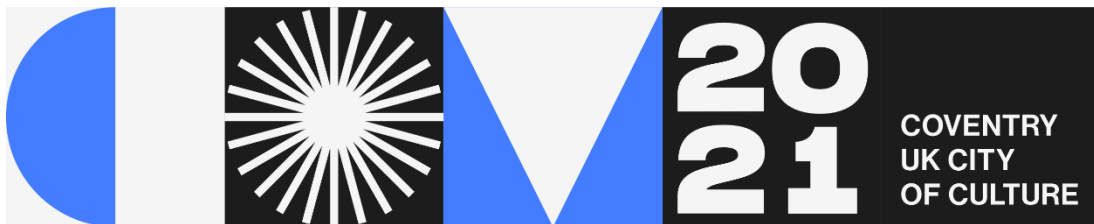


Coventry City of Culture Trust

# Economic Impact Assessment: Baseline Report

Final Report

July 2021





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Final Report

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### Appendix A – Sector definitions

## Glossary

<b>ACE</b>	Arts Council England, the national development agency for creativity and culture.
<b>APS</b>	Annual Population Survey
<b>b/f</b>	Brought forward, an accounting term used to refer to an amount at the beginning of an accounting period which has been copied from the end of the previous accounting period.
<b>Baseline data</b>	A set of information used to compare other data acquired afterwards (typically, collected before an intervention)
<b>BID</b>	Business Improvement District
<b>BRES</b>	Business Register and Employment Survey
<b>BSD</b>	Business Structure Database
<b>c/f</b>	Carried forward, an accounting term used to refer to an amount at the end of an accounting period that is going to be copied at the beginning of the next period.
<b>CCC</b>	Coventry City Council
<b>Combined Authority</b>	A legal body that enables a group of two or more councils to collaborate and take collective decisions across council boundaries
<b>Construction jobs</b>	The number of jobs resulting from capital works undertaken
<b>Cost benefit analysis</b>	A way of expressing the value of a proposed policy to society by expressing the full costs and benefits of policies in monetary terms so that the consequences of a diverse range of policies can be compared using a common metric (Fujiwara and Campbell, 2011)
<b>CRM</b>	Customer Relationship Management
<b>Cultural and creative industries</b>	The definition used for Cultural and Creative Industries uses the DCMS sub-sectors of Cultural, Creative and Digital. A breakdown of the SIC codes for each sub-sector can be found in Appendix A.
<b>CW10</b>	An informal network of senior representatives of leading heritage, museum, performance and arts organisations in the Coventry and Warwickshire area. CW10 members include Royal Shakespeare Company, Warwick Castle, the Belgrade Theatre, Warwick Arts Centre, Compton Verney, Coventry Cathedral, the Shakespeare Birthplace Trust, British Motor Museum, Culture Coventry and the CoC Trust.

<b>CWLEP</b>	Coventry and Warwickshire Local Enterprise Partnership (see below)
<b>DCMS</b>	Department for Digital, Culture, Media and Sport
<b>DIT</b>	Department for International Trade
<b>EIA</b>	Economic Impact Assessment.
<b>ESFA</b>	Education and Skills Funding Agency
<b>FDI</b>	Foreign Direct Investment
<b>FTE</b>	Full time equivalent, a unit employed to measure employed persons in a way that makes them comparable although they may work or study a different number of hours per week.
<b>GBDVS</b>	Great Britain Day Visitor Survey, commissioned by Visit Britain and shows the day visits and expenditure for each local authority
<b>GBSLEP</b>	Greater Birmingham and Solihull LEP
<b>GBTS</b>	Great Britain Tourism Survey, commissioned by Visit Britain to estimate overnight (domestic) visitor numbers
<b>GTS</b>	Global Tourism Solutions
<b>GVA</b>	Gross Value Added – measures the contribution to the economy of each individual producer, industry or sector. Simplistically it is the value of the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.
<b>HCA</b>	Homes and Communities Agency
<b>HESA</b>	Higher Education Statistics Agency
<b>IPS</b>	International Passenger Survey, commissioned by ONS to capture tourism from overseas only
<b>LEP</b>	Local Enterprise Partnership. Business-led partnerships which play a central role in determining local economic priorities and undertaking activities to drive economic growth and job creation, improve infrastructure and raise workforce skills within the local area
<b>LSOA / MSOA</b>	Lower or Middle Super Output Area – these are designed to improve the reporting of small area statistics and are built up from groups of output areas.
<b>Micro business</b>	A business with less than 10 employees
<b>NEET</b>	Not in education, employment or training

<b>OA</b>	Output areas, the lowest geographical levels at which census estimates are provided which are built from clusters of adjacent unit postcodes
<b>ONS</b>	Office for National Statistics
<b>PM&amp;E</b>	Performance Measurement and Evaluation
<b>Productivity</b>	The effectiveness of production as measured by the rate of GVA per unit of input (for example, GVA per hour worked)
<b>SIC</b>	Standard Industrial Classification, which are used to classify business establishments and other standard units by the type of economic activity in which they are engaged
<b>SME</b>	Small to medium-sized enterprise employing up to 249 people
<b>SOC</b>	Standard Occupational Classification, a common classification of occupational information in the UK
<b>SROI</b>	Social Return on Investment, a way of incorporating social, environmental, economic and other values into decision-making processes
<b>STEAM model</b>	A tourism economic impact model produced by Global Tourism Solutions
<b>'The Trust'</b>	Coventry City of Culture Trust
<b>UK CoC</b>	UK City of Culture
<b>UKC</b>	UK Central
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>UoW</b>	University of Warwick
<b>VfM</b>	Value for Money, which measures the optimal use of resources to achieve intended outcomes
<b>WMCA</b>	West Midlands Combined Authority

# 1 Introduction

## 1.1 Purpose of the report

AMION Consulting ('AMION') was appointed in April 2020 to deliver an Economic Impact Assessment ('EIA') of the UK City of Culture ('UK CoC') 2021 over the period 2020-2024. This forms part of the overall Performance Measurement and Evaluation ('PM&E') work for the UK City of Culture which is being delivered by a partnership including Coventry City of Culture Trust ('The Trust'), Coventry University, the University of Warwick (UoW), and the Insight Team from Coventry City Council (CCC).

In September 2020, a report was prepared to outline the scope of the EIA; the methodology that will be used to assess economic impact and the extent to which the programme has delivered Value for Money (VfM); and the timetable for completion of the work which has been amended in line with the delivery of the main Programme for the UK CoC and which will now run from May 2021 to April 2022.

This report, the first of three key deliverables, has been prepared to establish the baseline figures from which the impact of UK CoC will be measured and to provide an indication of the investment secured to date and economic impacts arising from the capital works completed or underway. The detailed approach and methods for the interim and final project evaluations reports were set out in the September scoping report.

## 1.2 Our approach

### 1.2.1 *Data gathered and presented*

This report has been informed by:

- The collection, presentation and analysis of secondary data sources including:
  - employment and Gross Value Added ('GVA') data for businesses in the cultural and creative industries;
  - wider employment, GVA and business data from the Office for National Statistics ('ONS');
  - Tourism and Visitor Economy data from STEAM, Great Britain Day Visitor Survey ('GBDVS') and the International Passenger Survey (IPS);
  - Inward Investment Figures from the Department for International Trade (DIT);

- Claimant Count, Economic Activity, Occupational data from the Annual Population Survey (APS) via NOMIS and NEET (not in education, employment or training) figures from the ONS; and
- Education and training data from Higher Education Statistics Agency (HESA) and the Education and Skills Funding Agency (ESFA);
- Financial information (e.g. income and expenditure), fundraising, and other data provided from partners co-ordinating the management, delivery and monitoring of UK CoC 2021 including The Trust; CCC; Coventry University; the UoW; Historic Coventry Trust; Arts Council England ('ACE'); and other cultural institutions that have invested in new capital works in preparation for the main programme of events and activities that will take place from May 2021 to April 2022.
- The expenditure data gathered from partners has been used to assess the gross economic impacts arising from the construction activity associated with the Heritage and Cultural Capital programme, the construction of the Coventry Telegraph Hotel and the City's Public Realm improvements being delivered in advance of the Programme. The interim impact assessment to be carried out following the delivery of the programme will report more fully on the impacts associated with the wider expenditure on the design, delivery and management of the programme by the Trust and partner agencies, alongside the associated visitor impacts expected.

### 1.2.2 Data limitations

#### (i) Geography

Our assessment of the economic impacts of UK CoC will include and extend beyond Coventry into the wider sub-region of Coventry and Warwickshire. For the purposes of this report therefore, the secondary data (largely drawn from Government administrative datasets) has been presented for Coventry local authority and Coventry and Warwickshire Local Enterprise Partnership ('CWLEP'). The West Midlands Region (using the former Government Office definition of 'Region') and the UK have also been provided for comparative purposes. Where UK figures are not available, GB or England have been presented.

Data available below local authority level, for example Lower Super Output Area (LSOA) and Middle Super Output Area (MSOA) or Ward, has been mapped to show the distribution of employment, businesses and unemployment across the area. This highlights concentrations or clustering of activity and inactivity.

For all indicators, data has been presented at the lowest geography possible. While there is relatively good coverage for aggregated data (i.e. total employment; GVA; businesses) data availability decreases with more fine-grained analysis. This is



particularly the case for data that may disclose sensitive company information or where data is drawn from surveys and the sample sizes fall below the minimum threshold. For the purposes of this report, this is a particular issue for some of the Department for Digital, Culture, Media and Sport (DCMS) sub-sector data, which is only available at the regional level.

**(ii) Timing**

A further issue relates to the time periods for which data is available. These differ depending on the dataset being used, but the release of administrative data often involves a time lag and the availability of historic data and continuity of data differs from source to source. As we will be aiming to assess longer term change and impacts since the award of the title in December 2017, data has been presented for the last 5 years at a minimum and where graphs have been used to present data in the report, the analysis has been taken back 10 years to show longer term trends in the area.

The report does present data for the most recent year available for each dataset, which is predominately 2019 or 2020. Where exceptions have been made, to present data prior to the impact of Covid-19, this has been referenced in the text. However, as data is often released a year or two after the survey has been carried out (e.g. Business Register and Employment Survey, BRES), the most recent releases have not yet captured the impact of the pandemic.

As the impact of Covid-19 will have been particularly severe on the cultural and creative industries and the wider tourism, hospitality, and leisure sectors, it is envisaged that the EIA report in September 2022 will report more fully on these impacts, while primary data collected throughout the delivery of the year-long events’ programme will also be available to support the analysis and assessment of the extent to which the industries have been affected.

### 1.3 Structure of the report

The remainder of this report is set out in the following sections:

- **Section 2** – reviews the baseline data for the indicators that will be used to assess performance and against which UK CoC 2021 impacts will be measured;
- **Section 3** – outlines expenditure to date since the award of the title, particularly in relation to the design, development, delivery and management of the programme; supporting cultural infrastructure works; city readiness and wider regeneration initiatives. It also provides an assessment of the gross economic impacts arising from the construction activities; and
- **Section 4** – describes the next steps for the EIA monitoring and evaluation activities and future plans for reporting.

## 2 Reviewing the baseline

### 2.1 UK CoC 2021 - Headline Targets

#### 2.1.1 Overall programme

UK CoC 2021 is providing Coventry with the opportunity to strengthen its existing cultural and creative sectors; and to use culture-led investment to achieve a legacy of positive social, cultural, environmental, and economic impacts for the City, the region, its citizens, communities and visitors.

The main programme of activities for UK CoC 2021 is being delivered from May 2021 - April 2022. For the overall programme delivered over the period 2018 -2022 which includes the build-up and legacy activities, the revenue budget was originally estimated to be in the region of £37.68 million direct income to the Trust. However, with in-kind secondments from Coventry and Warwickshire Universities related to research and marketing support; and in-kind contributions from the City Council and other partners including the BBC, it is envisaged that the overall net budget will be in excess of £40 million.

The Trust’s five-year business plan established four key legacy impacts to drive the design, development and delivery of the programme:

- Coventry Citizens will positively influence and shape the City they want to live in;
- Coventry’s culture contributes to the social and economic prosperity of the city and region;
- Coventry is a global and connected city; and
- Coventry is recognised as a future-facing pioneering city.

To assess change and measure the success of UK CoC 2021 the Trust has developed a Comprehensive PM&E Strategy<sup>1</sup> to guide activities over the period 2019-2024 which sits alongside the five- year business plan for the Trust. The Strategy sets out a number of guiding principles that will underpin the monitoring and evaluation activities; roles and responsibilities; a theory of change or logic model to inform the key evaluation questions; and performance indicators that will be used to measure the outputs, outcomes and impacts expected through the delivery of UK CoC 2021. The 15 headline outcomes for the programme, related to the four key impacts, are set out in Table 2.1 below:

<sup>1</sup> UK CoC 2021 PM&E Strategy 2019-2024: V2 01/2020

<b>Table 2.1: UK CoC 2021 Headline Outcomes and Legacy Impacts</b>	
<b>Impacts</b>	<b>Outcomes</b>
<b>Coventry citizens positively influence and shape the City they want to live in</b>	<ul style="list-style-type: none"> <li>• Increase in Civic Pride</li> <li>• Community led production and programming increases cultural participation and activism</li> <li>• Cultural leadership and programming reflects and represents the citizens of the City</li> <li>• There is increased understanding, accessibility and provision of career routes into the cultural and creative sector</li> </ul>
<b>Coventry's culture contributes to the Social and Economic Prosperity of the City and Region</b>	<ul style="list-style-type: none"> <li>• Cultural engagement is geographically dispersed across the City</li> <li>• Cultural sector activity makes a significant contribution to the economic, environmental, social, health and wellbeing targets for the City and the Region</li> <li>• Co-ordinated cultural sector capacity and infrastructure is building a sustainable and resilient sector</li> <li>• Investment in culture accelerates inward investment and economic growth in the region</li> </ul>
<b>Coventry is a Global and Connected City</b>	<ul style="list-style-type: none"> <li>• Collaborative national and international cultural programming increases Coventry and the region's global presence</li> <li>• Coventry's innovative and diverse cultural life increases local, national and international tourism to the region</li> <li>• Coventry's model of culture led placemaking influences regional and national policy making</li> </ul>
<b>Coventry is recognised as a future facing Pioneering City</b>	<ul style="list-style-type: none"> <li>• Coventry is recognised as a pioneering model of culture-led inclusive growth</li> <li>• Increased data generation and capture leads to well-informed civic and cultural planning and decision making</li> <li>• Cultural programming is environmentally responsible and promotes environmental awareness</li> <li>• The City makes and develops creative cultural and civic uses of 5G and immersive technology</li> </ul>

## 2.2 Key economic performance indicators

The EIA will focus on assessing whether the following key objectives are met through the delivery of the UK City of Culture 2021:

- Uplifting the local economy
- Increasing Tourism
- Growing and strengthening the Cultural and Creative Sectors
- Attracting investment into the City and wider Coventry and Warwickshire area
- Promoting inclusive growth

A range of outcome indicators will be used to assess change for each key objective, described in Table 2.2 below.

