

Stronger City Economy Scrutiny Panel

Minutes - 17 April 2018

Attendance

Members of the Stronger City Economy Scrutiny Panel

Cllr Philip Bateman MBE
Cllr Paula Brookfield
Cllr Tersaim Singh
Cllr Jacqueline Sweetman (Chair)

In Attendance

Cllr John Reynolds

Witnesses

Professor Andrew Pollard (University of Wolverhampton)

Employees

Martin Stevens (Scrutiny Officer) (Minutes)
Keren Jones (Service Director – City Economy)
Charlotte Johns (Head of Local Economy)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies**
Apologies for absence were received from Cllr Payal Bedi-Chadha, Cllr Welcome Koussoukama, Cllr Martin Waite and Cllr Udey Singh.

- 2 **Declarations of interest**
There were no declarations of interest.

- 3 **Minutes of previous meeting**
The minutes of the previous meeting held on 13 February 2018 were confirmed as a correct record.

- 4 **Matters arising**
A Member of the Panel asked how the action plans were developing for Wednesfield and Tettenhall. In response, the Head of Local Economy stated work was continuing on the action plans. Although the work on the action plans was still ongoing this did not mean that action was not taking place on the information obtained from the recent Scrutiny meetings.

5 **Work Plan**

The Chair stated the Annual Work Programme Event was scheduled to take place on 28 June 2018.

Resolved: That the work programme for the Stronger City Economy Scrutiny Panel be agreed.

6 **Innovation**

The Service Director for City Economy introduced a report on innovation. She stated that the report was about innovation in relation to economic development. It was not just about research and development but also contained information about bringing products, services or systems to market and addressing how that worked for the business community, in terms of the benefits which innovation could bring. Innovation was important for places and for the Council because a business base which was innovative would create jobs, a key priority for the City. Innovation also improved the tax base which the Council was increasingly reliant upon. SME's (Small Medium Enterprises) innovating at a local level were really important and could bring additional benefits to the local area. SME's could bring a distinctiveness to an area making it more attractive to live. They were also more likely to become engaged in the local economy and employ local people.

The Service Director for City Economy referred to a document titled "Driving Innovation in Cities" created by NESTA (Innovation Foundation). A review of the approach taken in Greater Manchester to drive innovation in the City had identified three key lessons. The first key area was about having access to real-time key information and data, which was essential for innovation and growth. It was important there was the correct infrastructure in the City to access data, such as Broadband. The City had recently received the positive news that £5 million had been secured for a full fibre network within the City Centre. Money had also been secured, in partnership with the University of Wolverhampton, for an initiative called Digital Passport which aimed to support businesses to become more digitalised. Crowd Fund Wolves was also having some great success in funding prospective local projects.

The Service Director for City Economy remarked it was important for partnership working in the City. People looked to the Council to coordinate and provide a lead. Partnership working was a real strength for the City for creating an environment in which innovation could happen. The Crowd funding initiative was particularly exciting for the City. The third area the NESTA study had identified as being important to innovation was regarding networks and collaboration. At the Black Country level there was significant work being completed in the manufacturing industry. The Black Country Growth Hub offered business support and referrals to specialist support, including innovation support and was based at Wolverhampton Science Park. The Hub was particularly valuable to smaller businesses who were offered a single account manager on initial contact.

The Chair introduced Professor Andrew Pollard (Industrial Professor – Faculty of Science and Engineering at University of Wolverhampton). Professor Pollard stated he had worked at the University for nearly fifteen years, before that time most of his career had been at GKN Technology and BAE Systems. He was responsible for a team called the SciTech innovation Hub based at The Science Park at Wolverhampton University. He led a number of projects and was responsible for

developing new innovation project proposals, when the funding was provided by ERDF or Innovate UK funding. In addition to these duties he was also responsible for the development of an initiative trying to create more spin out companies from the Universities research facilities. There hadn't been any spin out companies from Wolverhampton University for the last twelve years. One had been launched recently in the last few weeks and there were plans for five more in the next two years.

Professor Pollard remarked that the overall position for ERDF funding was surprisingly good. The Government were still accepting and contracting new project proposals. There was a funding landscape which he estimated would continue until at least 2022. The Government had also said they would honour the funding for any contracts agreed prior to the EU departure date.

Professor Pollard stated that the offer to businesses was complicated and difficult to navigate, which made it critical for the Black Country Hub advisors to be able to signpost businesses to the correct offer. The projects on offer all had a different geographical territory where they were available to companies. It was therefore the case that across the West Midlands depending on where the business was located, the offer available could be completely different. One of the Projects he was responsible for was the Innovative Product Support Service (IPSS) which was available to SMEs in Wolverhampton and the Black Country, who were trying to develop new products and processes. SMEs using this service were entitled to two or three days of professional assistance with their product development plan, at no charge to the company.

Professor Pollard said another Project which he was responsible for was the Smart Concept Fund. This offered a "Proof of Concept" grant designed to support the commercialisation of new technologies. It could award successful applicants a grant of up to £30,000 at an intervention rate of up to 60 per cent to help fund an approved product development plan.

Professor Pollard remarked that as project managers, a disincentive to get involved in establishing the offers referred to in the report was the burden of contract management and meeting funding requirements required by MHCLG (Ministry of Housing, Communities and Local Government). The effort dissipated in compliance, management and eligible claims was huge. When there was a LEP (Local Enterprise Partnership) call to build a service, they were increasingly cautious of the financial costs to the University in delivering the project and ensuring a decent set off benefits to all the stakeholders. The University was putting more effort into validating whether a project was worthwhile, which also the case with other Universities in the region.

