction 12 and 15 of the M40 to support potential new development of housing and employment at Gaydon / Lighthorn Heath.
- That Government recognise the importance of direct public transport connectivity to HS2 Interchange and the need for seamless integration (physically and in terms of service integration) with the existing rail network. We ask that government work to ensure the coordination of a joined up funding approach to support delivery of wider connectivity needs through Network Rail's Long Term Planning Process, the Highway's Agency Route Based Strategies and locally through future SLGF and Integrated Transport Block allocations.
- The construction of HS2 (phases 1&2) over 15 years (2017-32) will be unprecedented in terms of scale and impact in Coventry and Warwickshire and the duration of works. It is vital to support the local economy and future economic growth during construction. CWLEP asks Government to recognise the impact the building of HS2 will have on the sub region over 15 years, and seeks support for mitigation to ensure that the sub region ‘remains open for business’ during this period and that support is provided to affected businesses.
- The government give clear direction to HS2 Ltd to focus on locations where construction works directly impact the core focus of the SEP (A46 corridor, major growth locations and A45 corridor) and housing growth areas. It is also asked that HS2 Ltd are encouraged by Government to work with the local Highway Authorities through a sub-regional traffic management coordination group to manage cross boundary construction impacts.

General

- Enable the delivery of priority capital projects for employment sites, transport, broadband connectivity and skills capital through the use of multi-year allocations to reflect the financial commitment required for the successful delivery of capital projects.



Advanced
Manufacturing
and Engineering

Advanced Manufacturing and Engineering



Key Specialisms

- Automotive
- Aerospace
- Intelligent Mobility
- Intelligent Logistics
- Low carbon vehicles
- Propulsion Technologies

Productivity



GVA – Strength of the sector vs national

2011: **£56,900** vs UK: **£51,500**
 2025: **£81,100** vs UK: **£76,100**



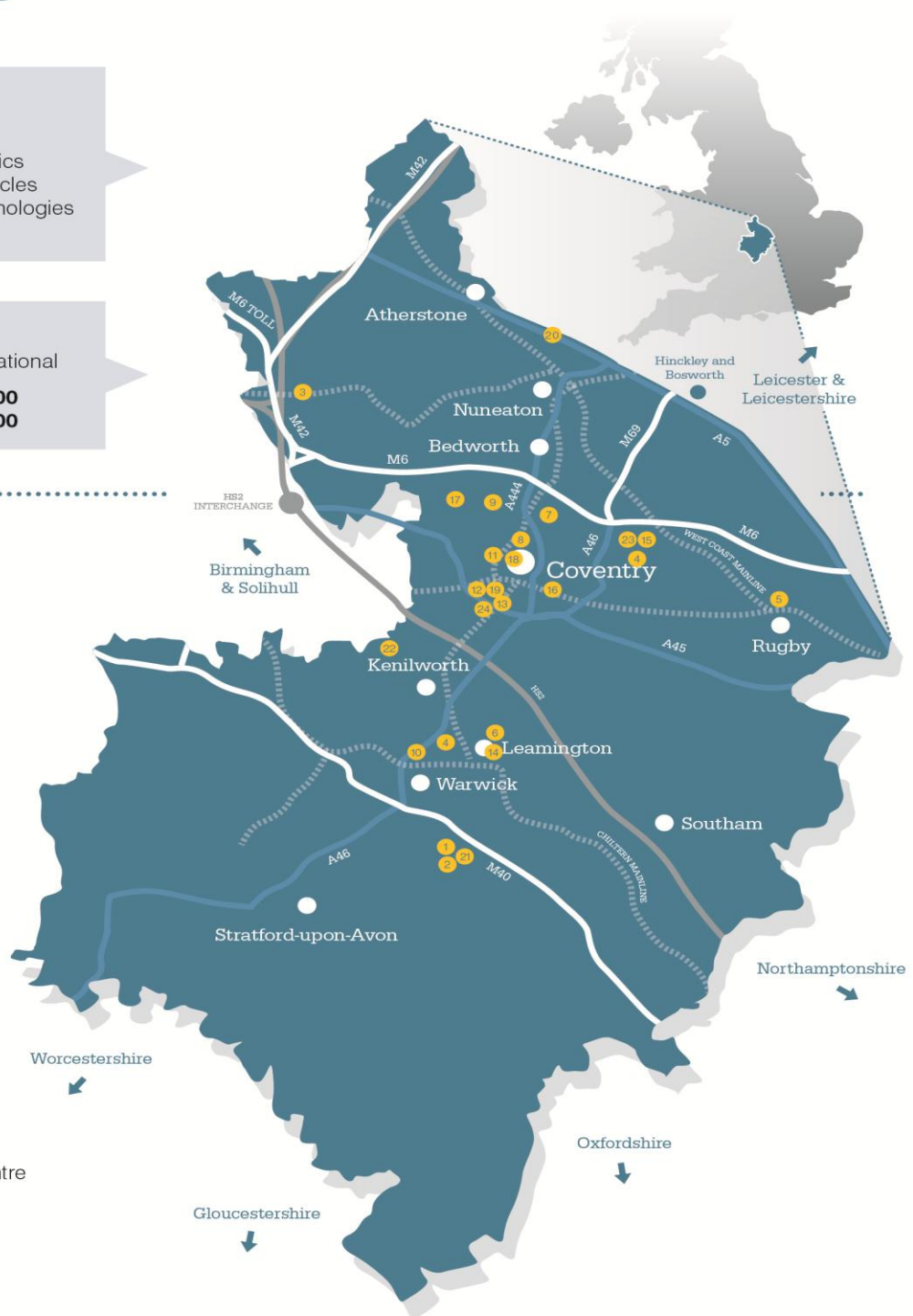
AME Employers:

- 1 Jaguar Land Rover
- 2 Aston Martin
- 3 BMW Hams Hall Plant
- 4 Rolls Royce
- 5 Alstom UK
- 6 Ricardo
- 7 Lear
- 8 Meggitt
- 9 Unipart
- 10 Delphi Lockheed
- 11 Geely
- 12 Bosch
- 13 Tata Motors
- 14 GE Convertteam



AME Locations:

- 15 Ansty Park
- 16 Whitley Business Park
- 17 Lyons Park
- 18 Coventry University
- 19 University of Warwick
- 20 MIRA Technology Park
- 21 Gaydon
- 22 Fen End
- 23 Manufacturing Technology Centre
- 24 Warwick Manufacturing Group



4. ADVANCED MANUFACTURING AND ENGINEERING

4.1 INTRODUCTION

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 and Warwickshire has retained its technical and engineering strengths and has a presence of large AME businesses which are critical to future growth. Companies such as Aston Martin, BMW, Jaguar Land Rover and Tata have chosen Coventry and Warwickshire as a base to do business. Many technology businesses based here have been at the forefront of using new materials and developing them into innovative products.

Coventry and Warwickshire has a strong representation 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 undertaken significant investment into research and development and modern technologies in AME and relying on a highly-skilled workforce with transferrable skills. 94% of investment in research and development and innovation is accounted for by our top 5% largest R&D investors with 95% of R&D investment in manufacturing.

Alongside private businesses Coventry and Warwickshire has access to World Class Research and Development and Innovation Infrastructure including Coventry University, University of Warwick, Manufacturing Technology Centre and MIRA. Support for AME is a significant priority and through strong public-private sector collaboration Coventry and Warwickshire will be globally regarded as a centre of excellence with strong and innovative business and research and development base and a highly skilled and flexible workforce.

4.2 ADVANCED MANUFACTURING AND ENGINEERING: EXAMPLES OF CURRENT PROGRAMMES

The challenge of increasing and diversifying the level and range of research and development and innovation activity undertaken within Coventry and Warwickshire AME businesses is being addressed through public-private partnership. This current activity provides the basis for future plans.

The Coventry and Warwickshire City Deal (which includes Hinckley and Bosworth Borough Council as a partner) has developed a tailored response to the issues faced by AME businesses by creating a business-led, single point of access, the Clearing House, which will provide support to AME businesses across a range of areas and will support and integrate with Government programmes. Businesses will be supported to engage with and navigate through the range of business infrastructure organisations and the 'offers' open to them including access to trade, investment and business growth services.

Coventry and Warwickshire is the location of the Manufacturing Technology Centre (MTC). Based at Ansty Park in Coventry, the purpose built facility opened in 2011. The focus of the MTC is to prove innovative manufacturing processes and technologies in an agile environment in partnership with industry, academia and other institutions. Ansty Park is also the location of a new high temperature research centre for the development of future generation aero engines. On the border of Coventry and Warwickshire LEP and Leicester and Leicestershire LEP is MIRA which is a highly customer focused world class independent vehicle engineering consultancy, focused on the creation of partnerships. MIRA harnesses the skills, experience and

knowledge of its talented experts to provide its customers with intelligent solutions to their challenging problems.

Coventry University and the University of Warwick offer significant capability and capacity. Examples of their expertise include:

- The Engineering and Manufacturing Institute: Coventry University and the Unipart Group have joined forces to develop a new Engineering and Manufacturing Institute on Unipart's manufacturing site in Coventry that will see the creation of an international centre of engineering and manufacturing excellence.
- The Low Carbon Vehicles Programme: A £17m programme of automotive R&D activity bringing together organisations including WMG, Coventry University, MIRA and Jaguar Land Rover, Ricardo, Tata generating £36m of value add and £33m of incremental R&D investment.
- Premium Automotive R&D programme (and follow on Centres of Excellence): A £72m programme between WMG and the JLR supply chain addressing knowledge transfer and R&D in several key areas including advanced body joining, materials, electrical test and software, craftsmanship, simulation and skills which generated £55m of value add.
- WMG, with partners including Jaguar Land Rover, is creating the £92m National Automotive Innovation Campus (NAIC) where we link people, research and world-leading infrastructure to create and develop novel technologies. The NAIC will be an 'engine' for economic growth, with wide economic benefit, and sustained growth from the creation of world-leading technologies. In a 33,000m² environment it will create a critical mass of research capability focused on the long-term multi-disciplinary challenges identified by the UK Automotive Council in *Electric Vehicles; Carbon Reduction; Smart and Connected Vehicles*.

The centres of research and development excellence along with the presence of significant private companies provide the basis for a Coventry and Warwickshire Advanced Manufacturing and Engineering Corridor.

4.3 COVENTRY AND WARWICKSHIRE PRIORITIES FOR ADVANCED MANUFACTURING AND ENGINEERING

The Coventry and Warwickshire City deal provides the foundation for addressing our priorities in AME. Interventions will be led by business and address barriers to growth and will stimulate and accelerate business investment and support reshoring of Manufacturing back to the UK. These align with the Government's industrial strategy for the automotive and aerospace sector and links to development of priority technologies including Advanced Materials, Robotics and Autonomous Systems and Energy Storage. CWLEP will work with the private sector to support growth and employment by increasing our AME asset base in terms of site availability, research and development infrastructure and skills and unlocking its full potential as a result of enhancing connectivity locally between AME locations as a result of transport improvements, improving digital connectivity and developing the capacity and capability of businesses within AME supply chains to invest and develop innovative products, processes and systems. This will enhance the Coventry and Warwickshire offer and promote our Advanced Manufacturing and Engineering Corridor.

As the pre-eminent location for private and public sector R&D and Innovation in Advanced Manufacturing and Engineering we have sites ready and available for the Advanced Propulsion Centre / hub and request that through the APC this is funded as part of the Coventry and Warwickshire Local Growth Deal.

As a result Coventry and Warwickshire will be recognised as a major global centre for research and development in Advanced Manufacturing and Engineering and particularly Automotive Technologies supporting further inward investment and reshoring. There is a specific intention to ensure that CWLEP should reinforce its position at the centre of the UK automotive industry by becoming the hub of future R&D activity in automotive technology.

ADVANCED MANUFACTURING AND ENGINEERING:

Growth Challenges:

- Research and Development and Innovation investment is concentrated in Advanced Manufacturing and Engineering but is limited to a small number of large businesses
- Skills shortages at all levels are a common constraint faced within the AME sector, due to the highly specialist nature of the skills involved
- International trade and export development, and limited access to business coaching and mentoring
- Access to finance
- Lack of good quality and fit for purpose commercial property is acting as a strong disincentive for business expansion and inward investment
- Traffic congestion, lack of public transport, parking and poor access to basic amenities
- Digital connectivity is a problem facing businesses and influencing investment decisions

Priority Investments:

- Accelerating research and development and innovation particularly within supply chain companies and enhancing access to World Class Research and Development and Innovation Infrastructure including Coventry University, University of Warwick /WMG, Manufacturing Technology Centre and MIRA
- Supporting Business Growth in the AME Supply Chain
- Infrastructure improvements to open up R&D facilities at major employment sites.
- Meeting current and future skills needs to establish a highly-skilled workforce with transferrable skills.
- Creating employment opportunities and meeting employer demand

4.3.1 ACCELERATING RESEARCH AND DEVELOPMENT AND INNOVATION IN ADVANCED MANUFACTURING AND ENGINEERING

The priority is to enhance AME in the CWLEP area, to maximise impact for the sector from the existing innovation and R&D assets and to ensure that AME businesses have access to new technologies which will keep them competitive. International programmes of excellence will be delivered for the development of innovative products, processes and systems across the AME Supply Chain. This will include:

- **Advanced Materials:** The utilisation of advanced materials is of fundamental importance to the transport industry and Lightweight materials (including metals, composites, polymers, hybrid structures and other structural materials and their associated joining and assembly technologies) applied to vehicles, structures and devices are crucial to reducing energy consumption and emissions, and increasing efficiency.
- **High Value Manufacturing:** The application of leading-edge technical knowledge and expertise to the creation of products, production processes, and associated services has strong potential to realise sustainable growth and high economic value. Concentration on manufacturing process improvement will

include; polymer processing, additive manufacturing, joining and forming, robotics, processes and metrology.

Investment will be focussed in areas where the CWLEP and the UK has particular strengths and can take advantage of large global markets (and reshoring opportunities) and ensure that the support provided is delivered and can be accessed in the most efficient and effective ways. Investment will be targeted at supporting SMEs to help them access finance, partners, lead customers, knowledge and skills. Large companies play a key role in driving growth we will support them in addressing their development requirements and in working with their local supply chains.

LOCAL GROWTH DEAL 2015/16: INTELLIGENT MOBILITY PROJECT

The aim of this project is to implement and demonstrate a scalable architecture to deliver optimised traffic flows on both the strategic highways (controlled by the Highways Agency) surrounding our cities and the urban roadways controlled by local authorities. By minimising pinch-points in the overall road network, urban and inter-urban, it is possible to alleviate congestion events. Coventry and the surrounding strategic highways will be used as a blue print because it is highly representative of the majority of UK cities. By using predominately existing assets, and physical, data and other information sources, the project will assess the impacts of combining existing data sets and addressing their gaps by using vehicles as floating data points to generate high precision real-time and predictive traffic data.

Furthermore, new control mechanisms will be added to communicate optimised speed, routing and modal shift information to consumers using Smartphone applications. The project will determine if the use of existing infrastructure and data sources can enable information that can be used in vehicles to adjust and improve driver behaviour over all public road networks. By using the vehicles themselves as mobile variable message signs (mVMS), and a crowd based controller it is possible to mitigate and alleviate congestion events before they occur and optimise the movement of people and goods which is vital for the continued growth of the UK economy.

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Intelligent Mobility Demonstrator	£2,450,000	£2,000,000		£450,000	
	Outcomes				
Development of existing assets and offers to enable Coventry to create the right environment for businesses and residents to prosper, providing a technologically led innovative and demand responsive transport system that supports viable travel options and choice for all.					

LOCAL GROWTH DEAL 2015 / 16: ADVANCED PROPULSION RESEARCH LABORATORY

WMG, with partners including Jaguar Land Rover, is creating the National Automotive Innovation Campus (NAIC) where people, research and world-leading infrastructure are linked to create and develop novel technologies leading to business growth, inward investment and job creation. In a 33,000m² new building opening in 2016 it will create a critical mass of research capability focused on the long-term multi-disciplinary challenges identified by the UK Automotive Council in *Electric Vehicles; Carbon Reduction; Smart and Connected Vehicles*.

In a dedicated wing in NAIC we propose to create the Advanced Propulsion Research Laboratory (with a strong link to the Advanced Propulsion Centre) with world-leading facilities including engine, chassis and e-dynamometers; thermal fluids equipment; battery emulators; e-machines, charging and emissions laboratories; hardware-in-the-loop rigs and electric device analytics.

WMG are seeking a £15m contribution towards this capital equipment. This is already pre-matched by industry. The total cost of NAIC is currently £92m. All the funding for the building and other equipment is in place, the majority of which is from industry. The funding is required for 2015/16.

Intervention Summary:		Funding Requirement				
Advanced Propulsion Research Laboratory		<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
		£30,000,000	£15,000,000	-	-	£15,000,000
		Measurable Outcomes				
	<i>Businesses Assisted</i>	<i>Jobs Created(Gross)</i>	<i>GVA Generated(2020)</i>	<i>GVA Generated(2025)</i>		
	400	650	£117,000,000	£117,000,000		

In addition investment will be utilised from the European Structural and Investment fund allocation matched with private sector funding to enhance the collaborative working between AME businesses and R&D and Innovation Centres of Excellence (e.g. High Value Manufacturing Catapult, MIRA, WMG and Coventry University). Investment will support the development and strengthening of clusters of innovative companies in AME in Coventry and Warwickshire by investing in research and development and innovation technology support programmes and demonstrator programmes and projects which will act as a catalyst to help the companies behind the projects to develop their entrepreneurial skills and attract more investment. These will be aligned with Technology Strategy Board priorities and local opportunities e.g. inductive charging, intelligent mobility, intelligent logistics, renewable energy technologies and innovative energy infrastructure, smart grids, low-impact buildings, future automotive propulsion technologies including hybrid technologies, energy systems and energy storage technologies, power electronics, human-machine interface technologies and visualisation technologies.