Table 2.2: Economic indicators to be used and measured in the EIA	
Key objective	Indicators
<b>Uplifting the Local Economy</b>	<ul style="list-style-type: none"> <li>• Jobs</li> <li>• GVA</li> <li>• Productivity levels</li> <li>• Business growth</li> </ul>
<b>Increasing Tourism</b>	<ul style="list-style-type: none"> <li>• Increase in tourism and visitor spend 2019-2022 (annual impact):                             <ul style="list-style-type: none"> <li>• Total value of tourism to Coventry £m (Visitor spend (accommodation and food services; tickets; travel; Indirect/Induced)</li> <li>• Tourism-related employment</li> </ul> </li> <li>• % Increase in the number of annual tourism trips to Coventry - day trips; staying trips and number of nights stayed (event attendees – local, UK; international)</li> <li>• Increase in the number of employment and training opportunities – apprenticeships; volunteering opportunities; graduates</li> </ul>
<b>Growing and strengthening the Cultural and Creative sectors</b>	<ul style="list-style-type: none"> <li>• Number of businesses in the sectors and sub-sectors (digital and creative) – tech/culture start-ups/scale-ups; turnover;</li> <li>• Number of jobs in the sector</li> <li>• % of employment by sub-sector e.g. music, the performing arts and visual arts</li> </ul>

**Table 2.2: Economic indicators to be used and measured in the EIA**

Key objective	Indicators
	<ul style="list-style-type: none"> <li>• Number employed in creative and cultural occupations in Coventry (Standard Industrial Classification (SIC)/ Standard Occupational Classification (SOC))</li> <li>• Training (and employment opportunities) in the Tourism and Creative Industries – number of apprenticeships; volunteering opportunities; graduates</li> </ul>
<p><b>Attracting Investment into the City and wider area</b></p>	<ul style="list-style-type: none"> <li>• CoC Programme Expenditure – local/regional suppliers; employment</li> <li>• Cultural and Heritage capital investment – construction spend; local suppliers; employment</li> <li>• Visitor economy infrastructure investment (including new hotel bedspaces)</li> <li>• Wider regeneration investment – including projects that cite CoC 2021 as a catalyst/factor contributing to the investment decision and expenditure on public realm improvements; transport infrastructure (including ‘City Readiness’) by partner agencies (e.g. CCC/CWLEP/WMCA)</li> <li>• Increased number of artists/cultural organisations in Coventry achieving funding from external funding bodies by 2024; increased level of public and private investment (capital and revenue)</li> <li>• Increase in leveraged funds (£) from the collaboration between local universities and creative businesses</li> <li>• Increased total amount and/or proportion of ACE and other national funding going to Coventry and the sub-region</li> </ul>
<p><b>Promoting Inclusive growth</b></p>	<ul style="list-style-type: none"> <li>• Diversity of the people employed in cultural and creative industries (to be reflective of the City’s population and neighbourhoods)</li> <li>• Reduction in unemployment and increase in economic activity</li> <li>• Increase in the number of young people (i.e. NEETs) and people outside the labour market trained and engaged in delivery of the programme and in the wider creative economy</li> </ul>

The data that will be used to monitor the EIA indicators will be drawn from three main sources:

- **Performance management and monitoring data**, which will largely be collected throughout the delivery of the programme – for example:
  - audience and attendance figures – via box office data - and including financial details of ticket transactions;
  - details of payments to local and regional suppliers;
  - employment and training data;
  - primary survey responses – online and offline event surveys; visitor and resident surveys;
  - volunteer hours – logged via the event management and Customer Relationship Management (CRM) system (via Coventry University Students’ Union programme); Voluntary Action Coventry comparator data; and
  - participation and training data – Trust performance monitoring and CRM records.
  
- **Access to online and other secondary data sources** – including for example:
  - ONS – BRES; Regional and Sub-regional GVA estimates; ESFA; NEETS; DCMS statistics; Active Lives and Taking Part Surveys; Census 2021
  - NOMIS - Claimant Count; APS; Census
  - STEAM data – via the Trust;
  - Business Structure Database (BSD) data – via the UoW;
  - The Trust’s financial accounts; and
  - the CW10 Annual Accounts.
  
- **Interviews with key stakeholder organisations** – including representatives from:
  - CCC; Warwickshire County Council and the West Midlands Combined Authority (WMCA) and other key funding agencies (e.g. the other District Councils);
  - CWLEP, the Growth Hub, and the Business Improvement District (BID);
  - The Trust and the wider delivery team;
  - A sample of cultural and creative organisations and venues involved in delivery (e.g. wider supply chain, hotels, event suppliers)
  - ACE and other lottery providers;

- DCMS; and
- Coventry University; UoW; City College.

The remainder of this section provides an update on the baseline position for the key outcome indicators that will be used to measure achievement of the CoC economic objectives. They are considered under the following headings:

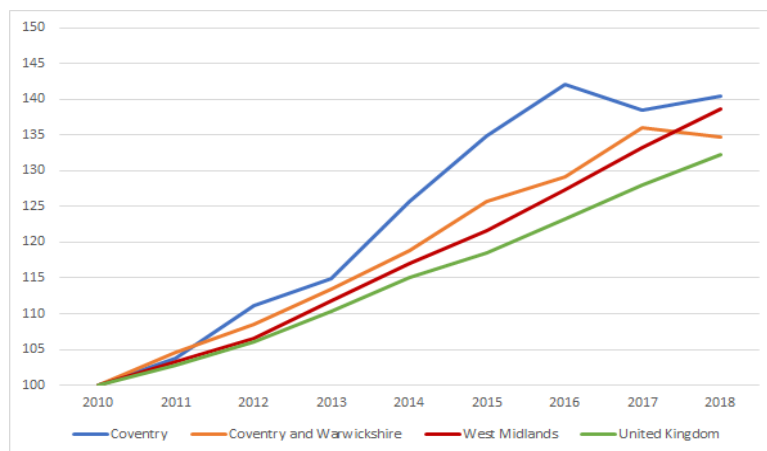
- GVA
- Business Base
- Employment
- Inward Investment
- Tourism
- Inclusive Growth

## 2.3 GVA

### 2.3.1 Overall GVA

GVA is the measure of the value of goods and services produced in an area, industry, or sector of an economy. In 2018, GVA in Coventry was £9.5 billion compared to £6.8 billion in 2010. This represented a 40.5% increase in GVA between 2010 and 2018 for Coventry and 34.7% across CWLEP, which compares with the UK figure of 32.3% over the same period. Up until 2017, output growth in both Coventry and the wider sub-region was ahead of the regional and national picture, but there was a fall in GVA for Coventry and Warwickshire between 2017-2018.

**Figure 2.1: Indexed change in GVA, 2010-2018 (2010=100)**



Source: ONS GVA

Table 2.3 provides the GVA figures for Coventry and the wider CWLEP and regional and national comparators for the last five years. It is evident that growth in Coventry peaked at £9.6 billion in 2016, while there was continued growth across the wider sub-region. As shown in Figure 2.1 earlier, growth across the wider sub-region (with the exception of the most recent year), the West Midlands, and the UK has been more consistent over the period 2010-2018.

	2014	2015	2016	2017	2018	Change
<b>Coventry</b>	8,521	9,150	9,637	9,386	9,526	<b>+11.8%</b>
<b>Coventry and Warwickshire</b>	25,918	27,408	28,148	29,658	29,369	<b>+13.3%</b>
<b>West Midlands</b>	119,411	124,069	129,998	135,946	141,405	<b>+18.4%</b>
<b>UK</b>	1,660,188	1,709,325	1,778,134	1,846,694	1,908,608	<b>+15.0%</b>

Source: ONS GVA data

### 2.3.2 Creative and cultural industries GVA

The creative and cultural industries in Coventry were worth an estimated £552 million<sup>2</sup> in 2018 which represented 5.8% of the city's total economic output. This was the same for Coventry and Warwickshire, while the West Midlands was marginally higher at 5.9%, and the national figure was 9.5% of total GVA. Between 2015 and 2018, GVA in the creative and cultural industries of Coventry grew by 21.6%, ahead of the Coventry and Warwickshire and national trends but lower than the comparative rate for the West Midlands (25.4%), which has benefitted from growth in Greater Birmingham and Solihull LEP and the Marches LEP<sup>3</sup>. The proportion of GVA from the cultural industries in Coventry has increased from 4.96% in 2015 to 5.8% in 2018.

	2015	2016	2017	2018	GVA change 2015 to 2018
<b>Coventry</b>	454	522	547	552	<b>+21.6%</b>
<b>% of total GVA</b>	5.0%	5.4%	5.8%	5.8%	
<b>Coventry and Warwickshire</b>	1,612	1,728	1,803	1,701	<b>+5.5%</b>
<b>% of total GVA</b>	6.2%	6.4%	6.2%	5.8%	
<b>West Midlands</b>	3,161	3,638	3,860	4,134	<b>+25.4%</b>
<b>% of total GVA</b>	5.2%	5.6%	5.8%	5.9%	
<b>UK</b>	150,073	159,159	169,469	180,497	<b>+20.3%</b>
<b>% of total GVA</b>	8.8%	9.0%	9.2%	9.5%	

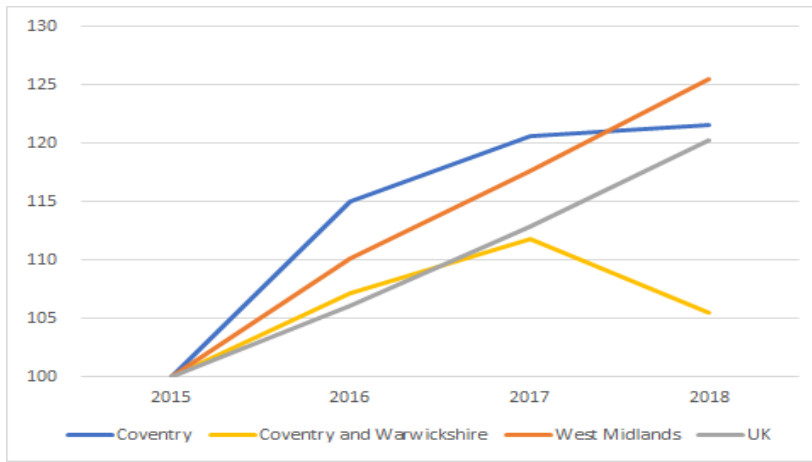
Source: ONS GVA; BRES; AMION estimates

<sup>2</sup> The definition used for 'Cultural and Creative Industries' uses the DCMS sub-sectors of Cultural; Creative and Digital. A breakdown of the SIC codes for each can be found in Appendix A. As a detailed breakdown of GVA by industry is not available at the Local Authority level, estimates have been constructed based on the proportion of jobs in the various sub-sectors.

<sup>3</sup> Cultural and creative employment increased in Greater Birmingham and Solihull LEP (GBSLEP) by 5.2% between 2015 and 2018, and by 3.7% in The Marches LEP



**Figure 2.2: Change in Creative Industries GVA, 2015-2018 (2015=100)**



Source: ONS GVA; BRES; AMION Estimates

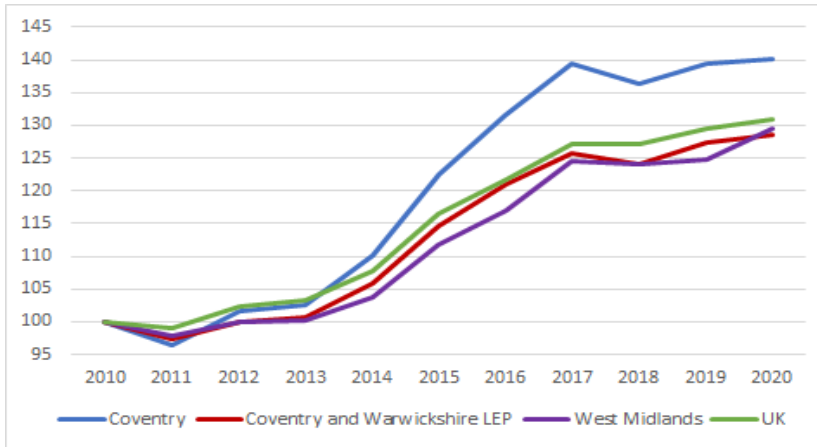
It should be noted that the data underpinning Figure 2.2 should be treated with some caution, as Coventry and Coventry and Warwickshire GVA figures are estimated constructed from the ONS and BRES data available, which will be subject to rounding errors. At this stage, analysis of the data suggests that the decline in Cultural and Creative Industries GVA in Coventry and Warwickshire has resulted from a fall in employment within the digital sector, in particular the wholesale of computers, electronic and telecommunications equipment and parts.

## 2.4 Business base

### 2.4.1 Overall businesses

There are currently 10,120 businesses in Coventry (2020) of which the majority are micro businesses employing less than 10 employees in line with the sub-region and national profile (89.6%); 9.8% are small to medium-sized enterprises (SMEs) employing less than 250 employees, compared with 10.1% for the UK; and 0.6% employ more than 250 compared with 0.4% nationally. The total number of businesses has increased by 40.3% since 2010, growing at a faster rate than both the region and the UK, where the number of businesses increased by 29.5% and 30.9% respectively.

**Figure 2.3: Indexed change in total number of businesses, 2010-2020 (2010=100)**



Source: ONS UK Business Counts - enterprises by industry and employment size band

In recent years however, growth has levelled off in Coventry and the wider sub-region, in line with regional and national trends, following a decline in business stock between 2017-2018.

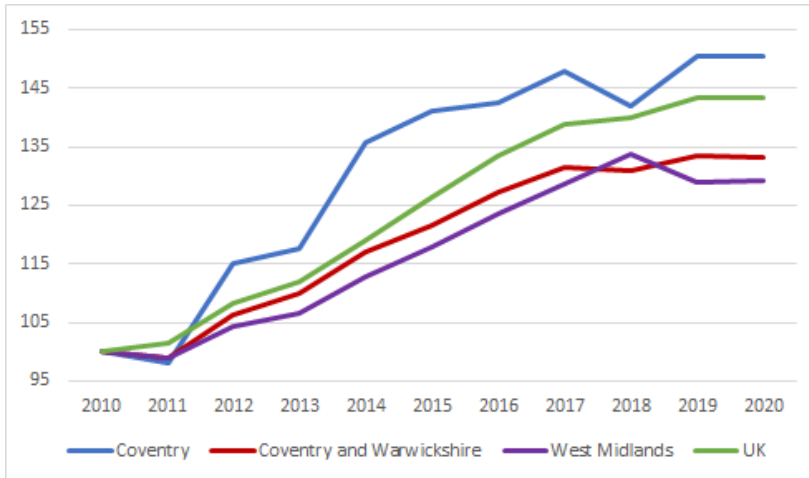
Table 2.5 Total Number of Businesses in Coventry, CWLEP, West Midlands and GB 2017-2020			
	2017	2020	Change 2017-2020
Coventry	10,065	10,120	+0.5% (+55 businesses)
Coventry and Warwickshire	37,550	38,355	+2.1% (+805 businesses)
West Midlands	213,455	221,910	+4.0% (+8,455 businesses)
United Kingdom	2,668,810	2,749,700	+3.0% (+80,890 businesses)

Source: ONS UK Business Counts

### 2.4.2 *Businesses in the creative and cultural Industries*

Of the total number of businesses in Coventry, 1,240 businesses (12.3%) are within the creative and cultural industries and for the wider sub-region the proportion of cultural and creative businesses is 11.4%. These figures are higher than the regional comparator of 8.8% but lower than the national figure of 12.7%. Overall, there has been strong growth in the number of businesses in the creative and cultural industries since 2010, with an increase of 50.3%, compared with 43.4% for the United Kingdom. Over the last year 2019-2020, Coventry and Warwickshire have outperformed the West Midlands, and growth in the creative and cultural industries in Coventry has also been stronger than for all businesses within the economy.

**Figure 2.4: Change in number of businesses in the creative and cultural industries sector, 2010-2020 (2010=100)**



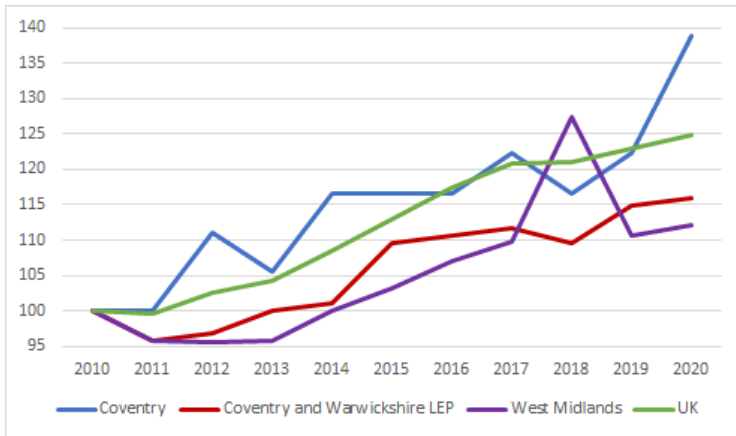
Source: ONS UK Business Counts - enterprises by industry and employment size band

Considering the DCMS sectors in turn, analysis of businesses in Coventry within the cultural and creative industries demonstrates that the largest number of businesses are within the digital sector, with 1,015 businesses representing 10.0% of all businesses in the city in 2020. A total of 985 (9.7% of businesses) are classed as ‘creative industries’ and a further 125 (1.2% of businesses) relate to the cultural sector. The fastest rate of growth of businesses has been witnessed in the cultural sector, shown in Figure 2.5. While there are differences in the definition of the sectors, based on the SIC codes for both the digital and creative industries, there is also considerable overlap as shown in Appendix A.

