COVENTRY REIMAGINED
CLIENT BRIEFING

MAKING
COMPLEX
EASY

COVENTRY IN CONTEXT

Between the wars, Coventry was the fastest-growing urban centre in Britain. It was a city that rose from the rubble and was central to the new Labour government's vision of a brave new Britain. It had the first pedestrianised shopping centre in Europe, and a higher rate of car and home ownership than any other industrial city.

But the spiral of history took a cruel twist. When the clouds of the recession, fuelled by an oil crisis, began to gather at the beginning of the 1970s, Coventry did not have the variety of industry to stay ahead. Factory closures, a failure to invest in its once pioneering shopping precincts and increasing unemployment rates gave the city a bleak and dispiriting Ghost Town feel, so articulately voiced by its most famous musical export, The Specials. Its image, once so vibrant and leading edge, worsened and it began to suffer an accelerating skills chasm, as many of the most inventive people sought work elsewhere.

Coventry built itself back up through diversifying its economic base over recent decades, shifting away from being dominated by manufacturing which provided 55% of jobs in the 1970s (compared to 11% now). Today the majority of jobs in Coventry are in the education (13.6%) and healthcare (13%) sectors. Growth is predicted to continue through new employment opportunities resulting from development in the advanced manufacturing and engineering, automotive, technology and distribution/logistics sectors[1].

From striking medieval architecture to experimental theatre, Coventry offers an unexpected taste of Britain's culture and history in the heart of the West Midlands. It is home to breath-taking stained glass displays in one of its three cathedrals, is just a stone's throw away from of the most glorious countryside the West MIdlands has to offer, and last year was proudly appointed the official UK City of Culture for 2021[2].

PAUSE FOR THOUGHT

There is clear regional inequality in terms of the economic dominance of London and the South East, which in turn impairs the social prosperity of people in the region, including Coventry. The West Midlands economy as a whole faces a number of structural issues, including a skills deficit and low productivity compared to the UK average. The Levelling Up agenda of Government as a comprehensive strategy is welcome. However, it is critical the concept is translated into meaningful change across Coventry.

Housing development is key to growth and a strategic regional issue. But at present it is only being considered at a local spatial scale. Coventry is a tightly bound authority with Green Belt, and the reality is that housing growth cannot be fully accommodated within the urban areas of Coventry itself, resulting in a dependence upon neighbouring Warwickshire. The Duty to Cooperate remains a powerless mechanism to meet housing need shortfalls regionally.

With Coventry having a significant housing need shortfall of 17,800 homes confirmed in 2017, it is clear this has not been comprehensively dealt with by neighbouring authorities. Recognising Coventry sits within a separate Housing Market Area ('HMA') to Birmingham, it is important to consider the shortfalls in housing supply beyond the HMA. A similar issue pervades for Birmingham and the Black Country – with a circa 78,000 housing shortfall.

There are ramifications which could stretch far beyond the realms of planning affecting the entire Combined Authority Area. These include future spending decisions on key infrastructure and the difficulties experienced by an entire generation to access affordable and good quality housing. The scale of the challenge could be considered paralysing and overwhelming. In fact, Hashi Mohamed, in his book 'A Home of One's Own' has argued that the housing crisis is serious enough to undermine our national security as a result of continued inaction. Inner city inequality, particularly in ethnically diverse communities such as Coventry, has the ability to create social instability at an economically challenging time when social cohesion is more critical than ever.