Assistance will be provided to businesses to work with our two universities and knowledge centres to obtain knowledge and expertise to address their business challenges and embed sustainable innovation by funding the employment of recent graduates into AME businesses to work on strategic growth projects, with ongoing support from experienced university and knowledge base experts.

As a result Coventry and Warwickshire AME businesses will be able to exploit the commercialisation opportunities of new technologies and ways of working developed as a result of public-private R&D and innovation collaboration and will be firmly established as a Global centre of excellence in AME with a strong and innovative business and research and development base. In this context we are keen to work with the Automotive Investment Organisation (Part of UKTI) which has the aim of increasing foreign investment in the automotive supply chain and Research and Development and promoting the UK automotive industry.

Intervention Summary:	Funding Requirement				
Accelerating research and development and innovation in advanced manufacturing and engineering (ESIF).	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£25,070,050		£12,534,900	6,267,575	6,267,575
	Measurable Outcomes				
	<i>Businesses Assisted</i>	<i>Jobs Created(Gross)</i>	<i>GVA Generated(2020)</i>	<i>GVA Generated(2025)</i>	
1580	992	£45,000,000	£65,000,000		

In addition to the investment priorities it is recognised a key development in AME will be the new national Advanced Propulsion Centre which will be “the centrepiece of the new joint industry and government strategy for the automotive sector and is being launched to help develop, commercialise and enable the manufacture of advanced propulsion technologies in the UK”. Coventry and Warwickshire is already the location for significant investment in automotive R&D and Innovation and with its available site infrastructure would be a suitable location for the Advanced Propulsion Centre / Hub.

4.3.2 SUPPORTING BUSINESS GROWTH IN THE AME SUPPLY CHAIN

Investment in supporting business growth will include an integrated package of interventions that will enable the private sector businesses in AME to be at the heart of business and economic growth in Coventry & Warwickshire.

Investment will remove the barriers to growth for those businesses in AME with ambitious growth potential. Investment will be utilised from the European Structural and Investment fund allocation matched with private sector funding to provide a range of support to develop and strengthen clusters of AME businesses within Coventry and Warwickshire. By working through stakeholder organisations we will provide a programme of business support (including coaching and mentoring) that will help businesses to develop solid growth strategies and access finance including loans and business grants.

An AME support programme will include business planning (e.g. manufacturing strategy, sales growth, marketing and finance), developing new ideas (e.g. product innovation, design, automation), process improvement (e.g. process mapping, cellular manufacturing, resource efficiency, waste reduction and quality management) and supply chain development (e.g. managing your own suppliers, accessing supply chain opportunities). Support will be provided to AME businesses to access finance from mainstream banks. In addition, a series of funds will be created to enable businesses unable to secure finance from the banks to deliver major capital investments (including research and development) that will enable them to modernise their operations and grow. Three types of funds will be delivered (tailored to individual business requirements), including business loans, business grants, and venture capital/equity finance.

Linked to the European Structural and Investment Fund Strategy CWLEP will work with UK Trade and Investment to help AME businesses to internationalise through enhanced sector and country specific support and more in depth support for exporters. The UK Trade and Investment offer will provide an increase in capacity and a localised service that supports directly the growth agenda and sector priorities of Coventry and Warwickshire. The ‘opt-in’ arrangement will allow for an increased marketing and representational role in promoting international trade. In addition we will extend manufacturing support either through the

Manufacturing Advisory Service (subject to continuation) or through a Coventry and Warwickshire specific programme which would fund additional manufacturing advisors and business improvement interventions.

CWLEP will also work closely with the Automotive Investment Organisation to exploit opportunities around re-shoring automotive supply chain companies within the UK, and ensure that the Coventry & Warwickshire area is a priority focus for this activity. A core intervention of the SEP is the proposed development of a "National Reshoring Centre" incorporating a collaboration hub, events centre, research/date centre, marketing suite and soft-landing zone for reshoring companies, led by an integrated public and private sector partnership and based on an exemplar track record of working with our partners to win international investment and our success in staging events to showcase our global advantage in the AME sector.

CWLEP is planning a 2014 Future Transit Systems conference which will bring together the most advanced thinking and technology across the transport stage, be it automotive, logistics, marine, commercial vehicle, space or aerospace-based. It will provide a vital, holistic platform, where people come together to discuss the future of transport, while being able to touch, feel and experience first-hand some of the technology and process that is helping the world of transport towards convergence, towards a higher level of sustainability. The goal of the event is to promote the UK as a leading global location for the development of future transit technologies utilising the indigenous research base, unique test facilities and inherent skills capabilities across the telecoms, automotive, rail and aerospace engineering and ICT sectors. The event is due to take place from 30 September to 2nd October 2014 at MIRA Ltd, Nuneaton. The event will be split into two sections – one part open to a select group of personally invited VIP’s who control corporate investment budgets, giving them the opportunity to preview the event in a controlled environment for them to exclusively have demonstrations of high profile projects . The second part of the event will target key R&D and Innovation directors and senior personnel within relevant Intelligent Mobility sectors have the opportunity to participate in active discussions and demonstrations within this arena. This events objective is to showcase the best of British and attract new FDI.

The proposal is to build on this expertise and our existing highly effective partnership with UKTI Automotive Council and MAS, to stage a Global Symposium in 2015 to support reshoring opportunities. Early conversations with MAS and UKTI have secured broad support for this proposal with plans to focus on the automotive supply chain that will help SME’s to supply to non- SME’s reshoring their production. The Symposium would be a key part of launching “RESHORE UK” to both industry and practitioners.

The area is leading the way with bringing manufacturing back to the UK with such examples of RDM GROUP, who make rechargeable troches for JLR and have plans to bring the rest of its China based work back by the middle of 2015. “We went there because it was going to be cheap, but cheap has turned into ever- increasing prices because wages and other costs are rising rapidly“, said David Keene, chairman

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Supporting Business Growth in the AME Supply	£16,479,140	n/a	£8,239,571	£4,119,785	£4,119,785
	Measurable Outcomes				

<i>Chain</i>	<i>Businesses Assisted</i>	<i>Jobs Created(Gross)</i>	<i>GVA Generated(2020)</i>	<i>GVA Generated(2025)</i>
	895	1040	£30,000,000	£45,000,000

4.3.3 MEETING CURRENT AND FUTURE SKILLS NEEDS

The Coventry and Warwickshire area is likely to need up to 25,000 level 2 and level 3 engineers to replace the existing work force. Businesses in AME are reporting skills gaps around leadership and management, particularly in relation to export markets; promotional activity; IT usage; product design and development; software programming and operating systems programmes. Alongside this we have technical skills gaps within electrical, structural, mechanical and manufacturing disciplines with particular requirements in metrology and robotics.

Investment through the local growth deal will include support for skills infrastructure for the renewal, modernisation and rationalisation of skills and education infrastructure. It 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.

CWLEP has worked extensively with the Skills Funding Agency regarding requests for Skills Capital and launched a call for expressions of interest for Skills Capital projects. Based on the proposals received we are seeking funding from the local growth deal under the AME programme for:

- One significant skills capital investment of £7m led by City College Coventry and Henley College to develop a STEM centre which will encourage more young people to acquire the technical and higher skills in science, technology, engineering and mathematics and support future growth in advanced manufacturing and engineering, delivering 2000 qualifications over 3 years.
- Two lower value capital projects totalling £1.15m led by Warwickshire College which will support the promotion of STEM subjects and the provision of AME apprenticeship training.

The creation of a STEM Centre (≈2,000sqm new build) is a proposed joint development between two further education colleges and will consolidate existing provision and develop new programmes to support the skills required for the labour market. It will have a clear focus working with other providers to create medium/long term sustainable programmes but also, where appropriate, to work with employers to use the flexibility of the Innovation Code to create a bespoke and quick response to skill gaps, such as in the City Deals. This will be critical in creating a real employer-driven, responsive skills system. The core focus of the STEM Centre will be apprenticeships and high quality traineeships. This will extend to include 24 year olds and support the Autumn Statement which announced plans to exempt JSA claimants undertaking Traineeships from the '16 hour rule' will enable more tailored design driven by employers.

The request for skills capital includes a further 2 lower value projects which will support the development of STEM provision and support for the development of AME:

- Investment of £900,000 from LGF for the purchase and refurbishment of an existing site and buildings (≈1,000sqm) in Warwickshire to provide additional apprenticeship training in AME.
- Investment of £250,000 from LGF for the development of an existing building to establish a Science, Technology, Engineering, Maths (STEM) centre, providing; a hub for employers and educators (inc SME's

Further and Higher Education) to collaborate and develop education and training that specifically meets their STEM skills demands and the “softer” skills required to secure routes to employment and enterprise; and a “spoke” of the CWLEP growth hub providing STEM support for businesses in the region (including STEM recruitment service).

In addition a notional allocation for skills capital has been outlined per annum to 2020/21. Open calls for proposals will be undertaken to identify future projects.

In addition CWLEP supports the development of a skills capital project for a new skills training centre on the MIRA Technology Park, near Nuneaton, Warwickshire, run jointly by North Warwickshire and Hinckley College, MIRA and the University of Leicester. The details of the centre are provided within the Leicester and Leicestershire Strategic Economic Plan.

Linked to the European Structural and Investment Fund Strategy CWLEP will work with the Skills Funding Agency, Further Education, Higher Education and the private sector to establish a comprehensive workforce development programme. Investment will be prioritised in technical and sector specific skills (including engineering, hardware and software design, metrology, robotics, computer aided design, machining and welding), general skills and training (including management and leadership and ICT) and practical industrial experience. The programme will support upskilling and retraining and address the key market failures of investing in skills, short-termism and risk aversion. Interventions will include; mapping and promoting management training programmes available to employers, particularly in SMEs; helping SMEs to develop their capacity to identify, predict and meet their own training needs; increasing opportunities for existing employees to improve and extend their skills and engaging employers in the design, delivery an assessment of programmes.

The Advanced Manufacturing and Engineering sector provides significant economic and employment opportunities for the West Midlands region – with large-scale expansion in production planned across OEMs, such as JLR, and their supply chains. In order to realise this growth, the region needs to ensure the timely supply of high quality skills and labour. However, there are already signs that such growth is being impeded – with a lack of skills preventing many supply chain companies from responding positively to new business opportunities. This includes specific skills shortages across the regional supply chain in areas such as of automation, maintenance, robotics, Programme Logic Control (PLC) and high accuracy machining.

The three LEPS of the Greater Birmingham and Solihull, Black Country and Coventry and Warwickshire areas are working closely with key AME supply chain companies to address these issues. Through a unique cross-LEP collaboration, the 3 LEPS are proposing an industry-led approach to addressing localised recruitment and skills needs – where the 3 LEPS will provide strategic leadership for partners from Further Education, Higher Education, local government and business support to ensure a targeted and consistent approach to investment in skills.

The three LEPS will develop an Advanced Manufacturing and Engineering Recruitment and Training Agency that will work across the supply chain geography, integrating with and enhancing existing initiatives to offer a consistent and sector-specific focus to current and emerging skills needs. This will:

- Engage supply chain employers to ensure greater awareness of the need to upskill to meet emerging production needs and realise growth opportunities.
- Offer a programme of skills diagnostics targeted at SMEs.
- Provide an online marketplace – where employers can source the best training available.
- Deliver just-in-time training and recruitment – where SMEs have access to a pool of skilled and job ready recruits.
- Support young people and adults leaving engineering related training – matching them to local job opportunities.
- Support unemployed people – linking employability and related vocational training to the skills needs of employers and providing a fast-track service in to local employment.
- Support SMEs to encourage them to take on Traineeships and Apprenticeships – including wage subsidies and short-term loans.

A challenge in Coventry and Warwickshire is bridging primary and secondary education and the linkage to SMEs in Advanced Manufacturing and Engineering. Secondary School Head Teachers will be brought together with businesses in the AME sector in May 2014 to discuss employment opportunities in the sector for young people. Alongside this the areas first University Technical College will open in September 2014. There is an opportunity to use both of these initiatives to open a dialogue between public and private sector partners, involving the Department for Education and to pilot initiatives which will further support young people as they progress from secondary education into further study and ultimately work linked to the AME sector.

Intervention Summary:		Funding Requirement				
Meeting Current and Future Skills Needs	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>	
	£24,299,328	n/a	£12,149,664	£6,074,832	£6,074,832	
	Measurable Outcomes					
	<i>Net additional skills Assists Leading to a Qualification</i>		<i>GVA Generated (2020)</i>		<i>GVA Generated 2025</i>	
3339		£77,000,000		£89,000,000		
AME Skills Capital:		Funding Requirement				
		<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
		£37,430,000	£29,950,000	-	£7,480,000	-
Whole Life Outcomes (2015/16 projects Only):		80 new jobs created : 240 Jobs Safeguarded 3200 Qualifications				

4.3.4 CREATING EMPLOYMENT OPPORTUNITIES AND MEETING EMPLOYER DEMAND

The requirement of AME companies is for highly trained and qualified engineers within larger companies and computer aided design technicians and multi-skilled machinists within supply chain companies.

Linked to the European Structural and Investment Fund Strategy CWLEP will work with local authorities, the Department for Work and Pensions and JobCentre Plus to establish an employment programme providing employability support, work-related skills development and tackling barriers to work that will enable individuals to access job support and respond positively to the employment opportunities generated through business growth. The programme will respond flexibly to employer demand in local labour markets where the

CWLEP and its stakeholders identify specific needs and it will support the development of the Growth Hub to provide a central offer to business in terms of skills and employment.

Investment will be prioritised in providing tailored support including; coaching and mentoring, career progression and job structure support, current and real labour market knowledge sharing, and demand led and responsive advice to meet employer needs. As a result we will see increased employment rate growth and increased employment levels which will meet local employer demand and national targets.

Note: This intervention will support both investment in Advanced Manufacturing and Engineering and Growing our Talent.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
Creating employment opportunities and meeting employer demand	£65,674,176	n/a	£32,837,088	£32,837,088	n/a
	Measurable Outcomes				
	Net additional positive outcome into employment				
	4,930				

4.4 ADVANCED MANUFACTURING AND ENGINEERING: SUPPORT FOR NATIONAL GROWTH

Manufacturing is a vital part of the British economy. It creates high quality and innovative products that are exported across the world. Manufacturing accounts for more than half of the UK’s exports; 10.5% of UK GDP and 2.5 million jobs in the UK. UK manufacturing is also among the most highly skilled in the world, with demand for skilled workers being extremely high. To meet the projected growth in the industry, Britain needs an extra 1.25 million science, engineering and technology professionals by 2020. Manufacturing productivity has increased by more than 40% in a decade, contributing a third of the UK’s total productivity growth.

Supporting this economic growth the Coventry and Warwickshire LEP area is a core part of the UK High Value Manufacturing Catapult through both WMG and the Manufacturing Technology Centre. The Catapult provides UK business with a gateway to access the best manufacturing talent and facilities in the country. It also acts as a conduit for funding from both the public and private sectors for projects and initiatives with due merit. In addition the focus on AME supports the Governments strategy for both the automotive and aerospace industries and linkage to the eight great technologies including; Advanced Materials, Robotics and Autonomous Systems and Energy Storage.

In addition, strong market potential highlights a significant opportunity for the Coventry & Warwickshire LEP to become a leading centre in the UK for intelligent mobility; drawing upon the significant industrial and research strengths, ranging from major automotive manufacturers (and their supply chains), niche vehicle providers, technology developers, and research institutions. Coventry & Warwickshire provides an ideal location with the potential to attract investment from funders and commercial partners, and allow a concentration of research, development, and innovation activity, supporting the future development of this growing market. This focus on intelligent mobility within Coventry & Warwickshire supports the research and development priorities of at least two of the “eight great technologies” first cited by UK Government in 2012 (big data, robotics and autonomous systems), and the ten intelligent mobility innovation challenges of the Technology Strategy Board Transport Systems Catapult. The strategy supports the recent Government

announcement within the National Infrastructure Plan to create a £10m prize fund for a town or city to develop as a testing ground for driverless cars. It also builds on strategic elements of the research themes and agendas for the Engineering & Physical Sciences Research Council (EPSRC), Technology Strategy Board (TSB) and the Automotive Council.

CWLEP is an active member of the 6-LEP High Performance Technology group that is promoting the area as the driver of technological change in motorsport related industry into mainstream manufacturing.

4.5 ADVANCED MANUFACTURING AND ENGINEERING: NON-FINANCIAL OFFERS AND ASKS

The future growth of AME in Coventry and Warwickshire is constrained by current infrastructure (including availability of employment land, transport connectivity, housing and digital connectivity) and skills base. With the unlocking of infrastructure constraints through the local growth deal we will be able to realise our potential either directly through the private sector or through investment from other funding sources. As a result of investment Coventry and Warwickshire will be recognised as a global centre of excellence in advanced manufacturing and engineering.

CWLEP Offers:

- Actively promote Coventry and Warwickshire (working with the Automotive Investment Organisation (part of UKTI)) to support future inward investment and support the profiling of companies in overseas markets.
- Create an industry foresight/horizon scanning leadership forum partnership (with representatives from industry and academia) to support the early identification of future Advanced Manufacturing Engineering technologies and opportunities
- Continue to commit local authority and university resources to support economic development, business support, enterprise, innovation and trade development and access EU funding from Horizon 2020 and other finance streams.
- Utilise the European Structural Investment Funds in support of growth in Advanced Manufacturing and Engineering. This will include “opt-in” arrangements with the Manufacturing Advisory Service and UK Trade and Industry and support for employment and skills through the Department for Work and Pensions and Skills Funding Agency.

