

Stronger City Economy Scrutiny Panel

Minutes - 15 July 2021

Attendance

Members of the Stronger City Economy Scrutiny Panel

Cllr Philip Bateman MBE
Cllr Dr Paul John Birch J.P.
Cllr Adam Collinge
Cllr Craig Collingswood
Cllr Claire Darke
Cllr Christopher Haynes (Vice-Chair)
Cllr Keith Inston
Cllr Barbara McGarrity QN
Cllr Jacqueline Sweetman (Chair)
Cllr Gillian Wildman
Cllr Jonathan Yardley

In Attendance

Cllr Stephen Simkins (Cabinet Member for Inclusive City Economy)

Employees

Martin Stevens DL (Scrutiny Officer)
Richard Lawrence (Director of Regeneration)
Christopher Kirkland (Head of City Investment)
Julia Cleary (Scrutiny and Systems Manager)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies and Substitutions**
An apology for absence was received from Cllr Rupinderjit Kaur.

- 2 **Declarations of interest**
The Portfolio Holder for Inclusive City Economy, Cllr Stephen Simkins, declared a non-pecuniary interest for in the event of the Canal Side Quarter Development being discussed and the Bradley arm canal restoration.

Cllr Phil Bateman MBE decaled a non-pecuniary interest for in the event of the Canal Side Quarter Development being discussed as he sat as a Director on the Advisory Board for the Canal and River Trust West Midlands.

3 **Minutes of previous meeting**

Resolved: That the minutes of the Stronger City Economy Scrutiny Panel held on the 18 March 2021 be approved as a correct record.

4 **Inward Investment and the Green Sector**

The Chair welcomed Christopher Kirkland to his new role as the Head of City Investment and wished him well in the role.

The Portfolio Holder for Inclusive City Economy formally welcomed Cllr Sweetman back as the Chair of the Stronger City Economy Scrutiny Panel. He also welcomed the new Members of the Panel and commented that he looked forward to working with them.

The Portfolio Holder for Inclusive City Economy stated that inward investment was key for the City of Wolverhampton. The City needed to attract as much inward investment as it could, and this included from Central Government for the large redevelopment projects. Inward investment needed to be attracted for many aspects of the Wolverhampton economy such as leisure and the late-night entertainment economy.

The Head of City Investment gave a presentation on inward investment. The Council had data on inward investment from 2017 – 2020. He was conscious that the Chair had requested data from the last ten years, but this was unfortunately not available. They were missing data from the last twelve months which he put down to the Covid-19 pandemic and the resources of Officers, his post had been vacant for some time. The table he showed was of assisted investment, that being where the Local Authority had helped obtain the investment. He wanted to capture non-assisted investment moving forwards. He thought this was useful information in determining how investable Wolverhampton was as a City. The tables did also not show the investment from Central Government and investment in residential.

The Head of City Investment stated that in 2017-2018 the data for assisted investment was, 5 projects and 440 jobs created (3-year projection). In 2018-2019 there had been 13 projects with a 3-year projection of 1,358 jobs. In the following year 2019-2020, there were 7 projects with a 3-year projection of 490 jobs created. Taking out some of the larger investments, they were averaging about 750 jobs a year, that the Council had directly supported as an investment team. Due to there not being data from March 2020 – March 2021 it was difficult to draw any conclusions on the impact of the pandemic. It was however obvious that some sectors had been impacted and in particular the hospitality and leisure sector. It was also true that in the last 18 Months, Wolverhampton had seen a lot of successful investment despite the pandemic. There had been growth in the distribution and logistics sector, he cited the example of the industrial estate Pantheon Park, which was now fully occupied.

The Head of City Investment remarked that in the period 2020/2021 the UK attracted 1,538 new inward investment projects and 55,319 new jobs. This was a reduction of 17% and 1% respectively on 2019/2020. In the Black Country LEP area there were 8 successful FDI projects and 93 new jobs created, with a further 3 jobs

safeguarded. That compared to 17 projects and well over 500 jobs in the previous year. He cited the recent investment successes as follows: -

- MHCLG
- i54 Western Extension
- Interchange
- i9
- National Brownfield Institute
- Town's Fund
- Future High Streets Fund
- Pantheon Park

The Head of City Investment provided a summary of the residential development investment progress as follows: -

- Telecom House / Renamed Churchside (Empire Properties) in construction 144 units
- Crown House (Rise Homes) in construction 95 units
- Horsley Fields (Place First) – Planning consent granted / out to construction tender 370 units
- Beatties (Axiom Stone) – Planning granted / out to construction tender 300 units
- Brewers Yard (Court Collaboration) – Phase 1 funding secured (780 units)

The Head of City Investment commented that his role was to generate leads and bring in investment. This started with the awareness and marketing stage and went through to the investment, rendition and growth stages. One of the areas they needed to do was to challenge themselves as to why people did not invest. He described the funnel model of, awareness, interest, evaluation, action and retention. It was notoriously difficult to find out why interest was not converted into investment from potential investors. Understanding the demand and where the supply was needed was important moving forward.