	2017	2020	Change
<i>Digital</i>	1,000	1,015	<b>+1.5% (+15 businesses)</b>
<i>Creative Industries</i>	1,000	985	<b>-1.5% (-15 businesses)</b>
<i>Cultural sector</i>	110	125	<b>+13.6% (15 businesses)</b>
<b>Coventry (all creative and cultural)</b>	1,220	1,240	<b>+1.6% (+20 businesses)</b>
<b>Coventry and Warwickshire</b>	4,305	4,365	<b>+1.4% (+60 businesses)</b>
<b>West Midlands</b>	19,365	19,485	<b>+0.6% (+120 businesses)</b>
<b>United Kingdom</b>	338,965	350,430	<b>+3.4% (+11,465 businesses)</b>

Source: ONS UK Business Counts - enterprises by industry and employment size band

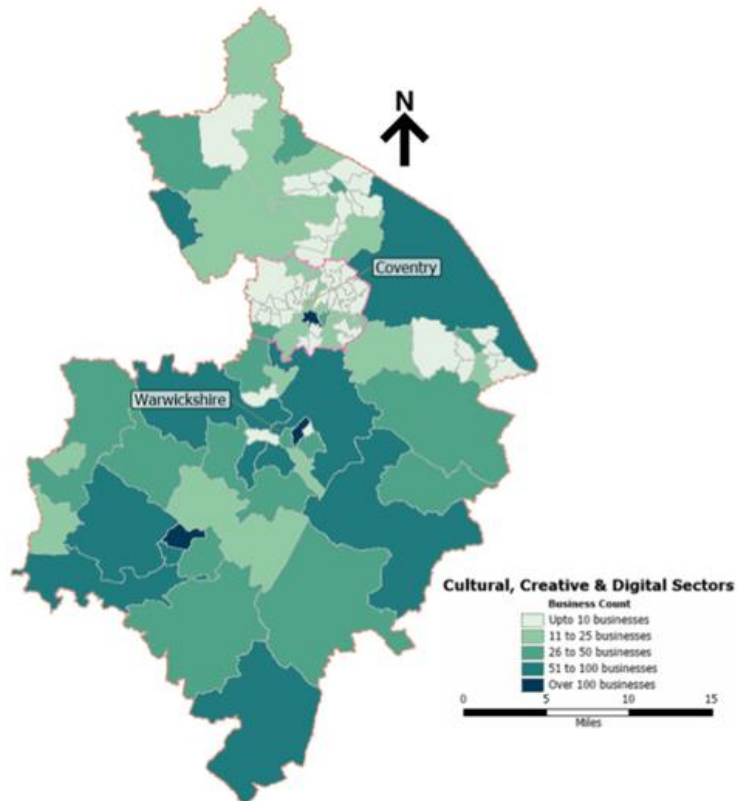
**Figure 2.5: Change in number of businesses in the cultural sector, 2010-2020 (2010=100)**



Source: ONS UK Business Counts - enterprises by industry and employment size band

Figure 2.6 highlights the distribution of Cultural, Creative and Digital businesses across the wider sub region, with concentrations in Coventry City Centre and Warwick and Leamington Spa. There are also relatively high numbers of businesses in Stratford and Nuneaton and Bedworth, in contrast to parts of North Warwickshire and Coventry, outside the City Centre.

**Figure 2.6: Cultural, Creative and Digital Businesses across Coventry & Warwickshire**



## 2.5 Employment

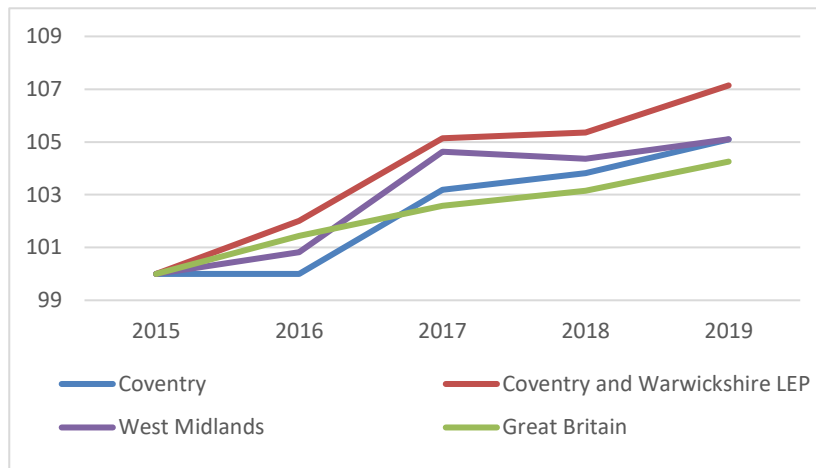
### 2.5.1 Overall jobs

In 2019 there were 165,000 jobs within Coventry, an increase of 5.1% since 2015, with the most rapid growth occurring between 2016 and 2017. The increase in employment has matched growth at the regional level and both have exceeded the national growth rate of 4.3%. Furthermore, growth across the wider sub-region has been even greater, with an overall increase of 30,000 + jobs in the last five years (representing a 7.1% increase overall).

Table 2.7: Employment						
	2015	2016	2017	2018	2019	Change
<b>Coventry</b>	157,000	157,000	162,000	163,000	165,000	<b>5.1%</b>
<b>Coventry and Warwickshire</b>	448,000	457,000	471,000	472,000	480,000	<b>7.1%</b>
<b>West Midlands</b>	2,547,000	2,568,000	2,665,000	2,658,000	2,677,000	<b>5.1%</b>
<b>Great Britain</b>	29,819,000	30,250,000	30,587,000	30,759,000	31,088,000	<b>4.3%</b>

Source: ONS BRES

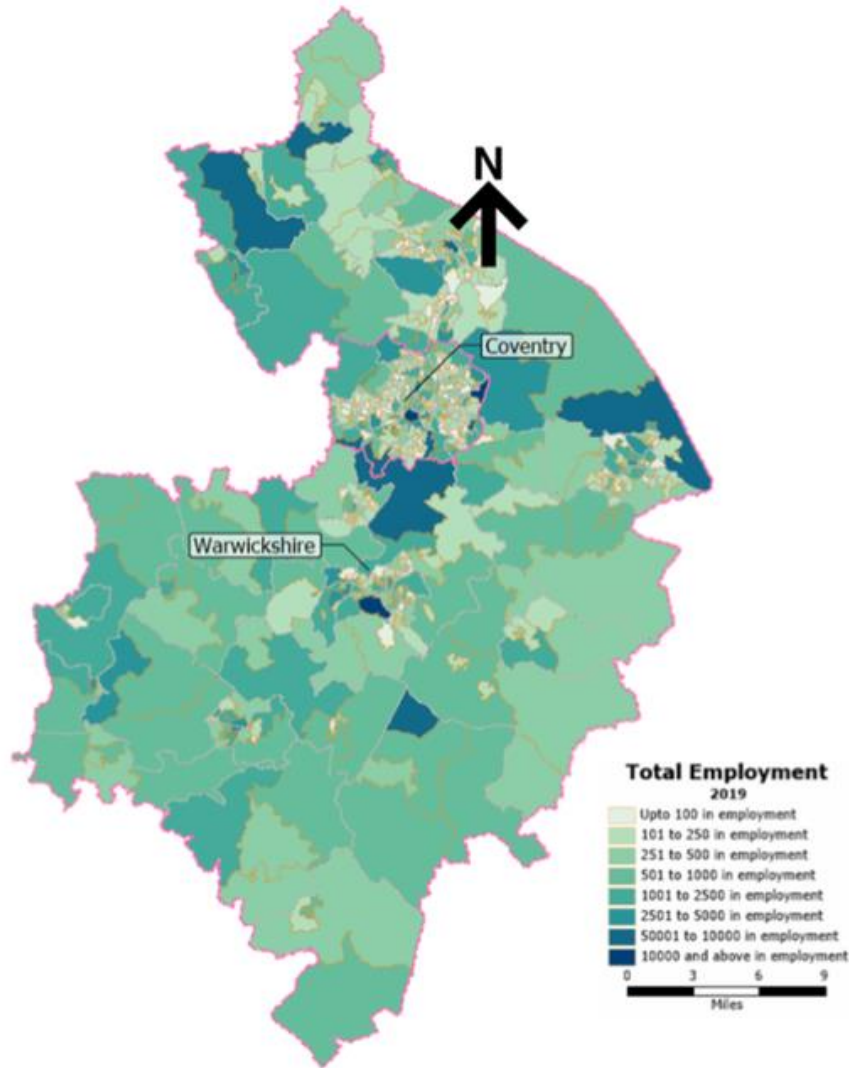
**Figure 2.7: Indexed change in employment, 2015-2019 (2015=100)**



Source: ONS, BRES

The overall distribution of all jobs irrespective of sector across the CWLEP area is shown in Figure 2.8 below. There are larger numbers of jobs within Coventry City Centre; South of the City (airport); Warwick Town Centre; and in North Warwickshire and Rugby close to the M42 and M1 motorways respectively.

**Figure 2.8: Distribution of jobs across the CWLEP area in 2019**

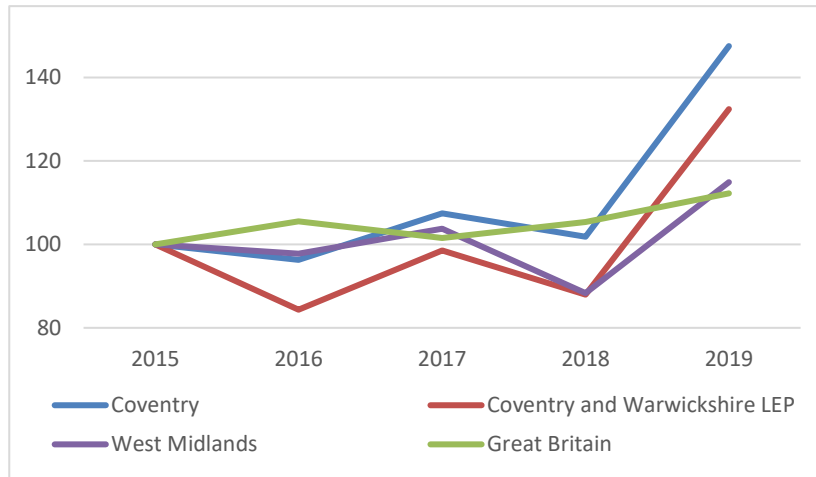


### 2.5.2 *Employment in the Creative and Cultural Industries*

In 2019, employment in the creative and cultural industries totalled 6,405 in Coventry, representing 3.9% of all jobs. Over the period 2015-2019, the number of jobs has declined by 11% in sharp contrast to the wider sub-region which demonstrated an overall increase of 5.5%. Growth in the LEP area however, still lagged behind the national increase of 8.6%.

Since 2017, the overall number of jobs in the creative and cultural industries has fallen by 720, largely attributed to a decline in jobs within the digital industries. However there has been an increase in the number of jobs within the cultural sector, which now employs an addition 325 people as shown in Figure 2.9 below and Table 2.8.

**Figure 2.9: Change in employment within the cultural sector, 2015-2019 (2015=100)**



Source: ONS BRES

Closer analysis of the figures for Warwick District Council (home to ‘Silicon Spa’ Leamington’s game development hub 10 miles from Coventry City Centre) demonstrate that while employment in the digital industries has been shrinking within the City, there has been significant growth in jobs in the creative and cultural industries in Warwick, which increased by 1380 (17.4%) over the period 2017-2019. The most recent travel to work data (Census 2011) suggests that approximately 7% of Coventry residents work in Warwick, but a more detailed sectoral breakdown is not available.

	2017	2019	Change
<i>Digital</i>	5,995	4,880	-18.6% (-1,115)
<i>Creative Industries</i>	4,230	4,295	+1.5% (+65)
<i>Cultural sector</i>	870	1,195	+37.4% (+325)
<b>Coventry (All cultural and Creative)</b>	7,125	6,405	-10.1% (-720)
<b>Coventry and Warwickshire</b>	25,035	25,545	+2.0% (+510)
<b>West Midlands</b>	111,160	110,325	-0.8% (-835)
<b>Great Britain</b>	1,949,375	2,016,875	+3.5% (+67,500)

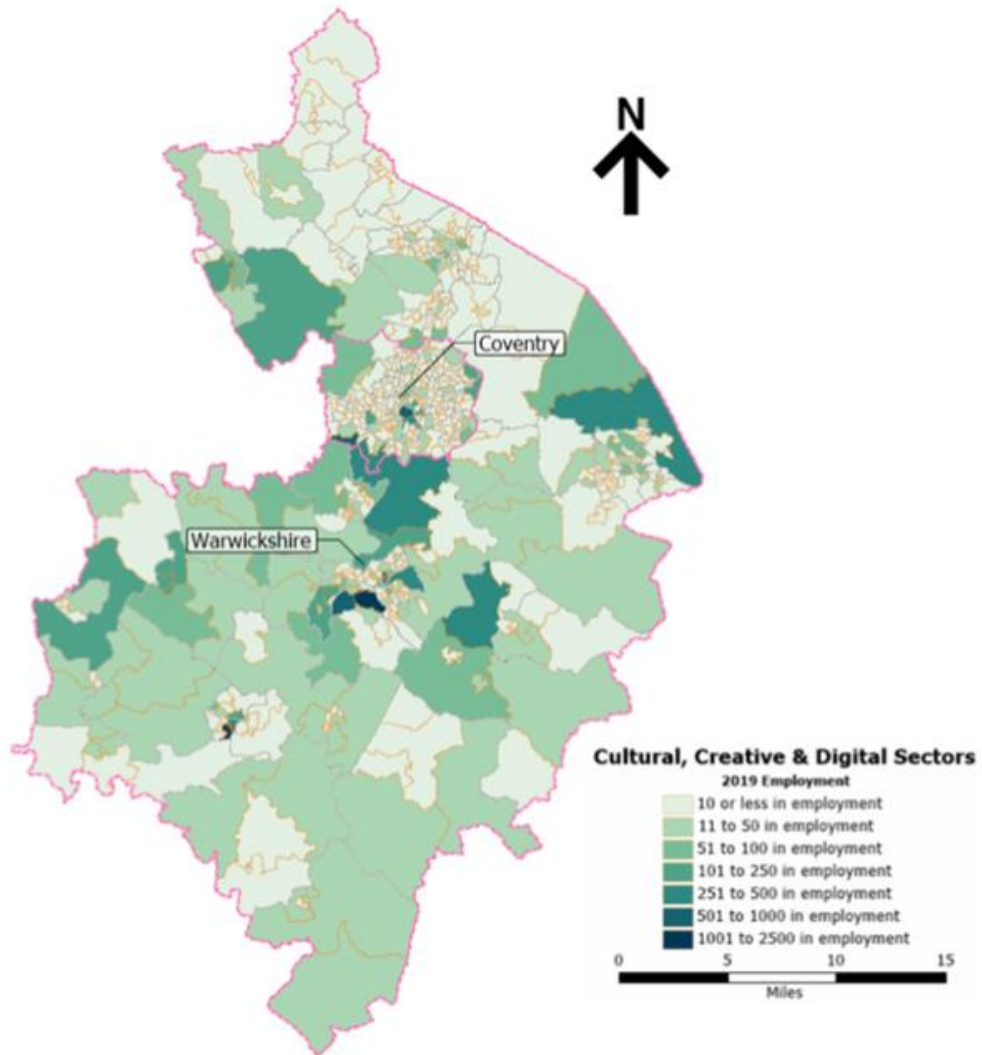
Source: ONS BRES

Within the DCMS subsector ‘music, performing and visual arts’, there were 330 people employed in Coventry in 2019, comprising 5.2% of all employment in the creative and cultural industries. This proportion of employment remains lower than the national average, where employment in music, performing and visual arts comprised 6.7% of all creative and cultural industry employment, however Coventry does appear to be closing the gap with the national average. As a proportion of people employed in the sub-

sector, Coventry’s employment is 76% of the national average, compared with only 66% in 2015.

The clustering of creative and cultural jobs in Leamington Spa (within Warwick District Council) is shown in Figure 2.10 below. This also shows other smaller concentrations of cultural, creative and digital jobs in Stratford Upon Avon, Coventry City Centre and South of the City, Rugby and in North Warwickshire. Further work is in progress to understand which sub-sectors are driving the employment figures within these particular neighbourhoods which will be revisited at the next stage of reporting.