Government Asks:

- To involve the Department for Education in open dialogue with public and private sector partners, and to pilot initiatives which will further support young people as they progress from secondary education into further study and ultimately work linked to the AME sector.
- Provide multi-year continuity of support for the Manufacturing Advisory Service and UK Trade and Investment. CWLEP will ‘match’ this investment through its European Structural Funds allocation to increase the levels of international trade and manufacturing support.



Coventry & Warwickshire
Local Enterprise Partnership

The vision is to introduce a Growth Hub that will provide stimulation to the AME sector and beyond. It will provide a highly professional single point of contact and navigation for businesses in Coventry & Warwickshire.

Click below to select what you need help on...



Clearing house

5. GROWTH HUB / CLEARING HOUSE

This growth programme will support the continuation and extension of the recently approved City Deal for Advanced Manufacturing and Engineering with its brokerage support for business and role as a Growth Hub. It will integrate with the activities outlined in the growth programmes for Advanced Manufacturing and Engineering and Growing our Talent within this Strategic Economic Plan.

The City Deal will enable the development of Coventry & Warwickshire's flagship Clearing House. CWLEP will create a supportive environment within which businesses can grow and prosper, and remove any barriers or unnecessary hurdles that businesses face; making Coventry & Warwickshire a globally regarded a centre of excellence for advanced manufacturing and engineering, with strong and innovative businesses and R&D base and a highly skilled and flexible workforce. The City deal includes Hinckley and Bosworth Borough Council as a partner.

The Clearing House will engage with AME businesses to:

- Access business advice, support and information on a range of issues
- secure appropriate finance by allowing easy access to funding, streamlining application processes and the number of contacts businesses need to make and leveraging in private investment
- Access a dedicated and sector specific AME UKTI resource who will work specifically with AME companies in Coventry and Warwickshire
- exploit export markets/opportunities and encourage AME businesses to develop international relationships, whilst at the same time, work to secure inward investment into the sub-region
- Support AME businesses to undertake innovation activity by accessing research funding and linking to innovation assets
- Recruit skilled employees and up-skill the existing workforce by providing a skills programme at craft level
- Identify and secure appropriate premises by providing specialist advice on financing and leasing option, supporting businesses through site identification, and the planning process.

CWLEP intends to use a significant proportion of the EU Structural & Investment Funds to provide the revenue funding required by the Growth Hub. The LEP is in negotiation with both UKTI and MAS around their opt-in prospectuses and will aim to secure services and resource from these organisations to enhance the operation of the Growth Hub. This aligns with priority three of the ESI funds strategy which is around supporting the development of SMEs. ESI funds will be targeted towards supporting the improved provision of skills information, advice and guidance through the Growth Hub, along with improvements in skills brokerage and support for social enterprise. The growth hub/ clearing house will not be seeking funding from the local growth deal in 2015/16 but will establish priority interventions for future funding from 2016/17 based on the delivery experience of the city deal.

New investment requested through the Single Local Growth Fund will support:

- o Priority interventions from 2016/17 based on the operation of the City Deal Clearing House

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
Growth Hub / Clearing House	£14,632,260	£2,500,000	£6,066,130	£3,033,065	£3,033,065



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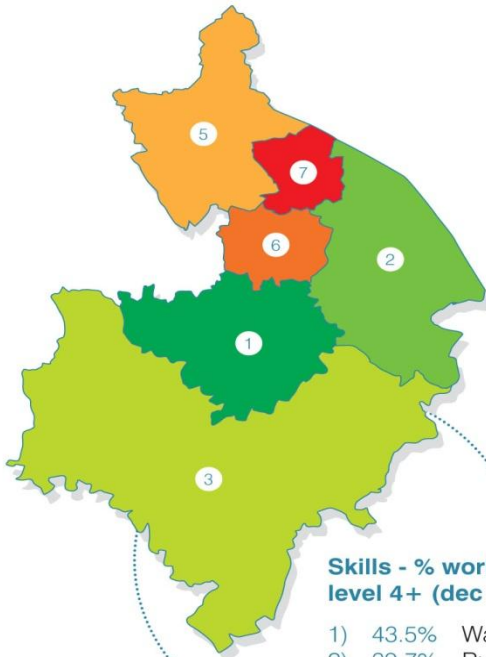
OWMIG
Creative Solutions

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Growing our talent

Growing our talent



Skills - % workforce with level 4+ (dec 2012)

- 1) 43.5% Warwick
- 2) 39.7% Rugby
- 3) 37.4% Stratford-upon-Avon
- 4) 34.2% UK average
- 5) 27.2% North Warwickshire
- 6) 26.8% Coventry
- 7) 24.8% Nuneaton & Bedworth



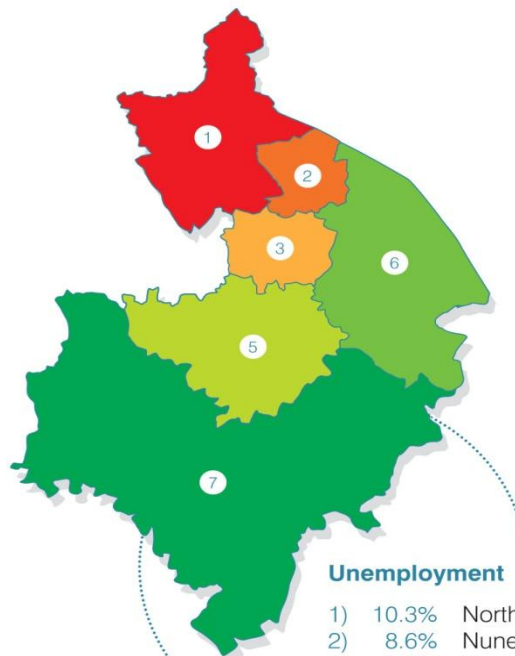
Business start-ups 2012 (proportion of new in total active)

- 1) 12.7% Coventry
- 2) 11.5% Nuneaton & Bedworth
- 3) 11.4% UK average
- 4) 11.1% Warwick
- 5) 11.0% Rugby
- 6) 9.2% North Warwickshire
- 7) 9.0% Stratford-upon-Avon



Business Resilience – firms born in 2007 – 5 yr survival rates

- 1) 50.3% Stratford-upon-Avon
- 2) 46.7% Rugby
- 3) 46.1% Warwick
- 4) 44.7% Nuneaton & Bedworth
- 5) 44.6% UK average
- 6) 44.1% North Warwickshire
- 7) 39.2% Coventry



Unemployment

- 1) 10.3% North Warwickshire
- 2) 8.6% Nuneaton & Bedworth
- 3) 8.5% Coventry
- 4) 7.9% UK average
- 5) 6.4% Warwick
- 6) 4.9% Rugby
- 7) 3.4% Stratford-upon-Avon

6. GROWING OUR TALENT

- ENHANCING PRODUCTIVITY AND ECONOMIC PERFORMANCE IN THE WIDER ECONOMY

6.1 INTRODUCTION

This growth programme will support the enhancement of productivity and economic performance. Additional key areas of economic growth have been prioritised. For Coventry and Warwickshire the most significant growth opportunity to 2025 in terms of employment and productivity growth is forecast in IT services/ Digital and Creative Industries. In addition the economy is forecast to see significant growth in construction, health, residential and social care, legal and accountancy services, culture and tourism, warehousing and postal services (logistics) alongside food and beverage services and the accommodation and retail trade. In these sectors Coventry and Warwickshire already has a strong presence of private sector businesses including; NFU mutual (Business & professional services), Morgan Sindell (construction), Codemasters (games software), Telent (ITS), IBM (ITS), the Royal Shakespeare Company (Culture and Tourism), TNT (logistics), Sainsburys (Retail and Logistics) and Aldi (retail).

Through this approach the existing productivity gap between the CWLEP area and the UK average will be addressed alongside economic output and wealth creation disparities within the CWLEP area.

One of the biggest challenges for the CWLEP will be to close the productivity gap between the CWLEP area and the UK. In 1981, productivity was 89% of that of the UK average, by 2000 this gap had closed to 92% but by 2011 the gap had opened back to 89%. Forecasts show that this gap is only going to widen (to 87% by 2025) without further intervention.

Within the CWLEP area there are inter-LEP differences in economic output and wealth. A challenge for the CWLEP will be to narrow the gaps between local authority areas. GVA per head in Nuneaton and Bedworth is 48% of that in North Warwickshire. Warwick district has always performed well and is forecast to remain above the UK average. North Warwickshire, having been below the LEP average has, from 2003, seen an increase in wealth through to the recent economic downturn, but is forecast to grow and remain the wealthiest local authority in the LEP area. Rugby Borough, since the onset of the recession has performed below the LEP average and is forecast

to continue to do so. Stratford and Nuneaton and Bedworth have followed the LEP average through the 1980s and 1990s but from the early 2000s the two have diverged: Stratford has seen increased growth which is projected to continue to the UK average and above the LEP average, whereas Nuneaton and Bedworth has seen slower growth and dropped below the LEP average and is forecast to remain so.



These disparities will be addressed in two ways. Firstly, by concentrating on identified growth opportunities that exist within the Coventry & Warwickshire economy:

- **IT Services / Digital and Creative Industries:** Coventry and Warwickshire is the UK hub for Serious Games and the gaming industry with leading computer games companies and a leading cluster of game development. Silicon Spa is one of the world's largest concentrations of computer gaming companies and is situated in and around Leamington Spa in the south of Warwickshire. An action plan for Silicon Spa is being developed which will create a rationale and basis for action to support a key micro-cluster within Warwick District and the sub-region that has the potential to thrive and expand as a key point of differentiation for the area.
- **Logistics:** The central location of the CWLEP area has led to the development of a number of major road and rail based freight distribution facilities over the last 15 years. These include Hams Hall near Coleshill, Bermuda Park between Nuneaton and Bedworth, Keresley in North West Coventry, Birch Coppice in North Warwickshire and Coton Park near Rugby.
- **Culture and Tourism:** The tourism and cultural offer includes Warwick Castle, Shakespeare's Birthplace Trust, Royal Shakespeare Company, Compton Verney, Coventry Cathedral, Belgrade Theatre, Warwick Arts Centre and Coventry Transport Museum which welcome approximately 5m visitors per year. Overall tourism supports the employment of approximately 40,000 people within the CWLEP area, of which approximately 15,000 are employed in Stratford and Warwick and approximately 10,000 in Coventry.
- **Healthcare and Assistive Technology:** Healthcare is a significant employer within Coventry and Warwickshire through our NHS trusts and additionally through the University of Warwick (Warwick Medical School), Coventry University and private sector employers.
- **Professional Services:** Coventry and Warwickshire's vibrant professional and financial services sector is well placed as a skills required hub to meet the demands of a local economy that is growing. There are 11,950 businesses in the C&W LEP area within Financial intermediation, Real estate, renting and business activities and Public administration, other community, social and personal services employing 174,900 people

Secondly, interventions will be targeted within areas of the economy that are currently underperforming compared to the England average. This will focus on:

- Stimulating and supporting innovation activity within our SMEs
- Increasing business start-up rates, and reducing business failure rates
- Creating a step change in our economy
- Supporting the growth and performance of our rural economy
- Improving skill and qualification levels
- Enhancing the employability of our residents

6.2 GROWING OUR TALENT: EXAMPLES OF CURRENT PROGRAMMES

Through the strategic economic plan and investment programmes we will support innovative activity and productivity enhancement across the business base through access to external information, advice and expertise and access to finance. This will include a focus on research and development and innovation in rural areas supporting smaller enterprises to achieve significant growth. To support the future growth agenda investment in employment and skills will meet employer demand in the local labour market and ensure that education and training provision meets the long-term needs of economy and society. Current activity provides a basis for future development to support enhanced productivity and economic performance.

In support of development in IT services and computer games we have established:

- Leading Games design courses at Coventry University and Warwickshire College and a leading Computer Science Course at the University of Warwick
- The Serious Games Institute & SG International Ltd at Coventry University. This is the first digital research centre of its kind, providing an accessible centre of innovation and excellence in digital technologies to serve business, industrial, healthcare and educational needs.
- The International Institute for Product and Service Innovation (IIPSI) at the University of Warwick, which features a range of demonstrators in the technology areas of Digital Innovation, Polymer Innovation and Experience-led Innovation, enabling SMEs to explore ways in which the technology can work for their specific business needs.

The forecast growth in health and residential and social care for Coventry and Warwickshire is significant. The CWLEP area is well positioned to take advantage of this growth through the complementary R&D and innovation capability and capacity of Coventry University and the University of Warwick.

- At the University of Warwick is the Institute of Digital Healthcare (IDH) which was set up in partnership with the NHS, WMG and Warwick Medical School (WMS). The IDH aims to improve people's health and wellbeing through the use of innovative digital technologies.
- At Coventry University the Health Design Technologies Institute (HTDI) supports the development of new and innovative community healthcare products, providing design, prototyping and user-centred product evaluation services to entrepreneurial individuals and companies developing new technologies in this area.

More generally it is vital that support is given to future business competitiveness. Higher business resilience is associated with: higher levels of enterprise and entrepreneurship; more significant presence of less vulnerable sectors; higher levels of educational attainment and labour market participation; lower unemployment; higher levels of life expectancy; and better living environments.

We are already working to enhance business start-up and growth through:

- The Coventry & Warwickshire Enterprise & Business Growth Programme: This programme offers a combination of one to one coaching, workshop support and small grants to equip individuals in Coventry, Bedworth & Nuneaton with the skills and knowledge necessary to start a business. The Business Growth of the programme will help established businesses with the potential for "accelerated growth" to expand, move into new markets and develop new products.
- The Rural Growth Network pilot: The Warwickshire RGN programme offers a flexible package of advice and support to rural businesses in any sector and people looking to start their own business. In particular, it promotes the take up and utilisation of innovation and technology which is seen as key in terms of increasing and expanding levels of productivity and competitiveness in rural businesses.

6.3 PRIORITIES FOR GROWING OUR TALENT

The unlocking of wider economic growth potential needs to be addressed by interventions which are both cross-cutting and sector specific. The diffusion of innovation will be promoted in particular to support the growth and resilience of businesses. We have a strong presence of higher value, knowledge intensive businesses and sectors and strategic investment will be targeted at removing barriers including access to

finance and skills to increase productivity, increase business growth (in particular through international trade), and increase the population of growth businesses which support employment and productivity.

ENHANCING PRODUCTIVITY AND ECONOMIC PERFORMANCE:

Growth Challenges:

- Low levels of business start-up and sustainability (business resilience)
- Skills shortage vacancies particularly within priority sectors
- Lack of employment opportunities, particularly within Nuneaton and Bedworth and availability of housing and affordable housing to meet current and future employment demand
- High levels of youth unemployment in Coventry and North Warwickshire
- Lack of suitable and affordable premises that allow for business growth and inward investment
- Costs and risks of employment
- Low levels of investment in research and development and innovation in the service sector
- Digital connectivity is a problem facing businesses and influencing employment decisions

Priority Investments:

- Increasing Investment in Service Innovation
- Increasing Business Start-Up and Sustainability Rates
- Creating a step change in Business Growth
- Mainstreaming the Rural Growth Network
- Enhancing the skills Base
- Creating wider employment opportunities and meeting employer demand

6.3.1 INCREASING INVESTMENT IN SERVICE INNOVATION

Coventry and Warwickshire is strong in the fields of digital technologies and the development of communication tools and software applications. As a result our digital technology expertise is a high value asset. Aligned to our capabilities in both Advanced Manufacturing and Engineering and Digital Technologies is a focus on Healthcare which is identified as a growth sector in the CWLEP area for the period to 2025 and in which the Coventry and Warwickshire area has innovation expertise in assistive technology and digital healthcare.

Programmes of intervention will be delivered that support the development of innovative products and services across growth sectors. This will include:

- Digital Economy and ICT: The education sector, innovation organisations and the private sector will be mobilised to ensure that businesses are able to develop and exploit new technologies. ICT enables process, product and service innovation across all sectors, leading to increased competitiveness and sustainability.
- Healthcare: Existing infrastructure will be used as the basis for helping businesses to deliver products, systems and services to help people live independently. This will include rehabilitation engineering, mechanical & electrical engineering, remote sensing/telecoms, and imaging and biomechanics. A major barrier to innovation in healthcare is that the pace of technology innovation is outstripping the ability of users to adapt to the way healthcare is delivered.
- Logistics: The efficient and effective movement of people and goods, and the development and deployment of intelligent, connected vehicles for on and off-highway use (often in hostile environments),

are critical to the future growth of the UK economy. Tackling road congestion, environmental pollution, and transport safety and security are key issues which cannot be simply overcome through the further increases in infrastructure alone.

Interventions will include; support for the establishment of business incubation, growth accelerators and technology centre facilities and support programmes linked to priority economic areas; specialist technology support programmes and demonstrator programmes and innovation support programmes for product design and development and systems integration.

Investment from the European Structural and Investment fund allocation matched with private sector funding to will be utilised to deliver a targeted investment programme supporting innovation and knowledge transfer and exchange. Support will be provided for the development and strengthening of clusters of innovative companies by investing in research and development and innovation projects which will act as a catalyst to help the companies behind the projects to develop their entrepreneurial skills and attract more investment.

Intervention Summary:	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
Increasing investment in service innovation	£10,744,200	n/a	£5,372,100	£2,686,050	£2,686,050
	Measurable Outcomes				
	<i>Businesses Assisted</i>	<i>Jobs Created(Gross)</i>	<i>GVA Generated(2020)</i>	<i>GVA Generated(2025)</i>	
	775	430	£12,000,000	£20,000,000	

6.3.2 INCREASING BUSINESS START-UP AND SUSTAINABILITY RATES

One of the key dynamics of a local economy stems from an increasing supply of new business start ups. Investment through the European Structural and Investment fund allocation will support a business start up programme that equips local people with the confidence, knowledge and skills necessary to start and sustain a new enterprise, coupled with tailored support for businesses in their first three years of trading and support a significant increase in rates of business formation and sustainability. Interventions will be prioritised which; support individuals looking to start and grow a business through capability building; provide small grants to help overcome the hurdle of start up costs; provide post-start support for those with identifiable growth ambitions or employment potential; specialist support for social enterprise start-up and growth and general business coaching support to SMEs that have identifiable growth plans.

