



# Enterprise and Business Scrutiny Panel

Minutes – 4 March 2014

## Attendance

### Members of the Panel

Cllr John Rowley (chair)  
Cllr Harbans Singh Bagri  
Cllr Phil Bateman  
Cllr Ian Brookfield  
Cllr Malcolm Gwinnett  
Cllr Neville Patten  
Cllr Martin Waite  
Cllr Jonathon Yardley

### Other Councillors

Cllr Peter Bilson

### Staff

Tim Johnson	Strategic Director, Education and Enterprise
Marianne Page	Section Leader – Transportation
Ian Bustin	Interim Manager
Heather Clark	Strategic Projects and Funding Manager
Paul Doherty	Head of Skill Development
Resham Gill	Skills Manager
Marie Bintley	Head of Physical Regeneration
Michèle Ross	Strategic Planning Officer
Richard Welch	Head of Community Recreation
Matthew Vins	Graduate Management Trainee

## Apologies

Apologies for absence were received from Cllrs Payal Bedi, Caroline Siarkiewicz, Jacqueline Sweetman and Mrs Christine Mills.

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## Part 1 – items open to the press and public

*Item No.*      *Title*

### MEETING BUSINESS ITEMS

- 2. Declarations of interest**  
There were no declarations of interest
- 3. Minutes of the previous meeting (7 January 2014)**  
Resolved:  
That the minutes of the meeting held on 7 January 2014 be approved

as a correct record and signed by the Chair subject to:

- The deletion of 'marking' from page 2, paragraph six and the substitution therefor of 'marketing'.

4. **Matters arising**

Cllr Bateman highlighted the issues of derelict sites along the railway corridor, and noted that some had been in a state of disrepair for a long time. He explained that due to the economic climate, it was difficult to sell them for industrial use, and suggested the re-designation of some sites as open space. He advised the panel that a member of the public had suggested one site could be used as a solar farm.

Tim Johnson advised the panel he would explore this, and agreed that it was very important to secure developments along the key corridors into the city.

Cllr Rowley explained that open space and the planting of flowers could be very popular, and highlighted a site in East Park, which had been well received by residents.

5. **Scrutiny Work Programme 2013/14**

Matt Vins presented the report about the Enterprise and Business Work Programme for the remainder of the 2013/14 municipal year.

Resolved:

1. That the report be received and noted.
2. That the work programme would be reviewed each meeting to respond to emerging issues and highlight priority items for future agendas.

**PRE-DECISION SCRUTINY ITEMS**

6. **Rail Devolution**

Marianna Page presented the report on the emerging rail devolution plans for the West Midlands region and introduced Stephen Rhodes and Malcolm Holmes from Centro.

Malcolm Holmes explained that the rail devolution proposition involved 14 authorities from across the region, which would take control of local rail services from the Department for Transport (DfT). He highlighted that rail transport was a key economic asset for the region, but emphasised that local influence was currently limited to lobbying existing train operators. He noted that the proposals built on the Coalition Government's policy of decentralisation of local services, and highlighted Merseyside and London rail services as examples of this.

Stephen Rhodes advised the panel that the working name for the seven metropolitan authorities and seven shire and unitary authorities was West Midlands Rail. He confirmed that he had met with the DfT to put together a plan for a devolved railway in the West Midlands. He explained that West Midlands Rail would not run the trains, but would be the contracting body, and that following questions from the DfT, the decision would be delayed until after March. He highlighted that this presented an exciting opportunity for

Wolverhampton to play a larger role in the running of the regions railways, and that the proposals had received unified support across the political spectrum in the region.

Cllr Bilson highlighted that this presented a pre-decision scrutiny opportunity for the panel to influence the report before it went to Cabinet. He indicated that the Special Purpose Vehicle (SPV) model was the preferred option from Council leaders across the region.

Cllr Bateman asked why the SPV model was preferred, and enquired what the benefits of that model were. He sought clarification over whether the region was defined by the travel to work area or the 1968 definition.

Malcolm Holmes explained that the region incorporated aspects of both the 1968 definition and the travel to work area. He highlighted the importance of Government arrangements for rail contracts, and noted that the governance had to be inclusive of all authorities in the region.

Stephen Rhodes advised the panel that the proposed turnover for the region would be approximately £200 million, and indicated that the SPV model provided greater transparency of the finances. He explained that the structure would not rely on the current Centro system, but would require Government funding due to the scale of the project.

Cllr Bateman enquired what the perceived risks were due to the scale of the proposed project, and asked who would be involved in the bidding for the contracts.

Stephen Rhodes advised that the risks depended on the contract structure, and whether the contracting authority managed the revenue or if it was passed through to the operator. He explained that the London Midland franchise held the revenue risk, as opposed to the DfT. He highlighted that the costs of the rail industry were well known, and that large scale costs such as flooding damaged were covered by Network Rail. He indicated that the DfT was keen for the revenue risks to be held by the private sector, or the bidder, and not the contracting authority. He noted that there were examples of both structures around the country, and that the proposed date for a devolved franchise was June 2017. He confirmed that the current London Midland franchise expired before this, and the DfT was in the process of negotiation to extend this following the issues with the West Coast franchise. He highlighted that either the SPV or Centro structure would be run similarly to a local authority, with a Councillor elected board.