**Figure 2.10: Location of Cultural, Creative and Digital jobs in Coventry and Warwickshire in 2019**





## 2.6 Inward investment

Over the last five years the levels of inward investment into the sub-region have fluctuated, with a noticeable decline in the number of projects in 2016/17, the same year that Brexit was announced, followed by an increase in the level of projects during 2017/18. At the regional level, the number of projects attracted has followed a similar pattern, however Coventry and Warwickshire have secured a greater proportion of the jobs coming into the region compared to the number of projects, and in 2018/19 the CWLEP attracted nearly 50% of all jobs coming into the West Midlands through Foreign Direct Investment (FDI) projects.

<b>Table 2.9: Inward Investment in Coventry and Warwickshire</b>						
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
Coventry & Warwickshire FDI Projects	47	37	53	43	41	221
Coventry & Warwickshire New Jobs	3621	1821	3621	2563	1522	13148
Coventry & Warwickshire Safeguarded Jobs	1206	34	6	402	860	2508
<b>C&amp;W Total Jobs</b>	<b>4827</b>	<b>1855</b>	<b>3627</b>	<b>2965</b>	<b>2382</b>	<b>15656</b>
West Midlands FDI Projects	168	151	171	155	157	802
<b>West Midlands Total Jobs</b>	<b>13,932</b>	<b>8,293</b>	<b>9,739</b>	<b>6,049</b>	<b>6,614</b>	<b>44627</b>
Coventry & Warwickshire % of West Midlands projects	28.0%	24.5%	31.0%	27.7%	26.1%	27.6%
Coventry & Warwickshire % of West Midlands jobs	34.6%	22.4%	37.2%	49.0%	36.0%	35.1%

Source: DIT

Moving forward it will be important to monitor both FDI and other investment coming into the sub-region, to identify the extent to which UK CoC 2021 has acted as a catalyst for investment and raised the profile of Coventry and Warwickshire area as a good location for business.

## 2.7 Tourism

### 2.7.1 Businesses

In 2020, there were 945 businesses associated with the ‘tourism industries’<sup>4</sup> in Coventry, equivalent to 9.3% of all businesses. This represents an increase of 12.5% or an additional 105 businesses since 2017, outpacing the growth achieved within the LEP area, and the regional and national averages. However, the proportion of businesses within the tourism industry still remains lower as a proportion of all businesses in Coventry and Coventry and Warwickshire (9.3%; 9.8%) compared with 10% for the West Midlands, and 11.1% for the UK.

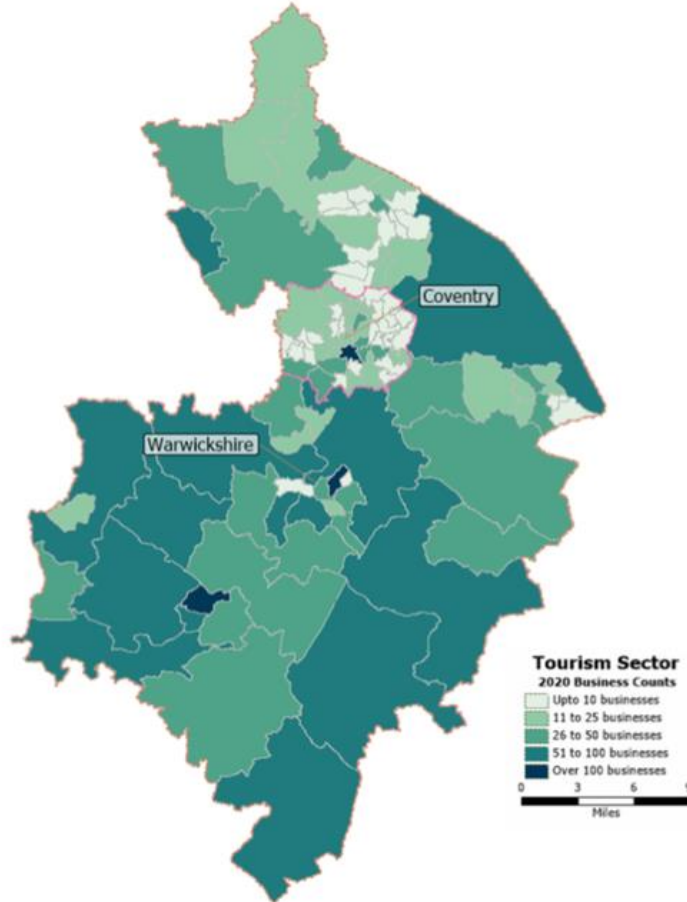
<b>Table 2.10: Tourism Businesses</b>			
	<b>2017</b>	<b>2020</b>	<b>Change</b>
<b>Coventry</b>	840	945	<b>+12.5% (105)</b>
<b>Coventry and Warwickshire</b>	3,530	3,760	<b>+6.5% (230)</b>
<b>West Midlands</b>	20,415	22,205	<b>+8.8% (1,790)</b>
<b>United Kingdom</b>	284,095	305,870	<b>+7.7% (21,775)</b>

Source: NOMIS, UK Business Counts

The distribution of businesses across the CWLEP area is shown in Figure 2.11 which highlight three areas in particular with over 100 businesses. These can be found in Coventry City Centre; Stratford upon Avon; and Royal Leamington Spa.

<sup>4</sup> The DCMS definition of ‘Tourism Industries’ is based on the United Nations World Tourism Organisation (UNWTO) definition, Appendix A.

**Figure 2.11: Location of Tourism Businesses within Coventry and Warwickshire 2020**



### 2.7.2 Employment

Alongside growth in the number of businesses, employment in the tourism related industries has also increased in Coventry and in the wider sub-region. In Coventry, the total number of jobs stood at 14,660 in 2019, 8.9% of all employment which increases to 11.2% for Coventry and Warwickshire. The increase of 1,275 (9.5%) since 2017, compares with growth of 5.1% in Great Britain. However, the proportion of total employment associated with tourism in Coventry and the wider LEP area is still marginally below the national figure of 11.8%.

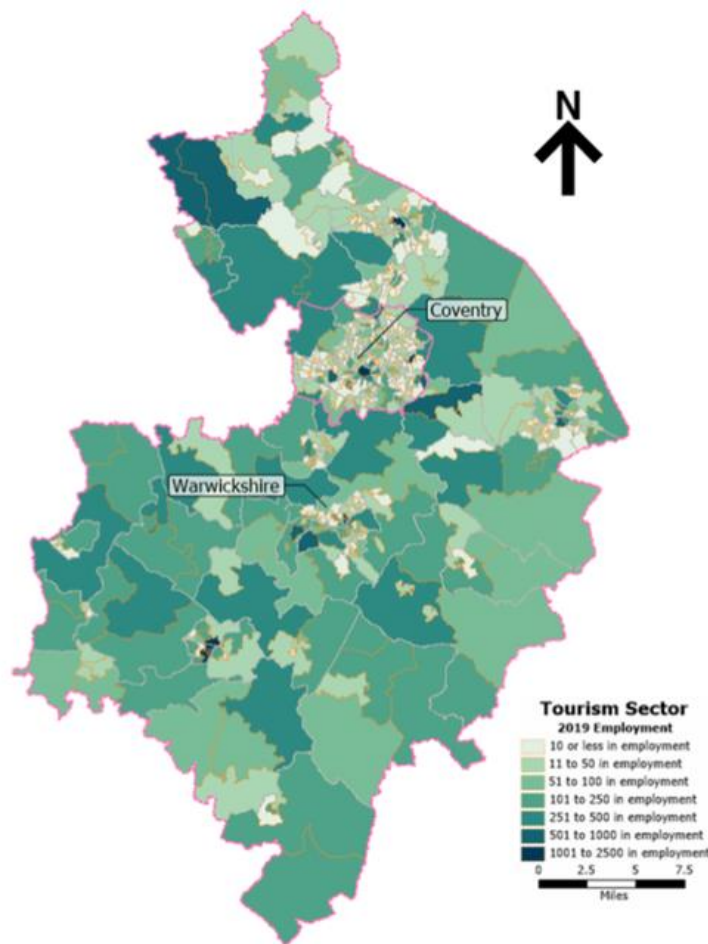
<b>Table 2.11: Tourism Employment 2017-2019</b>			
	<b>2017</b>	<b>2019</b>	<b>Change</b>
<b>Coventry</b>	13,385	14,660	<b>+9.5% (1,275)</b>
<b>Coventry and Warwickshire</b>	48,375	53,590	<b>+10.8% (5,215)</b>

<b>West Midlands</b>	272,335	295,745	<b>+8.6% (23,410)</b>
<b>Great Britain</b>	3,492,500	3,671,000	<b>+5.1% (178,500)</b>

Source: ONS BRES

The distribution of jobs in the Tourism Industries, presented at a lower spatial level<sup>5</sup>, show more areas with higher concentrations of employment (1,000-2,500 jobs). These can again be found in Coventry City Centre; Stratford Upon Avon; Warwick/Leamington; to the East of Coventry Airport; Rugby; North Warwickshire and Nuneaton.

**Figure 2.12: Distribution of Tourism Jobs in Coventry and Warwickshire in 2019**



### 2.7.3 Hotels

In 2019, there were 45 hotels (serviced accommodation) in Coventry, representing an increase of 11 since 2016 (30.6%). This increase is associated with a rise in the serviced

<sup>5</sup> BRES data is available at LSOA level, while UK Business Counts are presented for MSOAs

accommodation offering less than 10 rooms (with 6 more units since 2016), as well as an increase in accommodation with 11-50 rooms (an increase of 5 since 2016). There was no change in the number of hotels with over 50 rooms over the period 2016 to 2019, however these larger hotels still comprised the greatest number of all serviced accommodation in 2019 (18 out of 45 establishments). For a comparator city such as Derby, its 2020-2025 Destination Management Plan indicates that in 2018 there were 39 serviced accommodation units, comprising 24 hotels, 3 boutique hotels, 4 serviced apartments and 8 B&Bs/Guesthouses.

Since this data was published however, the four-star Coventry Telegraph Hotel has been completed and recently opened, increasing the number of rooms by 88. Another high quality, four-star ‘Hotel Indigo’ is also planned as part of the Friargate development within the City’s Central Business District, and there are also plans for a 150 room Hampton by Hilton to support the Ricoh Arena’s planned development for the Commonwealth Games.

Coventry’s serviced accommodation units provided a total bed capacity of 5,485 in 2019, with hotels with over 50 rooms accounting for 83.2% of this total capacity. Table 2.12 shows how overall capacity has increased by 10% since 2016.

<b>Table 2.12: Businesses associated with tourism</b>						
	2016		2019		Change	
	Units	Beds	Units	Beds	Units	Beds
Over 50 rooms	18	4,372	18	4,561	0.0%	+4.3% (189)
11-50 rooms	8	525	14	766	+65.6% (6)	+45.9% (241)
Less than 10 rooms	8	91	13	158	+62.5% (5)	+73.6% (67)
<b>Serviced accommodation</b>	34	4,988	45	5,485	<b>+30.6% (11)</b>	<b>+10.0% (497)</b>

Source: STEAM report for Coventry 2016-19, Global Tourism Solutions

In 2019, the total number of visitors to Coventry who stayed in serviced paid accommodation was 587,000, representing an increase of 13.3% from 518,000 in 2016.

#### 2.7.4 Day and overnight visitors

Two sources of visitor data have been presented below, the first set has been drawn from the STEAM model<sup>6</sup> (a tourism economic impact model produced by Global Tourism Solutions (GTS)) while the second presents data from Visit Britain and the IPS. As the STEAM data is commissioned independently by local or regional partners, comparator data is not readily available, unlike Visit Britain data and the IPS.

<sup>6</sup> The Trust commissioned the STEAM data from GTS and this will be used to track change over the programme.

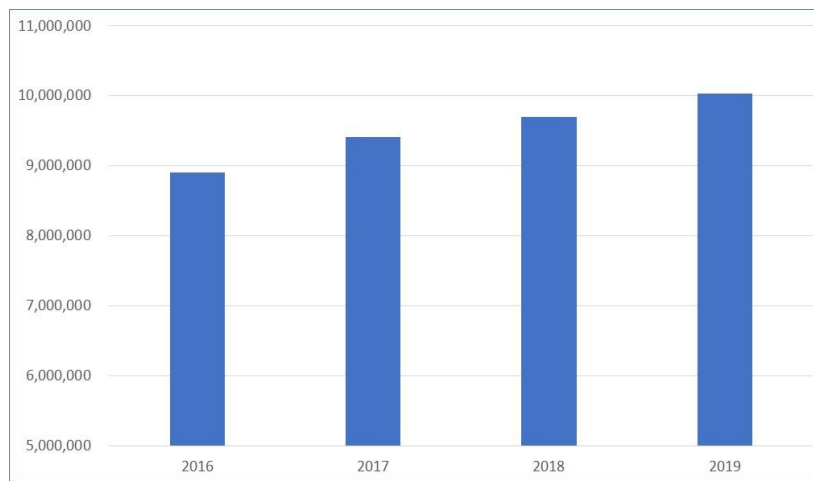
**(i) STEAM model**

The bottom-up data from the STEAM model quantifies the local economic impact of both day and overnight visitors. To estimate day visits, the model utilises data from tourism information centres, attractions and events, whilst overnight visits are determined by the number of available bedrooms and known occupancy levels, as well as an estimate of those staying with friends and relatives.

The findings from the STEAM model suggest that visitor numbers have increased since 2016/17. The total number of visitors to Coventry in 2019 was over 10 million, representing an increase of 12.6% since 2016 as demonstrated in Figure 2.13. The annual change in visitor numbers show an increase of 5.7% in 2017, 3.1% growth in 2018 and 3.3% growth in 2019, which may be due in part to the mass expansion of the two universities and attraction of families and friends.

Figures for 2020 for Coventry have not yet been released and will be severely impacted by the pandemic. For example, within the recent ‘State of the Nation’ 2020 report, the WMCA has used STEAM data to forecast a fall in visitor numbers of 37% between 2018 and 2020 for the West Midlands area.

**Figure 2.13: Total number of visitors to Coventry – STEAM model**

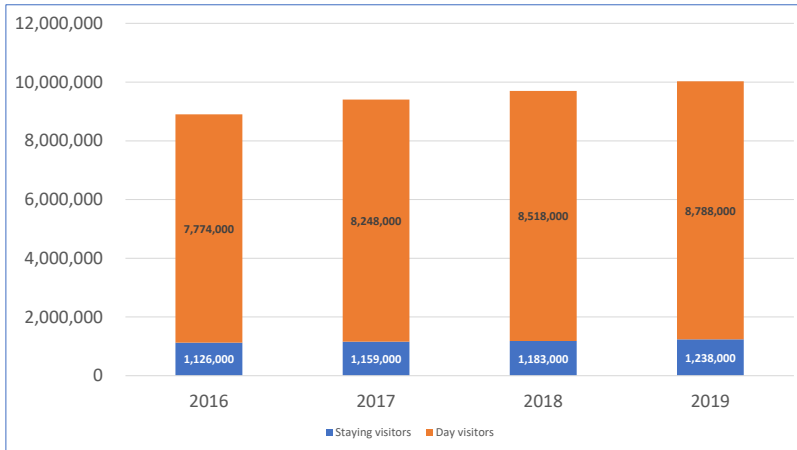


Source: STEAM report for Coventry 2016-19; GTS  
 Note: figures include day visitors and staying visitors

Analysis of the total number of visitors highlights growth in both day visitors and (the more valuable) staying visitors to Coventry as demonstrated in Figure 2.14. There were 1.2 million staying visitors in Coventry in 2019, an increase of 10% since 2016, whilst there were 8.8 million day visitors, an increase of 13% over the same period.

Overall, there have been 623,000 additional visitors since 2017, with visitor numbers increasing from 9.4 million in 2017 to 10.0 million in 2019.