Through the local growth deal we are requesting funding for a University Enterprise Zone. Through a University Enterprise Zone CWLEP would work with local partners to support the development of additional business start-ups from across Coventry and Warwickshire linked to the knowledge base and the wider development of business and technology sectors exploiting the existing innovation assets of the CWLEP area and linking to the Government's industrial strategy. Given the availability of European Structural and Investment funds, CWLEP would also be able to unlock future additional funding enhancing the overall impact of the University Enterprise Zone Funding and increasing value for money.

Alongside coaching and mentoring and wider business support physical infrastructure provides the space and support for an entrepreneur to develop an idea into a viable business. In Stratford upon Avon business formation rates have yet to regain ground lost, indicating a spatial dimension to new business start-up in the CWLEP area.

LOCAL GROWTH DEAL 2015 /16: STRATFORD-UPON-AVON - START-UP FACILITY

It is proposed to utilise an existing Council Building located in the town of Stratford upon Avon to create a ‘state of the art’ facility for new business start-ups. If the proposal is successful it will form the blueprint for setting up other facilities across the district, particularly in Southam and Studley. The area adjoining the proposed start-up facility is one of the most socially excluded areas in Stratford District. The District Council would be utilising one of its assets to support economic growth. The Council recognises that a key component in making the facility sustainable is the location of a facility manager who will be able to provide business coaching and mentoring and signposting to wider business support.

The project will provide 16 business assists, create 40 new jobs and GVA of £6,000,000 based on a £300,000 investment in 2015/16.

New investment requested through the Single Local Growth Fund will support:

- o Utilise an existing Council Building located in the town of Stratford upon Avon to create a ‘state of the art’ facility for new business start-ups
- o A University Enterprise Zone to support the development of additional business start-ups from across Coventry and Warwickshire linked to the knowledge base and to support priority business and technology sectors exploiting the existing innovation assets of the CWLEP area and linked to the Government’s industrial strategy.

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Increasing business start-up and sustainability rates	£10,362,796	£2,800,000	£3,781,398	£2,836,050	£945,348
	Measurable Outcomes				
	Businesses Assisted	Jobs Created(Gross)	GVA Generated(2020)	GVA Generated(2025)	
	1235	1208	£43,000,000	£61,000,000	

6.3.3 CREATING A STEP CHANGE IN BUSINESS GROWTH

Investment in business growth aligns with the vision and the stated intention for Coventry and Warwickshire to become a “high performing economy with innovative businesses competing internationally”. While it is acknowledged that not all local businesses may wish to grow, an appreciable number have growth aspirations. It is accepted that an appreciable amount of growth potential can be unlocked by accessing external advice. Businesses that utilise external advice are generally better performers than those that do not, as a result if more firms access sources of external advice, this should lead to a general improvement in business performance.

Investment in creating a step change in business competitiveness will be based on an integrated package of interventions that enable the private sector to be at the heart of business and economic growth in Coventry & Warwickshire. This will include; a local business growth programme that offers support in areas clearly associated with SME growth: raising finance; developing a marketing strategy; exploiting ICT; management development and education and support that encourages workforce expansion, and a priority sector focus that removes barriers to growth for SMEs in sectors with ambitious growth potential. Support will be provided to businesses to access finance from mainstream banks. In addition, a series of funds will be created to enable businesses unable to secure finance from the banks to deliver major capital investments (including research and development) that will enable them to modernise their operations and grow. Three types of funds will be delivered (tailored to individual business requirements), including business loans, business grants, and venture capital/equity finance.

Culture and Tourism is a core asset for Coventry and Warwickshire and this has been reinforced by stakeholders through the SEP consultation process and the establishment of the CWLEP Culture and Tourism group. The support from destination management organisations will enable better coordination of marketing activity to advertise what Coventry and Warwickshire offers on the whole and attract more visitors, bringing benefits to the wider sector. Destination management will support the generation of growth in the visitor economy, and will help to maximise the benefits of that growth in long term, including additional income and jobs. It will also support inward investment, the retention of value-added jobs, and support the employment of new talent and in stimulating innovation. With the conclusion of destination management plans later in 2014 (outside the timeframe for the 2015/16 deal) CWLEP will seek future investment through the local growth deal for tourism for 2016/17 to 2020/21 of £500,000 per annum alongside support from the European Structural and Investment funds allocation.

New investment requested through the Single Local Growth Fund will support:

- Interventions aligned to the Coventry and Warwickshire Destination Management Plans

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Creating a step change in business growth	£13,486,108	2,500,000	£5,493,049	£2,746,527	£2,746,527
	Measurable Outcomes				
	<i>Businesses Assisted</i>	<i>Jobs Created(Gross)</i>		<i>GVA Generated(2020)</i>	<i>GVA Generated(2025)</i>
	2025	1197		£43,000,000	£61,000,000

6.3.4 MAINSTREAMING THE RURAL GROWTH NETWORK

Achieving significant growth through innovation in rural areas and innovation in rural technologies and development is a significant priority and builds upon the experience of Coventry and Warwickshire as one of five rural growth networks nationally. Despite the relatively strong economic performance of rural areas, businesses in rural areas face some specific barriers to growth. There are a wide range of market failures in the rural economy which limit private sector investment. These market failures can also hamper take up of new technologies, the development of skills and generally hold back the performance of the rural economy and contribute to the remaining gap in productivity between rural and urban areas.

Supporting the continued growth in small and micro-enterprises within rural communities is a specific priority. These businesses play a strong role in rural areas, supporting employment and with their products and services helping to develop local supply chains and often have wider social and community benefits. Led by Warwickshire County Council continued investment in the rural growth network would be focused on helping existing rural businesses grow and increasing the number of sustainable new start-ups. Through the local growth deal CWLEP are requesting that Government match the allocation under the European Agricultural Fund for Rural Development with £2.5m from LGF to add to match funding which will be used to continue to support the rural growth network.

New investment requested through the Single Local Growth Fund will support:

- o Mainstreaming of the rural growth network

Intervention Summary:	Funding Requirement				
	Total	Growth Deal	ESI Funds	Public	Private
Mainstreaming the rural growth network	£5,560,996	£2,500,000	£1,530,498	£766,452	£766,452
	Measurable Outcomes				
	Businesses Assisted	Jobs Created(Gross)	GVA Generated(2020)	GVA Generated(2025)	
	905	535	£19,000,000	£20,000,000	

6.3.5 ENHANCING THE SKILLS AND EMPLOYMENT BASE

Providing better paid employment opportunities for residents is a stated aim within the vision for Coventry and Warwickshire. It is recognised that while creating opportunities is fundamental we also need to ensure that there are the right people with the right skills to meet employer demand. Overall, skills shortage vacancies, which occur when employers cannot find people with the right skills and qualifications to do the job, now account for more than one in five of all vacancies. Almost two-thirds of all skill-shortage vacancies are attributed to a lack of technical, practical or job-specific skills. But “Softer” skills such as planning and organisation, customer handling, problem solving, team working, communication skills and basic skills (literacy and numeracy) have also been cited as reasons for skills shortage vacancies.

These skills shortages are reflected in priority sectors:

- Nationally in hospitality, travel and tourism it is projected that employment will grow by 6% by 2020. However around 65% of hard to fill vacancies in the sector are due to skills shortages in job specific skills, interpersonal skills or softer skills (communication, customer service and team working), management and leadership skills.
- The Health sector is a large source of employment for the UK, employing almost 7% of the working population nationally. Skills shortages are in technical, practical or job specific and more generally in the areas of problem solving, oral communication, team working, customer focus, management and leadership.
- 1 in 12 of the UK working population work in logistics, (2.3million in over 196,000 companies). The density of skills gaps is high amongst professionals in sales and customer service.
- In construction, it is forecast that over the next 5 years recruitment will be in jobs such as floorers and plant operatives. Additionally emerging skills gaps are becoming evident in environmental sciences.

Through the skills strategy and strategic economic plan CWLEP will focus skills support on the skills and sectors most important for Coventry and Warwickshire develop processes to ensure that planning is informed by data on supply and demand and raise the profile of skills and local employment opportunities.

Investment through the local growth deal will include support for skills infrastructure for the renewal, modernisation and rationalisation of skills and education infrastructure. It 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.

Linked to the European Structural and Investment Fund Strategy CWLEP will work with the Skills Funding Agency, Further Education, Higher Education and the private sector to establish a comprehensive workforce development programme.

CWLEP has worked extensively with the Skills Funding Agency regarding the requests for Skills Capital and launched a call for expressions of interest for Skills Capital projects. Based on the proposals received we are seeking funding from the local growth deal in 2015/16 under the Growing Our Talent programme for:

- Investment of £300,000 from LGF for the extension of an existing building at Warwickshire College to support additional delivery of trades based training programmes for local and national companies within the construction industry, predominately focusing on the building maintenance, plumbing and electrical trades.
- Investment of £280,000 from LGF for the development of a community based skills hub by City College Coventry, providing support for young and unemployed people in acquiring skills for employment, re-skilling employees at risk of redundancy, a brokerage facility for employers, JCP and training providers and providing a facility for marginalised groups to acquire basic skills especially English and mathematics.
- Investment of £1.5m from LGF to support capital infrastructure in FE IT systems and IT-based learning platforms at Stratford College

Employment is crucial for economic growth and social wellbeing. As with the focus in AME, wider business growth in the economy will create employment opportunities both within priority sectors and across the business base. Linked to the European Structural and Investment Fund Strategy CWLEP will work with local authorities, the Department for Work and Pensions and JobCentre Plus to establish an employment programme providing employability support, work-related skills development to focus training for the unemployed on skills demanded locally and tackling barriers to work that will enable individuals to access job support and respond positively to the employment opportunities generated through business growth.

Intervention Summary:	Funding Requirement				
Enhancing the skills an employment base	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£27,583,020	n/a	£13,791,510	£10,343,632	£3,447,878
	Measurable Outcomes				
	<i>Net Additional Skills Assists Leading to a Qualification</i>	<i>GVA Generated (2020)</i>		<i>GVA Generated 2025</i>	
4423	84,000,000		98,000,000		
Skills Capital	Funding Requirement				
	<i>Total</i>	<i>Growth Deal</i>	<i>ESI Funds</i>	<i>Public</i>	<i>Private</i>
	£22,128,082	£14,580,000	n/a	£6,880,000	£668,082
	Measurable Outcomes				
Whole Life Outcomes (2015/16 projects Only):	53 Jobs Created : 103 Jobs Safeguarded 2150 Qualifications				

Note: The intervention highlighted within the AME programme on “Creating employment opportunities and meeting employer demand” will support both AME and Growing our Talent programmes.

6.4 GROWING OUR TALENT: SUPPORT FOR NATIONAL GROWTH

The Government’s ‘Plan for Growth’ recognises the importance of a competitive SME base to the global competitiveness of the overall UK economy. The Coventry and Warwickshire economy is underperforming relative to the national average, largely as a result of lower than average productivity. It is suggested that one of the contributory factors is that not all businesses with growth potential have realised this, coupled with a potential under-representation of “high growth” businesses which have been shown to drive employment and productivity growth. The strategic priorities and investments will directly address this issue of lower than average productivity in line with the policy of HM Treasury, the Department for Business, Innovation & Skills and UK Export Finance for “Achieving strong and sustainable economic growth”.

Starting and growing businesses is a focus of strategic economic plan, in Coventry and Warwickshire 95% of businesses are home grown and this supports the policy of the Department for Business, Innovation & Skills and HM Treasury in “Making it easier to set up and grow a business”.

Investment in supporting an enhancement in productivity and performance will result in an increase in employment and skills levels. This supports the policy of the Department of Business, Innovation and Skills and Department for Communities and Local Government on “boosting private sector employment” and BIS policy on “Making the labour market more flexible, efficient and fair”. Investment in skills infrastructure through the local growth deal and skills provision through the European Structural and Investment Funds supports the policy of “Improving the quality of further education and skills training” promoted by the Department of Business, Innovation and Skills and Department for Education.

Forecast growth in IT services aligns with the Government’s industrial strategy for the information economy. The economic plan and investment priorities are consistent with the identified policies of “improving digital skills”, “infrastructure” and “supporting innovation and growth”, in particular support for small businesses and in supporting the ambition that the UK is the best place in the world to start and grow a technology business.

The urban-rural identity of Coventry and Warwickshire is a key dimension of the CWLEP area. This strategy and investments support the policy of the Department for Environment, Food & Rural Affairs in “Stimulating economic growth in rural areas” in particular through; the extension of the Warwickshire Rural Growth Network, investment in rural broadband infrastructure and training and networking programmes for business people in rural areas.

6.5 GROWING OUR TALENT: NON-FINANCIAL OFFERS AND ASKS

CWLEP Offers

- Continue and enhance support for local procurement by public sector organisations
- Continue to commit local authority and university resources to support economic development, business support, enterprise, innovation and trade development and access EU funding from Horizon 2020 and other finance streams.
- Utilise the European Structural Investment Funds in support of wider economic growth. This will include “opt-in” arrangements with UK Trade and Investment, Skills Funding Agency and Department for Work and Pensions.

7. DELIVERY AND GOVERNANCE ARRANGEMENTS

7.1 COVENTRY AND WARWICKSHIRE LEP

Coventry and Warwickshire LEP (CWLEP) is a legally incorporated public/private sector partnership with its Board of Directors representing local stakeholders including the private sector, local authorities (City, County, Districts and Boroughs), universities and representative organisations and reflects the sector and spatial make-up of the area. CWLEP is a strategic enabling body and its strengths to date have been its ability to work closely with partners, create dialogue across the public, private and not-for-profit sectors and to secure significant public money to support companies and infrastructure development to grow the economy.

The CWLEP has on its board:

Private Sector	Local Authority (Public)	Education (Public)
Sir Peter Rigby (Chairman) : Rigby Group Plc	Councillor Craig Humphrey : Rugby Borough Council	Dr Richard Hutchins : Warwick Manufacturing Group
Nick Abell : Wright Hassall	Councillor Les Caborn : Warwick District Council	John Latham : Coventry University
George Gillespie : MIRA	Councillor Isobel Seccombe : Warwickshire County Council	
Karl Eddy : Grant Thornton	Councillor June Tandy : Warwickshire County Council	
Paul Kehoe : Birmingham Airport	Councillor Ann Lucas : Coventry City Council	
Catherine Mallyon : Royal Shakespeare Company	Councillor Dr Lynnette Kelly : Coventry City Council	
Sean Farnell : Burgis & Bullock		
Peter Richings : Jaguar Land Rover		

In line with national guidance, the CWLEP has established a strategic vision of growth, growth agenda and plans for monitoring and evaluation and has identified within its plans the synergies with existing and planned local growth programmes. CWLEP have created a Finance and Governance sub-committee of the main Board that comprises two private sector 'A' Directors and two public sector 'B' Directors. It has delegated powers from the main board to enable it to ensure the proper governance and financial affairs of the Company.

7.2 COVENTRY AND WARWICKSHIRE LOCAL AUTHORITY JOINT COMMITTEE

Local authorities have a critical role in the implementation of the economic plan through their commitment to economic development and growth activity and the alignment of their capital and revenue spending on growth priorities. The Coventry and Warwickshire LEP area covers 5 Districts and Boroughs, one City Council and one County Council. Hinckley and Bosworth Borough Council is a member of the Joint Committee, recognising the economic geography of the area and are active partners in the City Deal Clearing House.

The Joint Committee have recognised the need for more formal arrangements to be in place to support the development and delivery of the strategic economic plan and the growth deal that benefits the whole of our

area. The formal establishment of a joint committee (JC) is currently being approved by each local authority and it is the intention to move as rapidly as possible to the establishment of an Economic Prosperity Board (EPB). The creation of the JC will enable a symbiotic relationship to be established between the sub-regional local authorities and CWLEP. A priority for the JC has been to inform and endorse the Strategic Economic Plan (SEP) that is being developed by CWLEP. The Joint Committee for Economic Growth and Prosperity (JC) membership comprises:-

Authority	Terms of Reference
Coventry City Council Cllr Ann Lucas – Leader	<p>The JC comprises eight elected members who must be members of their Authority's Executive or nominated by Full Council if the Authority does not operate an Executive model.</p> <p>Its aim is to provide its constituent local authorities with a forum in which to address collaboratively issues relating to economic development, regeneration and strategic planning at a sub-regional level and to enable collective decision-making on issues that require sub-regional agreement from the constituent authorities.</p> <p>It will develop and facilitate collaboration between the constituent authorities in the discharge of functions relating to economic development, regeneration and strategic planning including spatial planning</p>
Hinckley and Bosworth Borough Council Cllr DC Bill – Deputy Leader	
North Warwickshire Borough Council Cllr Mick Stanley - Leader	
Nuneaton and Bedworth Borough Council Cllr Dennis Harvey - Leader	
Rugby Borough Council Cllr Craig Humphrey - Leader	
Stratford-on-Avon District Council Cllr Chris Saint - Leader	
Warwick District Council Cllr Andrew Mobbs - Leader	
Warwickshire County Council Cllr Izzi Seccombe - Leader	

Both the CWLEP board and the local authority JC have responsibility for ensuring the best use of available funds and resources. The CWLEP board will deliver this through the adoption of business rigour and local authorities will deliver this through their local public accountability. The implementation of the SEP will be reliant on contracting through the local growth deal, the private sector and the European Structural Investment Funds together with resources from Local Authorities.

