

# Coventry and Warwickshire City Deal



## Executive Summary

Coventry and Warwickshire is an integral part of the Midlands and a key engine of growth for the United Kingdom. As a functional economic area Coventry and Warwickshire is home to 863,000 residents and some 35,000 businesses. The area also provides employment for 443,000 people and in 2011 generated economic output of around £16.3 billion.

A key part of Coventry and Warwickshire’s success is its advanced manufacturing and engineering sector, including the automotive sub-sector. Further growth in this sector can be enhanced by:

- Providing the right type of business advice, guidance and support programmes to grow companies within this sector.
- Establishing tailored skills programmes for the advanced manufacturing sector.
- Supporting more small and medium sized enterprises to secure business in the supply chain.
- Enhancing the automobile sub-sector by improving local testing and research and development facilities.

Over its lifetime the Coventry and Warwickshire Local Enterprise Partnership predict this deal will deliver:

- Over 15,000 jobs within the wider economy, of which over 8,800 will be in the advanced manufacturing and engineering sector.
- A range of innovative business support programmes that will support further growth in the advanced manufacturing and engineering sector.
- A new flagship “Clearing House” centre, where key business support agencies are co-located in one building.
- A new pan-Midlands supply chain initiative that will support the growth of small and medium sized enterprises in the advanced manufacturing and engineering sector.
- An expanded test track and research and development facility for the growing automobile sector at Fen End in Warwickshire.
- Two innovative skills programmes that will trial new ways in which to meet the skills needs of the advanced manufacturing and engineering sector.
- £25 million of local and national public sector investment.
- £66 million of private sector investment.

**Our signing of this document confirms our joint commitment to ensure full implementation of the Coventry and Warwickshire City Deal proposed by: the Coventry and Warwickshire Local Enterprise Partnership; Coventry City Council; Warwickshire County Council; North Warwickshire Borough Council; Nuneaton and Bedworth Borough Council; Rugby Borough Council; Warwick District Council; Stratford-on-Avon District Council; and Hinckley and Bosworth Council in Leicestershire. To ensure implementation and demonstrate success we will jointly track progress against milestones and outcomes.**

.....  
Rt Hon Nick Clegg MP  
Deputy Prime Minister

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Rt Hon Greg Clark MP  
Minister for Cities

.....  
Sir Peter Rigby, Chairman  
Coventry and Warwickshire LEP

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Cllr Ann Lucas, Leader  
Coventry City Council

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Cllr Izzi Seccombe,  
Leader Warwickshire County  
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Cllr Mick Stanley, Leader  
North Warwickshire Borough  
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Cllr Dennis Harvey, Leader  
Nuneaton and Bedworth  
Borough Council

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Cllr Craig Humphrey, Leader  
Rugby Borough Council

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Cllr Chris Saint, Leader  
Stratford-on-Avon District  
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Cllr Andrew Mobbs, Leader  
Warwick District Council

.....  
Cllr Stuart Bray, Leader.  
Hinckley and Bosworth Borough  
Council

## Introduction

Coventry and Warwickshire is an integral part of the Midlands and a key engine of growth for the United Kingdom. As a functional economic area Coventry and Warwickshire is home to 863,000 residents and some 35,000 businesses. The area provides employment for 443,000 people.

A key part of Coventry and Warwickshire's success is its advanced manufacturing and engineering sector which employs a significant number of residents. A particular strength in this sector is the manufacture of motor vehicles, where Coventry and Warwickshire have more than five times the average concentration of employment. The advanced manufacturing and engineering sector is also one of the key foundations for the future success of Coventry and Warwickshire with high rates of forecast growth over the next 10-15 years.

The growth strategy across Coventry and Warwickshire recognises this specialism and the City Deal will help Coventry and Warwickshire maximise the impact of this sector within the local economy by:

- Providing the **right type of business advice, guidance and support programmes** to grow both small and medium sized enterprises and companies within the advanced manufacturing and engineering sector.
- **Establishing tailored skills programmes** for the advanced manufacturing sector, which build on recent reforms to the national skills system, thereby ensuring that advanced manufacturing and engineering companies can employ people with the right skills.
- Maximising the potential of the advanced manufacturing and engineering sector, including the automobile sector, by **supporting more small and medium enterprises to secure business in the supply chain**.
- Helping further growth of the automotive sector by providing funding that will support the **further expansion of an automobile test track and research and development facility at Fen End** in Warwickshire.

### Why do we need the City Deal?

Coventry and Warwickshire benefits from a strong advanced manufacturing and engineering sector. This is complemented by world class universities and research and development facilities such as: University of Warwick; Coventry University; Warwick Manufacturing Group; MIRA Technology Park; the Manufacturing Technology Centre at Ansty; and the High Value Manufacturing Catapult among others. However despite these strengths local partners recognise that the growth in the advanced manufacturing and engineering sector could be significantly increased by supporting the growth of small and medium sized enterprises in this sector, especially companies in the supply chain. Currently the business support needs of these companies are not addressed as effectively as they could be – with challenges around: effective signposting/co-ordination of business support; and the provision of business support programmes that meet the needs of these companies.

Across the Midlands there are a range of world leading advanced manufacturing and engineering companies. These include: Aston Martin; Jaguar-Land Rover; BMW and Caterpillar. However small and medium sized enterprises in the advanced manufacturing and engineering sector do not maximise the supply chain opportunities emerging from these companies.

The automobile sector is a growing part of the local economy. However Coventry and Warwickshire's research and development facilities do not provide a complete offer to automobile companies. The City Deal provides a key opportunity to address this through expansion of the automobile test track and research and development facility at Fen End in Warwickshire.