**Figure 2.14 Total number of visitors to Coventry – 2016-2019**

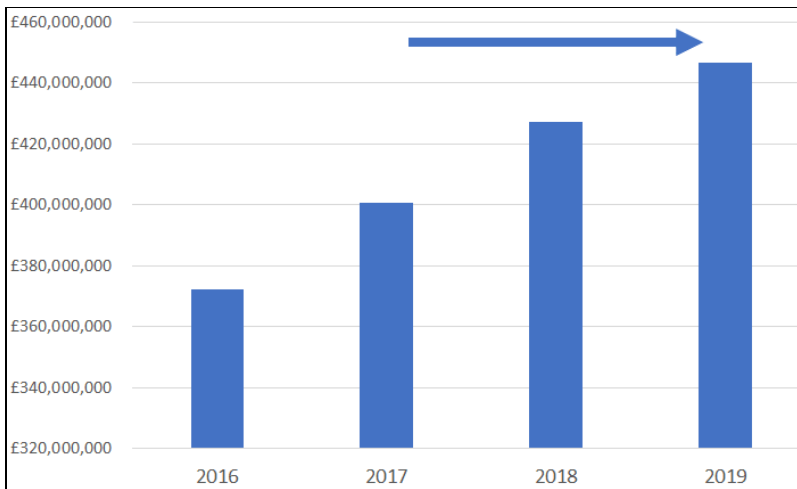


Source: STEAM report for Coventry 2016-19; GTS

The increase in the total number of visitors to Coventry has resulted in increased visitor expenditure as demonstrated in Figure 2.15. There has been an 11.5% rise in visitor expenditure according to the STEAM model, up from £400.5 million in 2017 to £446.7 million in 2019, which demonstrates that the rise in expenditure is marginally greater than the increase in numbers.

Again, while 2020 data is not yet available for Coventry, the recent STEAM data for the WMCA suggest that the decline in visitor numbers as a result of Covid-19 is estimated to be associated with direct and multiplied expenditure falling from £13 billion to £8 billion from 2019-2020.

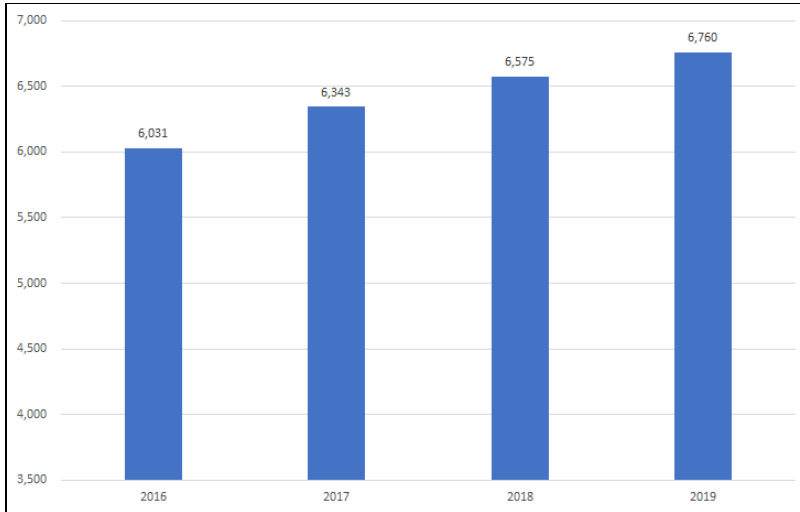
**Figure 2.15: Direct visitor expenditure – STEAM model**



Source: STEAM report for Coventry 2016-2019; GTS  
 Note: direct visitor expenditure only but includes VAT

Based on averages for the industries within Coventry, the increase in expenditure over the period 2016-19 will have facilitated an additional 417 Full Time Equivalent (FTE) jobs created in Coventry’s visitor economy.

**Figure 2.16: Visitor economy employment – STEAM model**



Source: STEAM report for Coventry 2016-2019; GTS

**(ii) Visit Britain and ONS**

Due to the supply-side nature of the STEAM model, the quality of the visitor data produced depends on the inputs which are used. The methodology used for estimating day visitors is limited to tourism information centres, attractions and events. For this reason, a second source of visitor data drawn from Visit Britain and ONS is also presented below. This has the added advantage of providing comparable data for other areas, but also has limitations in terms of the small sample sizes referenced below:

- **Great Britain Day Visitor Survey (GBDVS)** – the GBDVS is commissioned by Visit Britain and shows the day visits (and expenditure) for each local authority. The data is collected via an annual national population survey. Despite utilising a fairly robust methodology, low sample sizes mean there can be a large margin of error at the local authority level.
- **Great Britain Tourism Survey (GBTS)** – the GBTS is commissioned by Visit Britain and utilises a methodology to estimate overnight visitor numbers. The survey captures domestic tourism only, and provides detail regarding the number of trips, nights and expenditure at the local authority level as well as the purpose of the trip (holiday, business, visiting friends/relatives and other). As above, low sample sizes can limit the reliability of the local level data taken from this survey.
- **International Passenger Survey (IPS)** – the IPS is commissioned by the ONS and is therefore an official statistic which captures tourism from overseas only. The



survey has been undertaken for many decades and utilises a robust methodology to provide detail about the number of trips, nights and expenditure at a county/sub-regional level as well as the purpose of the trip. The survey also provides figures at the individual destination level, however sample sizes can be low in this case and the data should be treated with caution.

Table 2.13 provides the visitor estimates produced by the Visit Britain and ONS surveys for Coventry, the sub-region and the wider comparator areas. It should be noted that domestic day visitors and domestic staying visitors are reported using three-year averages (2016 is the average from 2014-2016, 2017 is the average from 2015-2017), meaning that some caution should be applied to the apparent decline in 2019 day visitors in Coventry and across the comparator areas. Meanwhile, international staying visitors appear to be increasing and do not use three-year averages. However, this source does rely on relatively small samples at the individual destination level.

The fluctuation in visitor day numbers may also be attributable to the movement of sporting teams to and from the Coventry local authority area. For example, in 2014, it was announced that Wasps Rugby Club was moving to Coventry's Ricoh Arena from the South East. In addition, for the past two years, Coventry City Football Club has been sharing Birmingham City's St Andrew's grounds, instead of the Ricoh Arena, although the club is set to return in August 2021 following a deal with the Wasps.

<b>Table 2.13: Visitor numbers and spend</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Change (2017-2019)</b>
<b>Domestic day visits</b>					
<b>Coventry</b>	12,412,622	13,605,313	14,236,491	12,028,655	<b>-1,576,658</b>
<b>Coventry and Warwickshire</b>	37,305,802	38,885,400	37,762,333	32,290,333	<b>-6,595,067</b>
<b>West Midlands</b>	255,000,000	231,000,000	215,000,000	212,000,000	<b>-19,000,000</b>
<b>Great Britain</b>	3,077,000,000	2,943,000,000	2,796,000,000	2,723,000,000	<b>-220,000,000</b>
<b>Domestic staying visitors</b>					
<b>Coventry</b>	533,667	523,000	418,000	360,667	<b>-162,333</b>
<b>Coventry and Warwickshire</b>	1,671,000	1,612,667	1,566,667	1,404,000	<b>-208,667</b>
<b>West Midlands</b>	8,875,000	7,941,000	7,749,000	8,879,000	<b>938,000</b>
<b>Great Britain</b>	119,455,000	120,676,000	118,556,000	122,780,000	<b>2,104,000</b>
<b>International staying visitors</b>					
<b>Coventry</b>	178,303	197,003	191,711	245,245	<b>48,242</b>
<b>Coventry and Warwickshire</b>	472,094	605,419	608,801	698,651	<b>93,232</b>
<b>West Midlands</b>	2,215,790	2,329,615	2,196,345	2,429,827	<b>100,212</b>

<b>Table 2.13: Visitor numbers and spend</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Change (2017-2019)</b>
<b>UK</b>	39,128,869	41,080,214	40,283,203	40,857,448	<b>-222,766</b>
<b>Average expenditure per day visit</b>					
<b>Coventry</b>	£19.42	£19.22	£22.51	£24.46	<b>£5.24</b>
<b>Coventry and Warwickshire</b>	£21.44	£23.44	£23.73	£26.03	<b>£2.59</b>
<b>West Midlands</b>	£26.62	£26.64	£28.57	£25.45	<b>-£1.19</b>
<b>Great Britain</b>	£29.83	£29.88	£32.60	£35.09	<b>£5.21</b>
<b>Average expenditure per overnight visit</b>					
<b>Coventry</b>	£138.04	£145.32	£185.01	£185.77	<b>£40.45</b>
<b>Coventry and Warwickshire</b>	£152.40	£159.57	£171.49	£181.39	<b>£21.82</b>
<b>West Midlands</b>	£150.99	£154.26	£171.25	£163.42	<b>£9.16</b>
<b>Great Britain</b>	£193.20	£196.25	£202.11	£200.77	<b>£4.52</b>

Sources: GBTS 2016-19, Visit Britain; GBDVS 2016-19, Visit Britain; IPS 2016-19, ONS.

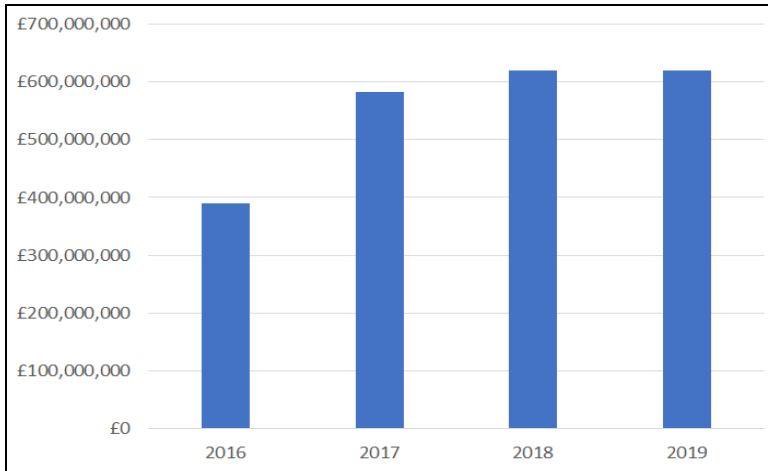
Table 2.14 combines domestic day visitors, domestic staying visitors and international staying visitors to provide an overall total for each geography.

<b>Table 2.14: Total visitor numbers</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Change (2017-2019)</b>
<b>Coventry</b>	13,124,592	14,325,316	14,846,202	12,634,567	<b>-12.9%</b>
<b>Coventry and Warwickshire</b>	39,448,896	41,103,486	39,937,801	34,392,984	<b>-17.0%</b>
<b>West Midlands</b>	266,090,790	241,270,615	224,945,345	223,308,827	<b>-6.8%</b>
<b>Great Britain</b>	3,235,583,869	3,104,756,214	2,954,839,203	2,886,637,448	<b>-6.7%</b>

Despite the apparent decline in visitor numbers in 2019 for both Coventry and the wider sub-region (a trend followed by the regional and national comparators), visitor expenditure appears to have increased. Figure 2.17 shows how there has been an increase in visitor expenditure of £37.7 million between 2017-2019, which represents 6.5% for Coventry alone.

The increases in average expenditure for day visitors and overnight visitors for Coventry and the wider sub-region exceed the national average for overnight stays in particular; however, there is still some way to go, to close the gap with the national averages.

**Figure 2.17: Direct visitor expenditure in Coventry – GBTS, GBDVS and IPS**



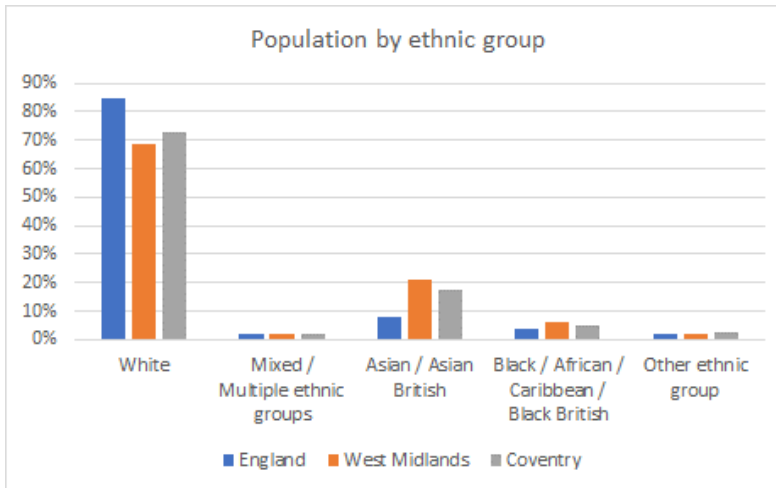
Sources: GBTS 2016-19, Visit Britain; GBDVS 2016-19, Visit Britain; IPS 2016-19, ONS.  
 Note: figures include day visitors and staying visitors

## 2.8 Inclusive growth

### 2.8.1 Population and Diversity

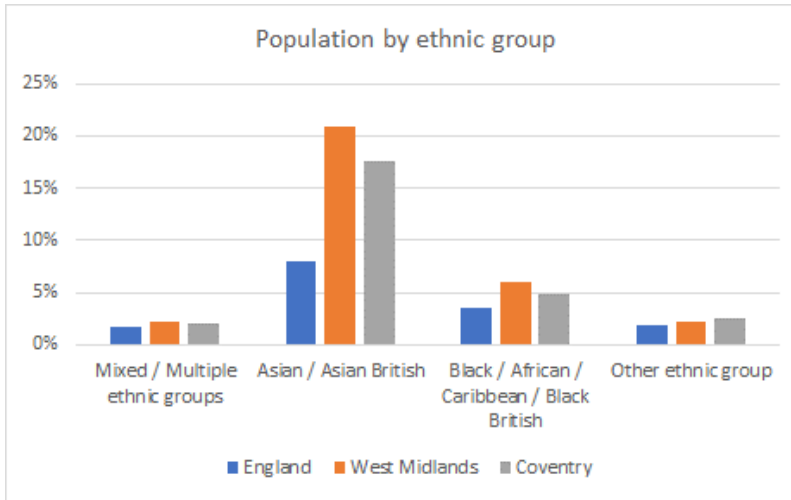
Figure 2.18a and b shows the population by ethnic group in Coventry compared to regional and national profiles for 2016, when the local authority population was estimated to be 353,000.

**Figure 2.18a: Population by ethnicity (2016)**



Source: ONS Research report on population estimates by ethnic group and religion (December 2019)

**Figure 2.18b: Population of Ethnic Groups**



Source: ONS Research report on population estimates by ethnic group and religion (December 2019)

More recent data from the APS indicates that in 2020, 71.6% of Coventry’s population was white<sup>7</sup> while 28.5% belonged to other ethnic groups<sup>8</sup>.

Table 2.15 shows how labour market participation rates for ethnic minority groups (as defined in the APS) has changed over the past 5 years. In terms of employment, while rates are consistently lower for ethnic minority groups compared to the population as a whole, these rates have been increasing over the last 5 years, particularly for Coventry and the wider sub-region. In Coventry employment rates have increased to 64.4% compared with 56.1% in 2016 and, in the sub-region, rates have increased from 60.1% to 67.4%. At a national level, the increase is less marked, moving from 63.8% to 67.4%.

While there has been a corresponding fall in economic inactivity rates, there has also been an increase in unemployment rates among ethnic minority groups at the local and sub-regional level compared with decreasing rates at the regional and national level.