7.3 COVENTRY AND WARWICKSHIRE LOCAL TRANSPORT BODY

Coventry and Warwickshire has a Local Transport Body (LTB) that has an established membership, terms of reference and assurance framework in place. The CWLEP Board has agreed that this group should remain in place to ensure the delivery of previously agreed priorities from the first tranche of local transport funding encompassed within the Local Growth Fund and until the Single Local Growth Deal is signed. The work of the

Local Transport Body will then be subsumed within the Transport group of CWLEP and the main board of CWLEP will become the decision making body.

7.4 ACCOUNTABLE BODY

Formal commissioning, financial control and accountability arrangements will be through a nominated accountable body. CWLEP itself is not an accountable body for receiving, managing and deploying large amounts of public funding. Established public sector organisations within the partnership (local authorities and universities) with established and robust systems in place and with a track record of dealing with substantial amounts of public money, have acted as the ‘accountable body’ in the past to manage and deploy all capital funding on behalf of CWLEP. This arrangement will continue for funding coming to CWLEP from the Single Local Growth Fund with Coventry City Council as the agreed authority to act as the accountable body.

7.5 GOVERNANCE

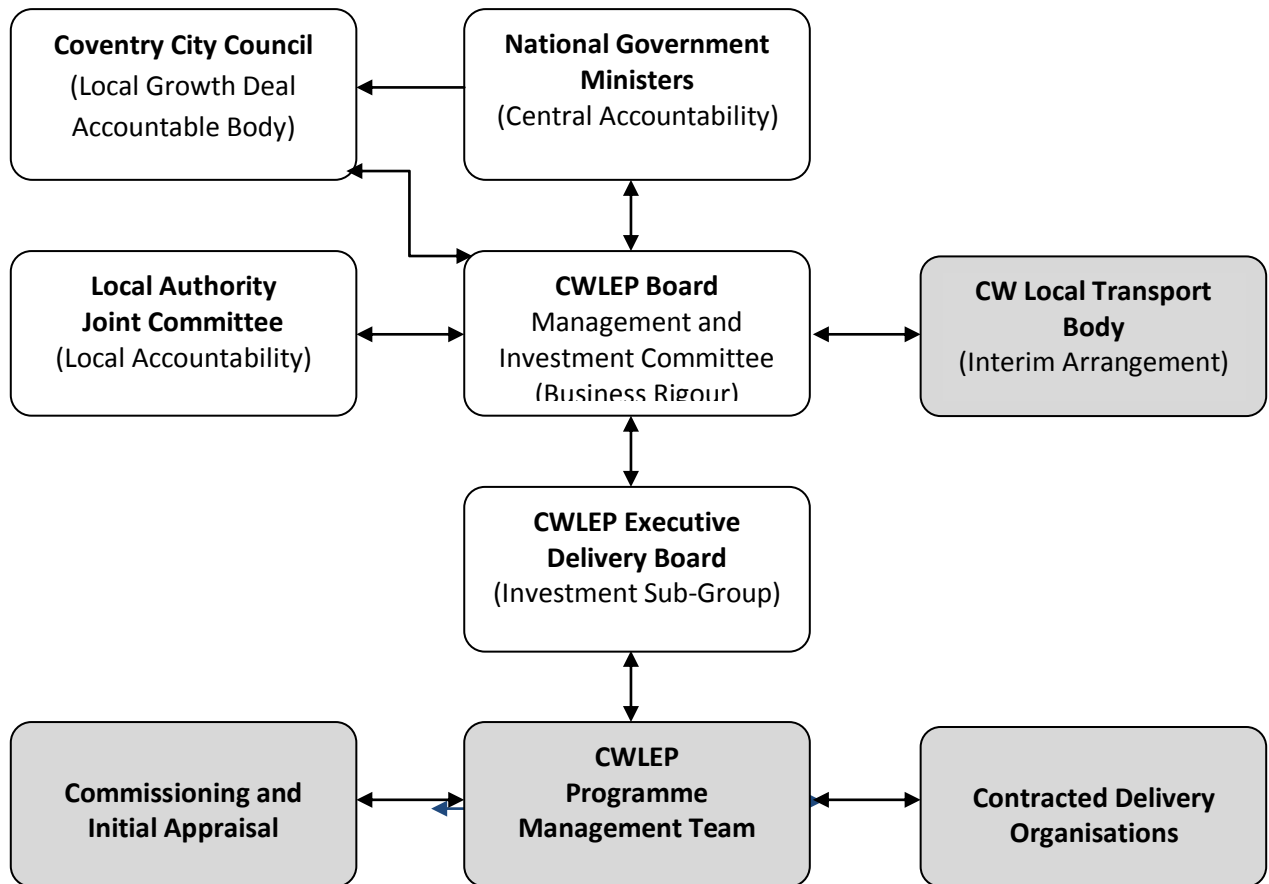
In Coventry and Warwickshire the CWLEP Board, providing business rigour, will be the Management and Investment Committee for the Strategic Economic Plan and the Local Growth Deal. The local authority Joint Committee will play a critical role through its representation on the LEP board, its scrutiny (local accountability) and role (through Coventry City Council) as the accountable body for the local growth deal. The roles and responsibilities of the LEP, Joint Committee and accountable body are outlined in figure 7.1.

FIGURE 7.1: ROLES AND RESPONSIBILITIES

Joint Committee	Local Enterprise Partnership	Accountable Body
<ul style="list-style-type: none"> • Local accountability • Best use of available funds and resources • Aligning local authority capital and revenue spend on growth • Commitment to LA Economic Development and growth activity • Development of Local Plans • Duty to Co-operate • Asset Management • Local Authority Collective Decision Making 	<ul style="list-style-type: none"> • Business rigour • Best use of available funds and resources • Establishing a strategic vision of growth and common growth agenda • Plans for monitoring and evaluation • Synergies with local growth programmes • Strong relationships with the business community 	<ul style="list-style-type: none"> • Recipient of funds • Contract management • Performance management

High-level representation will be sought relating to ESIF investment themes which are not represented through the Joint Committee or LEP board representatives. The National Managing Authorities (DWP, DCLG and DEFRA) will be engaged for the management of the ESI Funds. The Executive Delivery Board of CWLEP will act as an “Investment Sub-Group” for the Strategic Economic Plan and Local Growth Deal. It will provide “Investment Recommendations” to the CWLEP board. The investment recommendations will be based on the appraisal by the programme management team, the investment review by the LEP groups and their own independent assessment. Projects will be prioritised and recommendations provided. The representation on the Executive Delivery Board will be reviewed and it will draw its representation from Local Authorities, Higher and Further Education and Key Stakeholder Groups.

FIGURE 7.2: STRATEGIC ECONOMIC PLAN GOVERNANCE



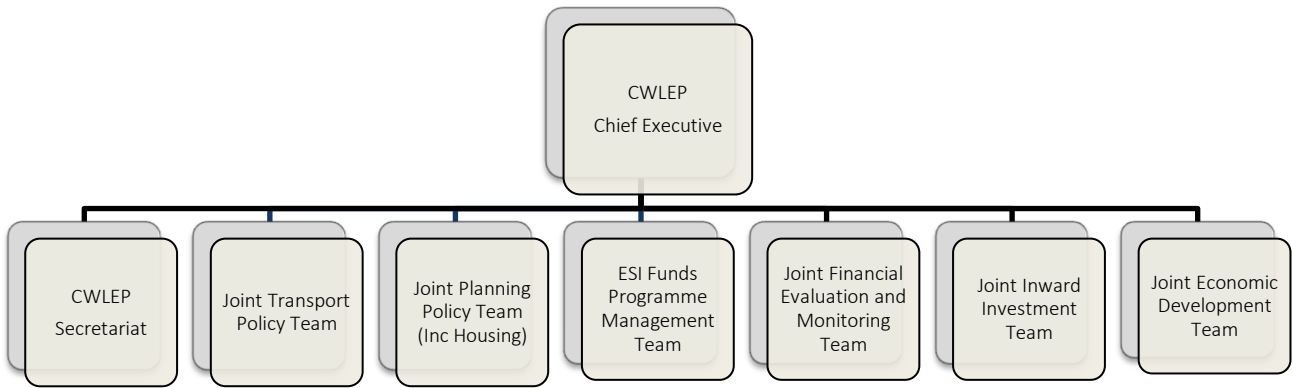
7.6 CWLEP MANAGEMENT

Coventry and Warwickshire, in developing this SEP, have realised that it needs to raise its game in the on-going management of the Local Growth Deal implementation and the continuing development of the SEP together with managing the European Structural and Investment Fund Strategy. It also realises that an opportunity, if not an imperative, exists to effectively utilise resources across partners to deliver efficient relevant functional services across the CWLEP area to ensure the delivery of the SEP and to maximise economic growth.

CWLEP OFFER: The CWLEP board and the Joint Committee have agreed that resources should be pooled to create an organisational structure (outlined in figure 7.3) to ensure the clear and coherent development of sub-regional planning, transport and economic policy and strategy and the alignment of key delivery initiatives across Coventry and Warwickshire.

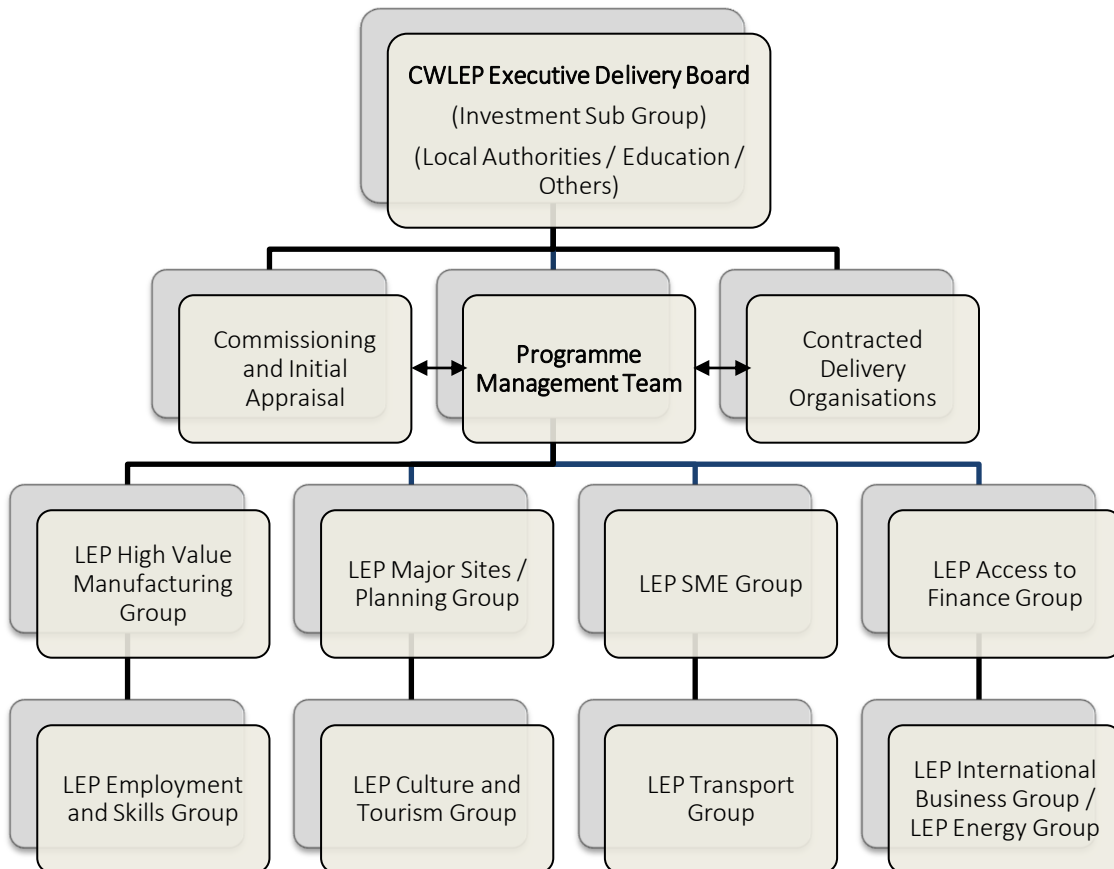
Joint teams covering policy, finance & monitoring and economic development will be developed to enable CWLEP to have an organisational structure that is fit for purpose to deliver on its responsibilities for managing the Strategic Economic Plan, the European Structural and Investment Fund Strategy and the CWLEP core activities. This management and delivery resource will be monitored on an ongoing basis to ensure that it remains appropriate to the delivery of the Local Growth Deal, European Structural and Investment funds and future priorities.

FIGURE 7.3: CWLEP MANAGEMENT



Reporting to the CWLEP Chief Executive, this structure will be developed over time and as appropriate to meet the responsibilities and accountabilities placed on the LEP and the strategy requirements outlined in the SEP. In addition, Local Authorities, Universities and other stakeholders have a significant number of personnel involved in developing and managing projects and programmes. This includes staff more widely involved in economic development and staff engaged in ERDF, ESF and EAFRD projects and programmes. Staff in enabling functions e.g. planning, are available to support economic development activities. CWLEP stakeholder organisations have expressed a willingness to continue their involvement both in the delivery of the strategic economic plan and our European Structural and Investment Funds programme.

FIGURE 7.4 STRATEGIC ECONOMIC PLAN: PROGRAMME MANAGEMENT



An example of this developing approach will be the programme management team, located at CWLEP and working with either Warwickshire County Council or Coventry City Council as the contracting/accountable authority, who will provide the necessary resource to support the design of specifications, the management of open calls, appraisal of initial project applications, technical appraisal, liaison with delivery organisations in the stages of technical appraisal and project delivery and collation of management information on expenditure and outputs.

To assist in the design of specifications and appraisal of project applications the Programme Management Team and Executive Delivery Board (Investment Sub-Group) will be supported by the established business groups of the LEP. These groups will provide an “investment review” of initial applications and feedback on how project applications meet local need and demand.

7.7 CONFLICT OF INTEREST

Conflict of interest will be managed in line with the Coventry and Warwickshire LEP Articles of Association, specifically that:

- ‘If a proposed decision of the Directors would involve any direct or indirect benefit to a Director or any connected person or is concerned with any actual or proposed transaction or arrangement with the Company in which a Director or any connected person is interested, that Director shall declare the nature and extent of his or her interest in compliance with Sections 177 and 182 of the Companies Acts and that Director shall not participate or vote in the decision making process (which shall include any Directors’ meeting or part of a Directors’ meeting) or for quorum purposes.
- If a question arises as to whether a Director has a conflict of interest for the purposes of this Article 19, the question shall be decided by a majority of the other Directors
- Where a Director has a conflict of interest, any Director may request that the Directors by majority vote decide whether the Director concerned should remain in the room during the decision making and voting process on the matter in question’.

For members of business groups and advisory groups the principles of managing conflict of interest relating to declaration, decision making and voting will apply. The Programme Management Team will ensure through its role that any conflicts of interest are managed appropriately and will be able if required to; recruit additional members to business groups and advisory groups or engage independent local expertise to review strategic or project related decisions.

7.8 CONTRACT MANAGEMENT

As previously stated the implementation of the strategic economic plan will be reliant on contracting through the local growth deal, the private sector and the European Structural Investment Funds and with match funding from both the public (local authorities and the Education Sector) and the private sector.

The contracting of activity through the local growth deal will be the responsibility of either Warwickshire County Council or Coventry City Council (to be determined) who will be the accountable body (recipient of funds and responsible for both contract and performance management). This contracting will be undertaken

following the conclusion of growth deal negotiations between the CWLEP and Ministers at a National Level (Central Accountability).

The contracting of activity for the European and Structural Investment Funds will be undertaken at a national level through the relevant managing authorities (e.g. Department for Communities and Local Government, Department for Work and Pensions and the Department for Environment, Food and Rural Affairs). Delivery organisations will contract either directly with the managing authorities or with the relevant national 'opt-in' organisations (e.g. MAS, UKTI, DWP, Big Lottery or Skills Funding Agency).

7.9 INTEGRATION WITH ESI FUNDS, SKILLS STRATEGY AND TRANSPORT STRATEGY

The economic plan identifies priorities for funding through the local growth deal. These are predominantly capital asks in relation to transport, employment sites, digital connectivity and skills infrastructure. We will utilise European Structural and Investment (ESI) funds allocation to support revenue investment and this will include support for R&D and innovation, SME Competitiveness, Employment, Social Inclusion and Skills. We recognise that the ESI funds strategy along with the skills strategy that has been developed for Coventry & Warwickshire and revised transport strategy are integral components of the overall Strategic Economic Plan.

7.10 STAKEHOLDER INVOLVEMENT

The Strategic Economic Plan is the result of close partnership working from a range of public and private stakeholders who are closely linked to the LEP. This includes Local Authorities, Chamber of Commerce, Federation of Small Businesses and Universities. The business groups of the LEP have also been engaged in the development of the plan and in particular this has directly resulted in work to prioritise investment in key employment sites, transport and skills infrastructure.

Business and political stakeholder engagement has been at the heart of CWLEP activities with regular and ongoing dialogue through CWLEP Inform Events and specific consultation events on skills and European issues. Business views are regularly sought out and CWLEP promote and speak at partner's business events. In addition CWLEP has significantly developed the Coventry and Warwickshire Place marketing and promotional campaign and developed a local champions scheme to help promote Coventry and Warwickshire and raise its profile.

In support of the Strategic Economic Plan a series of local consultation events attracting approximately 150 businesses in Stratford, Warwick, Coventry and Bedworth have been delivered and an on-line facility has been opened for written consultation responses. These consultation events, undertaken in January and February 2014, have highlighted the importance of tourism to the economy of Coventry and Warwickshire, the importance of developing Coventry City Centre and a need to generate growth throughout the area. The SEP includes significant proposed transport investment and specific and direct liaison has been undertaken with Network Rail and the Highways Agency and neighbouring LEP areas to ensure consistency and synergy with emerging SEP plans and responses to Route Based Strategies and the Long Term Planning Process.