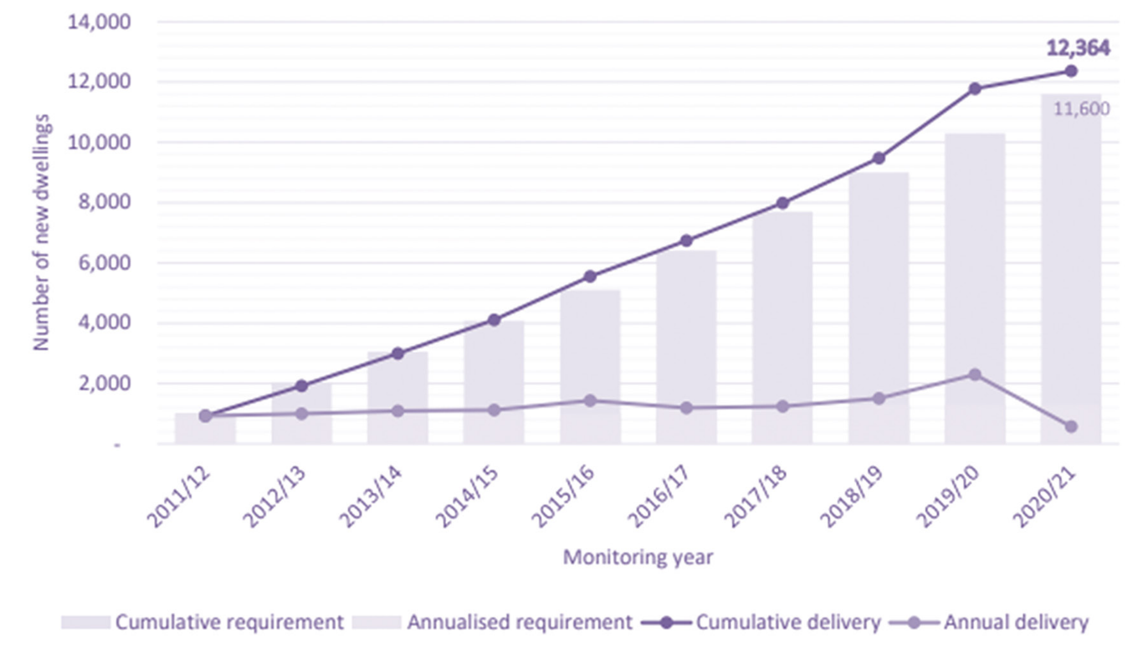
Key Facts[3]

- Population: **345,300**, making it the 2nd largest city in the West Midlands and the 12th largest in the United Kingdom
- The population of young people aged 18 to 24 is almost double the national average at **(14.3%)**
- Average life expectancy is **78 years** and **82 years** for men and women, respectively
- The average disposable household income is **£15,350**, compared to **£21,978** for England as a whole
- Unemployment is running at **5.5%** compared with **4.1%** for the UK as a whole
- Total vacant dwellings – **2.8%**
- In terms of car ownership, **68%** of households have at least one car available to them, lower than the England average of **75%**
- **8.40** years of housing land supply