## The Deal

At the heart of the Coventry and Warwickshire City Deal is an ambitious proposal to **maximise growth in the areas advanced manufacturing and engineering sector (including the automobile sub-sector) by growing this sector's small and medium sized enterprises**. To deliver this flagship proposal City Deal partners will:

- Establish a **Coventry and Warwickshire Business Support Clearing House**. The clearing house will: deliver a range of bespoke business support services; assist businesses to invest in skills; build on the existing capacity of “sign posting” services provided by the local Chamber of Commerce; and enable companies to access innovation assets (to support greater research and development) and new employment sites. This Clearing House will be available to all small and medium enterprises and advanced manufacturing and engineering companies.
- Provide a range of **tailored business support programmes** that will support growth of small and medium enterprises in the advanced manufacturing and engineering sector. These programmes will focus on: access to finance; innovation; trade and export; and sector investment.

The Clearing House and business support programme will be complemented by: two skills programmes; a pan Midlands Supply Chain programme; a site development scheme; and initiatives that will further improve the local planning system. These will:

- Create a **shared apprenticeship scheme for the advanced manufacturing and engineering sector**. This scheme will enable apprentices to be employed by a host employer, whilst carrying out work placed training in a number of small and medium sized enterprises in the advanced manufacturing and engineering sector.
- Create a **Skills for Growth programme** that will tackle skills gaps for small and medium sized enterprises in the advanced manufacturing and engineering sector.
- Design a **pan-Midlands supply chain programme** that will raise awareness of supply chain opportunities for small and medium sized enterprises in the advanced manufacturing and engineering sector.
- Enable the further expansion of the **automobile test track and research and development facilities at Fen End** in Warwickshire. This proposal will lever in £17.4m of private sector investment over a 15 year period and complement existing automobile research and development/innovation facilities in the area.
- Secure Government commitment to **explore further changes to the local planning system** with local authorities, in order to speed up planning applications.

Over its lifetime the Coventry and Warwickshire Local Enterprise Partnership predict the City Deal will deliver:

- Over 15,000 new jobs by 2025, of which over 8,800 will be in the advanced manufacturing and engineering sector.
- Support growth in 450 advanced manufacturing and engineering companies within the local area.
- £25 million of local and national public sector investment.
- £66 million of private sector investment.

## Geography

This City Deal sets out a range of programmes and initiatives which seek to support the entire Coventry and Warwickshire Local Enterprise Partnership area. This includes the areas covered by Coventry City Council, Warwickshire County Council and part of Leicestershire. This includes the following district local authorities: North Warwickshire; Nuneaton and Bedworth; Rugby; Warwick; Stratford-on-Avon; and Hinckley and Bosworth (in Leicestershire).

## Key Elements of the City Deal

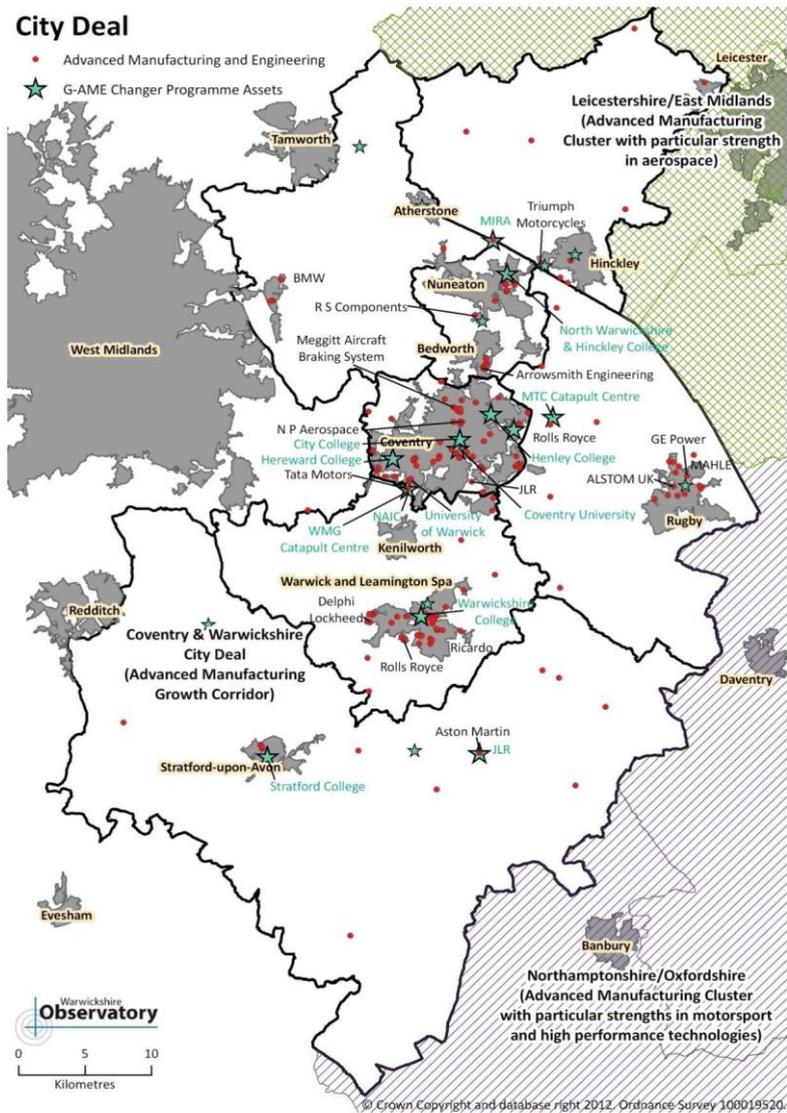
### Growing small and medium enterprises and supporting the advanced manufacturing and engineering sector

Within Coventry and Warwickshire the concentration of: advanced manufacturing and engineering companies, particularly in the automotive sub-sector; Higher Education institutions with engineering and manufacturing specialisms; and state of the art research and development facilities (see Figure 1) has led to high rates of research and development – the bedrock of future growth and economic success.