The Head of City Investment presented a slide on the subject of intelligence. Intelligence was an area that he had identified which he believed required more development at the Council. Building intelligence on the key sectors within Wolverhampton and identifying the City's USPs (Unique Selling Points) was key. As an example of a USP he cited, being a leader in the circular economy and sustainable construction. In other sectors across the Board, the Council needed to articulate better where the City's strengths were and the opportunities for growth. Over the next twelve months he wanted to work with the Council's partners and stakeholders to gather information and complete research to develop the propositions. When they were talking to investors, they would then be very clear as to what the offer was and why they should invest in Wolverhampton.

The Head of City Investment presented a slide titled, The Future. A key part of his current role was working with the West Midlands Growth Company. The Commonwealth Games and the Business and Tourism Programme (BATP) were

areas which they wanted to benefit from. They currently had a City Centre Prospectus, which they were looking to develop, identifying what was the longer-term plan for the City going forward. Sector intelligence and propositions were key for the future. They were also looking to enhance the marketing and lead generation using the website and social media. He referred to local, regional events and international events. The future of some of these events such as MIPIM were unclear. It was important therefore to consider where the opportunities were moving forward so Wolverhampton could be in the mix.

The Head of City Investment spoke about City Marketing. They were hoping to achieve an integrated marketing approach. The Invest brand was being well used. There was a close alignment between the Investment Team and the Communications Team. Once they were clear on the unique selling points they would be using resources to inform people about them. He spoke about the Invest website, which they had recently added a commercial property search facility.

The Head of City Investment presented a slide on the Green City. There needed to be some work completed on sector research and proposition development. Getting the key messaging right was important. The City was home to the new National Brownfield Institute and the new MHCLG, £10 million modern methods of construction taskforce. The Council had set its own target of being net carbon neutral by 2028. It was also looking like Wolverhampton would have the UK's first City Centre solar farm, which would power the NHS.

The Head of City Investment spoke on the theme of barriers and opportunities. There were clearly opportunities in the following areas: -

- Collaboration with WMGC, WMCA, DIT (Department for International Trade), Business Champions and 3 Cities.
- Opportunities around further public sector relocations
- Circular economy
- Enhanced marketing and lead generation
- Increased focus on supporting indigenous businesses and key account management
- Supporting the Relighting Our City priorities of Jobs and Skills, Grow our Vital Local Businesses, Vibrant High Streets and Communities.

He identified a potential barrier around the availability of sites and property and financial incentives for business.

On conclusion of the presentation, the Chair asked for questions. A Panel Member asked about the future of the new normal with regards to the use of Office space. The Cabinet Member for Inclusive City Economy responded that this was a matter which had been discussed widely. The City encouraged people to work from home and to have a good work and life balance, but this did take potential customers away from the City's centres. A careful balance needed to be struck, there were some advantages to having people in one building such as the Civic Centre, rather than people being dispersed in their own homes across the region. The Head of City Investment added that the i9 building was now fully let, which demonstrated that there was still a demand for Office space despite the increase in home working because of the pandemic.

A Panel Member referred to the figure of £4.4 billion investment in the City now or planned, which was on slide 6 of the presentation. He asked if there was a schedule which broke down what the projects were, when were they going ahead and if the contracts had been signed. In addition, he asked for more information on the 50,000 job ready students referred to in the slides. He commented that Wolverhampton, as of June 2021, had the sixth highest unemployment rate in the country at 9.9%. He asked if the planned investments would help improve the rate of unemployment.

The Director of Regeneration responded that there was a schedule of investments, which could be distributed to Members. The figure of 50,000 job ready students had been given to them by the University of Wolverhampton. He was happy to provide further evidence of the 50,000 job ready statement. On the question of whether the investments would help the unemployment rate in Wolverhampton, he expressed that this was certainly the intention. Clearly the pandemic had caused a detrimental effect on the economy as a whole, which they were acutely aware. But with a drive on investments and looking to bring the projects forward he hoped there would be a positive impact on the unemployment rate.

A Panel Member on the point of FDI (Foreign Direct Investment) asked what were the destination countries for the 8 companies and did they know what the drivers were for them to invest in those countries. In addition, he asked how they were recorded. He also asked what the plan was for the Council to get in front of investors. He was aware that Wolverhampton in terms of employment in the Black Country area came last in construction, wholesale, retail and manufacturing. He asked how Officers could account for this and what their intentions were to improve the situation.

