

Economy and Growth Scrutiny Panel

Minutes - 22 June 2022

Attendance

Members of the Economy and Growth Scrutiny Panel

Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Dr Paul John Birch J.P.
Cllr Craig Collingswood
Cllr Wendy Dalton
Cllr Claire Darke
Cllr Celia Hibbert
Cllr Sohail Khan (Vice-Chair)
Cllr Zee Russell
Cllr Clare Simm
Cllr Mak Singh
Cllr Jacqueline Sweetman (Chair)

In Attendance

Cllr Stephen Simkins (Cabinet Member for City Economy)

Employees

Martin Stevens DL (Senior Governance Manager)
Richard Lawrence (Director of Regeneration)
Isobel Woods (Head of Enterprise)
Julia Cleary (Scrutiny and Systems Manager)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies**
An apology for absence was received from Cllr Phil Bateman MBE as he was attending a Birmingham airport meeting. It was advised that he could attend later on in the meeting, which he did.
- 2 **Declarations of interest**
There were no declarations of interest.
- 3 **Minutes of Stronger City Economy Scrutiny Panel - 17 February 2022**
The minutes of the Stronger City Economy Scrutiny Panel meeting held on 17 February 2022 were confirmed as a correct record.

4 **Portfolio Holder for Inclusive City Economy Statement and Question & Answer Session**

The Portfolio Holder for City Economy stated that the City was going through a good major transition period. The Council had managed to secure unprecedented investment in the City. This was to the tune of £4.4 billion. He referred to the £150 million Transport Interchange. He spoke about the £120 million Springfield Campus including the National Brownfield Institute. This was a key development within the new Green Agenda, and it was particularly important with reference to new techniques to build houses. The i54 Western Extension was now complete and he believed it to be fully let. Developments at Canal Side and Brewers Yard were also developing and hopefully there would be some further announcements in the near future. There had been investment in some of the key cultural sites in Wolverhampton, which included the Civic Halls. They had also managed to secure the first showing of the British Art Show in England. The Show had brought in over 35,000 visitors to the City in the Winter. The new Art Gallery footfall figures had superseded expectations.

The Portfolio Holder for City Economy spoke on the matter of the new City Learning Quarter. He thought this would give Wolverhampton residents the skills for the future and open up higher paid jobs for them.

The Director of Regeneration introduced a presentation on the theme of People, Place and Business. The employment rate in 2021 for Wolverhampton was 71.1% and in 2016 it was 64.1%. It was still below the rate for England as a whole. The employment rate for ethnic minority groups in Wolverhampton in 2021 was 77.8% which was over 15 per cent more than in 2016 and 10 per cent higher than the rate for England. The unemployment rate in Wolverhampton had increased to 6.3% in 2021, although this was still lower than it was in 2016 at 8.2%. The rate was 1.8 per cent higher than the rate for England (4.5%).

The Director for Regeneration stated that the economic inactivity rate in Wolverhampton had increased by 0.8 percent to 23.9 percent in 2021. This was 2.6 percent higher than the rate for England, although the Wolverhampton rate was 6.1 percent lower than 2016. The rate of those economically inactive who wanted a job was higher in Wolverhampton at 20.8%, than England at 18.8%. The Wolverhampton rate had dropped by 11.3 percent since 2020. The ethnic minority groups in Wolverhampton in 2021 had a lower economic inactivity rate at 19% than in England as a whole at 26.4%.

The Director for Regeneration commented that the rate of those with no qualifications in Wolverhampton had decreased to 9.5% in 2021, from 19.4% in 2016. It was still 3.1 percent higher than the rate for England. The rates of those with NVQ levels 3 and 4 or above had been steadily increasing in Wolverhampton since 2018 with the 2021 rate for NVQ level 3 being above the rate for England. The Wolverhampton rate for those with NVQ level 4 and above was 35.4% which although much improved over recent years, was still 7.7 percent below the England rate.

The Director of Regeneration remarked that the largest proportion of those in employment in Wolverhampton in 2021 were employed in professional occupations at a rate of 22.9%, which was similar to the rate for England of 23.9%. A greater proportion in Wolverhampton than nationally were employed in administrative and secretarial occupations, elementary occupations and caring, leisure and other

service occupations. Nearly 11% percent of Wolverhampton residents were employed in process, plant and machine operated occupations, which was nearly double the rate for England.

A Member of the Panel commented that the cap had been taken off University placements and consequently the Russell Group (represented 24 leading UK Universities) were taking more students. Wolverhampton University had axed 148 courses, with substantial cuts in Arts and Humanities, where Wolverhampton students had done traditionally quite well. Chinese and European students had been lost, who had brought in considerable funding for the University. People were choosing to attend the Russell Group Universities rather than Wolverhampton. He was pleased that AEG would be managing the Civic Hall venue in the future. He asked if the Council would be partners in the deal the AEG would do to commercially name the Civic Halls, such as “The Barclay Card Arena” or “The Vodafone Civic Hall.” He made the point that it was important to look at employment rates by ethnicity at Ward level.

