

# Economy and Growth Scrutiny Panel

Minutes - 30 November 2022

## Attendance

### Members of the Economy and Growth Scrutiny Panel

Cllr Mary Bateman  
Cllr Philip Bateman MBE  
Cllr Craig Collingswood  
Cllr Wendy Dalton  
Cllr Claire Darke  
Cllr Celia Hibbert  
Cllr Sohail Khan (Vice-Chair)  
Cllr Zee Russell  
Cllr Mak Singh

### In Attendance

Cllr Stephen Simkins (Cabinet member for Inclusive City Economy)

### Employees

Martin Stevens DL (Scrutiny Team Leader)  
Richard Lawrence (Director of Regeneration)  
Isobel Woods (Head of Enterprise)  
Chris Kirkland (Head of City Investment)  
Luke Dabin-Williams (Finance Business Partne  
Liam Davies (Head of City Development)  
Simon Lucas (Senior Regeneration Officer)

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

*Item No.*      *Title*

- 1            **Apologies**  
Apologies for absence were received from Cllr Paul Birch and Cllr Jacqueline Sweetman.

There were no substitutions.

**2 Declarations of interest**

The Cabinet Member for Inclusive City Economy declared an interest on item 6 as a member of the West Midlands Trains Board.

**3 Minutes of previous meeting**

Resolved: The minutes of the meeting held on 28 September 2022 were agreed as a correct record.

**4 Performance, Budget Monitoring and MTFS**

The Director for Regeneration gave a presentation on Performance, Budget Monitoring and MTFS. He stated that the Council had built up a strong track record for managing finances well despite reductions in funding. The Council's approach to strategic financial planning was to align resources to the "Our City, Our Plan" which was approved by Full Council on 2 March 2022. The plan provided a strategic framework for delivering the ambition that "Wulfrunians will live longer, healthier lives." On a quarterly basis an integrated performance and budget monitoring report was presented to Cabinet. The quarter 2 position had been presented to Cabinet on 16 November 2022. Overall, a forecast overspend was reported across the Council of £1.5 million, this was mainly due to the 2022-2023 pay award.

The Director for Regeneration stated that there 56 key performance indicators in the Our City: Our Plan Performance framework. In quarter 2, 33 had shown improvement or similar performance, 17 were yet to be updated and 6 had seen a decrease in performance. For the specific priority theme of "Thriving Economy in all Parts of the City" there were a total of 7 indicators. In quarter 2, four of these had showed an improved or sustained performance in the year to date. Two had shown a decrease in performance in the year to date and for one there was no update. The KPIs with increased or similar performance in the year to date were as follows: -

- Percentage of premises in the city with full fibre coverage – Increased
- New investment opportunities generated – Similar
- New businesses supported by commissioned service Access to Business – Increased
- Number of rapid charging electric car points in the City – Increased

The Council were still awaiting data on business survival rates, although the most recent published data showed Wolverhampton as having higher than average one year survival rates for businesses. There had been an increase in new businesses supported through Access to Business. Although there had been a decrease in overall businesses supported. The current model was being reviewed with a new business support model to be in place by April 2023. There had been a decrease in footfall and recreational settings in July to September 2022 compared to July to September 2021. This was potentially linked to holidays, with restrictions still in place in 2021, which would have seen more people stay in Wolverhampton. There had been a continued increase in the access to full fibre and electric car charging points in the City, as the roll out continued.

The Director of Regeneration stated that the KPIs with decreased performance in quarter 2 were as follows:-

- Percentage change in activity in city retail and recreational settings – Google Analytics

- Wolverhampton based businesses accessing business support.

The KPI where there was no update in the year to date was on businesses that survive one year in City – ONS Business Demography. The published data was expected in December 2022.

The Director of Regeneration highlighted some of the pressures on the forecast budget position within the remit of the Panel. In Leisure Services at quarter 2 there was an overspend of £225,000 forecast as a result of a reduction in income from catering at Bert Williams Café. In addition, there were cost pressures on the Leisure PFI scheme due to increasing utility costs. This was offset in part by vacancies in business support due to staff changes. Under the area of Director of Regeneration there was a forecast overspend as a result of non-achievement of the savings target, which in part was offset by underspend on non-salary budgets.

The Director for Regeneration remarked that the 2022-2023 budget and MTFs had been approved by Full Council on 2 March 2022. A budget deficit of £12.6 million was forecast for 2023-2024 rising to £25.8 million over the medium term to 2025-2026. Work had been ongoing to reduce the deficit with an update to Cabinet on 19 October 2022, reporting an updated forecast budget deficit of £7 million for 2023-2024 rising to £31.6 million by 2025-2026. Work would continue to take place to bring forward proposals to set a balanced budget for 2023-2024 and deliver a sustainable medium term financial strategy. There were some uncertainties for future planning which included future funding allocations, inflationary pressures and future pay awards. It was assumed the pay award would be 4% in 2023-2024 and 2% for future years but this was subject to change.