The Head of City Investment promised to send the information on FDI to Panel Members. He knew one of them was the Flint Group in Wolverhampton. The Panel Member asked for clarification on what the Officer defined as FDI because his view was that FDI referred to export rather than inward investment. The Head of City Investment said he was using the expression of FDI to mean inward investment. The figures referred to in the slides from DIT (Department for International Trade) were inward investment only. The Chair welcomed the discussion because it highlighted the opportunities for businesses in Wolverhampton to export. It also highlighted the need to build up intelligence and dedicate resources for this aim. The Chair asked the Head of City Investment for the answers to the Panel Members questions to be provided within two weeks.

The Cabinet Member for Inclusive City Economy stated that the next stage for the department was to assess how the City exported. He stressed the importance of building resilience in the City. He also stressed the importance of education for Wolverhampton residents so they could obtain the jobs created in the City. He wanted the Council to be more collaborative with the University and expand on the green economy.

A Panel Member commented that it was a strong paper with a hint of realism about the issues in Wolverhampton. He referred to the competitive nature of cities within the UK economy. He raised a concern about climate change particularly given the recent news of serious flooding in parts of Germany and Belgium. In Canada there was currently 50 degrees Celsius heat on the West Coast. He raised the

importance of investing in flood prevention schemes, such as proper drainage infrastructure.

The Cabinet Member for Inclusive City Economy stated that the pandemic had showed the need for flexibility. He was proud of the response the Council had made. He stressed the importance of a zero carbon target applying to the world.

The Chair expressed concern about how the economy would be scrutinised next municipal year due to the proposed changes in Scrutiny Panel structures. One of the areas she recommended for detailed scrutiny was on what a green economy could look like in Wolverhampton and the Black Country. She believed the future was green. She referred to Finland that had been investing in the Green economy for twenty years. Most of the wind turbines in Britain had arrived from Finland. She also referred to the movement, UK 100 that brought together leaders and policy formers at an international level. There were currently no representatives from West Midlands Local Authorities, she wanted to see Wolverhampton as part of the group.

A Panel Member asked about business start-ups, the total amount of businesses in the City, increases in job numbers and ultimately increase in wages. He asked what were the metrics and what were the businesses studies and modelling the Council had to suggest what the City could expect from the funding and investment coming into the City. It was important not just to scrutinise by comparing previous years. He felt there was a role for the Council's Audit Committee to make sure delivery of schemes were progressed as quickly as possible. He highlighted the damage of not having the Civic Halls open for many years. His personal view on the use of Offices, was a move towards a permanent hybrid model. When he considered the City Centre of Wolverhampton, he was aware that the Council was one of the Cities biggest employers. Therefore, if the Council Offices were not open the businesses in the City Centre, such as Cafes would suffer.

A Panel Member commented that the Council needed to be careful about travel arrangements within the City. How the car was treated was important, as most people in Wolverhampton relied on their cars. Wolverhampton residents were travelling out of the City to places like Dudley and Telford to access services, shopping areas and their economies in general. The need to ensure good footfall in the City was very important to local businesses. Wolverhampton residents staying local and shopping local would help with the environment and climate change.

The Cabinet Member for Inclusive City Economy responded that all through the Covid-19 pandemic the Council had run a campaign of shop local and develop the Wolverhampton Pound. It was true that Central Government and Local Government were often slow to deliver projects.

The Director for Regeneration gave an update on the Directorate. The Council had been awarded £15.7m as part of the Government's Future High Street Fund. Delivery was now underway and the Council had received an annual payment of £10m. The Council had been rewarded with £25m from the major bid into the Towns Fund to support ten shortlisted schemes. They had been required to submit a Town Investment Plan to Government to demonstrate growth plans across three centres.

The Director for Regeneration referred to the Levelling Up Fund. This was a £4 billion national competitive scheme administered by the Treasury, Department for

International Trade and the MHCLG (Ministry for Housing, Communities and Local Government) covering England for the next four years up to 2024-2025. The Council had submitted a Tranche 1 Bid for £20m on 17 June 2021 for Wolverhampton South West Constituency. This bid focused on the City Learning Quarter Project and was endorsed by Mr Stuart Anderson MP.

The Director for Regeneration spoke on the Community Renewal Fund. £220 million additional funding was available to help places across the UK prepare for the introduction of the UK Shared Prosperity Fund. It was a competitive fund being administered by the WMCA (West Midlands Combined Authority) on behalf of the West Midlands.

The Director for Regeneration gave some more detail on the Future High Streets Fund. He outlined four major elements, the Civic Halls Public realm, Victoria Street Public realm, Cleveland Parade and Box Park in Bell Street. Box Park would be a pop-up facility providing food and beverage. They were talking with a number of providers about the Box Park scheme.