A full engagement programme has been undertaken with the 8 Members of Parliament covering the CWLEP area.

As part of the development of the ESI funds strategy, consultation events were also held in August 2013 and December 2013 and an on-line consultation for written responses opened. In addition specific workshops have

been held and presentations delivered in relation to employment, social inclusion and skills (including a skills strategy consultation event and specific events for Voluntary and Community Organisations). The Department for Work and Pensions, Big Lottery and Skills Funding Agency have also been engaged extensively in order to understand the additionality of proposed interventions and alignment to current and future provision. In addition, in support of business growth, a decision has been made (subject to continuation of national funding) to opt-in to the services of the Manufacturing Advisory Service and UK Trade and Investment and CWLEP has worked with both organisations to identify additional delivery activity.

7.11 EVALUATION OF THE STRATEGIC ECONOMIC PLAN

The strategic economic plan will be reviewed and updated annually to reflect the growth deal investment that has been secured, our performance within an individual financial year and our cumulative performance to date.

Evaluation will enable determination of whether funded investment projects are achieving the desired results and if not, why not. Evaluation activities will have four dimensions; to monitor progress, to assess performance, to determine the achievement of outcomes and to assess the level of impact. This approach is fundamental to the implementation of the plan and intervention projects. In the Strategic Economic Plan goals and measurable outcomes have been outlined in relation to the vision. Each of the identified project interventions has a set of expectations for its performance and results. These will be charted and monitored to determine how well the interventions are meeting expectations. This will enable adjustments to be made to the plan to achieve the vision and related goals and outcomes.

The performance in delivering our strategic economic plan will be communicated a minimum of three times a year to the CWLEP board and Local Authority Joint Committee. In addition LEP inform events will be utilised to provide the local community with the details of project interventions and performance.

An annual review will outline continuing and revised priorities based on changing economic conditions and new project concepts which have been 'worked up' in sufficient detail for assessment. In this way the strategic economic plan will become a "living and breathing" document which will guide local decision making. New project concepts will need to evidence their; contribution to the vision, strategic priorities and objectives; value for money; additionality and deliverability and readiness to proceed and will be evaluated on a competitive basis.

7.12 INDICATORS AND TARGETS

CWLEP commissioned independent economic consultants, Regeneris Consulting to build an economic impact model that captures the gross and net additional impacts from the activities, in terms of Gross Value Added (GVA) and Full Time Equivalent (FTE) jobs created. The model draws on the latest intelligence and Government guidance in order to estimate impacts in a robust manner. It takes into account the following:

- o Costs of delivering gross outputs. The consultants analysed data from the 2007-2013 ERDF Operational Programme on contracted outputs and expenditure for all projects, in order to estimate the typical unit costs to the public sector of delivering different types of intervention (Source: Management Controls Information System, 2007-13 ERDF Programme). The categories of activity within our SEP have been mapped to those within the ERDF database, and we have applied the median average unit cost to estimate the volume of gross outputs that we expect can be delivered.

- The value of outputs: Outputs have been converted into a common currency of GVA, using data on GVA per FTE job by sector in the Coventry and Warwickshire LEP area (Source: ONS) for R&D and business competitiveness interventions and guidance from DCLG on valuing skills and employment outputs (Source: DCLG, 2010, Valuing the Benefits of Regeneration).
- Additionality: A gross-to-net assessment has been conducted, in order to convert gross outputs/impacts to net additional outputs/impacts. This has taken account of all additionality factors, including deadweight, displacement, substitution, leakage and multiplier effects. The model draws on guidance from BIS on appropriate benchmarks to use at a sub-regional level for different types of intervention (Source: BIS, 2009, Research to Improve the Assessment of Additionality).
- Persistence: Finally, the model captures the potential duration of benefits over time. As has been noted in recent meta-evaluations, evidence on this aspect is thin. However, guidance is available from DCLG on suitable assumptions to use (Source: DCLG, 2010, Valuing the Benefits of Regeneration).

The interventions detailed in the SEP will be performance managed with full accountability for those charged with delivering them. The primary focus is on understanding delivery at the project or programme level and the metrics will be collected on a quarterly basis to ensure availability of time series data for each indicator.

8. RESOURCING

The CWLEP recognises that the priorities and interventions detailed in the SEP will require both public and private financing. While funding through the Local Growth Deal is significant it will unlock a more significant level of investment by our partners in local economic growth aligned to our SEP. In developing the SEP the investment of our Local Authorities, Business, Further Education, Higher Education and organisations delivering major infrastructure (e.g. transport, housing) has been aligned. In addition the funding priorities established within our European Structural and Investment Funds Strategy forms a significant portfolio of investment within the SEP.

COVENTRY AND WARWICKSHIRE SEP 6-YEAR INVESTMENT PLAN

(£s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Local Growth Fund	65,795,000	54,160,000	41,890,000	25,567,000	40,267,000	78,017,000	304,695,000
ESIF	18,688,870	18,693,208	18,585,720	18,585,720	17,521,196	17,571,196	109,645,908
Public	31,384,888	21,541,056	23,335,312	17,502,312	16,749,182	15,849,182	126,351,056
Private	25,390,467	7,601,553	11,247,809	13,947,809	13,936,416	12,936,416	90,109,594
Sub-Total	141,259,225	101,995,817	95,058,841	75,602,841	88,473,794	124,373,794	630,801,558
Private Sector Employment Sites	-	-	-	-	-	-	£1.3bn

£65.795 (Including the non-competitive allocation of £14m under the Local Transport Fund) in 2015/16 will be required from the Local Growth Deal to fund our interventions with a further £239.17m currently identified for future years but excluding future project concepts to meet changing economic conditions and revised priorities.

Key sites including Friargate, Coventry and Warwickshire Gateway, Whitley, Stoneleigh Park, Fen End and Gaydon account directly for ≈£1.3bn of private sector investment over the lifetime of the Strategic Economic Plan. It is estimated that funding through the Local Growth Deal will lever in excess of 6 times as much in support from local authorities, other public sector stakeholders and the private sector to create a minimum investment of ≈£1.93bn over 5 years to 2020. CWLEP is seeking approximately 16% of the total estimated expenditure of interventions from the Local Growth Deal with the remainder being leveraged from local private and public sector sources.

The rate of investment from the Single Local Growth Fund will increase through the introduction of new project concepts in 2016/17 (with the introduction of revenue financing alongside increased capital) and then remaining relatively even over the remaining timeframe of the Local Growth Deal.

Each of the Local Authorities in Coventry and Warwickshire has an economic development resource. Working with the Section 151 officers of our Local Authorities we estimate that expenditure in relation to economic development across the Coventry and Warwickshire area is in excess of £15m per annum on activity to support local growth including economic development and business support. The Growth Hub / Clearing House is a key part of the SEP and we have aligned funding from our ESI funds, public and private sector match to continue financing until 2020/21 alongside a local authority contribution overall of £1.1m in 2014/15.

COVENTRY AND WARWICKSHIRE SEP INVESTMENT

Investment Intervention £s	Total Investment	Growth Deal 2015/16	Growth Deal Total To 2020/21	ESI Funds
Transport	£237,906,000	£26,715,000	£178,615,000	0
Employment Sites	£61,753,000	£14,000,000	£49,000,000	0
Housing	0	0	0	0
Digital Connectivity	£27,250,000	£1,250,000	£7,250,000	£7,850,000
R&D and Innovation	£68,264,250	£16,500,000	£17,000,000	£17,907,000
Business Competitiveness	£58,523,702	£300,000	£8,300,000	£25,110,646
Skills	£111,430,430	£7,030,000	£44,530,000	£25,941,174
Employment	£65,674,176	0	0	£32,837,088
TOTAL	£630,801,558	£65,795,000	£304,695,000	£109,645,908

Given the significance of transport to Coventry and Warwickshire area alignment of investment provides a significant opportunity. The SEP builds upon significant large investment that is currently being deployed including:

- Tollbar Island on the A45/A46 where £110m has been allocated to undertake a grade separation and increase capacity
- The A5 with £20m of investment to support the MIRA Enterprise Zone on access and capacity enhancements; £4.7m funded through the Highways Agency Pinch Point Programme for the A5 / A47 and £2.8m for the M42 Junction 10.
- The construction of a new station in Kenilworth for NUCKLE 2 including local authority contributions of £2.8m and £5m from the new stations fund.

Additional examples of specific interventions aligned to SEP activities include:

- £18m in Superfast Broadband from ESI Funds, BDUK and Local Authorities
- ESI Fund opt-ins for UK Trade and Investment and Manufacturing Advisory Service to support the focus on Advanced Manufacturing and Engineering
- ESIF Fund opt-ins for Department of Work and Pensions and Skills Funding Agency to support people into employment and access to skills upto level 3
- FE sector investment in capital projects to support Advanced Manufacturing and Engineering and wider economic growth.

An annual review will outline continuing and revised priorities based on changing economic conditions and new project concepts which have been ‘worked up’ in sufficient detail for assessment. In this way the strategic economic plan will become a “living and breathing” document which will guide local decision making. New project concepts will need to evidence their; contribution to the vision, strategic priorities and objectives; value for money; additionality and deliverability and readiness to proceed and will be evaluated on a competitive basis.

PROJECT AND PROGRAMME FINANCIAL INFORMATION TABLE

SUMMARY ASK OF THE LOCAL GROWTH FUND (2015/16)

Area	Total LGF 2015/16	2015/16 LGF Outputs / Impact (Project Lifetime)
Employment Sites	£14,000,000	Additional Private Sector Investment £23.4m, GVA 2020 £62m, Additional Jobs 1223, Businesses Assisted 35
Transport*	£26,715,000	New Station Access and interchange, New Train Service. 1,800 jobs, 18,000 jobs at major employment sites. £1.6bn GVA over 30 years; Major decongestion to A46 Corridor. £700m in GVA and 900 directly generated jobs; A444: 10 Junction Cluster Decongestion Schemes. 550 direct jobs and £600m of GVA; New network of cycle routes totalling 131kms and supporting 18 employment sites; Connectivity to UK Central and Birmingham Airport: Total corridor enhancement serving 4 employment sites. £48.7m of journey time savings per annum and NPV of £1.6bn; Decongestion supporting housing growth and overall delivery of 66,700 new homes.
Digital Connectivity	£1,250,000	Superfast broadband connectivity to Fen End.
R&D and Innovation	£16,500,000	400 Businesses Assisted, 650 New Jobs, £117m GVA (Project Lifetime)
Business Competitiveness	£300,000	16 business assists, create 40 new jobs and GVA of £6,000,000 (Project Lifetime)
Skills Capital	£7,030,000	AME - 80 new jobs, 240 jobs safeguarded, 3200 qualifications (Project Lifetime); Growing our Potential - 53 Jobs Created, 103 Jobs Safeguarded, 2150 qualifications (Project Lifetime)
TOTAL	£65,795,000	

* The LGF requested includes the non competitive allocation of £14m under the Local Transport Fund

**Public financing of digital connectivity for 2015/16 to 2017/18 includes BDUK SEP funding as announced on 25/2/14

FINANCIAL INFORMATION

Project or Programme Name & Brief Summary	Theme of Project or Programme	Sources of Funding	Funding Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total (Inc. Future Years)	Further Info on Project	Project Output Information
Ansty Park Grow On Space	Employment Sites	LGF	Capital	7,000,000	0	0	0	0	0	7,000,000	Page 32	20 Businesses Assisted, 240 Jobs, GVA 2020 £36m, GVA 2025 £43.2m
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	137,000	397,000	397,000	397,000	397,000	397,000	4,111,000		

Project or Programme Name & Brief Summary	Theme of Project or Programme	Sources of Funding	Funding Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Further Info on Project	Project Output Information
Fen End Utilities Upgrade	Employment Sites	LGF	Capital	3,000,000	0	0	0	0	0	3,000,000	Page 33	810 additional jobs, private sector additional investment £23.4m
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	559,000	0	0	0	0	0	559,000		
		Private	Capital	1,083,000	0	0	0	0	0	4,083,000		
National Reshoring Centre	Employment Sites	LGF	Capital	0	15,000,000	0	0	0	0	15,000,000	Page 33	To be confirmed in 2016/17
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	0	0	0	0	0	0	0		
Coventry University Technology Park Grow on Space	Employment Sites	LGF	Capital	4,000,000	0	0	0	0	0	4,000,000	Page 34	15 Businesses Assisted, 173 Jobs Created, GVA 2020 £26m, GVA 2025 £31m
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	0	800,000	800,000	800,000	800,000	800,000	4,000,000		
Friargate / Coventry University	Employment Sites	LGF	Capital	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000	Page 34	To be confirmed in 2016/17
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	0	0	0	0	0	0	0		
North-South Rail And Coventry Station	Transport	LGF	Capital	15,945,000	9,500,000	5,550,000	0	0	0	30,995,000.00	Page 42	New Station Access and interchange, New Train Service. 1,800 jobs, 18,000 jobs at major employment sites. £1.6bn GVA over 30 years
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	12,679,000	2,752,000	5,550,000	2,200,000	2,200,000	1,300,000	26,681,000		
		Private	Capital	3,000,000	0	0	2,200,000	2,200,000	1,300,000	8,700,000		
A46 North-South Corridor	Transport	LGF	Capital	3,100,000	0	0	0	10,000,000	45,000,000	58,100,000	Page 43	Major decongestion to A46 Corridor. £700m in GVA and 900 directly generated jobs
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	300,000	0	0	0	0	0	300,000		
		Private	Capital	0	0	0	0	0	0	0		
A444 North-South Corridor	Transport	LGF	Capital	3,070,000	3,000,000	9,540,000	1,000,000	1,000,000	1,000,000	18,610,000	Page 44	10 Junction Cluster Decongestion Schemes. 550 direct jobs and £600m of GVA
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	250,000	0	0	0	0	0	250,000		
		Private	Capital	0	400,000	1,100,000	500,000	500,000	400,000	2,960,000		

Project or Programme Name & Brief Summary	Theme of Project or Programme	Sources of Funding	Funding Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Further Info on Project	Project Output Information
North-South Sustainable Transport Corridor	Transport	LGF	Capital	2,000,000	2,000,000	1,500,000	2,167,000	2,167,000	1,167,000	12,000,000	Page 45	New network of cycle routes totalling 131kms and supporting 18 employment sites
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	167,000	167,000	167,000	500,000		
		Private	Capital	0	0	0	1,100,000	700,000	700,000	2,500,000		
A5 Corridor	Transport	LGF	Capital	0	1,000,000	1,000,000	0	0	0	2,000,000	Page 46	Junction and Link Capacity Enhancements and improved access to MIRA
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	0	0	0	0	0	0	0		
Connectivity To UK Central, Birmingham Airport And HS2	Transport	LGF	Capital	600,000	0	100,000	200,000	8,000,000	11,600,000	20,500,000	Page 47	Total corridor enhancement serving 4 employment sites. £48.7m of journey time savings per annum and NPV of £1.6bn
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	0	0	0	0	0	0	0		
Housing And Local Growth Access	Transport	LGF	Capital	2,000,000	8,460,000	9,500,000	7,500,000	4,400,000	4,550,000	36,410,000	Page 48	Decongestion supporting housing growth and overall delivery of 66,700 new homes.
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	400,000	900,000	200,000	0	0	0	1,500,000		
		Private	Capital	0	500,000	3,500,000	3,500,000	4,200,000	4,200,000.	15,900,000		
Digital Connectivity	Broadband	LGF	Capital	1,250,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	7,250,000	Page 49	Installation of wholesale fibre network. Superfast broadband connectivity to Fen End.
		ESIF	Capital	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,350,000	7,850,000		
		Public	Capital	2,900,000	2,900,000	2,900,000	450,000	450,000	450,000	10,050,000		
		Private	Capital	350,000	350,000	350,000	350,000	350,000	350,000	2,100,000		