The Director for Regeneration commented that under the remit of the Panel the MTFs had a savings target built into the budget for Leisure Services. The Public Health Reserve would support WV Active with £1,000,000. There was also a growth of 90,000 built into the budget for Leisure Services to cover the cost of inflation. The general budget setting process was still underway and was subject to changes that would be implemented to close the current deficit for 2023-2024. Some growth and saving targets were currently being held in Corporate Accounts and would be transferred to services. The draft budget did not currently reflect any virements between services in 2023-2024. Work was ongoing to review and challenge budget requirements.

The Director of Regeneration on the matter of risks, highlighted a few notable areas. Adult Education currently had a cash flow budget which did not take into consideration the growth of the value of the grant. Consequently, when there was a pay award it was not considered and created a pressure. He highlighted that European Funding which supported businesses in the City, would come to a close in March 2023. The UK Shared Prosperity Fund which would replace the EU funds was a reduced amount. Inflationary pressure could impact on the delivery of capital schemes within the City, reducing the number of viable schemes.

The Director of Regeneration referred to the Strategic Risk Register. The risks had been last reported to the Audit and Risk Committee on 26 September 2022. There were four strategic risks relevant to the remit of the Panel, these were City Wide Regeneration, Businesses closing, High unemployment and the Civic Halls. Other

strategic risks which could have an impact on the work of the Panel included, Medium Term Financial Transactions and Reputation / Loss of Public Trust.

A Panel Member asked which businesses had benefited from European funding in the past, he was aware of some businesses he had informed about the funding but were not eligible. The Director of Regeneration responded that Business Support would be discussed on the next item on the agenda.

A Panel Member asked if the financial information relating to WV Active included the costings for new equipment. She had received a substantial amount of complaints about equipment being broken. The Sauna was also not in use. The Director of Regeneration responded that he would look into the matter and send a response to her.

A Panel Member gave praise to the Civic Hall venue as an asset to the City and confirmed that it had been discussed as part of the Strategic Risk Register at Audit Committee in September. He asked if any forecasting had been completed, on the many thousands of extra visitors to the City that would be attracted to the City when the Civic Halls was back open. He commented that local car parks might have to stay open later and be reasonably priced when there were events taking place at the Civic Halls late in the evening. The Director of Regeneration responded that there had been some forecasting completed, primarily by the new operator. There was a whole list of outputs which could be shared with the Panel and he was happy to do so. The Cabinet Member for Inclusive City Economy added that it was important to support the Civic Halls because of the great economic benefit it would bring to the wider City.

A Panel Member asked if there would be enough car parking in the City for when the Civic Halls was back open and if it would be affordable. They added that it was also important for securing any new hotels for the City. The Director of Regeneration responded that they were in conversations with the Operator of the Civic Halls, AEG and The Grand Theatre on the question of car parking. It was being looked at in the short-term and also the longer-term to support the wider aims of the City.

A Panel Member referred to the performance report that had gone to the Residents, Housing and Communities Scrutiny Panel, which stated that some performance data on the theme of "Good Homes in Well-Connected Neighbourhoods" would be published later in November. He asked if this was now ready as it was an important part of reviewing performance. The Finance Business Partner responded that he understood this related to annual KPI performance information and he believed it had been delayed to December. He would check and ask performance colleagues to inform the Panel Member. The Cabinet Member added that he would also speak to the relevant Cabinet Member as well to check on progress.

A Panel Member asked about the likelihood of cuts to public spending following the Chancellor's Autumn statement and on the impact of rising inflation on the budget and forecast. The Cabinet Member for Inclusive City Economy commented that inflationary costs were a real problem and had been highlighted as a pressure. The grant indication from the Government was normally late in December.

A Panel Member referred to WV Active and asked for some more details on the changes to the budget. The Finance Business Partner explained that £1 million

pounds from the Public Health Reserve was being used to support WV Active, which meant there was a £1 million saving to the General Fund Budget. This had been agreed by Cabinet in October, it was part of the Council's priorities in supporting health outcomes. In the current financial year at quarter 2 there was an overspend of £225,000 forecast as a result of a reduction in income from catering services at Bert Williams café. There were also cost pressure on the Leisure PFI scheme due to increasing utilities cost. £90,000 had been built into the Medium Term Financial Strategy to cover the increase costs due to inflation in Leisure Services for the PFI contract.

## 5 **Business Support at Place Level**

The Head of Enterprise delivered a presentation on "Business Support", a copy of which is attached to the signed minutes. The Head of Enterprise explained that work within business support was in a transitional phase due to European Union (EU) funding support coming to an end. This funding will be replaced by the United Kingdom (UK) Shared Prosperity program, the Head of Enterprise stressed however that it is a lower level of funding than the previous EU funded program but has greater flexibility and freedom in its application. The mission of the Council was set out in reference to business support, which was "to enable (facilitate) a diverse and thriving local economy that delivers real benefits for the people of Wolverhampton" and the objectives within that mission.