However closer analysis of this information shows that this activity is heavily concentrated in a very small number of companies. 89% of research and development employment and 94% of in-house research and development expenditure is accounted for by only 16 firms – or 0.05% of the business base. Supporting more of the area’s advanced manufacturing and engineering companies to: increase rates of research and development; grow their business; and maximise opportunities presented by Higher Education and research and development facilities are key aims of this City Deal. In addition, across all sectors of the local economy, Coventry and Warwickshire has a clear commitment to support growth more broadly.

To maximise these economic opportunities this City Deal will create a Business Support Clearing House for all small and medium enterprises and will launch tailored business support programmes for the advanced manufacturing and engineering sector.

**Figure 1:** Advanced Manufacturing and Engineering Companies and R&D facilities



## Business Support Clearing House

Small and medium enterprises generally (and companies within the advanced manufacturing and engineering sector in particular) regularly identify three key challenges they face, which impede their ability to growth. These are: provision of business support services that meet their specific needs; access to finance; and the ability to hire people with the right skills. Companies also say they need this support provided in an easily accessible way. The Coventry and Warwickshire Business Support Clearing House will meet the above needs and provide a single access point for all business support in the area.

Although the Clearing House will be open to all local businesses, building on the existing capacity of the local Chamber of Commerce, it will also actively target advanced manufacturing and engineering companies that have been identified by the Coventry and Warwickshire Local Enterprise Partnership as having the potential to grow.

## Establishing the Clearing House

The Clearing House will have both a physical and on-line presence, providing businesses with the ability to access it services in ways that suits their needs. For companies that want to access business support services in person Coventry and Warwickshire will establish a Clearing House facility at Cheylesmore House in Coventry. This high quality Government owned building will provide a central location where all the business support agencies co-locate or utilise hot-desk facilities – including: UK Trade and Investment (delivered by local Chamber of Commerce); the Manufacturing Advisory Service; Growth Accelerator; Coventry & Warwickshire Chamber of Commerce; Coventry University; University of Warwick; Coventry City Council; Warwickshire County Council; banking services; access to finance specialists; supply chain advisors; and skills advisors.

The Clearing House will take up 752m<sup>2</sup> in Cheylesmore House. The Government will lease this space to Coventry and Warwickshire for five years and will provide the space without charge for the first two and a half years. Local partners in Coventry and Warwickshire will fund the costs of leasing this space for the remaining two and a half year period. The specific funding breakdown will be:

	Government contribution	Coventry and Warwickshire contribution
Year 1	£310,000 (100%)	£0 (0%)
Year 2	£310,000 (100%)	£0 (0%)
Year 3	£155,000 (50%)	£155,000 (50%)
Year 4	£0 (0%)	£310,000 (100%)
Year 5	£0 (0%)	£310,000 (100%)
<b>Total contribution</b>	<b>£775,000 (50%)</b>	<b>£775,000 (50%)</b>

This office will be complemented by an online presence that will provide a single access point for business support. This online presence will be linked to existing national business support programmes and information available on the .GOV platform. At its core the Clearing House seeks to maximise the reach of existing national programmes and enhance these through local support. There will be no duplication of business support activity. The total funding for the Clearing House and business support programmes (set out below), over a five year period, is £19.5 million. £11.8 million of funding will be provided by local partners with Government providing £7.7 million – of which £775,000 will be met by an initial rent-free period for the office space at Cheylesmore House.

## Providing Effective Business Support Programmes for Small and Medium Enterprises and the Advanced Manufacturing and Engineering sector

In addition to the provision of business support advice and guidance Coventry and Warwickshire will also provide a range of business support programmes for advanced manufacturing and engineering small and medium enterprises. These include:

- **Access to finance:** The Clearing House will bring together local and national funding to create a £8.8 million funding pot drawn from RGF Round 4 funding (secured as part of this City Deal), RGF Lancaster funding (secured as part of this City Deal), existing RGF Round 3 funding and European Union funds. As each of these

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funds have different funding rules the Clearing House will process applications and match companies to the appropriate funding stream. This fund will lever in £49 million of private sector investment.

- **Innovation:** Support provided through the Clearing House will increase uptake of national schemes such as innovation vouchers. In addition, the City Deal will provide funding grants to groups of advanced manufacturing and engineering small and medium sized enterprises to support the development of new products and services. A “Proof of Concept” fund will support universities, research organisations and businesses to undertake pre-commercialisation activities for new technologies.
- **Trade and export:** Building on the existing UK Trade and Investment provision the Clearing House will offer a dedicated trade and export advice service for advanced manufacturing and engineering companies. This service will also: organise and host trade visits and missions funded by local partners; and commission sector specific research and analysis work.
- **Sector investment:** Agencies co-located at the Clearing House will work together to promote Coventry and Warwickshire’s economic strengths in order to encourage inward investment and provide an effective aftercare service for those companies that have relocated to the area.

### Evaluating the Clearing House

As part of the City Deal, Coventry and Warwickshire will commit to providing an independent evaluation of the Business Support Clearing House. The evaluation methodology will be agreed with the Cities Policy Unit in the Cabinet Office and will be used to determine the effectiveness of this business support model. An interim evaluation report will be provided at the end of the second year of the Clearing House operations and a final evaluation report will be provided at the end of the fifth year of operation. Critical to the evaluation will be the role and views of the to-be-established Coventry and Warwickshire City Deal Business Advisory Board. This will be co-ordinated by Chamber of Commerce and will work to the Coventry and Warwickshire Local Enterprise Partnership.