Table 2.15: Economic activity rates 2016 -2020						
	2016	2017	2018	2019	2020	Absolute change 2016-20
<b>Employment rate – aged 16-64</b>						
Coventry	68.9	70.3	71.6	73.0	71.3	2.4
Coventry – ethnic minority	56.1	60.4	64.0	64.7	64.4	8.3
CWLEP	73.1	75.7	77.0	77.5	76.6	3.5
CWLEP – ethnic minority	60.1	63.2	67.8	68.7	67.4	7.3

<sup>7</sup> Including White British; Irish; Gypsy or Irish Traveller; and any other White background

<sup>8</sup> Including Mixed/Multiple ethnic groups; Asian/Asian British; Black, African, Caribbean/Black British; Other Ethnic Group. This is in line with guidance published in [Ethnic group, national identity and religion - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/ethnic-group-national-identity-and-religion)

West Midlands	71.1	72.3	73.3	73.9	73.7	2.6
West Midlands – ethnic minority	57.7	59.2	62.2	61.7	63.5	5.8
UK	73.8	74.7	75.0	75.6	75.3	1.5
UK – ethnic minority	63.8	64.5	65.2	66.2	67.4	3.6
<b>Unemployment rate – 16+</b>						
Coventry	4.1	5.3	4.9	5.3	5.8	1.7
Coventry – ethnic minority	5.5	5.2	8.9	10.2	7.9	2.4
CWLEP	3.6	3.6	3.3	3.5	4.2	0.6
CWLEP – ethnic minority	4.5	3.9	7.0	7.3	7.3	2.8
West Midlands	5.5	5.3	4.7	4.8	5.3	-0.2
West Midlands – ethnic minority	10.8	9.1	8.1	8.8	9.7	-1.1
UK	4.9	4.4	4.2	3.9	4.5	-0.4
UK – ethnic minority	8.3	7.7	7.1	6.6	8.2	-0.1
<b>Economically inactive – 16-24</b>						
Coventry	28.2	25.7	24.6	22.8	24.2	-4.0
Coventry – ethnic minority	40.6	36.3	29.7	27.7	30.0	-10.6
CWLEP	24.0	21.4	20.3	19.7	19.9	-4.1
CWLEP – ethnic minority	37.0	34.2	27.0	25.8	27.3	-9.7
West Midlands	24.6	23.6	23.0	22.3	22.0	-2.6
West Midlands – ethnic minority	35.3	34.8	32.3	32.3	29.7	-5.6
UK	22.3	21.8	21.7	21.2	21.1	-1.2
UK – ethnic minority	30.4	30.1	29.8	29.0	26.5	-3.9

Source: NOMIS, APS (Jan-Dec)

### 2.8.2 Economic activity

In the year leading up to September 2020, the economic activity rate in Coventry was 76.4%, - which despite an increase in activity on the previous year (75.8% in 2017/2018) remains lower than the wider LEP area (80.2%). This is marginally behind the regional figure of 77.9% and also lower than the national rate of 79.0%.

Over the same period (October 2019 to September 2020), the employment rate, which is a sub-set of the economic activity figures was also lower (71.4%, compared with 77.1% for the wider sub-region, 73.7% for West Midlands and 75.5% for the UK). There was a correspondingly higher unemployment rate as shown below.

### 2.8.3 Occupations

The area has a lower proportion of the workforce employed as managers, directors and senior officials within Coventry (8.7%, some 2% lower than the comparator areas) and a higher proportion of residents employed in lower skilled occupations, e.g. 12% employed in elementary occupations compared with the national rate of 9.7%.

A more detailed analysis of the occupational data demonstrates the very low proportion of all residents in employment (both within Coventry and outside), who are employed within 'cultural' and 'tourism' related occupations. While the figures are similarly low for the region and national comparators they are currently lower in both Coventry and the wider sub-region.

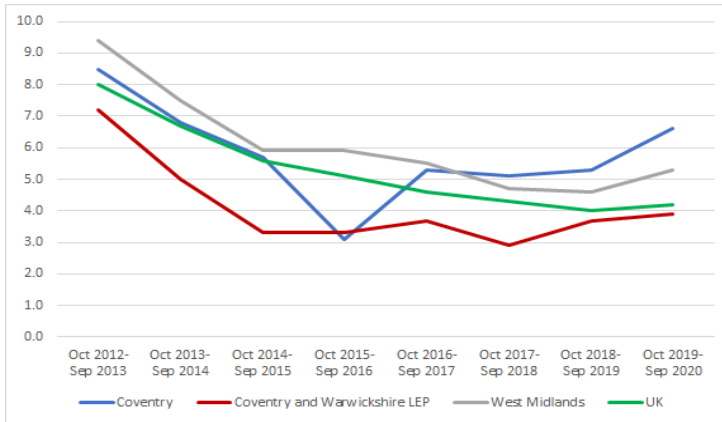
Table 2.15: Residents employed in cultural and tourism occupations						
	Culture, Media and Sports Occupations		Leisure, Travel and Related Personal Service Occupations		% as a total of all residents employed	
	2019	2020	2019	2020	2019	2020
Coventry	2900	2100	1300	1900	2.2%	2.0%
Coventry and Warwickshire	7000	6200	8600	8900	3.2%	3.2%
West Midlands	40900	45800	48200	48600	3.2%	3.5%
UK	791,500	812200	649,000	610,000	4.5%	4.4%

Source: NOMIS, APS

### 2.8.4 Unemployment

Between October 2019 and September 2020, Coventry had an unemployment rate of 6.6%, higher than the sub-region (3.9%) and both the West Midlands and national comparators (5.3% and 4.2% respectively). Over the period October 2012 - September 2020, the unemployment rate in Coventry has fluctuated; initially decreasing from 8.5% to a low point of 3.1% between October 2015 and September 2016, before rising again to reach 6.6% between October 2019 and September 2020. Excluding 2015-2016, the rate of unemployment in Coventry has exceeded the rates experienced in CWLEP and Great Britain.

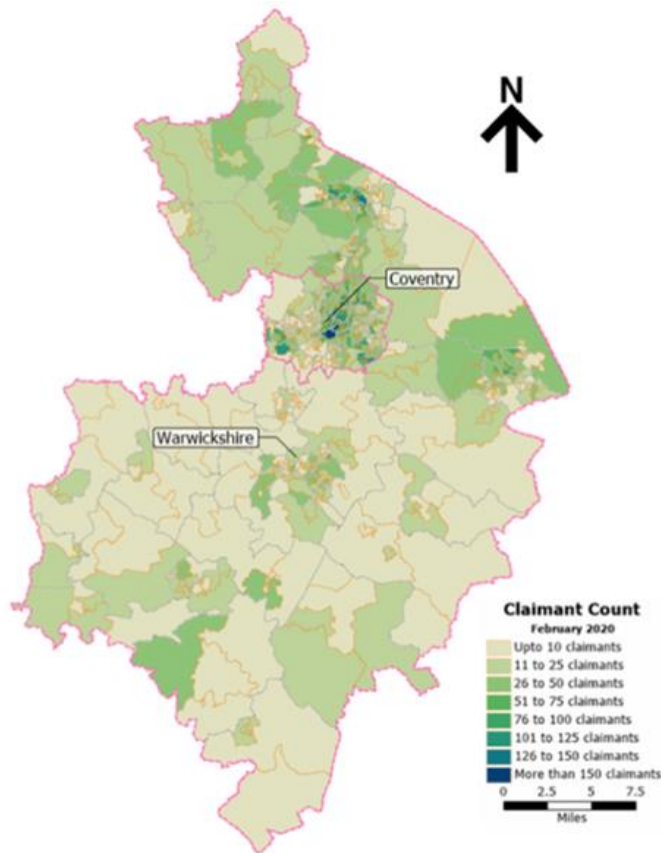
**Figure 2.18: Unemployment rate, October 2012 – September 2020**



Source: ONS APS

The number of claimants across the LEP area have been mapped by LSOA as shown in Figure 2.19 below. This shows that the pockets with the highest unemployment fall within the St Michael’s ward in Coventry City Centre, with high unemployment also existing in other parts of the local authority, in Nuneaton and some LSOAs in Rugby.

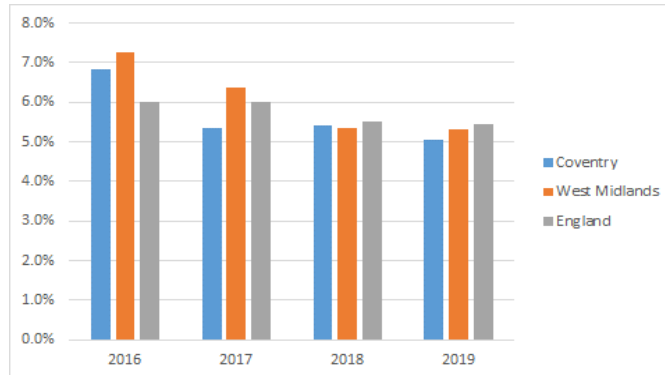
**Figure 2.19: Unemployment across the CWLEP area, February 2020**



### 2.8.5 NEETs

There are currently 370 young people (aged 16-17 years old) classed as NEET within Coventry, which represents 5.0% of all young people in this age group, lower than both the regional and national averages as shown in Figure 2.20. Furthermore, the proportion of NEET young people has declined in recent years falling from 6.8% in 2016.

**Figure 2.20: Proportion of 16 – 17 year olds NEETs, 2016-2019**



Source: 16-17 year olds recorded in education and training and NEET by local authority, 2020

### 2.8.6 Graduate retention

The following table, drawn from HESA, provides data related to graduate retention across a number of the LEP areas within the West Midlands Region. As shown, Coventry and Warwickshire has a higher proportion of graduates who leave the area to study and do not return for employment compared with the national average.

LEP Area	Stay for study and employment	Leave for study, return employment	Leave for study, do not return	Stay for study, leave for employment
Black Country	19.8%	27.0%	43.9%	9.2%
<b>Coventry and Warwickshire</b>	<b>17.9%</b>	<b>32.9%</b>	<b>43.5%</b>	<b>5.7%</b>
Derby, Derbyshire, Nottingham & Nottinghamshire	28.4%	29.4%	35.4%	6.8%
Greater Birmingham and Solihull	24.3%	34.1%	33.6%	8.1%
Greater Lincolnshire	22.3%	26.9%	46.0%	4.9%
Leicester and Leicestershire	27.2%	30.4%	35.3%	7.1%
Stoke-On-Trent and Staffordshire	20.0%	28.8%	45.5%	5.7%
The Marches	4.1%	39.6%	55.2%	1.2%
Worcestershire	15.7%	26.3%	52.8%	5.3%
<b>National average</b>	<b>29.3%</b>	<b>30.4%</b>	<b>34.3%</b>	<b>6.0%</b>

Source: Black Country Intelligence Unit; HESA (2018)



### 2.8.7 Employment and training opportunities - apprenticeships and training

Table 2.17 shows the total number of apprenticeship starts in Coventry since 2015/16 in comparison with the 2018/19 figures. It can be seen that the number of starts has generally declined since 2015/16, which has potentially been the result of the introduction of the new, more complex Apprenticeship Levy in April 2017. However, the decrease of apprenticeship starts in Coventry has been lower than the fall nationally.

Table 2.17: Apprenticeship starts					
	2015/16	2016/17	2017/18	2018/19	Change (2015-2019)
Coventry	3,150	3,400	2,400	2,610	-17%
West Midlands	60,910	60,330	42,650	45,670	-25%
England	503,900	489,100	371,200	389,600	-23%

Apprenticeship achievements have similarly been declining at the lower levels (intermediate and advanced) while the number of higher-level apprenticeships have increased, albeit from a much smaller base. This reflects the high priority given to the provision of degree-level apprenticeships by both Universities. While data for sectors is more limited, information available for leisure, travel and tourism related achievements also show declining numbers (but again from a lower base).

Table 2.18: Coventry apprenticeship achievements by level and sector					
	2015/16	2016/17	2017/18	2018/19	Change (2015-2019)
<b>Level</b>					
Intermediate Apprenticeship	972	950	978	663	-31.8%
Advanced Apprenticeship	727	681	733	654	-10.0%
Higher Apprenticeship	52	75	85	80	53.8%
Totals	1,751	1,706	1,796	1,397	-20.2%
<b>Sector</b>					
Leisure, travel and tourism	103	92	70	56	-45.6%

### 3 Investment to date

#### 3.1 Overview

When the original bid document was submitted and approved in 2017, the Trust and its partners estimated that the direct economic impact of UK CoC 2021 would be in the region of £349.8m from 2018-2022. This was based on projected build-up and 2021 programme budgets funded through a combination of the Trust’s contribution to events and anticipated leverage from partner agencies (ACE, city grants, and earned income); a series of heritage and cultural capital investments; growth of arts’ companies and SMEs; and estimates of tourism impacts, outlined in Table 3.1 below. At the time, data was also put into the City’s digital economic modelling to produce GVA estimates of £79.6 million by 2021.

<b>Table 3.1: Projected Economic Impacts of UK CoC 2021</b>	
<b>Economic Impact</b>	<b>Expenditure</b>
Programme <sup>9</sup>	£61,360,000
Research	£2,000,000
Heritage and Cultural Capital	£64,800,000
Direct Hotel Construction	£14,000,000
Cultural and Creative SME growth*	£5,000,000
Tourism impact of 2021*	£106,915,698
Tourism impact of build-up and 2022*	£95,731,193
<b>Total</b>	<b>£349,806,891</b>

Source: UK City of Culture 2021 Bid Document; CCC; Historic Coventry Trust. \*To be reported in September 2022

The remainder of this section provides an update on expenditure and investment generated to date since the award of the title in 2017, in relation to:

- Programme – design, delivery and management
- Research
- Heritage and cultural capital
- Direct hotel construction
- Infrastructure and city readiness expenditure

The growth arising from the development of Cultural and Creative Industry SMEs in the area; and the tourism impacts will be reported in the September 2022 EIA report

<sup>9</sup> This figure included the build-up and 2021 programme budgets of £25.3m (net contribution to events from the Trust) with an anticipated leverage of a further £25.3m from partner contributions – ACE, city grants and earned income.

following the completion of the main programme of events in April 2022. While we do report a figure for income secured by the Trust to date for the delivery of CoC 2021, we have not attempted to measure funding leveraged from partner agencies at this stage. Interviews with partner agencies following the delivery of the programme will be used to gather this information.

## 3.2 CoC Trust: Programme design, delivery and management

### 3.2.1 Coventry City of Culture Trust

#### (i) Fundraising Targets

The projected budget for UK CoC 2021 set out in the final bid document was £37.68m for the five-year period 2018-2022. Expenditure during the delivery phase 2019-2021 was estimated to be in the region of £33.74m.

The most recent report on fundraising progress to date suggests that almost 90% of the target for the delivery period (April 2019 – May 2022) has now been contracted and agreed in principle, as set out in Table 3.2.

Table 3.2: Funding secured for the delivery of UK CoC 2021		
Income Stream	Fundraising Targets	Contracted/Agreed in principle
Government/Statutory	£16,482,000	£15,040,000
Lottery	£11,257,672	£11,362,492
Trusts and Foundations	£3,150,000	£1,760,000
Philanthropy	£550,000	£370,000
2021 Club	£698,473	£764,567
Private Sector	£1,700,000	£997,000
<b>Total</b>	<b>£33,838,145</b>	<b>£30,294,059</b>

Source: City of Culture Trust, June 2021

#### (ii) Expenditure

Since the Trust was established in 2015, expenditure of £13.9 million has been incurred up to March 2021 on the design, development and management of UK CoC 2021, as shown in Table 3.3. This funding has been used to develop the CoC programme, to fund events, raise additional funding from key partners, and promote both the year-long programme of events and the profile of Coventry and Warwickshire more broadly. The Trust now employs 90 people and employee costs for 2020/21 stood at £2,548,428. Of the total employees, 70 are full-time employees, 6 are part-time and the remaining 14 were recruited following the launch of the apprenticeship programme.

Just under half of all staff live and work within Coventry (49%), a further 14% live in the wider sub-region of Coventry and Warwickshire, and 22% in the wider region. In total 85% of staff live within the West Midlands. These figures are comparatively low compared with the most recent commuting patterns from the last Census (2011) which highlighted 61.5% living and working in Coventry; 16.4% commuting into Coventry from the Coventry and Warwickshire area; and only 7.4% coming into Coventry from the wider region. The proportion working outside the West Midlands was approximately 14% in both cases.

Given the date of the last Census however, and the extension of Local Labour Markets and Travel to Work Areas since, including the integration of Coventry into the wider South East region, the lower levels of people living and working in Coventry are to be expected. Nevertheless, attracting local labour and retaining expenditure within the wider sub-regional economy will lead to the creation of additional jobs and GVA through indirect and induced employment, and will therefore remain a key priority.

