

FEEDBACK FROM MEETING WITH RICHARD MOON, COVENTRY CITY COUNCIL

21 APRIL 2016

HELD AT THE BOARDROOM SUNDERLAND SOFTWARE CENTRE

1 Introduction

- 1.1 Cllr David Snowdon welcomed everyone to the meeting and explained that its purpose was to find out more about the work of the Key Cities Group of local authorities and the approach being taken by Coventry City Council to economic regeneration.
- 1.2 Richard Moon (Senior Development Executive) from Coventry City Council had been invited to the meeting to outline the views and experiences of Coventry City Council. Cllr Snowdon hoped that the meeting would represent an opportunity for a free exchange of ideas and experiences.
- 1.3 A paper outlining the major developments going on and planned for both cities was circulated prior to the meeting.
- 1.4 Richard explained that he would focus on two particular areas of the work of the Key Cities Group:-
 - Formation, aims and objectives
 - approach of Coventry to city centre development

2 Development of Key Cities

- 2.1 The Key Cities Group was founded in 2013 with five founding members including Sunderland and Coventry. The number of members had now risen to 26. The Group was chaired by Councillor Paul Watson from Sunderland Council. Members comprised a wide variety of mid-sized cities. However they shared a wide range of common concerns and common.
- 2.2 The work of the Key Cities Group has focused on four priorities which are being delivered by sub groups:-
 - Innovative Finance – lead city Peterborough
 - Skills and Employability – lead city York
 - Devolution – lead city Wakefield
 - Future of the city centre – lead city Coventry
- 2.3 For Richard the Key Cities Group faced four major challenges:-
 - Access to funding – Combined Authority
 - Influencing the Devolution Debate

- Sharing best practice with peers
- Promoting greater influence at a national level

- 2.4 Richard considered that there had been a big change in the political landscape since the Key Cities Group formed in 2013. Increasingly a central issue for the Group was the devolution debate which has pushed authorities in the direction of Combined Authorities. Coventry City had agreed to be part of a West Midland Combined Authority though it was recognised that this would bring a number of challenges and that the Council had a number of misgivings. In particular, how far local authorities were being used as an instrument to deliver central government spending cuts and also the proposed introduction of an elected Mayor. He noted that the population of Coventry had previously voted against the introduction of an elected Mayor and it now appeared that one was being effectively imposed.
- 2.5 However, the Council considered that the Combined Authority would bring access to funding streams that would not otherwise be available and that failure to join could effectively worsen the economic situation in the city. In particular it was anticipated that the Combined Authority would allow access to greater borrowing and capital resources. In the case of Coventry this could bring access to £150m for 2 major schemes regeneration schemes in the city centre.
- 2.6 While Coventry was committed to the Combined Authority, they did not anticipate that this would involve the devolution of services and were committed to continuing to deliver services independent of the Combined Authority.
- 2.7 Richard emphasised the important role of the Key Cities Group in lobbying central government and seeking to influence their thinking. He felt that the Group could help to provide a voice and influence for mid-sized local authorities such as Coventry and Sunderland. While experience had shown that the views of local authorities were not always given due weight by governments of any political hue, it was important that every effort should still be made to influence government thinking.
- 2.8 Richard suggested that in future it might be necessary to refocus the work of the Group in order to best influence the devolution debate on questions such as how the Key Cities Group could best engage with central government and how could best redefine its objectives for a changed world.
- 2.9 Another area where lobbying was vital centred on government plans to allow local authorities to retain all locally raised business rates and phase out the distribution of the core grant. While supporting the importance of local authorities encouraging business growth in their area, it was felt that the proposed changes could have a catastrophic effect on areas such as Sunderland and Coventry that have depended on funding from the Rate Support Grant. Richard felt that the Key Cities Group, together with organisations such as CIPFA, had an increasingly important role in highlighting to government the potential financial and social consequences.

3 Future of the City Centre

- 3.1 Richard noted that Coventry City Council was the Key Cities Group lead authority on the future of the city centre. However, he stressed that was no magic formula for successful regeneration and that the key was to learn from the experiences of others while tailoring action to the particular circumstances and needs of an area.
- 3.2 Richard noted that Coventry city centre had been badly damaged during World War II and that the standard of reconstruction and subsequent redevelopments had left a number of problems. The city centre was unattractive, public realm required improvement, the retail offer was not great and there was little vibrancy to the night time economy. The central areas contained little in the way of professional/financial employment with office space being largely located outside the city centre. This in turn had had a knock on effect on the health of the retail sector.
- 3.3 Under new political leadership, the city had embarked on an ambitious strategy for growth based on:-
- Improving housing numbers and mix
 - Higher quality jobs in the city centre
 - Improving the retail offer
 - Becoming more business friendly
 - Expanding the business rate
 - Working closely with the University

Improving Housing Numbers and Mix

- 3.4 In terms of housing, Richard noted that 70% of housing was located in the lower Council Tax band. (A/B). The city also experienced a sharp demographic divide; with a more affluent area located in the south of the city and a less affluent area to the north. This created a very visible and stark reflection of social and economic inequality within the city.
- 3.5 The City was felt to suffer from an insufficient amount of higher value housing and as a result had difficulties retaining and attracting people with a higher level of disposal income. The Council was therefore keen to increase the amount of house building in the city, particularly at the higher end of the market with 42,000 new homes planned by 2031. 25,000 of these would be within the Council's boundaries and 17,000 in neighbouring local authorities to the south of the city, though these would be located as close to the city centre as possible. It was anticipated that this growth in housing would generate a welcome income revenue stream for the city and contribute to a growth in retail demand and vibrancy with in the city centre.
- 3.6 Understandably, the Council had faced considerable resistance to plans to build housing on what had been designated as green belt land. However, it was precisely those areas where the higher valued housing was most in

demand rather than in the less affluent areas of the city which were adjacent to brownfield sites in the north of the city.