### Pan Midlands Supply Chain Initiative

Coventry and Warwickshire’s strength in the advanced manufacturing and engineering sector is shared with other areas across the Midlands such as: Birmingham and Solihull; the Black Country; and Leicester and Leicestershire. Working across the Midlands Coventry and Warwickshire will create a Pan Midlands Supply Chain initiative. This scheme will seek to:

- Raise awareness in local small and medium sized enterprises of the supply chain opportunities available with the largest companies in the area.
- Help existing supply chain small and medium sized enterprises to access business support services and research and development /innovation assets in the local area, to facilitate their growth.
- Design and implement new business support programmes that will help supply chain small and medium sized enterprises to grow.
- Support small and medium enterprises to undertake greater export related activity.

Working across the Midlands the four Local Enterprise Partnerships will lead the design of this initiative, working with the Cities Policy Unit and the Department for Business, Innovation and Skills. The design of this initiative will be completed by March 2014 and delivery will commence in 2014/15.

### Enhancing Academic Co-ordination with the Automobile Sector

The Government’s Automotive Strategy sets out clear actions to improve the co-ordination and collaboration between the automobile sector and Higher Education – to maximise the impact of academic research in driving innovation. Coventry and Warwickshire recognise that the Government’s automobile strategy is seeking to establish an effective framework to improve this collaboration and co-ordination at a national level, through an advisory council that reports to the Automotive Council. In advance of this planned national advisory group being established, Coventry and Warwickshire will establish the Midlands Automotive Engineering and Research Advisory Board. This will complement national efforts to ensure the UK remains at the forefront of the automotive research and development agenda.

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Coventry and Warwickshire will invite representatives of the following organisations to be members of this board: representatives from the areas world-class universities (Coventry University, University of Warwick, University of Birmingham and Loughborough University); local innovation assets (the High Value Manufacturing Catapult, MIRA Technology Park, and the Manufacturing Technology Centre at Ansty) representatives from major automotive employers that are based in the area; and representatives from the four Midlands Local Enterprise Partnerships. This board will also seek guidance from and engagement with the Department for Business, Innovation and Skills.

Building on the ongoing research and development programmes being undertaken by these companies and institutions the Midlands Automotive Engineering and Research Advisory Board will seek to:

- Align research and development undertaken on “industry challenges”, whilst continuing to ensure academic/research independence.
- Increase sharing of research findings between universities, innovation centres and automotive companies where possible.
- Forge strong relationships with the soon to be established national advisory board.
- Provide advice and guidance to the Department for Business, Innovation and Skills to help inform future policy on the automotive sector.

The Midlands Automotive Engineering and Research Advisory Board will also work with the Innovation Brokerage service, based at the Coventry and Warwickshire Clearing House, to ensure that local businesses engage with these innovation assets effectively.

The design of the Midlands Automotive Engineering and Research Advisory Board will be led by Coventry and Warwickshire Local Enterprise Partnership and will be finalised in 2013/14, following further consultation with: the above universities and innovation assets; local automotive companies; Coventry and Warwickshire Local Enterprise Partnership; and the automobile team in the Department for Business, Innovation and Skills.

## Developing a locally responsive skills system to drive economic growth

Providing small and medium sized enterprises (within the advanced manufacturing and engineering sector) with access to individuals with the right skills is crucial if Coventry and Warwickshire is to enable further growth in these companies. As part of the City Deal Coventry and Warwickshire has proposed: a new shared apprenticeship scheme, which will be in line with the adult skills budget eligibility; and a Skills for Growth programme. Together these schemes will begin to meet this skills challenge.

### Coventry and Warwickshire Shared Apprenticeship Scheme

For employers that have highlighted barriers to taking on an apprentice, Coventry and Warwickshire will provide a shared apprentice approach. Through this scheme apprentices will be employed by a host employer but will carry out their work place training at a series of placement companies. Apprentices will rotate around employers according to their framework needs. The technical element of the training will be carried out at an appropriate college. This will build on the success of the Hinckley and Bosworth, Nuneaton & Bedworth and North Warwickshire Cross Border Skills Partnership.

This shared model will encourage both small and medium enterprises and companies within the advanced manufacturing and engineering sector to take on more apprentices, by making it as easy as possible for them to do so. Over the next five years co-ordination of this scheme will be undertaken by Coventry and Warwickshire Local Enterprise Partnership, working in partnership with the Skills Funding Agency. This co-ordination will be taken forward by:

- The local National Apprenticeship and Apprenticeship Training Academy team working with Coventry and Warwickshire Local Enterprise Partnership to support the establishment of an Apprenticeship Task Force. This task force will ensure linkages are made between this initiative and wider strategies such as the Coventry and Warwickshire Skills Strategy, European Union Investment Strategy and Coventry and Warwickshire's Strategic Economic Plan.
- Additional Business Development funding of £10,000 in 2013/14 to further the development of the strategic relationship between the Skills Funding Agency and Coventry City Council to deliver growth in apprenticeships, particularly for the 16 -18 year olds.
- Dedicated resource on the ground from the Skills Funding Agency's local Apprenticeship head and additional Agency support as needed to coordinate agreed activities, linked exclusively to the Coventry and Warwickshire Local Enterprise Partnership. This will provide advice and expertise to support the development of an Apprenticeship Training Agency and the wider apprenticeship Strategy.
- Support the development of links to wider National Apprenticeship Service support including: the Small Business Unit; the Apprenticeships Vacancy team; and the Apprenticeships marketing collateral.
- Further develop the relationship and involvement of Further Education and private provider organisations in supporting Coventry and Warwickshire's apprenticeship ambitions.