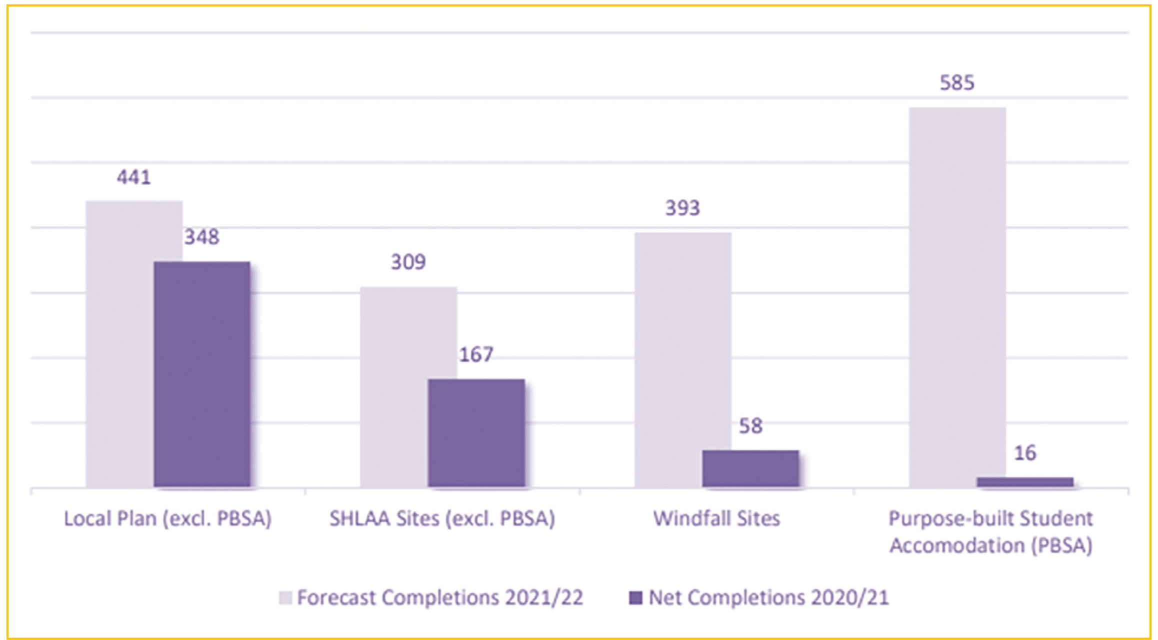
HOUSING

Between 2011/12 and 2020/21, Coventry delivered 12,364 net dwellings. This is 6% more than was envisaged by the trajectory set out in the Local Plan. This is despite the recent drop in delivery of annualised 1,300 requirement, in part attributed to the Covid-19 response. This is reflected in the net completions for 2020/21.

Dwellings delivered 2011/12 to 2020/21



Dwellings delivered by site allocation



As seen above, delivery across all types of site allocation was below forecast last year.

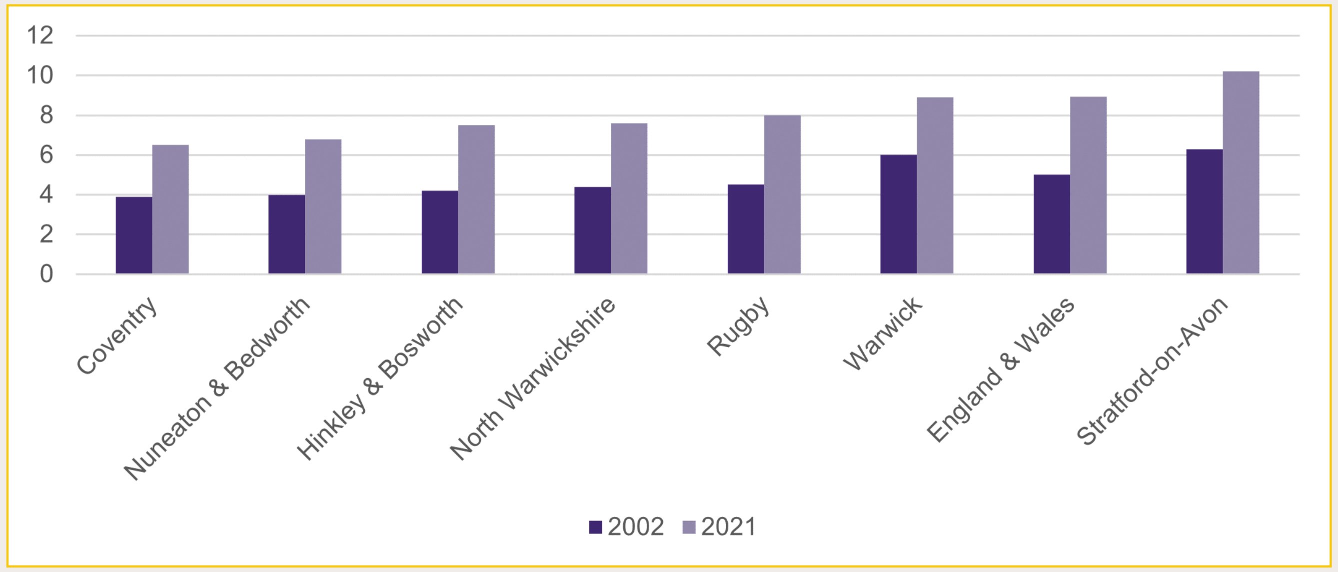
Notwithstanding this, due to Coventry's strong delivery of net dwellings in the years prior to the Covid-19 pandemic the housing delivery test for Coventry – a calculation set by central Government to measure delivery performance over a rolling three-year period – exceeds the 100% requirement, standing at 130%, meaning an action plan is not required to be implemented. It is however worth recognising that the Government adjusted the calculation to be pro-rata of the whole year given the Covid-19 impact. However, even if the adjustment had not been made and applied to a whole year, Coventry would still achieve 112% on the housing delivery test[4].