The Cabinet Member for City Economy responded that the Council was working closely with the University to mitigate any job losses. It was important to relocate people into jobs and to not add to the unemployment rate. The Director of Regeneration added that 80% plus of their students were based locally or in the local catchment area. They needed to understand the impact of the course reductions with the statistic in mind. The Cabinet Member said that Unemployment more generally had been an issue going back to the 1980s. The Leader’s initiative of targeting 18–24-year-olds was an effort to increase employment in the age group, who struggled with obtaining education, an apprenticeship or fulltime employment.

The Director of Regeneration stated that they were in conversations with AEG about naming rights. If the amount went above a certain threshold level, the Council would receive a split of the profits. They were working with a number of organisations and putting forward proposals on the question of naming rights. They would receive an income from AEG on the rent they would have to pay the Local Authority over the next 25 years.

The Director of Regeneration agreed it was important to look at employment rate by ethnicity at Ward level. The Business support environment was changing. Disadvantaged areas, ethnic minority based businesses, SME development and sustainability would be key moving forward.

The Vice-Chair asked if the £4.4 billion of investment was enough for the City to provide sustainability moving forward. The Cabinet Member for City Economy responded that there was a short window of opportunity in the City. Stronger leadership in the authority was critical to ensuring the City was developed. He believed Wolverhampton to be at the forefront of “Levelling-Up”. He wanted development to be sustainable with business and skill resilience within the City. The Director added that they always wanted more investment. The figure of £4.4 billion would change as schemes came forward along with new sites. In order to unlock some new sites, there needed to be more intervention.

The Director for Regeneration stated in Wolverhampton aerospace and transport had strong employment but there was a long-term competitiveness challenge. 95.6% of the businesses in the City were Small Medium Enterprises. Productivity levels in

Wolverhampton were significantly lower than the West Midlands and the UK. The business death rate in Wolverhampton was at 13% which was higher than the UK (11%) and West Midlands (11%). 38.5% of businesses did not survive beyond their third year, which had a knock-on effect to the economy, jobs and skills and investment. The trend was also seen amongst Ethnic Minority Businesses.

The Director for Regeneration referred to the IGNITE and Business Support Programmes. They offered targeted support to increase enterprise levels in disadvantaged communities. City Centre regeneration was supporting the delivery of good homes in the City, to generate more jobs and innovation. There would be wider announcements in relation to Canalside South and the i54 in the coming weeks.

The Director for Regeneration spoke about “Levelling Up”. Wolverhampton was at the forefront of the Levelling-Up agenda. The Government had announced Wolverhampton as one of the first priority places for transformation of change. Wolverhampton was currently one of three places to have this priority allocation. They had agreement from Government that the Council’s Plan was the basis for the “Levelling-Up” agenda within Wolverhampton. It was an opportunity to be part of a trailblazing approach to tackle local and regional disparities and add real social value.

The Head of Enterprise spoke about the targeted interventions to improve youth employment for people aged 18-24 and claiming universal credit. It had been funded by an initial £3 million budget from a combination of the Recovery Reserve and Covid emergency grant. She thought it could be 12-18 months before they started to see the real results of the interventions. The City Ideas Fund which totalled, £100,000 had been introduced. The fund enabled local people to bid up to £10,000 to run projects to help young people into sustainable employment.

The Head of Enterprise talked about Wolves at Work, which had commenced in 2017. It had been a successful partnership which the Council had entered with the Department for Work and Pensions (DWP). It sought to support people into employment between the ages of 18 and 64 who lived in the City. Since the partnership had started over 6,000 people had been supported into work. 4000 people had sustained that job role for three months or more. The team had led on the Kickstart programme which had supported 30 Council placements and 42 with City employers. The team had identified over 2,100 jobs in the City since January 2022. She praised the online Jobs webinar, “Let’s Talk Jobs.”

A Panel Member spoke about the importance of good homes. This included having a reasonable sized garden and them being built in appropriate locations. On the matter of “Levelling-Up” he asked if it was down to employers to pay higher wages. The Cabinet Member responded that the Council had to engage with the “Levelling-Up” agenda as it was the only option available. Obtaining Government money to help the City and build resilience was crucial. He praised IGNITE as he was of the view it would help reduce the businesses failing in the City. He was concerned about the national economic growth position and the impact this would have on the local economy. He was also concerned about a fall in productivity which could reverse inflation into a period of deflation.

A Panel Member asked about the type of sectors and businesses IGNITE would target. He asked if the 2,100 jobs identified in the City since January 2022 had been

filled. The Head of Enterprise responded how they identified the sectors in the City through data analysis. They were also welcoming of new sectors entering the City, such as the Green sector.

A Panel Member asked whether there was any analysis completed when there was a business death in Wolverhampton. She asked how performance was measured for the different initiatives taking place. Her third question related to if there were targeted programmes to help people from different ethnicities. The Head of Enterprise responded that the Council were reaching out to the Wolverhampton Black business community and also a number of contacts at a regional level. These links would help shape the business support model of the Council. Understanding business deaths was important and they did need to do more to know the reasons why they had failed. Transferable skills were crucial so they could move across to new jobs.