### Skills for Growth Programme

This programme will test a new approach to providing key skills for small and medium sized enterprises in the advanced manufacturing and engineering sector. This programme focuses on skills development and complements wider work to ensure individuals secure suitable qualifications in order to access employment. Indeed the package assumes that the current range of provision from Further Education, private training providers and Higher Education across the region is strong in delivering qualifications. However in order to become skilled at a job a task must be repeated many times and ultimately signed off as being undertaken to the correct standard. For many of Coventry and Warwickshire's small and medium enterprises, in the advanced manufacturing and engineering sector, the specific skills required are not taught as part of a qualification due to their limited general application e.g. specialist/niche engineering skills. This package therefore aims to support small and medium enterprises in securing individuals with these skills.

In the first instance the Coventry and Warwickshire Business Support Clearing House will undertake outreach and engagement activities with small and medium enterprises, in the advanced manufacturing and engineering sector, to establish the specific niche skills needs of these companies.

Once these skills needs are established the Coventry and Warwickshire Business Support Clearing House will recruit trainees, who are studying for a level three qualification, and group them around specific skills themes. Skills development training will take place alongside an individual's studies to complete a recognised qualification. Whilst gathering these tailored skills the individual will be employed by a company and the costs associated to the training element of employment will be supported through funding normally associated with skills development.

### **Skills for Growth programme**

- A trainee completes a programme of study at level three.
- The trainee is recruited by an advanced manufacturing and engineering company in Coventry and Warwickshire. This recruitment will be brokered through the Coventry and Warwickshire Clearing House.
- The trainee is allocated to a skills trainer for the whole year. This skills trainer, employed by the Clearing House, will have worked extensively with the company the individual is "recruited to" in order to understand their skills needs.
- The skills trainer will be responsible for four groups of 12 trainees.
- The trainee will spend four days each week in the company working with a company based employee/mentor, who is supported by the skills trainer. The fifth day will be spent in the Clearing House. The day in the Clearing House will include a range of group based skills development activities (team working, group learning, communications etc) and some individually tailored packages. There will also be opportunities to visit regional innovation assets. The Clearing House will not be a technical training facility.

Each trainee will be allocated to a sub-group of four similar trainees and will rotate around a group of companies. This will facilitate the development of a broad range of skills within the trainee that is not available in one small and medium enterprise (subject to appropriate IPR constraints and the four trainees being grouped based on similar industries and similar tasks).

This programme will be tested in 2014/15 with up to 96 people and will be funded by up to £783,000 of funding subject to final contracting for Coventry and Warwickshire's RGF Lancaster funding. Future years will be funded locally by Coventry and Warwickshire. Over a five year period local partners will invest £4.1 million in this programme.

## Supporting the Automotive Sector to Grow – Fen End and planning

### Expanding Fen End

As stated above the automotive sub-sector is a large employer within the wider advanced manufacturing and engineering sector of Coventry and Warwickshire's economy. A key requirement of this sector is the provision of automobile test track facilities that enable: research and development activities to be undertaken; testing of new products; internal product training; and product launch. Demand for these facilities is increasing in the sub-region both due to the growth of this sub-sector and the closure of the Jaguar Land Rover test track facility at Gaydon to other companies. Whilst the MIRA site located in Leicestershire offers a premier facility for large automobile companies, there is an opportunity to enhance and complement this facility by enabling the expansion of the Fen End research and development and test track facilities in Warwickshire.

Expansion of this site would bring further test track business to the area. In addition, owners of the Fen End site are in negotiation with overseas companies to relocate research and development facilities to this location. Expansion of this site is currently stalled due to the need to provide access improvements and improvements to the local highway infrastructure. In order to fund these improvement works the Government will provide £559,000 in grant funding to Warwick District Council in 2013/14. Once completed these access and highways improvements will unlock £17.4 million over a 15 year period and will create 847 net new jobs in Coventry and Warwickshire.

### Implementing a fast-track planning service for the advanced manufacturing and engineering sector

The Coventry and Warwickshire Local Enterprise Partnership believes that it already has some of the most efficient local authority planning services within England. However the Local Enterprise Partnership also believes that further improvements can be made, so as to support growth in advanced manufacturing and engineering companies within the local area.

To support further improvement to the planning system all local authorities in the City Deal area will deliver a 'fast-track' planning service for the advanced manufacturing and engineering sector. Pre-application advice will be universally offered and will be promoted by individual local authorities, the Coventry and Warwickshire Local Enterprise Partnership, the Business Support Clearing House and other business support agencies. Dedicated case officers will be nominated to handle all advanced manufacturing and engineering applications to ensure consistency and ownership across the participating local authorities. These commitments will be enshrined within the existing Planning Protocol, with an amendment specifically targeted at promoting growth across the advanced manufacturing and engineering sector.

In order to minimise delays at formal statutory consultation stage, Coventry and Warwickshire Local Enterprise Partnership will ensure statutory consultees are engaged in the production of its Strategic Economic Plan and their views on sites and locations liable to give rise to environmental constraints are closely considered. The Coventry and Warwickshire Local Enterprise Partnership will take steps to ensure that all potential developers are aware of the importance of early engagement with statutory consultees on individual proposals.

In addition, Government and local authorities within Coventry and Warwickshire also agree to undertake further discussions with the aim of producing a version of the Planning Protocol that is acceptable to all parties, drawing on existing mechanisms such as the Department for Environment Food and Rural Affairs network offer letter.

### Ensuring zero cost for Pre-Planning Applications from the Advanced Manufacturing and Engineering Sector

Small and medium enterprises within the advanced manufacturing and engineering sector cite pre-application charging for planning applications as a challenge to growth, hampering their ability to progress change of use, expansion or new build proposals. Charges are levied by statutory consultees under existing approvals and in line with the Government's charging policy of ensuring a fair allocation of costs, whilst also taking account of the 'polluter pays' principle and the need for cost recovery of the services that are provided to those being regulated. Treasury guidance specifies that the standard approach is that the same charge should apply to all users of a defined category of service, so

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recovering full costs for that category of service. Different charges may be set for objectively different categories of service costing different amounts to provide. If allowed by Government policy, and if alternative funding can be provided to the statutory consultees to compensate for lack of cost recovery, the Government and local authorities will explore through the City Deal (in 2014/15) the feasibility and implications of waiving pre-application fees levied by statutory consultees.