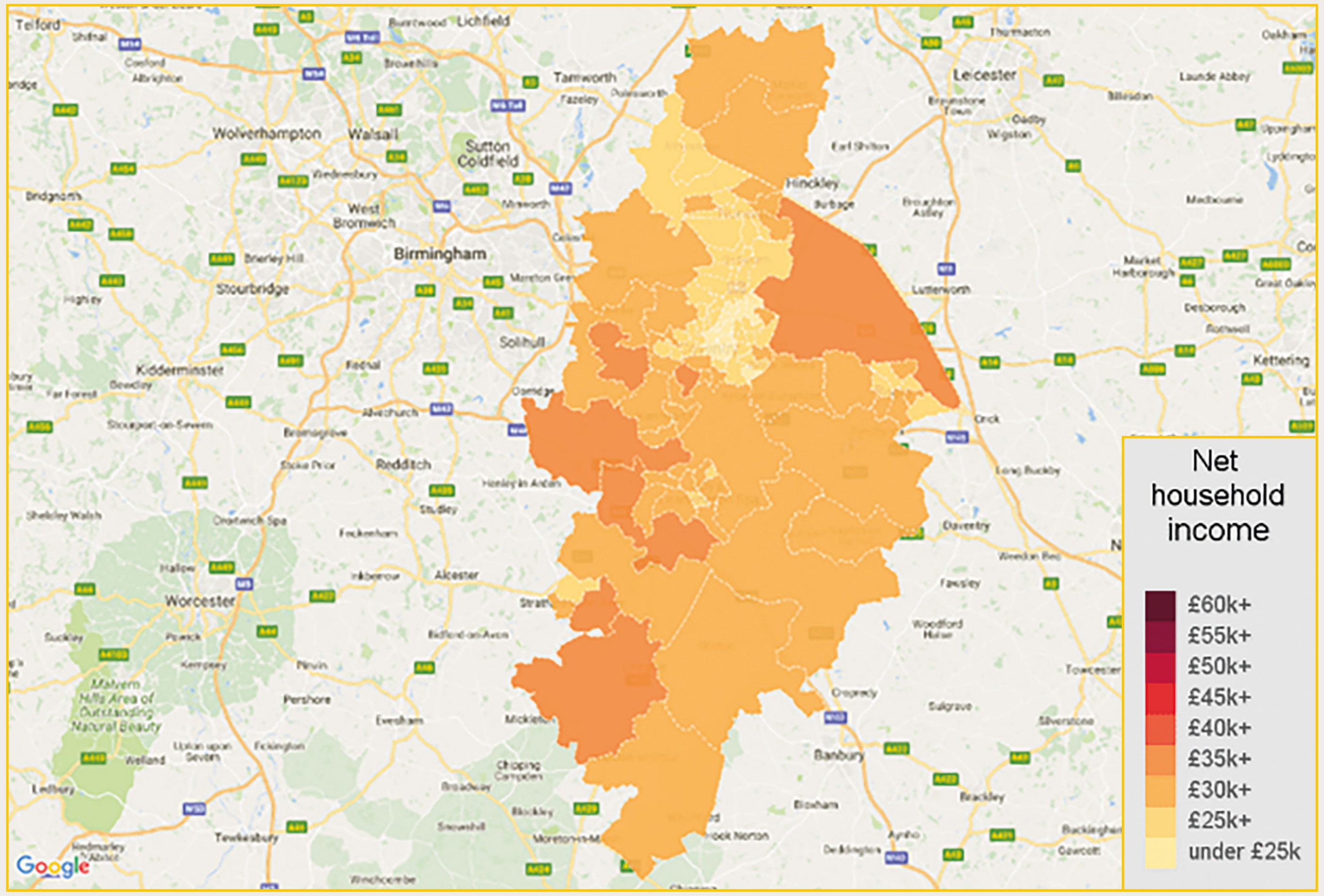
AFFORDABLE HOUSING

The delivery of affordable housing remains a long-standing concern, and as mentioned above, a continued lack of provision creates difficulties and inequalities in local society. The Council has not achieved its policy requirement of 35% annually since 2012/13, and for 2020/21 only 13% of new dwellings were affordable[5].

Meanwhile the affordability ratio for Coventry remains one of the lowest in its region.

Affordability Ratio (or House Price to Earning Ratio)





The map above shows the net average household income in 2016 by MSOA. The lowest average net household income was in Coventry, with £17,600. The area with the highest average net income was Solihull, with £37,800. Median income was £29,600. It is clear stark contrasts and geographical inequalities exist.

EMPLOYMENT

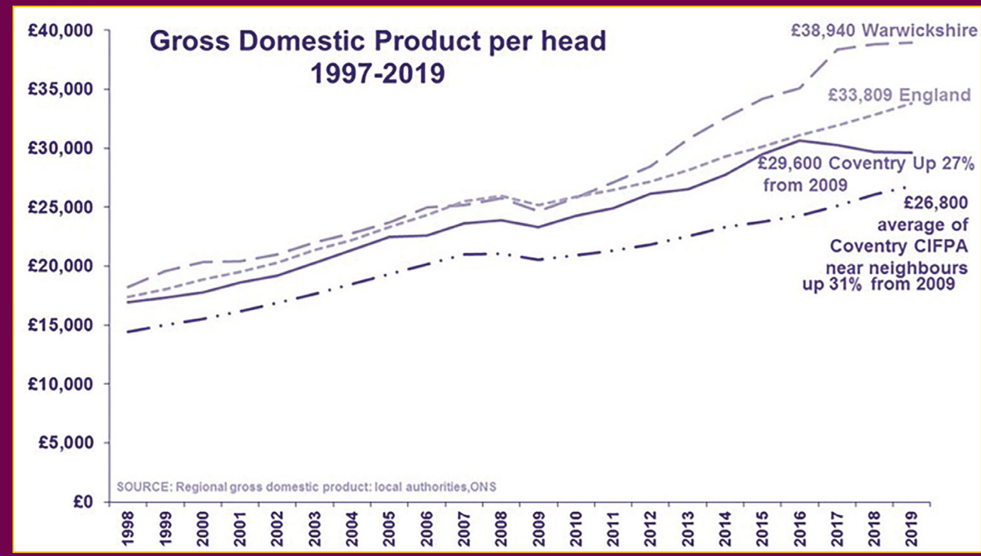
Coventry's economy started in a relatively strong position when the pandemic hit, with an employment rate of 77.2%, in line with the national average. Levels of youth unemployment were significantly lower than the national average and by far the lowest within the West Midlands Combined Authority area. Coventry has a diverse business base offering jobs across a wide range of sectors[6].

The pandemic response took its toll on Coventry's economy, with nearly 8,000 new Universal Credit claimants, youth unemployment doubled from 2.8% to 5.7% and 38,700 people were furloughed.

Data is still unravelling, and the longer-term impact is not yet fully understood. It is likely however that many further job losses will be prevalent in some deeply affected sectors, especially as financial support gets tighter given the fiscal outlook of the country.

Fortunately, Coventry's broad job base, particularly in manufacturing and research projects linked to two leading universities, namely the Battery Industrialisation Centre, is keeping a wide number of skilled jobs in the area. The growing creative, cultural, tourism and hospitality sectors have been boosted by the City of Culture 2021. Coupled with the construction boom of HS2, improving transport connections and expansion of both universities, Coventry is well placed to benefit from this growth[7].