**Table 3.3: Coventry City of Culture Trust Expenditure**

Time Period	15 months	12 months	12 months	3 months	12 months	12 months
	Oct 15- Dec 16	Dec 16- Dec 17	Dec 17 - Dec 18	Jan 19 – Mar 19	Apr 19 - Mar 20	Apr 20 – Mar 21
Fundraising	£33,868	£44,001	£11,833	£849	£42,200	£17,285
Programme	£102,290	£106,155	£329,111	£178,595	£961,664	£2,449,193
Community Engagement	£146	£2,331	£3,359	-	-	-
Retail & Ticketing	-	-	-	-	-	£122,195
Policing	-	-	-	-	£25,655	£44,611
Sector Development & Research	-	£20,000	£15,224	£16,000	£154,175	£637,358
Volunteering	-	-	-	-	-	£415,646
Marketing	£91,834	£193,378	£92,803	£14,398	£408,815	£870,278
Employee costs		£106,818	£460,964	£217,270	£1,666,070	£2,548,428
Monitoring & Evaluation	-	-	-	£7,428	£47,151	£131,201
Governance	£161,679	£134,699	£10,270	£3,720	£57,493	£194,452
Overheads	£4,794	£28,912	£58,868	£19,625	£189,474	£430,568
<b>Total</b>	<b>£394,611</b>	<b>£636,294</b>	<b>£982,432</b>	<b>£457,885</b>	<b>£3,552,696</b>	<b>£7,861,216</b>

Source: Coventry City of Culture Trust Audited Accounts

### (iii) Income

The Trust receives income from a range of sources as set out earlier in Table 3.2 and Table 3.4 below. A breakdown of the income sources used to fund the expenditure described in Table 3.3 above is presented in Table 3.4.

Time Period	15 months	12 months	12 months	3 months	12 months	12 months
	Oct 15-Dec 16	Dec 16-Dec 17	Dec 17 -Dec 18	Jan 19 – Mar 19	Apr 19 - Mar 20	Apr 20 – Mar21
<b>Government / Statutory</b>	£187,755	£120,664	£375,000	£298,750	£2,125,000	£4,200,000
<b>Lottery</b>	-	-	-	£547,033	£1,833,217	£1,909,772
<b>Trusts &amp; Foundations</b>	£60,000	£60,000	£250,000	-	£450,000	£370,000
<b>Philanthropy and 2021 Club</b>	£40,000	£146,400	£326,250	£20,000	£70,000	£76,000
<b>Private sector</b>	£260,360	£351,000	£423,834	£237,768	£438,506	£280,100
<b>Other</b>	£4,280	£38,665	£78,827	£76,750	£172,625	£171,356
<b>Total</b>	<b>£552,395</b>	<b>£716,729</b>	<b>£1,453,911</b>	<b>£1,180,301</b>	<b>£5,089,348</b>	<b>£7,007,228</b>

Source: Coventry City of Culture Trust Audited Accounts

#### (iv) Income and Expenditure

The income and expenditure for the Trust is shown in Table 3.5. The Trust had a surplus each year up until 2020/21. The deficit in 2020/21 has been met by reserves brought forward.

Time Period	15 months	12 months	12 months	3 months	12 months	12 months
	Oct 15-Dec 16	Dec 16-Dec 17	Dec 17 - Dec 18	Jan 19 – Mar 19	Apr 19 - Mar 20	Apr 20 – Mar21
<b>Income</b>	£552,395	£716,729	£1,453,911	£1,180,301	£5,089,347	£7,007,227
<b>Expenditure</b>	£394,611	£636,294	£982,432	£457,885	£3,552,696	£7,861,216
<b>Surplus/Deficit</b>	£157,784	£80,435	£471,479	£722,416	£1,536,651	-£853,989
<b>Reserves b/f</b>	-	£157,784	£143,218	£604,697	£1,327,113	£2,863,764
<b>Reserves c/f<sup>10</sup></b>	£157,784	£143,219	£604,697	£1,327,113	£2,863,764	£2,009,776

Source: Coventry City of Culture Trust Audited Accounts

### 3.3 Research and development

Coventry University and the UoW have been key partners in the development and delivery of the UK CoC 2021 from the outset. They were engaged at the bidding stage and award of the title in 2017, and the partnership has since jointly:

<sup>10</sup> In 2016/17 and 2017/18 the total reserves carried forward, follow transfers of £95,000 and £10,000 respectively to restricted funds

- been responsible for the preparation of the overall PM&E strategy for UK CoC 2021;
- contracted four focus studies commissioned by the Trust (at a total investment of £160k);
- supported (and jointly co-funded) nearly 60 diverse research projects - working with more than 60 new community partners and 20 creative artists in a variety of ways and settings;
- developed and submitted around a dozen new collaborative funding bids ranging from £50k - £50m; and
- developed new innovative approaches – for example ‘Coventry Creates’ which has involved 18 commissions, 42 artists, 27 academic researchers, enlarging the impact of the work of both partners; engaging 180 participants & 16 local cultural/community organisations; providing a (replicable) model for impact creation; and production of a digital exhibition 11.

At the bidding stage, a target of £2m investment in Research was anticipated. Over the five-year period 2017/2018 - 2020/2021, the Universities estimate investment in Research to be in the region of approximately £1,397,000:

- £570,000 from the UoW - this includes staffing costs, research funding internally, research funding for open calls and funding for Coventry Creates, highlighted above;
- £827,000 from Coventry University – this includes the digital archive Coventry Digital, numerous Staff and Student City of Culture Grants, Coventry Creates, match funding for Focus Studies, Coventry City of Culture Leadership Programme support, Strategic Impact Funds, Coventry Modern, and staffing costs to support partnership activity, legacy and impact and monitoring and evaluation.

Other examples of cultural investments beyond research in support of City of Culture 2021 include the Coventry University Group Cultural Strategy and investments in Coventry Dance, Orchestra in Residence, Cathedral Quarter Alliance, Coventry River Cultural Consortium, Metropolis and the provision of the ‘civic centre site’ for the duration of City of Culture and home to the Coventry UK City of Culture 2021 Assembly Festival site.

Meanwhile, UoW investments include Warwick Arts Centre, one of the biggest arts venues outside of London which encourages direct student involvement in running one of the most active arts scenes in the country. Some of the University’s new collaborations have also been with the Herbert Art Gallery and Belgrade Theatre.

<sup>11</sup> <https://coventrycreates.co.uk/>

### 3.4 Cultural and heritage capital

#### (i) Expenditure

CCC has drawn up a 10-year Cultural Strategy (2017-2027) which includes five key goals for cultural growth related to partnerships; lifelong learning; diversity; health and wellbeing; and economic growth. The strategy has been informed by an audit of existing cultural, heritage and public arts assets that exist in the city and recognises that to grow Coventry’s cultural infrastructure there needs to be investment in building the track record of both existing producers and venues, such as the Cathedral, as well as emerging new companies and festivals.

The audit identified that there has been significant investment in facilities over the past ten years including at the Belgrade Theatre, Coventry Transport Museum, Herbert Art Gallery & Museum and Warwick Arts Centre. In order to capitalise on the investments made to date, the Strategy set out a series of further capital projects as part of a 10-year vision to re-position Coventry as a leading City of Culture. The projects included Daimler Production Hub, Fargo Village and the Cathedral amongst many others.

Since 2017, the award of the CoC title has seen the attraction of over £71.5 million funding for the development of Cultural and Heritage Assets across the Coventry and Warwickshire area. Linked to the Cultural Strategy in part, the projects have involved expanding production and presentation capacity, which will in turn facilitate greater participation and access to cultural activities across the City. The projects in receipt of support are listed in Table 3.6 below.

There are a number of other pipeline capital projects which may come forward for funding as a result of the delivery of UK CoC, however these will be captured in the next EIA report following the delivery of the UK CoC main programme in April 2022.

Table 3.6: Cultural and Heritage Capital Programme Expenditure		
Project	Delivery Partner	Investment
Cathedral	Coventry Cathedral	£3,677,607
Drapers Hall	Historic Coventry Trust	£4,466,147
Daimler Powerhouse	Godiva Awakes Trust	£2,414,151
Belgrade	Belgrade	£5,446,247
The Box at Fargo	Complex Development Projects	£784,200
Herbert Art Gallery & Museum	Culture Coventry	£1,200,000
St Mary's Guildhall	CCC	£5,600,000
Unique Visitor Stay Places (Gates)	Historic Coventry Trust	£1,548,350
Collection Centre	Culture Coventry	£165,000
The Albany Theatre	The Albany Theatre Trust	£500,000
FarGo Village Remodel	Fargo	£300,000
Digital Gallery	City of Culture Trust	£1,750,000

<b>Table 3.6: Cultural and Heritage Capital Programme Expenditure</b>		
<b>Project</b>	<b>Delivery Partner</b>	<b>Investment</b>
Charterhouse: Heritage visitor attraction	Historic Coventry Trust	£11,405,272
Coventry Visitor Information Provision	CCC	£350,000
Warwick Arts Centre	Warwick Arts Centre (UoW)	£25,500,000
Other HCT Projects: Burges; London Rd Cemetery; Whitefriars Gate; Priory Row	Historic Coventry Trust	£6,633,005
<b>Total</b>		<b>£71,739,979</b>

Source: CCC and Historic Coventry Trust

The award of the UK CoC 2021 has also seen the construction of a new high-quality hotel situated in the City Centre in the Iconic Telegraph building at 157 Corporation Street - home to the city's newspaper for more than 50 years. The 'Telegraph Hotel Coventry', officially opened in May 2021, will provide 88 bedrooms including penthouse suites, a stylish all-day restaurant, a large, flexible events space and a rooftop bar overlooking Belgrade Square.

<b>Table 3.7: Direct Hotel Construction</b>		
<b>Project</b>	<b>Delivery Partner</b>	<b>Expenditure</b>
Coventry Telegraph Hotel	Complex Development Projects	£18,315,188

Source: Complex Development Projects

## (ii) Income

A range of income has been secured to fund the cultural capital programme as outlined in Table 3.8 below. This includes DCMS funding from the Arts Council, Heritage Lottery Fund, Historic England, the Cultural Recovery Fund Kickstart Capital; CCC; CWLEP; and other public and private sector funding. Historic Coventry Trust has also been successful in raising over £3m from Trusts and Foundations towards the restoration of a number of Heritage Sites.

<b>Table 3.8: Coventry CoC - Cultural Capital Investment Programme</b>	
	<b>Total Income</b>
DCMS (Arts Council; Heritage Lottery Fund; Historic England; Kickstart Capital)	£19,531,709
CWLEP Growth Deal	£4,316,551
Getting Building Fund	£6,308,223
CCC	£3,876,068
Public and Private Sector Match Funding (UoW; Trusts and Foundations; Private)	£37,707,428
<b>Total Funding</b>	<b>£71,739,979</b>

Source: CCC and Historic Coventry Trust



While not directly related to the outcome of the UK CoC, it is worth noting that in addition to the Cultural Capital Programme highlighted above, a number of cultural organisations within Coventry and Warwickshire have also been successful in securing funding from the Government’s Cultural Recovery Fund. This was established to safeguard jobs, promote financial sustainability and to assist businesses to stay afloat during the COVID-19 crisis. In total, DCMS has awarded over £4m revenue funding and £3m capital funding has been awarded to 22 organisations across a range of disciplines.

<b>Table 3.9: DCMS Cultural Recovery Fund Grants – Coventry and Warwickshire</b>		
<b>Organisation</b>	<b>Discipline</b>	<b>Grant awarded (£)</b>
Belgrade Theatre Trust (Coventry) Ltd	Theatre	1,485,099
Clarity Leisure	Music	179,000
Coventry Cathedral	Combined arts	74,152
EGO Performance Company Ltd	Theatre	192,564
FarGo Village	Combined arts	224,841
Kasbah	Music	180,838
Mercurial Arts Limited	Combined arts	96,827
My Runway Group	Combined arts	90,708
The Albany Theatre	Theatre	375,000
The Highlife Centre Ltd	Combined arts	103,550
UoW	Combined arts	672,974
Warren Elsmore Ltd	Not discipline specific	175,192
Ascension Dance Company	Dance	20,168
Coventry Pride	Combined arts	55,000
Godiva Awakes Trust	Not discipline specific	279,570
Highly Sprung Performance Company CIO	Combined arts	110,359
Ludic Rooms Ltd	Combined arts	32,000
Phizzical Productions	Combined arts	51,900
Prime Cafe Ltd T/A Esquires Coffee	Not discipline specific	78,014
The Tin Music and Arts	Music	30,394
Vortex Creates Ltd	Combined arts	32,519
<b>Total Revenue</b>		<b>£4,540,669</b>
UoW	Combined arts	1,919,000
CCC	Combined arts	1,120,200
	<b>Total Capital</b>	<b>£3,039,200</b>
	<b>Coventry total</b>	<b>£7,579,869</b>
	<b>West Midlands total</b>	<b>£67,528,329</b>
<b>% of West Midlands Allocation</b>		<b>11.2%</b>

Source: DCMS, ACE, Round 1, 2, Capital Kickstart

The Trust also established its own 2021 Coronavirus Impact Resilience Fund cultural recovery fund for freelancers and artists and worked with the Heart of England Community Foundation to distribute 97 grants with a total value of £59,048. This was in addition to the Road to 2021 Fund and the Get Ready Funds which supported a further 33 and 10 individuals respectively, with funding of £242,269 and £23,295.

### 3.5 City readiness and infrastructure investment

In preparation for the delivery of UK CoC, CCC has been working with regional and sub-regional partners (WMCA; CWLEP) to secure funding to deliver a programme of high-quality public realm improvements (including highways improvements) within and surrounding the City Centre. In total, close to £45 million has been approved to date, which will also benefit the wider sub-region in hosting the Commonwealth Games due to be delivered in Birmingham in July 2022.

The City has also ringfenced funding in the region of £6.1 million to deliver a City Readiness Programme. This funding has enabled staff within the Council to support the maximization of benefits, by aligning investment in areas such as city infrastructure; destination promotion and marketing; cultural capital; skills and sector development.

<b>Table 3.10: Coventry UK CoC Public Realm Programme (including highways improvements)</b>					
	<b>2018/19 Actual Spend £'000</b>	<b>2019/20 Actual Spend £'000</b>	<b>2020/21 Actual Spend £'000</b>	<b>2021/22 Forecast Spend £'000</b>	<b>Total £'000</b>
UK Central (UKC) & WMCA	-	£3,363	£24,560	£3,287	<b>£31,210</b>
Growth Deal	£3,236	£6,639	£2,065	£335	<b>£12,275</b>
Other Public Sector	£1,290	-	-	-	<b>£1,290</b>
<b>Total Funding</b>	<b>£4,526</b>	<b>£10,002</b>	<b>£26,625</b>	<b>£3,622</b>	<b>£44,775</b>

Source: CCC

### 3.6 Wider regeneration activity

The UK CoC 2021 award has been part of wider regeneration activity in the area and is likely to contribute to a number of major initiatives taking place within the City at the current time. These include:

**(i) Friargate**

Friargate is a new development which will create a central business district for Coventry and a new gateway into the city centre from the rail station, which is adjacent. The One Friargate office building was completed in 2017 and is now occupied, whilst the second

office building, Two Friargate, is due to open in Autumn 2022. In addition, the development includes improvements to the public realm, which are already open, and complementary retail and leisure units. A new four-star Hotel Indigo is also planned alongside further residential development at Friargate, with planning approval achieved in December 2019.

**(ii) City Centre South**

The City Centre South scheme is a future plan to regenerate Coventry city centre in response to changing requirements and demand. The regeneration scheme will involve the creation of new space for retail, leisure and residential uses including a cinema, hotel, restaurants, co-working space and community space. The development will also include a new building called “The Pavillion” which will be a flexible space for pop-up retail and leisure businesses and include public events space. The scheme, which has now received outline approval, is estimated to cost £350 million and work is due to being onsite in 2022.

**(iii) Cathedral Lanes**

Cathedral Lanes is a former shopping centre in the city centre which has been redeveloped into a leisure venue with restaurants and shops occupying the reconfigured centre. It occupies a key location in the city centre, opening onto Broadgate and close to Coventry Cathedral, a key location for the City of Culture year events. The first phase of restaurants opened in 2015 and the second phase of retail and leisure development is now complete and fully let.

**(iv) Coventry Station Masterplan**

The Coventry Station Masterplan project will expand the station and its infrastructure to meet current and expected passenger growth using funding from WMCA, Coventry and Warwickshire Local Enterprise Partnership and CCC. The new station building and car park are expected to be completed by Spring 2021, coinciding with the City of Culture programme of events and in anticipation of the Commonwealth Games in 2022. The £82 million project involves the refurbishment of the Grade II listed station, a 633-space multi-storey car park, a second station entrance, a transport interchange and access tunnel under Warwick Road and improved accessibility for both pedestrians and vehicles.

**(v) Ricoh Arena Hotel**

To further support the Ricoh Arena’s role as a conference centre and events venue, a new hotel is being built adjacent to the arena for overnight stays and event visitors. The 150-room hotel will be operated by Hampton by Hilton and is scheduled for completion in 2021.