Cllr I Brookfield suggested that the Centro structure was seen as the transparent model, and enquired about the risks to local authorities. Cllr Rowley asked if there would be capacity to subsidise the building or reopening of railway lines in the region, and highlighted the Wolverhampton to Walsall route. He also enquired whether there would be capacity to return ticket office staff following the closures by London Midland.

Stephen Rhodes explained that the elected board of representatives from the

14 authorities would set the direction and priorities for what it wished to do, but acknowledged that these would be constrained by funding availability. He highlighted that a single devolved body would be more effective at championing key schemes. He advised the panel that providing an incentive to operators to provide ticket office staff and to check tickets along the line could improve the collection of revenue along the line and improve the customer experience.

Malcolm Holmes advised the panel that London Midland had suggested that checking tickets on all services would not increase profit.

Cllr Gwinnett asked if the operators had seen the report, and enquired what the risk factor was to the Council.

Stephen Rhodes advised the panel that work was on-going with London Midland to determine the revenue of the region which would reduce risk.

Malcolm Holmes highlighted that there had been a uniformly positive response for a franchise of this size. He indicated that because a lot of the cost was fixed, the risk was lessened. He added that the nature of local regional rail business, coupled with the central subsidy to rail travel meant that risks to revenue was reduced.

Stephen Rhodes confirmed that whereas bus use was decreasing, train use in the West Midlands had doubled in the last 15 years.

Resolved:

1. That the report on rail devolution be received
2. To agree that Cabinet be asked to approve support in principle for pursuing rail devolution in the West Midlands
3. To agree that Cabinet be asked to support the preferred governance arrangements of a Special Purpose Vehicle model.
4. To note that this item has been considered as pre-decision scrutiny and would not be available to call-in once a decision is made by the Executive.

7. **Open Space Supplementary Planning Document – Wolverhampton Strategic Approach to Open Space**

Michèle Ross presented the joint report from Education and Enterprise and Community about Wolverhampton's strategic approach to open space and indicated that it built on the work conducted in 2012. She explained that a pragmatic approach would help meet community needs, improve the delivery of services and maximise resources. She highlighted that 75% of the identified £25 million of costs had been secured, and advised that this would improve open space, play and sport facilities and create new ones where they were really needed. She indicated that there were legal limits on the use of Section 106 monies, but advised that by justifying the projects at a strategic level, the Council could justify the use of Section 106 monies for open space. Cllr Waite enquired about the process of selling open space for potential developments, and asked if the Council looked at total hectares of open space per 1000 people, if there was a time or distance to travel for residents,

and whether there was compensation for loss of open space.

Michèle Ross advised the panel that there were three different types of standards used for types of open space: hectares per 1000 people but also walking distance, for example residents should have access to a park within a ten-minute walk, and that natural open space and allotments should be within a 15-minute walk. She explained that there were five key analysis areas in Wolverhampton, which were defined on the basis of where major roads and railways were, and the ease of travel within that area. She indicated that there were only a few surplus open spaces identified in the strategy, and that in such cases compensation was secured for local open space projects.

Cllr Gwinnett expressed concern about the viability of Section 106 requirements, and suggested that a large percentage were currently being waived due to the recession. He asked if this would be likely to reduce the amount of Section 106 money available for projects in the future, and if it could affect current schemes that were under way in Wolverhampton.

Michèle Ross advised that nearly £4 million of Section 106 money had already been paid to the Council, and the remainder had been secured and developers were not seeking to renegotiate. She explained that Section 106 monies had already been reduced as a result of the recession and suggested that with the housing market picking up, these would also increase.

Cllr N Patten enquired about the future of the detached Northcote School playing fields located in the Green Belt in Bushbury North. He explained that it had been fenced off, and he expressed interest to see how maximising the Council's open space resources would link into this.

Michèle Ross explained that as the site is located in the Green Belt, it could not be allocated for housing development, and that the Council was currently preparing to dispose of the Northcote School site, but noted that this did not include the detached playing field. She suggested that there was potential to bring it back into use as playing fields, or for another Green Belt appropriate use such as agriculture.

Cllr Rowley suggested that the three Bushbury North Ward Councillors be written to on this.

Cllr I Brookfield referred to part 5.4, and asked about the flexibility of the approach. He acknowledged that the economic climate made it difficult to get developers to provide open space, but enquired if the Council could ask for developers to provide more open space as the market improved.

Michèle Ross explained that the open space standard of 26sqm per resident on housing sites had been used since 2006 when the market was quite strong and that if the full standard of 44.2sqm per resident was used, more than half of housing sites would need to be open space, which would be unreasonable in any economic climate.