The Director for Regeneration gave some more detail on the Town's Fund. They had originally submitted a bid for £48.3 million, they were awarded £25 million. The Town's Fund Board was looking at how to deliver the business cases for a number of the schemes. Funding was expected to start flowing from September 2021. There were eleven projects going forward focusing on three key areas of the City, City Centre sites, Wednesfield and Bilston. The business cases were being developed which would then require sign off from Central Government.

The Director for Regeneration added some more detail about the Levelling Up Fund. For Round 2, for the MP Area Wolverhampton South East, there was a proposal to focus on Bilston by building on Towns Fund work to potentially include wider improvements to the metro and bus interchange linked to the Pipe Hall and Market Projects. The second scheme in Round 2 was for the MP area of Wolverhampton North East, this proposal was under development.

The Director for Regeneration on the subject of the Community Renewal Fund spoke about a Council bid they had entered titled, iGNITE (innovate, Grow, Navigate, Ideas, Technology, Entrepreneurship). The bid proposed a business and enterprise hub at a vacant retail unit in the i10 building. Funding had already been secured for a two year lease, fit-out and project management. They had not yet heard from the West Midlands Combined Authority as to which schemes had been awarded funding. They were however keen to develop the project regardless, working in partnership with the University of Wolverhampton and the Black Country Chamber of Commerce. He saw it as a very important scheme for developing skills and business within Wolverhampton.

The Director for Regeneration presented a slide on Covid Business Grant Support. Through the Government's national scheme over 5,800 grants had been approved, a total value of just under £23 million. Through the discretionary funded scheme the Council had delivered over 3,800 grants, a total value of just over £15.3 million.

A Member of the Panel with reference to the £15.7 million Future High Street Funding award, asked whether this would result in any permanent building construction in the City. The Director responded that the funding was primarily for

the environmental enhancements, which would help link key parts of the City together. Whilst there would be no new permeant buildings it would certainly unlock future development sites, particularly in Cleveland Parade and Bell Street.

The Member responded that he was aware of other authorities who were constructing permeant buildings using Future High Street Funding, such as business start-up incubation units. He asked whether the pedestrianisation of Victoria Street and Lichfield Street was intended to draw people down to Westside and if this was the case, when would the Westside project be going ahead. The Director stated the scheme was able to drive vibrancy into areas adjacent to the High Street. Victoria Street was key because they knew of potential investment around the former Beatties building and the Mander Centre. It also helped with the links to other sites the Council were looking forward to bringing to future development, which did include the Westside area. It was having to be rephased as a consequence of the results of the pandemic. They were progressing with the proposal to secure a new Hotel for the City. He would come back to Members with more information in due course.

A Panel Member asked about the whole City Economy at a local level, which he noted had also been referred to at the previous meeting of the Panel. He was aware of big disparities between different wards with regard to deprivation and unemployment. He asked what scope there was for the team to help local areas with things such as grants. The Cabinet Member for Inclusive City Economy stressed the importance of attracting new hotels to the City, which would help stimulate the night-time economy and the visitor and leisure offer. He spoke on the excellent leisure offer Leeds had developed and wanted Wolverhampton to have something comparable. He commented that each Ward in Wolverhampton had barriers to employment but also opportunities for employment. The Scrutiny Panel could initiate some scoping work on a ward by ward level on this subject. Employment would help lift some people out of poverty. He stressed the difficulty in having to match government criteria for funding bids.

A Panel Member referred to the £220 million Community Renewal Fund which was replacing the European Regional Development Fund (EDRF) and the European Social Fund. To add some context he cited that between 2014 and 2020, the EU allocated over 350 billion Euros (32.5% of overall EU budget) for the EDRF. For the European Social Fund it allocated a further 3.1 billion Euros per year. The UK GDP (Gross Domestic Product) was £2 Trillion and so £220 million was only a very small fraction of the UK's overall GDP, compared to the 32.5% of the EU budget the European Union had previously dedicated to the EDRF.

Resolved: That the presentation paper on Inward Investment and the Green Sector be agreed.

5 **Work Programme**

The Chair stressed the importance of thinking about the long-term future when developing the Work Programme. She was happy for Members to contact her outside of the meeting with ideas. She commented that the Panel could invite some witnesses to future Panel Members such as business champions or representatives. How champions were used she felt was an important topic for discussion. The Cabinet Member for Inclusive City Economy said he would welcome such witnesses at future Scrutiny meetings.

Resolved: That the Work Programme for the Stronger City Economy Scrutiny Panel be agreed.

6 **Public Realm Member Reference Group Membership**

Resolved: That the Stronger City Economy Scrutiny Panel ratifies, Cllr Gillian Wildman, Membership on the Public Realm Member Reference Group.

The Chair thanked Members and Officers for their contributions to the meeting.

The Cabinet Member thanked the Chair for Chairing an excellent meeting and Panel Members for their contributions.

The meeting ended at 7:45pm.