**(vi) City Centre Waterpark**

The Wave opened in Coventry city centre in 2019, including a gym, spa and waterpark with six slides and the largest wave pool in the UK. The £36.7 million waterpark,

operated by CCC, was built on the site of former office accommodation on the edge of the city centre.

**(vii) Former Co-Operative building**

The former Co-operative building has been redeveloped to include residential, leisure and commercial uses. Using a combination of public and private investment, the building has been renovated to include restaurant and shops in ground floor units and flats on the above floors, including a residents'- only indoor park. The next phase of development will involve the creation of a basement office space which will continue to support regeneration of the site and wider area.

**(viii) 50m swimming pool**

In February 2020, a new 50m Olympic sized swimming pool opened at the Alan Higgs Centre, with an improved fitness suite and accessibility upgrades. The project was completed following £13.5m investment from CCC and Sports England.

**3.7 Projected economic impacts**

**3.7.1 Overview**

The majority of the economic impacts associated with the UK CoC 2021 will be reported following completion of the year-long programme of events due to delivered over the period May 2021- April 2022. A range of indicators will be used to assess the various impacts arising, as set out earlier in Table 2.2 at the front of the report.

As noted above however, there has been a significant amount of capital infrastructure works carried out in preparation for the delivery of the main programme, which will have generated a number of jobs and GVA within the local economy. An estimate of these benefits is presented below, although it should be noted that these relate purely to the construction phase at this stage. The operational impacts that will result from the increase in visitor numbers and participation rates will be assessed as part of the next stage of the EIA process.

**3.7.2 Expenditure**

The capital expenditure invested to date and secured for the Heritage and Cultural capital programme; the delivery of the Coventry Telegraph Hotel; and the City's public realm improvements associated with UK CoC 2021 is set out in Table 3.11 below.

<b>Table 3.11: Capital Expenditure works associated with the award of the UK CoC 2021</b>	
<b>Programme/Activity</b>	<b>Expenditure</b>
Heritage and Cultural Capital	£71,739,979
Direct Hotel Construction	£18,315,188
CCC Public Realm (including highways improvements)	£44,776,000
<b>Total</b>	<b>£134,831,167</b>

Source: CCC and Historic Coventry Trust

### 3.7.3 Construction Jobs

The construction spend figures have been used to estimate the gross number of jobs resulting from the capital works undertaken. Benchmark cost per job figures for the associated works, taken from the Homes and Communities Agency (HCA) cost per job best practice note (2015), have been inflated to 2021 prices and applied to the expenditure figures accordingly. This generates an estimate of 1,486 gross person years of employment or 149 FTE jobs created as a result of the cultural capital infrastructure works.

<b>Table 3.12: Capital Expenditure works associated with the award of the UK CoC 2021</b>		
<b>Programme/Activity</b>	<b>Gross Jobs (Person Years)</b>	<b>Gross Jobs (FTE)</b>
Heritage and Cultural Capital	762	76.2
Direct Hotel Construction	194	19.4
CCC Public Realm (including highways improvements)	530	53.0
<b>Total</b>	<b>1,486</b>	<b>148.6</b>

### 3.7.4 GVA

In order to calculate the GVA<sup>12</sup> associated with the capital investment activities, a turnover to GVA ratio for the construction industry of 38% has been applied using data from the Annual Business Survey. This provides a Gross GVA estimate of £56.6m for the capital infrastructure works either underway or completed to date.

<sup>12</sup> GVA is a measure of the economic value of goods and services produced in an area. It is defined by the ONS as "... the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production".

<b>Table 3.13: Capital Expenditure works associated with the award of the UK CoC 2021</b>	
<b>Programme/Activity</b>	<b>Gross GVA</b>
Heritage and Cultural Capital	£27,261,192
Direct Hotel Construction	£6,959,771
CCC Public Realm (including highways improvements)	£17,014,880
<b>Total</b>	<b>£51,235,843</b>

## 4 Headline findings and next steps

### 4.1 Summary of findings

Following a review of the baseline information set out earlier in this report, it is evident that there have been some notable changes since the award of the title in 2017. A summary of the recent trends and headline indicators is provided below:

- **GVA** – the value of economic output in Coventry currently stands at £9.5 billion, which represents an increase of over 40% since 2010, higher than the regional and national growth. The cultural and creative industries contributed 5.8% of this value in 2018 for both Coventry and Coventry and Warwickshire (£552 million and £1,701 respectively). This represents an increase from 5.0% in 2015 for Coventry, but a decrease from 6.2% for the wider sub-region.
- **Businesses** – there are currently over 10,100 businesses in Coventry, which has also increased by over 40% since 2010, however business growth has levelled off in recent years. There has been a higher increase in the number of creative and cultural industry businesses (50.3%) since 2010, with the digital sector making up the largest proportion of the businesses within the sector. In total, there are currently 1,240 cultural and creative businesses in Coventry and 4,365 in Coventry and Warwickshire (which has increased by 60 between 2017-2020).
- **Employment** – the number of overall jobs in Coventry has increased to 165,000 in 2019, which represents an increase of 5.1% over the period 2015-2019, while the number of jobs in the wider sub-region Coventry and Warwickshire has increased by 7.1% (30,000+) both outpacing national growth of 4.3%. Employment in the creative and cultural industries has however declined by 10.1% in Coventry, in contrast to growth in the wider sub-region and nationally.
- **Tourism** – there has been an increase in both the number of businesses and employment in tourism related industries since 2017, with an additional 105 businesses and 1,275 jobs.

The most recent STEAM estimates indicate an additional 623,000 visitors since 2017, with visitor levels reaching in excess of 10 million in 2019. These visitors have increased tourism expenditure by £46.2m supporting approximately 417 FTE jobs within the hospitality sectors.

Furthermore, estimates from the GBDVS and the IPS suggest that both average day visitor and overnight visitor expenditure has increased by £5.24 per day visitor and £40.45 for an overnight visitor over the period 2017-2019, to £24.26 and £185.77 respectively.

The increases in average expenditure for day visitors and overnight visitors for Coventry and the wider Coventry and Warwickshire sub-region, which exceed the national average for overnight stays in particular, are encouraging. However, there is still some way to go, to close the gap with the national averages.

- **Labour market** – Coventry currently has a lower economic activity rate than the wider sub region of Coventry and Warwickshire and the national average, with an employment rate of 71.4% and unemployment rate of 6.6%. There are currently 17,155 unemployed residents within the City, which has increased by over 9,000 since the start of the Pandemic, of which 3,350 are aged 16-24. There are also over 370 16-17yr olds within the City currently not in education, employment or training.

Employment rates among ethnic minority groups in Coventry and Warwickshire have been consistently lower compared to the population as a whole for the last 5 years. However they have been increasing, and in Coventry employment rates have increased from 56.1% to 64.4% in 2020. In the wider sub-region rates have increased from 60.1% to 67.4%, while at the national level, the increase is less marked, moving from 63.8% to 67.4%.

While there has been a corresponding fall in economic inactivity rates, there has also been an increase in unemployment rates among ethnic minority groups at the local and sub-regional level compared with decreasing rates at the regional and national level.

- **Investment** - to date, approximately £172.6 million investment has been secured as a result of being awarded the UK CoC 2021 title. This includes:
  - £30.3 million direct income secured for the management and delivery of the programme by the Trust;
  - £1.4 million related to research activities and sector development by the Universities
  - £71.7 million for cultural and heritage asset improvements;
  - £18.3 million for the construction of a new hotel; and
  - £50.9 million for infrastructure works (public realm and transport) and city readiness.
- **Economic impacts** - the construction activity related to the capital investment is expected to generate 149 gross FTE jobs and over £51.2m GVA.
- **Regeneration activity** - the award of the title has also contributed to a range of other wider regeneration activity within the City, with initiatives in excess of £500m either now complete or underway at Friargate, City Centre South,



Cathedral Lanes, Coventry Station, Ricoh Arena Hotel, City Centre Waterpark, former Co-Operative building and in the construction of the Alan Higgs Centre Swimming Pool.

## 4.2 Ongoing monitoring and evaluation activities

### 4.2.1 Longitudinal Case Studies

To understand how the UK CoC 2021 impacts the National Portfolio Organisations within Coventry and Warwickshire, AMION will be engaging with members of the CW10<sup>13</sup> group during and after the delivery of the programme to ensure that sufficient data is collated to evidence the outcomes and impacts associated with the UK CoC and the extent to which they can be attributed to the delivery of the programme. The early-stage discussions, currently underway, are being used to augment information gathered through desk-based research (for example, collection of the audited annual accounts and information from websites) and this will be used to:

- verify the baseline for the organisation - including employee information; the turnover of the company; and visitor / audience numbers and their demographic composition;
- understand investment to date – including sources of grant funding and partner contributions; investment in areas such as capital / infrastructure, recruitment and training, and commissions; and projected investment during the delivery of the events programme;
- understand the company’s planned activities, their contribution to the programme and the extent to which this has changed as a result of the Covid-19 pandemic – including the delivery arrangements; any collaborations, partnerships or co-creation; and monitoring and evaluation arrangements; and
- identify the extent to which the UK CoC has or is expected to contribute to the overall sustainability and resilience of the organisation.

### 4.2.2 Integrated Cost Benefit Analysis

The methodology for undertaking the EIA for UK CoC 2021 was included in the scoping report prepared in September 2020. Since then however, discussions have been held with MB Associates who are carrying out a parallel piece of work to assess the Social Return on Investment (SROI) arising as a result of the UK CoC, to ensure that an

<sup>13</sup> CW10 members include: RSC, Warwick Castle, the Belgrade Theatre, Warwick Arts Centre, Compton Verney, Coventry Cathedral, the Shakespeare Birthplace Trust, British Motor Museum; Culture Coventry; and the CoC Trust.

integrated framework is developed to underpin the Cost Benefit Analysis that will be delivered at the end of this evaluation process.

This is being undertaken to ensure that there is clarity from the outset regarding the definition of ‘benefits’ that will be assessed, the methods for capturing data to measure change, and the values that will be ascribed to net additional change arising from the interventions delivered through the programme. This more detailed CBA methodology is also being revisited in the light of changes to HM Treasury’s Green Book introduced in December 2020. A supplementary methodology note will be provided on completion of the framework, to ensure that this is aligned with the wider monitoring and evaluation activities being carried out by the Performance Measurement and Evaluation Group led by the UoW, in conjunction with Coventry University and The Trust.

While the joint CBA assessment will feed into the final report, both AMION and MB Associates will still be responsible for producing separate reports on the Economic Impacts and Social Impacts being delivered as a result of UK CoC 2021 in the intervening period.

### 4.3 Reporting

In terms of the formal EIA reporting process, two key deliverables are planned as set out below:

- **An interim EIA report will be prepared in September 2022** – given the timing of this report, it is envisaged that the interim assessment will involve analysis of secondary data sources, operational data and more qualitative impacts, as a number of the more quantitative impacts are unlikely to have been achieved by this stage. It will assess impact with regard to tourism; cultural and creative sectors; investment and inclusive growth; and
- **A final EIA report will be presented in September 2024** – to address the key evaluation questions set out in the brief and the extent to which the UK CoC 2021 achieved its objectives in terms of:
  - uplifting the economy;
  - increasing tourism;
  - increasing investment in the city region;
  - creating a more sustainable and resilient cultural and creative sector; and
  - the achievement of inclusive growth across Coventry.

The final evaluation report will comprise robust Cost Benefit Analysis (as described above) to assess VfM and provide an understanding of the key drivers underpinning the achievement of economic impact.

## Appendix A – Sector definitions

Table A1: DCMS Sector Definitions					
SIC07 Code	Description	Creative Industries	Digital Sector	Cultural Sector	Tourism
1820	Reproduction of recorded media			*	
2611	Manufacture of electronic components		*		
2612	Manufacture of loaded electronic boards		*		
2620	Manufacture of computers and peripheral equipment		*		
2630	Manufacture of communication equipment		*		
2640	Manufacture of consumer electronics		*		
2680	Manufacture of magnetic and optical media		*		
3212	Manufacture of jewellery and related articles	*		*	
3220	Manufacture of musical instruments			*	
4651	Wholesale of computers, computer peripheral equipment and software		*		
4652	Wholesale of electronic and telecommunications equipment and parts		*		
4763	Retail sale of music and video recordings in specialised stores			*	
4910	Passenger rail transport, interurban				*
4932	Taxi operation				*
4939	Other passenger land transport n.e.c.				*
5010	Sea and costal passenger water transport				*
5030	Inland passenger water transport				*
5110	Passenger air transport				*

Table A1: DCMS Sector Definitions					
SIC07 Code	Description	Creative Industries	Digital Sector	Cultural Sector	Tourism
5510	Hotels and similar accommodation				*
5520	Holiday and other short-stay accommodation				*
5530	Camping grounds, recreational vehicle parks and trailer parks				*
5590	Other accommodation				*
5610	Restaurants and mobile food service activities				*
5621	Event catering activities				*
5629	Other food service activities				*
5630	Beverage serving activities				*
5811	Book publishing	*	*		
5812	Publishing of directories and mailing lists	*	*		
5813	Publishing of newspapers	*	*		
5814	Publishing of journals and periodicals	*	*		
5819	Other publishing activities	*	*		
5821	Publishing of computer games	*	*		
5829	Other software publishing	*	*		
5911	Motion picture, video and television programme production activities	*	*	*	
5912	Motion picture, video and television programme post-production activities	*	*	*	
5913	Motion picture, video and television programme distribution activities	*	*	*	
5914	Motion picture projection activities	*	*	*	
5920	Sound recording and music publishing activities	*	*	*	
6010	Radio broadcasting	*	*	*	
6020	Television programming and broadcasting activities	*	*	*	

<b>Table A1: DCMS Sector Definitions</b>					
<b>SIC07 Code</b>	<b>Description</b>	<b>Creative Industries</b>	<b>Digital Sector</b>	<b>Cultural Sector</b>	<b>Tourism</b>
6110	Wired telecommunications activities		*		
6120	Wireless telecommunications activities		*		
6130	Satellite telecommunications activities		*		
6190	Other telecommunications activities		*		
6201	Computer programming activities	*	*		
6202	Computer consultancy activities	*	*		
6203	Computer facilities management activities		*		
6209	Other information technology and computer service activities		*		
6311	Data processing, hosting and related activities		*		
6312	Web portals		*		
6391	News agency activities		*		
6399	Other information service activities n.e.c.		*		
6820	Renting and operating of own or leased real estate				*
7021	Public relations and communication activities	*			
7111	Architectural activities	*			
7311	Advertising agencies	*			
7312	Media representation	*			
7410	Specialised design activities	*			
7420	Photographic activities	*		*	
7430	Translation and interpretation activities	*			
7711	Renting and leasing of cars and light motor vehicles				*
7721	Renting and leasing of recreational and sports goods				*

Table A1: DCMS Sector Definitions					
SIC07 Code	Description	Creative Industries	Digital Sector	Cultural Sector	Tourism
7734	Renting and leasing of water transport equipment				*
7735	Renting and leasing of air transport equipment				*
7911	Travel agency and tour operator activities				*
7912	Travel agency and tour operator activities				*
7990	Other reservation service and related activities				*
8230	Organisation of conventions and trade shows				*
8552	Cultural education	*		*	
9001	Performing arts	*		*	*
9002	Support activities to performing arts	*		*	*
9003	Artistic creation	*		*	*
9004	Operation of arts facilities	*		*	*
9101	Library and archive activities	*		*	
9102	Museum activities	*		*	*
9103	Operation of historical sites and buildings and similar visitor attractions			*	*
9104	Botanical and zoological gardens and nature reserve activities				*
9200	Gambling and betting activities				*
9311	Operation of sports facilities				*
9319	Other sports activities				*
9321	Activities of amusement parks and theme parks				*
9329	Other amusement and recreation activities				*
9511	Repair of computers and peripheral equipment		*		
9512	Repair of communication equipment		*		

<b>Table A2: DCMS Subsector – Music, performing and visual arts</b>	
<b>SIC07 Code</b>	<b>Description</b>
5920	Sound recording and music publishing activities
8552	Cultural education
9001	Performing arts
9002	Support activities to performing arts
9003	Artistic creation
9004	Operation of arts facilities