## **Supporting Local Growth – Planning, Asset Management and Public Service Transformation**

Across Coventry and Warwickshire local authorities are working together to promote local growth in a number of areas such as: housing; planning; and asset management. As part of the City Deal local authorities will progress the development of core strategies/Local Plans in Coventry and Warwickshire, in line with local timetables: Hinckley and Bosworth Borough Council has an up to date plan; North Warwickshire plan is in examination with hearings in January 2014; Stratford Upon Avon District Council will submit their plan for examination in 2014; Nuneaton and Bedworth will submit their plan for examination in 2014; Rugby Borough Council's plan is in place and will be refreshed within two years; Warwick will submit their plan for examination in 2014; and Coventry City Council will commence consultation on its plan in autumn 2014.

Building on this work local authorities will progress the development of Community Infrastructure Levies: in 2014 Coventry City Council will consult on its draft schedule; Stratford upon Avon is currently consulting on its draft preliminary schedule; Nuneaton and Bedworth and Warwick councils will adopt their Community Infrastructure Levy schedules at the same time they adopt their Local Plans. Hinckley and Bosworth; North Warwickshire and Rugby will continue to develop their Community Infrastructure Levy schedules.

Local authorities in the sub-region publish or are working on the development of an asset management strategy. At the sub regional level Coventry and Warwickshire share asset location information for service sharing and planning on the Warwickshire Observatory site. By February 2014 local authorities in Coventry and Warwickshire will make the data they have provided to the West Midlands Property Alliance and the Warwickshire Observatory (on their assets) available to the Government Property Unit.

### **Public Service Transformation**

Finally, local authorities in Coventry and Warwickshire will engage with the Public Service Transformation Network. Local authorities in Coventry and Warwickshire will also continue to publish reports on the progress they are making to drive public service transformation.

## Governance

The Coventry and Warwickshire City Deal area will be underpinned by robust governance arrangements that will include all seven local authorities in Coventry and Warwickshire (city unitary, county council and five district/boroughs) along with Hinckley and Bosworth in Leicestershire. Governance arrangements will focus on the following policy areas: economic development; regeneration; and strategic planning at a sub-regional level.

All eight local authorities have confirmed their intention to start the process to establish an Economic Prosperity Board. However, as the existing legislative regulations for the creation of an Economic Prosperity Board mean that the process is likely to take at least a year, a Joint Committee is being established in the interim. This will operate on similar lines, with the expectation that this body will become an Economic Prosperity Board once the legislative requirements have been met.

City Deal governance will be provided through the new Joint Committee/Economic Prosperity Board with oversight through the existing Coventry and Warwickshire Local Enterprise Partnership Board, a business-led (and Chambers co-ordinated) Business Advisory Board and Executive arrangements. It is anticipated that operational management of the Clearing House will be through Coventry and Warwickshire Local Enterprise Partnership, with accountability being provided to the Joint Committee/ Economic Prosperity Board by the Coventry and Warwickshire Local Enterprise Partnership Board.

### Timeline for implementation

The terms of reference for the Joint Committee have already been informally agreed by all eight local authorities and each authority is taking the necessary reports for formal approval to their Executive/Cabinet and/or Full Council. This process will be completed by the end of the January 2014 so the Joint Committee can formally meet early in February 2014. In the interim a shadow Joint Committee is now in operation and considering options for progressing to an Economic Prosperity Board. The timetable for setting up an Economic Prosperity Board will require Government input including changes in legislation. Based on current advice an Economic Prosperity Board would be unlikely to be set up before spring 2016, with proposals submitted by Coventry and Warwickshire to Government by summer 2015 at the earliest.

## Summary of Commitments

### Business Support Clearing House

Central Government Commitments	Coventry and Warwickshire Commitments
<ul style="list-style-type: none"> <li>● By March 2014 finalise the lease of 752m<sup>2</sup> of office space at Cheylesmore House to Coventry and Warwickshire Local Enterprise Partnership for the Coventry and Warwickshire Business Support Clearing House. This lease will be for a period of five years.</li> <li>● As part of the lease agreement for the 752m<sup>2</sup> of office space at Cheylesmore House the Government will not charge for this space for the first two and a half years. This is equivalent to £775,000.</li> <li>● Agreement for representatives from the following agencies to either co-locate or use office space at Cheylesmore House as part of the Clearing House: UK Trade and Investment; Manufacturing Advisory Service; and Growth Accelerator.</li> <li>● Provision of £539,000 of funding from the City Deal RGF Lancaster pot to support the operation of the Business Support Clearing House and building of sign-posting capacity within the local Chamber of Commerce.</li> <li>● Provision of £6.23 million to support the creation of an access to finance fund that will support the growth of small and medium enterprises. £1 million will be drawn from existing RGF Round 3 funding; £4 million from RGF Round 4 (secured as part of this City Deal); £1.23 million from RGF Lancaster.</li> <li>● UK Trade and Investment to support the recruitment of a locally funded UK Trade and Investment advanced manufacturing and engineering advisor. UK Trade and Investment will also integrate this advisor into their organisation.</li> <li>● Provision of £184,000 of RGF Lancaster funding to support: sector investment; export and trade activities; and innovation activities undertaken by the Business Support Clearing House.</li> <li>● Department for Business, Innovation and Skills to consider how it might support Coventry and Warwickshire Local Enterprise Partnership to develop and establish the Midlands Automotive Engineering and Research Advisory Board.</li> </ul>	<ul style="list-style-type: none"> <li>● Coventry and Warwickshire to work with Government to finalise the five year lease of 752m<sup>2</sup> of office space at Cheylesmore House for the use of the Coventry and Warwickshire Business Support Clearing House. As part of this lease Coventry and Warwickshire will fund the cost of leasing this space for the final two and a half year period of the five year lease. This is equivalent to £775,000.</li> <li>● Investment of £75,000 to fund the fit out of the office space in Cheylesmore House.</li> <li>● Co-location of the following organisations and specialist advisors to the Business Support Clearing House: Coventry University; University of Warwick; Coventry and Warwickshire Chamber of Commerce; Coventry City Council; Warwickshire County Council; banking services; access to finance specialists; supply chain advisors; and skills advisors.</li> <li>● Local partners to provide £8.5 million of funding over a five year period to fund the operation of the Business Support Clearing House</li> <li>● Provision of £2.6 million of European Union funding to support the creation of an access to finance fund that will support growth of small and medium enterprises.</li> <li>● £343,000 of local funding to support the creation of an additional UK Trade and Investment post, co-located in the Business Support Clearing House and integrated with the local UK Trade and Investment service. This will allow for the provision of a co-ordinated and seamless service to clients. This post will provide support for small and medium sized enterprises in the advanced manufacturing and engineering sector within Coventry and Warwickshire.</li> <li>● Launch a “Proof of Concept” fund that will support the pre-commercialisation of leading-edge technologies emerging from universities, research organisations and businesses.</li> <li>● £343,000 of local funding to support inward investment activity.</li> <li>● Co-design with the Cities Policy Unit an independent evaluation of the Business Support Clearing House and associated business</li> </ul>