Project or Programme Name & Brief Summary	Theme of Project or Programme	Sources of Funding	Funding Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Further Info on Project (SEP Page)	Project Output Information
Intelligent Mobility Demonstrator	R&D / Innovation	LGF	Capital	1,500,000	500,000	0	0	0	0	2,000,000	Page 59	Providing a technologically led innovative and demand responsive transport system that supports viable travel options
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	200,000	250,000	0	0	0	0	450,000		
		Private	Capital	0	0	0	0	0	0	0		
Advanced Propulsion Research Laboratory	R&D / Innovation	LGF	Capital	15,000,000	0	0	0	0	0	15,000,000	Page 59	400 Businesses Assisted, 650 New Jobs, £117m GVA
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	0	0	0	0	0	0	0		
		Private	Capital	15,000,000	0	0	0	0	0	15,000,000		
Accelerating R&D and Innovation In AME	R&D / Innovation	LGF	Revenue	0	0	0	0	0	0	0	Page 59	1580 Businesses Assisted, 992 Jobs Created, GVA 2020 £45m, GVA 2025 £65m
		ESIF	Revenue	2,133,600	2,133,600	2,133,600	2,133,600	2,000,250	2,000,250	12,534,900		
		Public	Revenue	1,066,800	1,066,800	1,066,800	1,066,800	1,000,125	1,000,125	6,267,575		
		Private	Revenue	1,066,800	1,066,800	1,066,800	1,066,800	1,000,125	1,000,125	6,267,575		
Supporting Business Growth In the AME Supply Chain	Business Competitiveness	LGF	Revenue	0	0	0	0	0	0	0	Page 62	895 Businesses Assisted, 1040 Jobs Created, GVA 2020 £30m, GVA 2025 £45m
		ESIF	Revenue	1,456,213	1,458,816	1,394,323	1,394,323	1,267,948	1,267,948	8,239,571		
		Public	Revenue	728,107	729,408	697,161	697,161	633,974	633,974	4,119,785		
		Private	Revenue	728,107	729,408	697,161	697,161	633,974	633,974	4,119,785		
Meeting Current And Future Skills Needs	Skills	LGF	Revenue	0	0	0	0	0	0	0	Page 64	3339 Additional Skills Assists, GVA 2020 £77m, GVA 2025 £89m
		ESIF	Revenue	2,068,028	2,068,028	2,068,028	2,068,028	1,938,776	1,938,776	12,149,664		
		Public	Revenue	1,034,014	1,034,014	1,034,014	1,034,014	969,388	969,388	6,074,832		
		Private	Revenue	1,034,014	1,034,014	1,034,014	1,034,014	969,388	969,388	6,074,832		
AME Skills Capital	Skills	LGF	Capital	4,950,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	29,950,000	Page 64	2015/16 interventions only - 80 new jobs, 240 jobs safeguarded, 3200 qualifications
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	1,230,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	7,470,000		
		Private	Capital	0	0	0	0	0	0	0		
Creating Employment Opportunities	Employment	LGF	Revenue	0	0	0	0	0	0	0	Page 66	4930 Net positive outcomes into employment
		ESIF	Revenue	5,589,291	5,589,291	5,589,291	5,589,291	5,239,962	5,239,962	32,837,088		
		Public	Revenue	5,589,291	5,589,291	5,589,291	5,589,291	5,239,962	5,239,962	32,837,088		
		Private	Revenue	0	0	0	0	0	0	0		
Clearing House – Growth Hub	Business Competitiveness	LGF	Revenue	0	500,000	500,000	500,000	500,000	500,000	500,000	Page 69	LGF outputs to be confirmed in 2016/17
		ESIF	Revenue	1,011,022	1,011,022	1,011,022	1,011,022	1,011,022	1,011,022	6,066,130		
		Public	Revenue	505,511	505,511	505,511	505,511	505,511	505,511	3,033,065		
		Private	Revenue	505,511	505,511	505,511	505,511	505,511	505,511	3,033,065		

Project or Programme Name & Brief Summary	Theme of Project or Programme	Sources of Funding	Funding Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total	Further Info on Project	Project Output Information
Increasing Investment in Service Innovation	R&D and Innovation	LGF	Revenue	0	0	0	0	0	0	0	Page 76	775 Businesses Assisted, 430 Jobs Created, GVA 2020 £12m, GVA 2025 £20m
		ESIF	Revenue	914,400	914,400	914,400	914,400	857,250	857,250	5,372,100		
		Public	Revenue	457,200	457,200	457,200	457,200	428,625	428,625	2,686,050		
		Private	Revenue	457,200	457,200	457,200	457,200	428,625	428,625	2,686,050		
Increasing business start-up and sustainability rates	Business Competitiveness	LGF	Capital (15/16) / Revenue	300,000	500,000	500,000	500,000	500,000	500,000	2,800,000	Page 77	1251 Businesses Assisted, 1248 Jobs Created, GVA 2020 £43m, GVA 2025 £61m
		ESIF	Revenue	642,933	642,933	642,933	642,933	604,833	604,833	3,781,398		
		Public	Revenue	482,200	482,200	482,200	482,200	453,625	453,625	2,836,050		
		Private	Revenue	160,733	160,733	160,733	160,733	151,208	151,208	945,348		
Creating a step change in business growth	Business Competitiveness	LGF	Revenue	0	500,000	500,000	500,000	500,000	500,000	2,500,000	Page 78	2025 Businesses Assisted, 1197 Jobs Created, GVA 2020 £43m, GVA 2025 £61m
		ESIF	Revenue	970,809	972,544	929,549	929,549	845,299	845,299	5,493,049		
		Public	Revenue	485,405	486,272	464,775	464,775	422,650	422,650	2,746,527		
		Private	Revenue	485,405	486,272	464,775	464,775	422,650	422,650	2,746,527		
Mainstreaming the rural growth network	Business Competitiveness	LGF	Revenue	0	500,000	500,000	500,000	500,000	500,000	2,500,000	Page 79	905 Businesses Assisted, 535 Jobs Created, GVA 2020 £19m, GVA 2025 £20m
		ESIF	Revenue	255,083	255,083	255,083	255,083	255,083	255,083	1,530,498		
		Public	Revenue	127,742	127,742	127,742	127,742	127,742	127,742	766,452		
		Private	Revenue	127,742	127,742	127,742	127,742	127,742	127,742	766,452		
Enhancing the Skills and Employment Base	Skills	LGF	Revenue	0	0	0	0	0	0	0	Page 80	4423 Net Additional Skills Assists, GVA 2020 £84m, GVA 2025 £98m
		ESIF	Revenue	2,347,491	2,347,491	2,347,491	2,347,491	2,200,773	2,200,773	13,791,510		
		Public	Revenue	1,760,618	1,760,618	1,760,618	1,760,618	1,650,580	1,650,580	10,343,632		
		Private	Revenue	586,873	586,873	586,873	586,873	550,193	550,193	3,447,878		
Growing our Talent Skills Capital	Skills	LGF	Capital	2,080,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	14,580,000	Page 80	2015/16 Only: 53 Jobs Created, 103 Jobs Safeguarded, 2150 qualifications
		ESIF	Capital	0	0	0	0	0	0	0		
		Public	Capital	630,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,880,000		
		Private	Capital	668,082	0	0	0	0	0	668,082		
SUB TOTAL LOCAL GROWTH FUND				65,795,000	54,160,000	41,890,000	25,567,000	40,267,000	78,017,000	304,695,000		
TOTAL FUNDING (ALL SOURCES)				141,259,225	101,995,817	95,058,841	75,602,841	88,473,794	124,373,794	630,801,558		



Coventry & Warwickshire
Local **Enterprise** Partnership

Coventry & Warwickshire Local Enterprise Partnership

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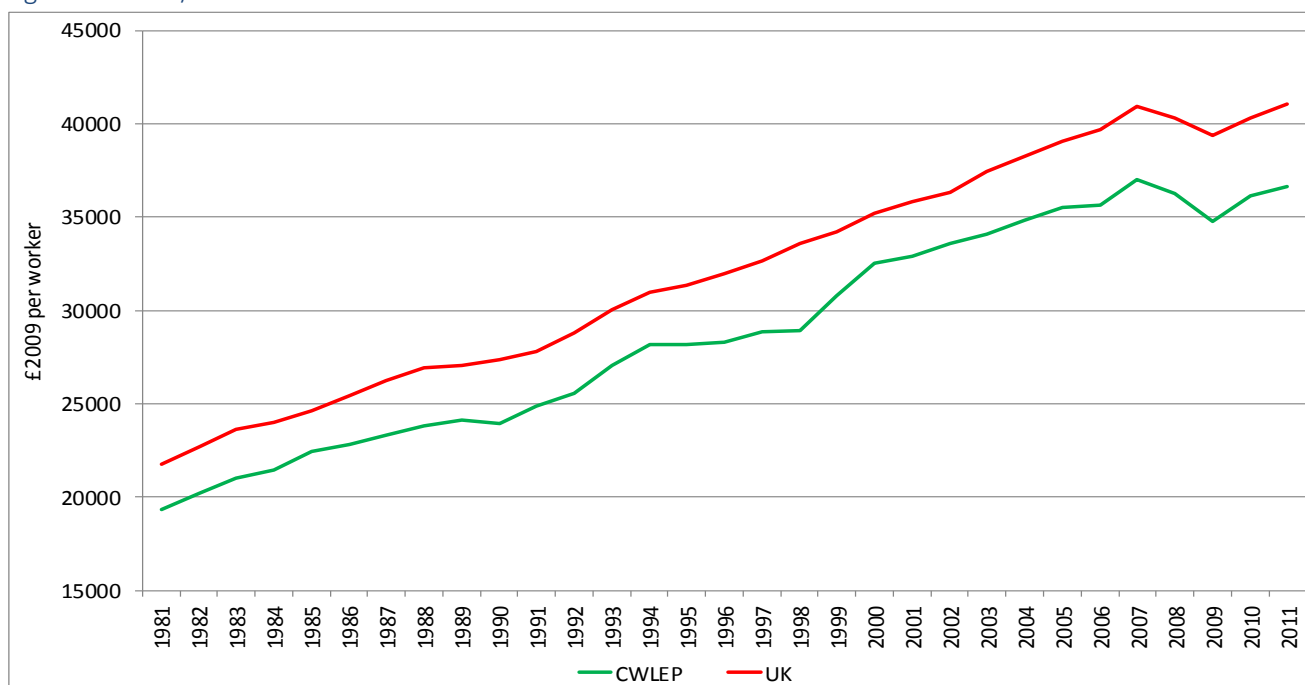
Email: contact@cwlep.com



ANNEX A. RATIONALE FOR INTERVENTION

The Coventry & Warwickshire area has all the key characteristics of a high performing economy. It is extremely well placed on the strategic transport network, has excellent links with London, houses two universities and a number of world-class R&D institutions, has a range of multi-national companies (many with their headquarters based here), and a highly attractive environment for businesses to locate and residents to live, with a strong cultural and heritage offer. In addition, many parts of our economy have above average performance on a range of key indicators on economic prosperity, including business start-up rates (particularly in Coventry), % of the population with a Level 4 or equivalent qualification (Warwick District), employment rate (Rugby), and job densities (North Warwickshire). However, the macro-economic data shows that overall, the economy is not fulfilling its potential. Figures A1 & A2 below show GVA per head of population and GVA per worker for Coventry & Warwickshire compared to the UK as a whole. On both of these key indicators, the area is performing significantly below average.

Figure A1: GVA/worker- CWLEP and UK

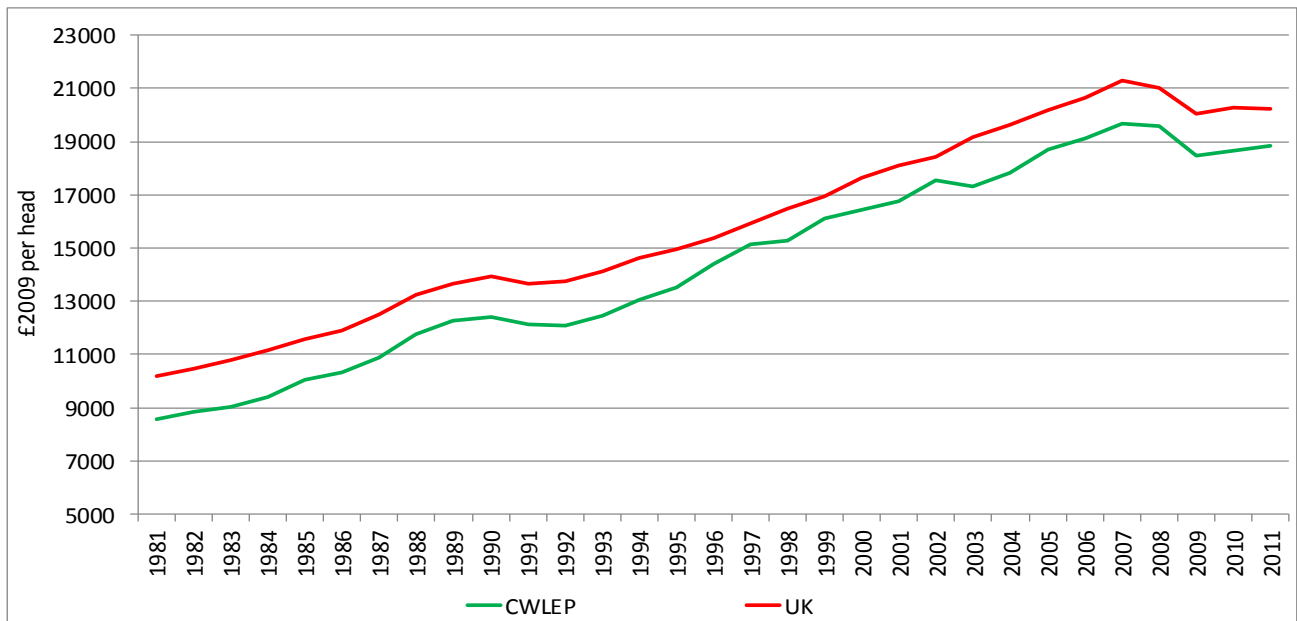


Source: Cambridge Econometrics, August 2013

Through analysis of our detailed Local Economic Assessment for Coventry & Warwickshire and the more recent socio-economic analysis undertaken for this Strategic Economic Plan, we have identified two inter-related factors that are causing this gap in performance:

1. Weak agglomeration effects across our urban north/south spine (Nuneaton through to Coventry, Kenilworth, Warwick and Leamington), caused by limited “effective density” of the area due to a lack of strong connectivity across this area. This is both physical connectivity in terms of transport movements, supply chain connectivity across our business base, and the limited links between our businesses and our innovation and R&D assets. This helps generate lower than average productivity levels in the Coventry & Warwickshire area, leading to a c. £2bn productivity gap in the economy.

Figure A2: GVA/head- CWLEP and UK



Source: Cambridge Econometrics, August 2013

2. Significant variation in performance across our functional economic area. While we have areas performing extremely well on some indicators, we equally have a number of areas performing particularly poorly. Improving levels of activity across the whole of Coventry & Warwickshire to at least the national average (whilst maintaining above average performance in those areas doing well), would generate an additional c. £1.7bn p.a. without any further growth in the economy.

These two issues are explored in more detail below:

AGGLOMERATION & EFFECTIVE DENSITY:

Evidence suggests that the highest-performing and economically growing LEP areas are characterised by growing workforces; high levels of employment; a more skilled workforce; higher levels of knowledge and technology-based employment; and are innovative and entrepreneurial¹. The theory of agglomeration economies, the wider benefit derived from the geographical concentration of business, tells us that businesses and people are a crucial component contributing to an area's economic performance and productivity. Strong geographical concentrations of people and business enable firms to tap into a broader talent pool of skilled labour and supplier networks, whilst at the same time benefit from knowledge diffusion helping to increase productivity and innovation². However, in order that such clusters of activity can generate and sustain increases in productivity and growth an area needs to optimise its *effective density*; that is it needs to maximise the number of people and businesses that can access an area quickly, efficiently and in an environment that facilitates inter-connectivity.

Agglomeration theory therefore suggests that "city-regions" should performing more strongly and be more productive than other areas which have more dispersed economic activity³. However, this does not seem hold true for CWLEP with the urban spine not fully exploiting the potential for agglomeration benefits. Coventry

¹ *Creating successful economies: Review of Local Enterprise Partnership area economies in 2012, LEP Network (2012)*

² *The route to growth: transport, density and productivity, Webber, C and Athey, G (2007)*

³ *The Case for Agglomeration Economies, Manchester Independent Economic Review (2009)*

and Nuneaton & Bedworth have seen low and below average growth in employment levels, and low productivity is a common and increasingly concerning issue across the whole sub-region (as shown above in Figure A2).

Good transport links can improve the productivity of local economies in two key ways: firstly, by reducing the costs to businesses by making the transport of goods, services and labour faster and more reliable; secondly, by increasing the *effective density* of an area, enabling more people and businesses to become better linked, thus increasing agglomeration benefits. While CWLEP has good external transport links, based on its central location on the strategic transport network (links to the M40, M42, M6, M1; West Coast mainline; Birmingham International Airport); the level of connectivity *within* the sub-region needs significant improvement if the full benefits of connectivity are to be realised.

- The majority of the population rely on cars given the County's rural make-up and poor intra-LEP rail connectivity (see below). This means that the upkeep of roads and control of congestion is vital for growth. Poor transport links exist between the north of the sub-region (North Warwickshire and Nuneaton & Bedworth) and the south (Warwick and Stratford), despite the clear functional economic geography that exists. North-south routes are covered by 'A' roads and heavy commuter flows between Stratford district, Warwick district and Coventry (A46) in the south and between Nuneaton and Bedworth borough and Coventry (A444) in the north stretch the network to capacity during peak travel times.
- Between 1998 and 2009 traffic speeds through the main towns have slowed suggesting an increase in congestion from traffic volumes. In Warwick, for example, one of the strongest parts of the economy in terms of GVA/head some parts of the transport network in this area are at capacity, leading to congestion and unreliable journey times at peak hours. Average speeds fell by 15% over the decade.
- The LEP area benefits from good rail connectivity to London with travel time just 60 minutes from Coventry, 75 minutes from Atherstone (the most northern town in the county) and 70 minutes from Leamington Spa and Nuneaton. The principal issue with rail is again the north-south route through the county; that is it takes an hour and twenty minutes to travel from Nuneaton in the north to Leamington Spa in the south.

Poor transport connectivity limits effective density, increasing costs to business, and may well be a driver in the limited agglomeration effects that are evident in the wider city-region area. Limited transport connectivity prevents businesses from fully capturing spill-over effects from wider economic activity, reduces opportunities for business to business collaboration, and acts as a barrier to businesses engaging with the key knowledge based assets and institutions in our area (particularly our two universities and range of world class R&D centres). Doing nothing or making only a limited investment in transport infrastructure therefore is not an option, as it will increase congestion, constrain growth and undermine the value which the asset brings to the area and its economy. Targeted investment in road and rail infrastructure will help unlock our growth potential, and improve the accessibility and connectivity of our key priority employment sites.

Estimates of the effects of transport infrastructure improvements on GVA and agglomeration – changes in the accessibility of businesses and workers to each other - illustrate the strategic importance of the rationale for intervention⁴.