Coventry's regional gross domestic product (GDP) per head stood at £29,608 in 2019, down from £29,681 in 2018. This new figure, replacing the previous gross value added (GVA) figure, considers the effect of taxation including VAT, and subsidies; but, the latest figure, for 2019, obviously does not consider the effect of the pandemic. Coventry fares better than the West Midlands figure of £27,574 but perform worse than the England average of £33,809.



Challenges and Opportunities[8]

Theme	Challenges	Opportunities
Housing	• 55% increase in housing need from the current local plan requirement of 1,300 homes per year to c2,325 homes per year under the standard method • Loss of affordable housing stock through Right to Buy • Below target levels of affordable housing delivery • Shortfalls within the wider Housing Market Area • Retrofitting of privately owned properties • Inflationary pressures and rising interest rates are creating a challenging environment across the construction industry in the short-term	• Delivery above targets • Supply above targets • Suburban Build to Rent and co-living offer new products to meet the needs of the market • Evolving nature of retail and Government push for residential uses in centres means new sites are becoming available, increasing supply • Retrofitting of properties owned by the Council
Employment	• High levels of unemployment • Contracting retail offering • The city's tight boundary also means land is depleting from an employment land supply perspective	• Provide employment land to stimulate economic growth, however the balance of need and supply means this must also utilise Green Belt land • More efficient use of employment land through multi-storey and mixed-use developments • Skilled construction and engineering jobs • Investment Zones
Transport	• In-commuting to Coventry for work has increased substantially in the last decade, placing pressure on sustainable travel patterns and air quality • Rail frequencies have reduced • Rising fuel costs	• HS2 will improve connectivity with the wider country • Single travel zone (like that available during the Commonwealth Games) • Cycle Superhighways • Reopening of closed rail stations to support 20-minute neighbourhood principles
Culture	• Places with a history of obtaining public investment – and the arts and cultural organisations based in those places – benefited most from the Culture Recovery Fund • Despite the rapid take-up of vaccines, the population's confidence in returning to cultural venues remained stubbornly low throughout 2021	• City of Culture 2021 Legacy • Commonwealth Games 2022 Legacy • Medium-long term reimagination of space • Public realm improvements • Role of planning, architecture & place-making
Environment[9]	• Climate Change • Car ownership and usage above 50% of the population • Air pollution	• Electric Vehicle Charging Point Network • Electric Bus Fleet • Cycleways

LOOKING TO THE FUTURE

City of Culture Legacy

The City of Culture legacy is perhaps yet to be fully realised, however CoC secured £172.6 million of investment, with 700 events being performed and 77% was co-created with local residents.

Quantitative data, learning insights and reflections will officially be released in the first part of 2023.

The Coventry City of Culture Trust opened The Reel Store in May 2022. As the UK's first permanent immersive digital art gallery, it is hoped that the new gallery can boost the visitor economy, showcase and support local and regional digital talent and be a part of the legacy of UK CoC 2021[10].

Transport Investment

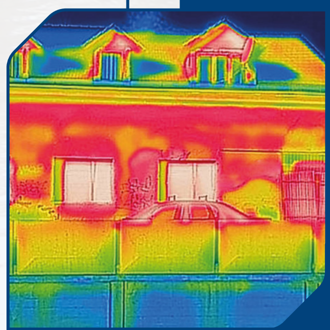
Coventry Very Light Rail – a research and development project being carried out with Warwick University, to develop track-designs that are cheaper and quicker to install than conventional tram tracks.

Cycle Lanes – Coventry has five cycleways, these have been developed and designed to accommodate the needs of people that do not usually cycle. In a recent survey across the West Midlands, the biggest reason people gave for not cycling is that they are concerned about safety, followed by a lack of confidence.

All-electric buses - A fleet of 130 zero-emission double-decker buses will be introduced next year as part of a £140 million project to make Coventry the UK's first all-electric bus city.

Retrofitting

We know that for some there are longstanding issues with fuel poverty in cities and with a rise in energy prices on the way, that is only going to get worse. WMCA funding will offer these low-income households a way to make their homes more energy efficient which in turn will help them to get their energy bills down.