<p>This support may include advising on the design of the Advisory Board.</p> <ul style="list-style-type: none"> <li>All RGF Lancaster commitments are subject to final agreement and contracting with Lancaster University.</li> </ul>	<p>support programmes. An interim report from this evaluation will be published at the end of the second year of operation and a final report will be published at the end of year five.</p> <ul style="list-style-type: none"> <li>Coventry and Warwickshire Local Enterprise Partnership to invite a representative from the Department for Business, Innovation and Skills Auto team to be a member of the Midlands Automotive Engineering Advisory Board.</li> <li>Coventry and Warwickshire Local Enterprise Partnership to work with: University of Birmingham; Coventry University; Loughborough University; University of Warwick; local innovation assets (Warwick Manufacturing Group, the High Value Manufacturing Catapult, MIRA Technology Park, and the Manufacturing Technology Centre at Ansty); representatives from major automotive employers; and Department for Business, Innovation and Skills to finalise the design of and establish the Midlands Automotive Engineering and Research Advisory Board.</li> </ul>
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### Pan Midlands Supply Chain Initiative

Central Government Commitments	Coventry and Warwickshire Commitments
<ul style="list-style-type: none"> <li>Cities Policy Unit and Department for Business, Innovation and Skills officials to work with representatives from the four Midlands Local Enterprise Partnerships (Black Country, Birmingham and Solihull; Coventry and Warwickshire; and Leicester and Leicestershire) to finalise the design of the Pan Midlands Supply Chain Initiative by the end of March 2014 – so that it can commence in 2014/15.</li> </ul>	<ul style="list-style-type: none"> <li>Coventry and Warwickshire Local Enterprise Partnership to work with other Midlands Local Enterprise Partnerships, the Cities Policy Unit and Department for Business, Innovation and Skills to finalise the design of the Pan Midlands Supply Chain Initiative by the end of March 2014 – so that it can commence in 2014/15.</li> </ul>

### Developing a locally responsive skills system to drive economic growth

Central Government Commitments	Coventry and Warwickshire Commitments
<ul style="list-style-type: none"> <li>National Apprenticeship and Apprenticeship Training Academy team will support Coventry and Warwickshire Local Enterprise Partnership to establish an Apprenticeship Task Force.</li> <li>Business Development funding of £10,000 in 2013/14 to support the further development of the strategic relationship between the Skills Funding Agency and Coventry City Council to deliver growth in apprenticeships, particularly for the 16 -18 year old cohort.</li> </ul>	<p>Coventry City Council to design, implement and manage the Coventry and Warwickshire Shared Apprenticeship Scheme, ensuring that their proposed approach is compliant with Skills Funding Agency: funding; quality; and approved Apprenticeship Training Association requirements.</p> <ul style="list-style-type: none"> <li>Provision of £4.1 million of local funding to support the delivery of the Skills for Growth programme in years 2015/16 – 2018/19.</li> </ul>

<ul style="list-style-type: none"> <li>• Dedicated resource from the Skills Funding Agency local apprenticeship head, operating within the Skills Funding Agency and working for part of their time as one element of a multi agency partnership, to support the delivery of apprenticeships/skills objectives. This support will be supplemented, as needed, by wider support from the apprenticeships division within the Skills Funding Agency.</li> <li>• Support the development of links to wider National Apprenticeship Service support including: the Small Business Unit; the Apprenticeships Vacancy team; and the Apprenticeships marketing collateral.</li> <li>• Further develop the relationship and involvement of the Further Education and private provider organisations in supporting Coventry and Warwickshire's shared apprenticeship scheme.</li> <li>• Provision of £783,000 of RGF Lancaster funding to support the implementation of the Skills for Growth funding. Subject to final agreement and contracting with Lancaster University.</li> </ul>	<ul style="list-style-type: none"> <li>• Coventry and Warwickshire Clearing House will manage the Skills For Growth programme and will: recruit individuals onto the scheme; identify the skills needs of small and medium sized enterprises from the advanced manufacturing and engineering sector (through employer engagement); and match groups of individuals to relevant small and medium enterprises.</li> </ul>
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### Supporting the automotive sector to grow – Fen End