A Panel Member asked whether the Knowledge Transfer Partnerships were still continuing. In response Professor Pollard confirmed that they were continuing and were funded by Innovate UK. There had been various adaptations of the scheme over the years and the type of projects they had been willing to support. There had been a fairly lean period in 2014-2015 but there were now less restrictions on the projects they could support. The SME needed to contribute £25,000 per annum, £75,000 over three years for its financial contribution. Wolverhampton University was currently involved in approximately ten Knowledge Transfer Partnerships. From the

University's perspective Knowledge Transfer Partnerships were the pinnacle of collaboration.

The Chair asked who was responsible for monitoring the effectiveness and encouragement of innovation across the West Midlands. In response the Service Director for Economy said that in addition to the the ESIF (European Structural Investment Fund Committee) there was the Black Country Consortium and Intelligence Unit. They were increasingly building their knowledge basis and actively monitored innovation. Innovation within Wolverhampton companies was worryingly low at one point, but had significantly improved. Innovation was however still at quite a low level.

The Service Director for City Economy asked how the University could position itself to be best placed to receive national funding. In response the Professor stated it was difficult, as for all the sources of funds you were bidding against some regional level. The Capital investment the University was making at Springfield and the Science Park would directly benefit the City. When trying to attract funding, it was often necessary to demonstrate how the project would benefit a broad geographical boundary. The Cabinet Member stated there had been discussion at the Black Country LEP recently on a similar theme as the Government had asked for a rationalisation of LEP boundaries. This had led to a discussion as to whether the LEPs in the West Midlands would merge to form one LEP.

Professor Pollard commented that Innovation was ultimately a really difficult business challenge. A Panel Member asked how many former University students came back to the University for help with a business. In response the Professor stated this was only a small number.

The Service Director for City Economy said there was an opportunity moving forward to look in more detail at the University's innovation work projects and what the Council was doing with Business and Enterprise Support, in order to make stronger connections between the two. Diagnostics in business was an area which all partners could improve, this included the skills agenda as well as innovation. Apprenticeships could also help innovate within a company. The Chair proposed the tracking of businesses as a potential item for the Scrutiny Panel in the future. She also requested that a future report also be received by the Panel in the future addressing the question of how the Council and its partners could support businesses in the City to innovate. Professor Pollard commented that the Science Park was a real asset for Wolverhampton. New businesses would be moving in soon including businesses outside of the region. These included those in the automotive and aerospace industries. A Panel Member stated a useful question to explore in the future was whether the Science Park had been fit for purpose and how effective it had been.

Resolved: That a further report be received by the Scrutiny Panel in the future addressing the question of how the Council and its partners could support businesses in the City to innovate.

The Head of Local Economy gave a presentation on the draft Strategic Economic Plan. A copy of the presentation slides are attached to the signed minutes.

The Head of Local Economy stated the Strategic Economic Plan (SEP) was essentially a refresh of the City Strategy which had been set out in 2011, with three priorities. These were encouraging enterprise, empowering people and reinvigorating the City. The strategy also set out four key performance areas. The main purpose for refreshing the SEP was to capture the progression since 2011. Since this time there had been different shifts in sub-regional, regional and national economic policy. There had also been a great deal of work in improving the City economy since 2011.

The Head of Local Economy stated there had been a slight upward trend in recent figures of the number of jobs per head of population. The figures did not however reflect jobs outside of the Council's geographical boundary. The figures did therefore not include the jobs created as part of the i54 site, which were a key part of the local economy. The second performance indicator was regarding employment rate, which showed an ongoing upward trend. The third indicator related to health and well-being, with particular emphasis on life expectancy. There had been a downward projection in female life expectancy, but females were outliving males within the City. There were significant differences in Ward level data. The Cabinet Member stated the life expectancy figures were reflective of the nationwide figures. The Head of Local Economy referred to the fourth and final performance indicator of child poverty. The target was very low. Whilst it had reduced since 2011 there had been a slight upward trend. This was thought to be largely down to the national policy changes such as in benefits.

The Head of Local Economy said the Council were developing an open data platform called WV Insight. WV Insight would be a platform for hosting key data for the City. It was proposed to include the SEP evidence base as a key part of the platform. It was intended to be launched in the Summer. The platform would include data from key partners such as the University and local businesses. Some aspects of WV Insight would be open to the public and others restricted.

The Service Director for City Economy praised the work that had been completed on Workbox, Crowd Fund Wolves and on the Smart City Agenda. There had been a surge in new companies since 2016. Business survival rate had also improved, with one statistic showing Wolverhampton as the fourth best place to start a business. There was an increase and improvement in skill levels within the City. Superfast Broadband was continuing to be developed with the City. Developers were being invited into the City to create places which people wanted to live.

The Head of Local Economy stated they were now at the stage of consulting with key partners of the SEP to help build the content of the plan. She welcomed the Chair's suggestion that the SEP be discussed at the Annual Scrutiny Work Programme Event. There would be a twelve week formal consultation period from June to September before going through the Council's internal governance processes. A Member of the Panel said he was pleased about the launching of WV Insight as Councillors could be more effective if they had accurate and up to date information to work with.

The Panel paid tribute to the work of Service Director for City Economy, Keren Jones who was leaving the Council after eight years of service.

Resolved:

- A) That the Strategic Economic Plan presentation slides be circulated to Members of the current Panel and any new members appointed at Annual Council.
- B) That the Strategic Economic Plan be discussed at the Annual Scrutiny Work Programme Event

The meeting closed at 7:45pm.