Nearly 40% of the region's carbon emissions come from heating and powering our homes, so it's important that 150 homes across Coventry are to be retrofitted with super-efficient insulation and low carbon heating technology to help combat soaring fuel bills while slashing energy consumption and greenhouse emissions. Part of the West Midlands Combined Authority's (WMCA) ambitious plans to tackle climate change.

Nonetheless, there is still a huge skills gap. The Government has no Green Skills Strategy and the CLC National Retrofit Strategy has estimated a need for 500,000 new jobs; through upskilling – builders gaining new skills in sustainable construction and making it an attractive progression-based career; reskilling – plumbers to heat pump engineers and new professionals through apprentice programmes[11].

Low Traffic Neighbourhoods

Coventry City Council is yet to install any Low Traffic Neighbourhood schemes[12], also known as Active Neighbourhoods and Spaces for People. LTNs have the potential to reduce air pollution and traffic volumes within their boundaries and immediate surroundings. Whilst effect sizes are relatively small (6 to 9%), even small changes in air quality can bring large benefits to resident population health[13].
The fear of displacement of traffic and air pollution to surrounding streets is often invoked in opposition to LTNs, based often on theoretical preconceptions. A growing and convincing body of literature making the case for cities to adopt traffic restriction strategies such as LTNs, with minimal risk of unintended and unequal consequences[14].

CONCLUDING THOUGHTS

1

There is currently a lack of strategic thinking about the joining-up of infrastructure, employment and residential development

The fundamental issue facing the region is that housing is not being built where it is needed to be. This is in the most sustainable locations, which is leading to planning by appeal, whereby development is being consented in less sustainable locations due to many local authorities being unable to demonstrate a five-year housing land supply. There is a lack of strategic thinking about the joining of infrastructure, employment and residential development. At local authority level there isthe issue of reliance upon neighbouring authorities to fully realise the spatial vision and deliver objectives, which has the potential to hinder progress. Overall, there is clearly an absence of joined-up thinking without a strategic plan in place.

2

Investment Zones working in practice

The WMCA, and Coventry within that, have been consistent in their support of the overall strategy regarding Investment Zones and the Levelling Up agenda. The West Midlands Growth Prospectus essentially formulates the WMCA's strategic response and places investment zones at the core of how to re-establish regional economic growth.

Despite the political turmoil of the last few months, 41 upper tier authorities have carried on and submitted expressions of interest to the Government. While the resignation of Liz Truss as Prime Minister and her replacement with Rishi Sunak clearly puts the programme – one of her flagship policies – in doubt, many in the sector are optimistic that the incoming administration will want to harness the enthusiasm for development and local growth seemingly generated by it and will not ditch it completely. So far, the new Prime Minister and the new housing secretary Michael Gove have not set out their position on investment zones, but the programme did survive the reversal of many of the mini-budget measures following Kwasi Kwarteng's replacement by Jeremy Hunt.

3

Building on legacy

The UK City of Culture 2021 was an exciting and unforgettable time, and one that meant a lot for Coventry. As well as bringing people together, it has enabled a platform to build on. It is hoped that the people, firms and organisations of Coventry will feel the benefits of it for years to come – through improved prosperity, greater access to the arts and a better quality of life.

4

A green upskilling plan

As mentioned, Coventry and Warwickshire proposes to retrofit 300 homes with WMCA funding. However, this is a small number and far below the targets for 2026. So what is holding us back? The Government has no Green Skills Strategy and with the CLC National Retrofit Strategy estimating a need for 500,000 new jobs in sustainable construction, it could rightly be called an employment 'chasm' rather than a 'gap'. With some of the oldest housing stock in the country, Coventry could become a UK leader in expertise and delivery of 'greener' homes. Local solutions could include building training and new jobs into local autschools' careers campaign and ensure large infrastructure projects include an apprentice programme to deliver the workforce.

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Christian Evans
Assistant Planner

T: +44(0)121 616 4858
E: chris.evans@rpsgroup.com