- 3.7 Richard noted that Coventry City Council had transferred their housing stock ten years ago and major improvements had been made to the condition of social housing. However there were concerns over the effect of the extension of the right to buy to social housing and the disincentive effect it would have on any growth in social housing building.
- 3.8 In terms of population, Coventry differed from Sunderland in having experienced significant growth over recent years. This had been largely the result of inward migration from Eastern Europe.

Better Quality Jobs

- 3.9 Richard noted that a major priority for the Council is to attract more and better quality employment opportunities to the city centre.
- 3.10 Central to this was the Friargate development which would involve the redesign of a large part of the city centre and include a new Council complex located near Coventry railway station. The development would include office space, two hotels, new homes along with retail space and restaurants. Plans for the 37 acre site could create 7,800 construction jobs over the next 15 years and 13,400 office jobs. New infrastructure work should also help link the area around the railway station to the city centre and thereby help to regenerate the city centre as a whole.
- 3.11 The Council would play a vital role in promoting and facilitating development by providing substantial financial support and relocating its offices to the site. This relocation would also involve the sale of existing Council office buildings to the University which would be used as part of their planned expansion and redevelopment. Around £30m of ERDF/RGF has also been secured to support transport infrastructure. This had done much to improve movement around the city and make the city more attractive and pedestrian friendly.
- 3.12 Richard considered that without this support from the Council it was unlikely that the development would have been viable. Inevitably such an ambitious project brought with it an element of risk to the Council in terms of its financial commitment. However, the Friargate development was seen as very much a long term project and necessary given the considerable challenges facing the city.
- 3.13 Richard noted that the decision to build a new Civic Centre in the city centre had not been without public and press criticism but the Council have tried to emphasise the long term advantages involved including the savings to be made on running costs and the economic stimulus it would provide to the city centre.
- 3.14 While the decision to build in city centre had not been without public and press criticism, the Council had tried to emphasise the advantages involved,

including the savings to be made on running costs and the economic stimulus provided to the city centre. The Council would also have less office space for staff than previously. In response it would use a mixture of “hot desking” and working from home. It was also looking to make better use of IT and on line delivery of services. While there had been concerns at the prospect of a reduction in “face to face” responses to public queries, the Council’s considered that the move was necessary given the scale of the current financial situation.

- 3.15 In response to a query regarding the use of local labour clauses in Coventry, Richard noted that they had been used but that there were a number of legal difficulties associated with them. The Council preferred to use persuasion and encouragement rather than legal enforcement in order to ensure that the local workforce was given access to the employment created through the regeneration of the city centre.

Improving the Retail Offer

- 3.16 Richard noted that over the years there had been a decline in the city’s retail offer and a need for its major overhaul in order to attract more people into the city centre. Central to this was encouraging more people to live and work in the city by providing more apartments and student accommodation and the development of financial/professional sector employment opportunities.
- 3.17 As well as the Friargate development there were a number of other initiatives designed to improve the retail offer in the city. These included a revamp of the Cathedral Lanes shopping centre and the redevelopment of Broadgate which had traditionally been the heart of the city centre. Improvements had also been made to the public realm and the new square in Broadgate was kept vibrant with regular events.
- 3.18 Again, the Council was standing behind the schemes financially. This was seen as essential to stem the flow of spending that had leaked out of the city in recent years. Hopefully, this would result in bigger high street names locating in the city centre and an improvement in the vibrancy of both the day time and nighttime economy.
- 3.19 It was recognised that changes in shopping habits had led to a decline in retail, and particularly secondary retail, in the city centre. However, it was felt that there would always be demand for a main shopping area where people gathered to meet and shop. It was felt that the successful city centre of the future will be more tightly defined and include a range of activities such as leisure, arts and entertainment.

Becoming More Business Friendly and Expanding the Business Rate

- 3.20 A major priority was to promote Coventry as a business friendly city in order to help generate wealth and deliver jobs. Such an approach was also seen as helping to grow the business rate at a time of increasing pressure on Council funding and draw in inward investment.

- 3.21 Every effort was being made to ensure that the strategy and policies of the Council as a whole were aimed at promoting rather than deterring business investment.

Working Closely with the University

- 3.22 Coventry has two Universities located in the city; Coventry University in the city centre and Warwickshire University which is on the southern outskirts. Both are seen as vital to the city in terms of building up the local skills base and attracting in people and investment.
- 3.23 As mentioned earlier, the former Council buildings were being sold to the University as part of their plans for expansion and redevelopment. This would provide more student accommodation in the city centre and help to add to its footfall and vibrancy.
- 3.24 The University was also working closely with local businesses to develop the engineering courses vital for the growth of the advanced manufacturing sector. This included working with Jaguar Land Rover which remains a major employer in the city.

4 Conclusion

- 4.1 In conclusion, members referred to the considerable similarities between Coventry and Sunderland in terms of the economic challenges they faced and the way in which they are responding to those challenges.
- 4.2 It was felt that the session had provided an opportunity for each to learn from the experience of the other and that it was important to ensure that the dialogue between the two authorities continued into the future.