A Member of the Panel asked what the Council was doing to help support small businesses and how any support available was communicated to them, so they were aware of how they could receive help. The Director of Regeneration responded that IGNITE was primarily supporting digital based start up's. IGNITE aimed to ensure young people had opportunities in the City to prevent them going elsewhere. On the matter of small businesses, they were in a transitional space at the present time. There had been recent announcements regarding the cutting of funding to the Growth Hubs. This had been the main portal for start up businesses in the Black Country. They were working with the WMCA, the Growth Company and the LEP to determine what needed to be done to support small start up businesses and how they ensured the deaths were prevented in the future. The LEP was about to be consumed by the WMCA. The level of funding was substantially less and this was particularly true when the European funded schemes came to an end. The UK shared Prosperity Fund was going to be markedly less.

The Director of Regeneration presented a slide on the City Learning Quarter. This was over two sites in Bilston and within the City Centre and was a £60 million development. The funding was now in place to deliver a state-of-the-art new campus, set over 10,000 square meters. They were in the process of procuring a preferred contractor, with more information expected in the near future. It would generate and safeguard over 750 jobs in the local economy. Over 10 years, 45,000 people would benefit from learning and around 7,500 apprenticeships would be started.

The Director of Regeneration commented on the i54. It was the UK's most successful Enterprise Zone with over £1 million invested. He spoke about future investment of extensions with major investors to be announced in the near future. The City Centre Art Gallery refurbishment had now been completed. The new café and accessible entrance had been supported by an Arts Council England grant. He summarised the City Projects Pipeline in five themes, which were all linked with "Levelling up": -

- Better connectivity
- Better skills
- Better homes
- Better jobs
- More entertainment

The Head of Enterprise presented a slide titled, “IGNITE at i10 – Business and Enterprise Hub.” The official opening date for IGNITE was 11 July 2022. IGNITE would provide an emphasis on digital skills, utilising 5G and cyber enabled opportunities. She spoke on the matter of AIM for Gold which was an SME Business Support Programme. A sample showed that businesses believed the programme had improved their leadership and management skills and knowledge on how to deliver growth to their organisation. The average salary of jobs created through the programme was higher than the Black Country average.

The Head of Enterprise presented a slide on the future of Business Support. European Funding came to a close in March 2023. The UK Shared Prosperity Fund had been introduced to offset the loss of the European funding. The Local Enterprise Partnerships would be integrated within the region. The WMCA had announced the Trailblazer Devolution Deal that included Business Support. She wanted to ensure the Council maximised its opportunities in all the regional decisions. It was important for the Council to deliver the Our City: Our Plan and work to the “Levelling-Up” agenda.

A Member of the Panel spoke about language in job specifications. The language was sometimes not accessible for young people who had just left education. She asked if this was something which the Council could take forward. The Cabinet Member responded that Wolves at Work was key in supporting young people in applying for jobs. There had been a particular focus on the 18-24 age range in providing support. There were also people in older age groups which struggled with some of the technical language in job adverts. The Head of Enterprise remarked that one employee had stopped job applications and invited people to come and see the company to assess people’s skills. They had been in conversations with employees to make job specifications more easily understandable. The Cabinet Member added that Wolves at Work was part funded by the authority. It was important for it to be a priority in future funding and to be a sustainable model in the future, this could include applying for funding from the WMCA.

The Vice-Chair asked about the time scales for future developments within the City.

A Member asked for further information on the AIM for Gold Project to be circulated, so Members of the Panel could share the information with their constituents. He also asked the Director to define what he meant by the term “Good Homes,” and how Members of the Council might influence the definition.

A Member stated that there needed to be an action plan with measurable outcomes in relation to employment within the City, including disparity in ethnic minorities and “Levelling-Up”. She wanted Members of the Council to have direct input into how the problems were solved.

The Director of Regeneration responded to the questions. On the development question he stated there were short-term, medium-term and long-term interventions. He estimated for all the development work, currently being spoken about, it would take 10 years for completion. On good homes, he believed some of the new homes in the City were of a calibre and scale that had not been seen before in the City. For Brewers Yard and Canal Side South there would be announcements in the near future about a mixture of tenures. An action plan on “Levelling-Up” was being

developed with the Government Department. One area they were working on was how they transitioned the Towns Fund Board into the Levelling-Up Board. They were also looking at how they engaged with the right stakeholders within the City and the commercial and wider public sector. The delivery of the Our Council Plan was crucial to the work. On the disparity in ethnic minorities, this would form part of the wider business support work with the Council's regional colleagues.

The Cabinet Member stated he was happy to speak about "Levelling-Up" more at a future Panel Meeting and bring a report.

5 **Date of Next Meeting**

The date of the next scheduled meeting was confirmed as Wednesday, 28 September 2022 at 6pm.

The meeting closed at 7:50pm.