Central Government Commitments	Coventry and Warwickshire Commitments
<ul style="list-style-type: none"> <li>• Provision of £559,000 of capital grant from the Department of Communities and Local Government in 2013/14, via a Section 31 payment, to fund the completion of access improvements and improvements to the local highways infrastructure at the Fen End automobile test track site. This grant will be paid to Warwick District Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Warwick District Council to co-ordinate, in partnership with private sector partners, the procurement and completion of enabling infrastructure at the Fen End test track site.</li> <li>• Unlock £17.4 million of private sector investment at the Fen End site over a 15 year period.</li> </ul>

### Enhancing the planning system and local growth

Central Government Commitments	Coventry and Warwickshire Commitments
<ul style="list-style-type: none"> <li>• Subject to agreement of definitions and thresholds for applicable advanced manufacturing and engineering sector applications the: Department for Communities and Local Government; Department for Business, Innovation and Skill; Department for Environment Food and Rural Affairs; and Department for Transport will consider Coventry and Warwickshire's draft planning protocol. This planning</li> </ul>	<ul style="list-style-type: none"> <li>• Coventry and Warwickshire to develop a draft planning protocol, incorporating commitments around pre-application advice and statutory consultee response rates. As part of this work Coventry and Warwickshire will consider the Department for Environment Food and Rural Affairs network offer letter and the extent to which this meets the outcomes this planning protocol is seeking to realise.</li> </ul>

<p>protocol will include commitments for rapid pre-application advice and statutory consultee response rates to a planning application. In considering this protocol Government will assess the extent to which it already meets the protocol through existing mechanisms such as the Department for Environment Food and Rural Affairs network offer letter.</p> <ul style="list-style-type: none"> <li>• Department for Communities and Local Government, Department for Business, Innovation and Skill, Department for Environment Food and Rural Affairs and Department for Transport to work with Coventry and Warwickshire to explore the feasibility and implications of waiving pre-application fees charged by Government agencies, from 2014/15 onwards.</li> <li>• Department for Communities and Local Government, Department for Business, Innovation and Skill, Department for Environment Food and Rural Affairs and Department for Transport to work with Coventry and Warwickshire to explore the establishment, in 2014/15, of a forum of appropriate stakeholders that will map out a delivery programme for major sites prior to the submission of a planning application.</li> </ul>	<ul style="list-style-type: none"> <li>• Coventry and Warwickshire to work with: Department for Communities and Local Government; Department for Business, Innovation and Skill; Department for Environment Food and Rural Affairs; and Department for Transport to explore, in 2014/15, the feasibility and implications on waiving pre-application fees charged by Government agencies, from 2014/15 onwards.</li> <li>• Coventry and Warwickshire to identify a pipeline of deliverable major sites, with Fen End as the first, and consider the use of a Local Development Orders where appropriate.</li> <li>• Coventry and Warwickshire to work with Department for Communities and Local Government, Department for Business, Innovation and Skill, Department for Environment Food and Rural Affairs and Department for Transport to explore the establishment, in 2014/15, of a forum of appropriate stakeholders. This forum will map out a delivery programme for major sites, prior to the submission of a planning application.</li> <li>• Progress the development of core strategies in Coventry and Warwickshire, in line with local timetables: <ul style="list-style-type: none"> <li>• North Warwickshire plan is in examination with hearings in January 2014.</li> <li>• Stratford Upon Avon District Council will submit their plan for examination in 2014.</li> <li>• Nuneaton and Bedworth will submit their plan for examination in 2014.</li> <li>• Rugby Borough Council's plan is in place and will be refreshed within two years.</li> <li>• Warwick will submit their plan for examination in 2014.</li> <li>• Coventry City Council will commence consultation on its plan in autumn 2014.</li> </ul> </li> <li>• Local authorities will progress the development of their Community Infrastructure Levy's. In 2014 Coventry City Council will consult on its draft schedule; Stratford upon Avon is consulting on its draft preliminary schedule; Nuneaton and Bedworth and Warwick councils will adopt their Community Infrastructure Levy schedules at the same time they adopt their Local Plans. Hinckley and Bosworth; North Warwickshire and Rugby will continue to develop their Community Infrastructure Levy schedules.</li> <li>• By February 2014 local authorities in Coventry and Warwickshire will make the data they have provided to the West Midlands Property Alliance, on their assets, available to the Government Property Unit.</li> </ul>
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	<ul style="list-style-type: none"> <li>Local authorities in Coventry and Warwickshire will engage with the Public Service Transformation Network. Local authorities in Coventry and Warwickshire will also continue to publish reports on the progress they are making to drive public service transformation.</li> </ul>
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## Governance

Central Government Commitments	Coventry and Warwickshire Commitments
<ul style="list-style-type: none"> <li>Consider the findings of the planned Coventry and Warwickshire Governance review and undertake steps required to consider authorising the establishment of an Economic Prosperity Board by spring 2016.</li> </ul>	<ul style="list-style-type: none"> <li>Agree terms of reference for the Coventry and Warwickshire Joint Statutory Committee by January 2014.</li> <li>Joint Statutory Committee to be formally established in February 2014.</li> <li>Agree a detailed timetable to move toward forming an Economic Prosperity Board in Coventry and Warwickshire – including Hinckley and Bosworth Council in Leicestershire.</li> <li>Establish a Coventry and Warwickshire City Deal Business Advisory Board (coordinated by Chamber of Commerce) which will work to, and alongside, Coventry and Warwickshire LEP for the effective delivery of a Clearing House service.</li> <li>Undertake a formal governance review in 2015 to inform any final decision to propose the creation of an Economic Prosperity Board. Submit proposal to Government by summer 2015.</li> <li>Subject to government agreement establish the Coventry and Warwickshire Economic Prosperity Board by spring 2016.</li> </ul>