Resolved:

1. That the report on the Open Space Strategy and Action Plan and reporting mechanisms be received
2. That the draft Open Space, Sport and Recreation Supplementary Planning Document be received.
3. To note that this item has been considered as pre-decision scrutiny and would not be available to call-in once a decision is made by the Executive.

## DISCUSSION ITEMS

### 8. **The Skills Gap**

Paul Doherty presented the report. He explained that Wolverhampton had a significant challenge to improve skills in the city, and he highlighted the lack of enterprise skills and employer investment in the city. He referred to appendix A which set out the key aspects of tackling the skills and employment issues in the Black Country. He highlighted the successes of the Black Country's bids to secure £115 million of money to improve skills in the region. He indicated that the authority had come up with five key areas to improve, which had been determined following employer feedback.

Cllr Waite indicated that there was a lot of focus on young people, but highlighted the historical low level of skills in the city and asked how they could provide opportunities for 30, 40 and 50 year olds.

Paul Doherty referred to appendix A which highlighted the complexity of the skills and employment issues in Wolverhampton. He agreed that it was not just young people, which the Council needed to focus on, but highlighted the importance of employers investing in their staff.

Cllr Bateman highlighted that amongst the negativity there were plenty of plusses for Wolverhampton and the area. He explained that the skills shortages were worse in the past, and the arrival of Jaguar Land Rover might prompt people to look at tackling the issues in a different way. He emphasised the importance of communicating what was contained in the report to business in the city, and to market the authorities work in tackling the skills issues.

Paul Doherty admitted that the issue was on a large scale in Wolverhampton, and that it would be impossible to focus on only one issue. He agreed that communication was vital, and explained that they were working with companies to recruit more apprentices and build a pipeline through the school system.

Cllr Rowley highlighted the importance of nurturing talent and turning ideas into a reality.

Cllr I Brookfield thanked Paul Doherty for his work and suggested a follow up session in 12 months' time.

Resolved:

1. That the report on the skills gap be received
2. That an update report be brought to the Enterprise and Business Scrutiny Panel in 12 months' time

9. **Black Country Bids**

Heather Clark presented an update report about Black Country Bids. She highlighted that significant progress had been achieved since the November meeting. She indicated that Wolverhampton Council had successfully led on three Black Country bids worth over £10 million. She advised the panel that they were working closely with businesses across Wolverhampton, and confirmed that there had been a lot of support from businesses to attend further finance events. She noted that in a recent round of bidding, three of six businesses that were awarded funding were from Wolverhampton. She explained that this strategy played a key role for future funding, and highlighted the importance of the Black Country European Investment Strategy. She indicated that work was being done to finalise the Strategic Economic Plan, which would explore possible large capital projects.

Cllr Waite enquired what the Local Enterprise Partnership had achieved for the Black Country, and asked when the region would be able to show concrete evidence of progress as a result of achieving these bids.

Heather Clark advised the panel that it was still in the early phases, especially in respect of large scale capital projects. She explained that these projects should start being undertaken in the sub-region, and referred to the European funding under the current round, which would need to be spent before the end of 2014.

Tim Johnson highlighted that the Black Country had a poor track record for delivering European Union funding programmes. He explained that there was a need to build strategies and frameworks to enable investment to take hold in the sub-region.

Resolved:

1. That the approach being taken for the development of investment strategies and future bidding opportunities be endorsed

10. **The Draft Marketing Plan for Wolverhampton and the Black Country**

Ian Bustin introduced a presentation which referred to the report on the Draft Marketing Plan. He highlighted the issues about being able to sell Wolverhampton and the region. He explained that focusing on marketing would bring in new customers, and indicated the importance of working with partners to achieve that. He suggested the Council needed to lead the campaigns, and to sell the city and not itself.

Cllr Waite praised the strategy, and highlighted the importance of understanding what businesses and the customer wanted.

Cllr Gwinnett agreed that a core message needed to be developed, and indicated the importance of linking it to key aspects of Wolverhampton.

Resolved:

1. That the report on the draft marketing plan for Wolverhampton and the Black Country be received

## EXCLUSION OF PRESS AND PUBLIC

### 11. Exclusion of press and public

[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

<i>Item No.</i>	<i>Title</i>	<i>Applicable Paragraph</i>
12	Regenerating contaminated sites and Empty Buildings	3

## Part 2 – exempt items, closed to the press and public

### 12. Regenerating contaminated sites and Empty Buildings

Marie Bintley presented an update report on the list of key strategic sites and empty buildings in Wolverhampton. She highlighted that significant progress had been made in Bilston, Westside and other areas, and further indicated the importance of developing a dialogue with developers.

Cllr Rowley agreed that it was important to have a dialogue, and suggested that this item needed to be brought regularly to the panel for a progress update.

Tim Johnson highlighted the issue with the Tesco store in the former hospital site, but confirmed that it was a nationwide issue with large-scale Tesco stores.

Resolved:

1. That the progress in addressing derelict and vacant property across Wolverhampton be noted