- Improvements to the A46 corridor are estimated to generate an additional £55m in GVA by 2012 and 839 jobs through the agglomeration effect.
- Improvements to the A444 Nuneaton to Coventry route are estimated to generate an additional £46m in GVA by 2012 and 565 jobs through the agglomeration effect

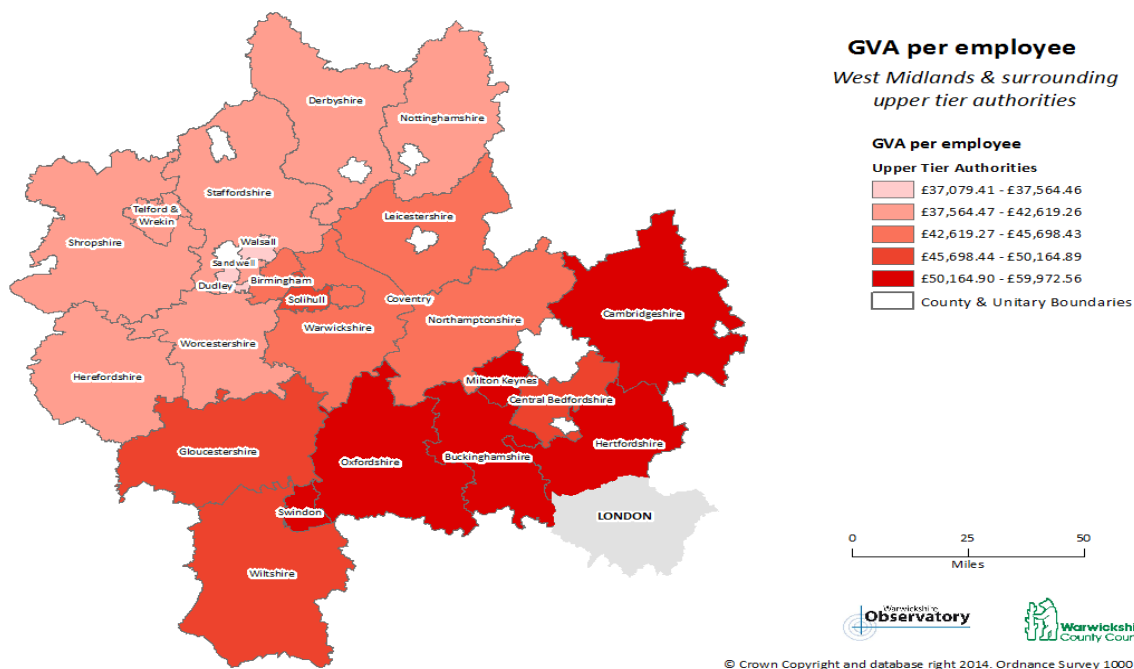
The current economic geography of the country also shows the positive effect that good transport links to London can make, with the majority of successful local economies clustered around the main transport corridors coming out of the capital. The map below shows average productivity levels in areas surrounding the sub-region, and one can see that productivity rises with proximity to London. The Coventry and Warwickshire sub-region does, to an extent, benefit from this “London effect”, with good transport links and its location at the end of the M40 corridor. We therefore need to capitalise on these links, maintain this strong connectivity, and ensure effective and efficient local transport routes from our key corridors.

There is also evidence to suggest that we need to improve the connectivity between businesses, and between businesses and research institutions to help increase the level and, critically, spread of innovation activity across Coventry & Warwickshire. While the area seems to perform well on overall measures of innovation activity (for example, on average firms in Coventry and Warwickshire spend around £15,000 per year on R&D compared with a UK average of under £7,000), when we drill down into this we find that R&D expenditure is predominantly in the manufacturing sector (accounting for 95% of such expenditure in Coventry & Warwickshire, compared to 45% nationally). We also find that this spend is dominated by just a few large companies, with 89% of R&D employment and 94% of in-house R&D expenditure in the area accounted for by the top 5% largest R&D spending firms. The top 5% comprises just 16 firms or 0.05% of the business base.

By comparison, at the national level the top 5% of firms (940 companies or 0.04% of the business base) account for 81% of R&D employment and 90% of in-house R&D expenditure. A similar pattern is reflected in the data on patent and design applications. We need to increase the dissemination of innovation activity across our whole business base, which requires better connectivity and improved effective density.

⁴ Estimates modelled by JMP using SATURN model.

Figure A3: GVA per employee and the “London Effect”



Summary Table

Key Issues:

- Strong connectivity to London and a range of key assets that should make Coventry & Warwickshire a high performing economy
- Below average GVA per head and GVA per worker performance. Productivity forecast to grow slower than national average between 2012-2025.
- Poor north/south transport connectivity, which limits effective density across the area and reduces agglomeration effects (which are known to be key in influencing productivity levels in an economy)
- While we have good overall performance on innovation activity (as measured by expenditure on R&D), this is focussed within a small number of large companies within our manufacturing sector, and it is not widespread across our business base.

Policy Implications:

- Invest in the transport network to improve connectivity, particularly along key growth corridors and the north/south urban spine.
- Ensure effective modal splits and enable different options for connectivity, including public transport, walking and cycling, as well as private transport
- Improve connectivity between our business base and the wide range of innovation assets within the Coventry & Warwickshire area
- Work to encourage stronger business networks, and more business to business activity

Potential impact:

- Current productivity gap is calculated at £1.826bn (measured as the difference between GVA per worker figures for the CWLEP area and the UK average (£3,994 in 2012), multiplied by the current workforce (457,321))

VARIATION IN ECONOMIC PERFORMANCE

Coventry and Warwickshire is a very diverse sub-region which is disguised by overall average figures when comparing across other LEPs in England. Divergence between areas of the sub-region is generally seen across all indicators including income (GVA and GVA/head), employment rates, number of businesses and labour qualification rates. This together creates a varied sub-region where policies need to be tailored to suit individual areas: a one-size-fits-all policy is unlikely to work to increase growth uniformly across the Coventry and Warwickshire LEP.

In 2011, GVA across Coventry and Warwickshire summed to £16.2 billion, of which 35% was contributed by Coventry. Of the 65% of GVA contributed by Warwickshire, 50% came from the south (Warwick, and Stratford districts), 20% from Rugby and 30% from the north (North Warwickshire and Nuneaton and Bedworth). The picture changes somewhat, however when looking at GVA per head. The richest sub-region is North Warwickshire with a GVA per head of 28 percentage points above the UK average; North Warwickshire does, however, have the smallest population. Nuneaton and Bedworth perform 38 percentage points below the UK average and is the poorest sub-region of the LEP. This difference of 66 percentage points between richest and poorest highlights the pronounced divergence across the LEP area.

Rugby Borough harbours the highest employment rate of the sub-region (82%) whereas Coventry has the lowest with 64% - a difference of nearly 20 percentage points. Lower rates are also seen in Nuneaton and Bedworth (68%) but higher rates are seen elsewhere across the county at 75%, 77% and 78% in North Warwickshire, Stratford and Warwick respectively. Complementary to this, unemployment rates are also varied across the LEP: North Warwickshire unemployment has reached 10.3%, whereas in Rugby and Stratford, unemployment is less than half of that seen in North Warwickshire.

Tying this together, unemployment could be lowered by increasing the number of businesses in a sub-region, thereby increasing the employment opportunities within an area. In terms of the number of active enterprises, again, the sub-region is quite diverse. Overall, the CWLEP area is home to over 35,000 businesses, 41 for every 1,000 residents. Across Warwickshire County there are 48 businesses per 1,000 residents rising to as high as 54 in Warwick and 66 in Stratford-upon-Avon. However, in Coventry and Nuneaton & Bedworth it is a different picture with less than 30 businesses per 1,000 residents. In terms of new business start-up rates, Coventry (12.4% of total active businesses are new start-ups) performs above the UK average (11.4%), but other areas are below average (particularly North Warwickshire at 9.2% and Stratford District at 9.0%). However, some areas struggle with business survival rates, particularly in Coventry where only 39.2% of businesses that started in 2007 are still trading, compared to a UK average of 44.6% and a rate of 50.3% in Stratford District.

Different specialisms rely of differing skills sets across the LEP. The percentage of workers qualified to NVQ level 4 is, however, significantly lower in Coventry, Nuneaton and Bedworth and North Warwickshire (around 25% compared to roughly 40% in the other three sub-regions) and this has knock-on effects on the quality of job available to these workers and thus the potential level of income they could receive. This can be seen in the average gross weekly wages by district and borough where (in 2013) Rugby borough had the highest wages (£573) and the largest gaps were seen for the north of the LEP: £83 per week less in North Warwickshire, £95 less in Nuneaton and Bedworth and £86 less in Coventry. The wage gaps seen in the south compared to Rugby are not as large: £10 per week in Stratford and £29 in Warwick.

This significant variation across Coventry & Warwickshire both acts as a drag on our aggregate economic performance (as measured by GVA per head and per worker), but also presents a significant opportunity. If we can address these areas of underperformance, we can generate a significant uplift in economic activity and output regardless of any further growth in our economy.

Summary Table

Key Issues:

- Overall, the economic performance on most key indicators for the Coventry & Warwickshire LEP area are average/slightly below average.
- However, this masks significant variation within and across our CWLEP area on indicators such as employment rates, unemployment rates, business start-up rates, business survival rates and qualification levels.
- Within our area on most of these indicators, we have areas that are in the top quartile of national performance, but also ones in the bottom quartile.
- This leads to significant variation in economic output rates across the CWLEP area, and therefore to this picture of average performance.

Policy Implications:

- Increase employment rates in areas of underperformance (particularly Coventry & Nuneaton), particularly through tackling hot-spots of unemployment and worklessness
- Focus business start-up activity in areas of low business formation rates (particularly in our more rural areas of North Warwickshire and Stratford District), and targeted support to help businesses grow and survive – particularly in Coventry and Nuneaton & Bedworth
- Improve skill and qualification attainment levels in underperforming areas (particularly Coventry, Nuneaton & Bedworth and North Warwickshire), ensuring they are linked to business need and growth forecasts.

Potential impact:

- If areas of underperformance were brought up to the national average, whilst maintaining above average performance in the remaining areas, the following uplift in economic activity would lead to:
 - An additional 15,997 in employment, generating at estimated extra £438m in terms of income in the area
 - An additional 2,600 businesses trading in the area through increased new starts and less closures, generating an estimated £1.27bn in GVA
 - An extra 7,479 skilled to at least a Level 2 qualification, creating an estimated uplift in GVA of £66m

FUTURE GROWTH AREAS

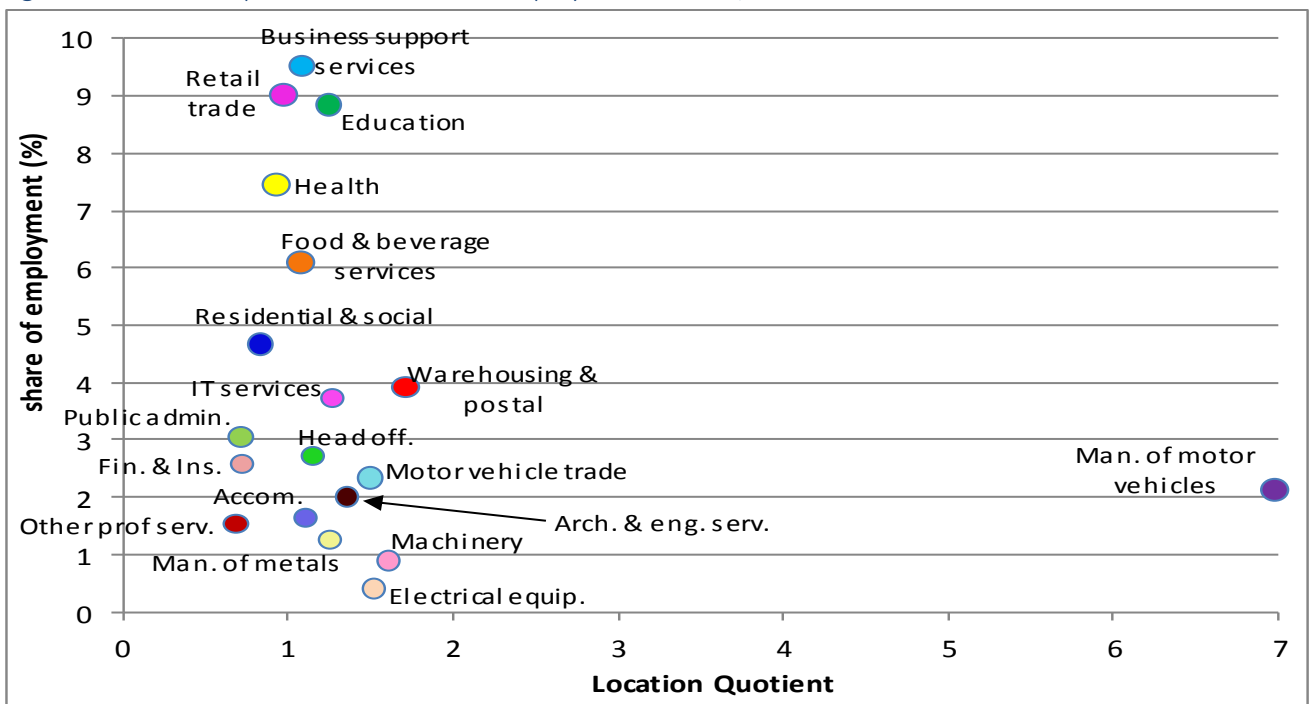
The preceding sections have detailed the current issues and opportunities within the Coventry & Warwickshire economy, and how targeted interventions could generate significant additional output. However, no economy stands still, and we also need to consider and explore future growth forecasts.

By 2025 the highest value sectors in Coventry & Warwickshire are expected to be IT services, education, construction and business support services with retail trade and health following close behind. These six

sectors are predicted to value some £8.3billion contributing 40% to the LEP economy in 2025. The LEP specialism of manufacturing motor vehicles is projected to increase by 84% between 2012 and 2025 contributing 3% to the value of the LEP economy by 2025.

In terms of employment, Figure A4 shows forecast location quotients and share of employment for selected sectors across the LEP for the year 2025. The largest employers are expected to be business support services, retail trade and education. These sectors, however, are only just competitive against the UK in terms of specialisation (have an LQ of just greater than 1). The manufacture of motor vehicles is expected to increase its specialism within the region increasing its location quotient from five to seven by 2025 (LQ of seven in 2025 suggesting employment will be seven times more concentrated than the UK average). Other sector specialisms by 2025 include the manufacture of electrical equipment and machinery (LQ's of 1.5 and 1.6 respectively), motor vehicles trade and warehousing and postal (LQ's of 1.5 and 1.7 respectively). These sectors, however, have low shares of employment, thus have potentially limited employment opportunities.

Figure A4: Location quotient and share of employment in 2025, LEP area



Source: WCC analysis of Cambridge Econometrics forecasts

Advanced manufacturing and engineering is expected to remain a large part of Coventry and Warwickshire's economy. By 2025 the sector is projected to be worth £2.4billion (2009 prices) which equates to 12% of the sub-region's output. Employment in AME is expected to be 6% of the LEP's total employment resulting in a location quotient of 1.5 across the LEP. There are, however, regional specialisms for example the location quotient for AME in Stratford, in 2025, is calculated to be 2.3, in Coventry and Rugby this drops to 1.6 and in Warwick 1.2 (for North Warwickshire it is below 1).

Tourism and leisure also play a key role in the local economy, accounting for 8.5% of total employment in Coventry & Warwickshire as a whole, and more than one in ten jobs in the south of Warwickshire. It also accounts for over £550m in output per year for the local economy, and recent analysis nationally by Deloitte's has shown strong growth in the sector over the past few years and forecasts suggest it is an area of the

economy that will grow at a faster than average rate moving forward. The Coventry & Warwickshire area has some key and unique tourism assets, on which we are keen to maximise its economic value.

Overall, GVA in Coventry & Warwickshire is forecast to grow from £15,831m in 2012 to £20,506m in 2025. This equates to growth of 2.1% p.a., slightly stronger than the UK average of 2.0%. This growth is expected to create an additional 45,800 jobs (from 457,300 in 2012 to 503,100 in 2025), while total population for Coventry & Warwickshire will increase to 991,200 in 2025 (up from 871,000 in 2012)

Despite this projected strong growth across various sectors, total labour productivity (GVA/worker) is still expected to be 88% of the UK labour productivity in 2025. This is a potential concern for the LEP as it suggests that not all the LEPs resources, both in capital and labour, are either not being fully utilised or not being used in the most efficient manner. The impact of the recession is seen to have a large impact on the drop in labour productivity; that is productivity in 2012 was the same as 2006 levels for both Coventry and Warwickshire. This has resulted in a loss of £8,100 and £6,100 per worker in Warwickshire and Coventry respectively by 2012, had the trend from 2006 continued upwards.

Summary Table

Key Issues:

- The Coventry & Warwickshire economy is forecast to grow slightly faster than the UK average over the period 2012-2025
- However, productivity rates (GVA per worker) are expected to remain the same, at just 88% of the UK labour productivity levels in 2025
- The highest value sectors for the economy as a whole in 2025 will be IT services, education, construction and business support services, retail trade and health
- Advanced Manufacturing & Engineering will continue to be a key sector of strategic importance to the CWLEP area, and will remain one of the most productive parts of our economy with productivity levels in excess of the national average for AME.
- Tourism is an important sector for Coventry and Warwickshire, accounting for a significant number of jobs and with strong growth potential

Policy Implications:

- Need to tackle and improve our low productivity levels, through interventions to improve agglomeration and effective densities; and to support business growth and increase innovation activity, employment rates and skill levels.
- A focussed programme to exploit our unique strengths around Advanced Manufacturing & Engineering, and maximise its potential for growth
- Support for other key sectors within the economy which will account for the greatest level of future output and employment.

Potential impact (baseline forecasts):

- GVA growth from £15,831m in 2012 to £20,506m in 2025
- Creating an additional 45,800 jobs (from 457,300 in 2012 to 503,100 in 2025)