The Head of Enterprise explained that the Council was currently at the Pre-Start stage within its work on this plan alongside its partners in the Voluntary Charity Sector (VCS) and IGNITE. Since April 2022, 32 new businesses have been supported to set up in the city. For Micro and Small Medium Enterprise (SME) businesses, support from the Council was delivered by the enterprise service, the Head of Enterprise explained that this was funded by the EU scheme which came with specific criteria requirements attached; through this scheme 216 SME businesses were supported. This supported business, created new jobs, secured existing employment, and brought increased salaries to the City of Wolverhampton's economy. The business support program initiated by The City of Wolverhampton Council was part of a wider business support ecosystem and the Head of Enterprise expanded upon this within the presentation: business support provision was spread across a variety of public, private and third sectors as well as multiple local, regional, and central government departments and non-departmental bodies.

The Head of Enterprise then set out key considerations for the new business support model in line with the UK Shared Prosperity Program. Which were as follows:

- Need to ensure the local and regional businesses support can respond to the economic and cost of living challenges
- To ensure the local and regional programmes meets the needs of businesses in the city, that we build our intelligence quickly and effectively
- Need to review structure of service and the posts in the council and those currently in Local Enterprise Partnership and Growth Hubs, to identify any Transfer of Undertakings (Protection of Employment) TUPE arrangements
- That Wolverhampton has a clear engagement approach in place and we go further in our engagement with local businesses

- That we ensure the model reflects the needs of the city's diverse city business base
- The city has a model in place, ready to deliver by 31 March 2023

The Chair thanked the Head of Enterprise for their presentation and sought to clarify that they had requested a report on supporting businesses at ward level, whereas the report delivered by the Head of Enterprise was city wide. The Chair requested further information in the future based upon ward level data. The Head of Enterprise confirmed they would ensure this information would be looked into and brought back at a later date.

A Councillor stated that they were not aware of any foreign investment and business start-up enquiries that had taken place within the City of Wolverhampton for quite a long time and asked if any work was taking place by the Council and its partners to liaise with the international business community with the aim of attracting their business to the City of Wolverhampton.

The Head of Enterprise replied confirming the City of Wolverhampton Council does have work in this area which is led by the Head of City Investment and invited him to expand on this work to answer the councillors query.

The Head of City Investment cited examples of recent trips to India as part of ongoing work within the international business community, as well as the Department for International Trade and explained that attracting Foreign Direct Investment was a major part of City Investments work. He also explained that when Foreign Direct Investment was secured, they tasked teams which worked with those financiers and businesses throughout the process and help maintain the investment.

The Councillor then responded to this answer requesting a number of how many foreign owned businesses had been set up in the city within the last 12 months. The Head of City Investment responded saying that they would be able to get the figures on this from the last 5 years.

A Councillor praised the Wolves at Work scheme and asked if the city was taking the new recruits from this scheme into employment. The Head of Enterprise answered that many recipients of this scheme were indeed finding employment in the local authority area.

The Councillor replied to clarify if new recruits from the scheme were getting jobs in the area. The Head of Enterprise confirmed if they were Wolverhampton Postcode residents, then they were.

A Panel Member expressed praise on the work of the Council and was impressed with the presentation, citing the British business bankers awarding Wolverhampton the top local authority in the region in regards to start up loans.

The Head of Enterprise thanked the Member and also cited this work was done during the difficult period of the covid pandemic.

A Councillor discussed the differences each ward had in terms of the business make up and reiterated agreement in requesting ward specific data, citing the need for the Council to be able to target its resources more effectively in aiding local businesses.

The Councillor asked how serious the Council was about reaching out to and working with local businesses after giving an example of her own work in her ward promoting businesses. She asked did the Council know the financial capacity of the City of Wolverhampton's businesses. The Councillor also raised diversity within the business community and stated that she would like to see the diversity of business leaders/entrepreneurs represented in the Council to engage with this particular piece of Council work.

The Director of Regeneration began by explaining that out of the 10,000 currently existing businesses, the vast majority of the makeup of businesses in the City of Wolverhampton were micro and SME, thus making it difficult to reach every single business. The Director of Regeneration set out the 4 key objectives that the Council applies in working with business. These were:

1. Having the data
2. Finding out who wants to bring business to the City of Wolverhampton and who wants to invest (he cited the previous comments made by the Head of Enterprise)
3. Finding out where we need to best focus our resources, so that we also reach diverse communities
4. How we link all of this into a wider regional level. The Director of Regeneration raised that it was necessary to acknowledge the limitations of what the Council could do.

A Panel Member raised the role Scrutiny could play in helping the Council work on further promoting connections to international business. The Councillor explained that the previous EU backed grant was heavily legislated. This meant it could apply broadly across all EU member states. With the change to the United Kingdom Shared Prosperity grant, the scope and decision making the Council had over the use of the money from central government was wider and the Council needed to make sure it effectively used the funding.

A Councillor praised the IGNITE space but commented that the 236 members information needed to be investigated, to ensure that it is businesses, not visitors and asked to see a breakdown of that information. The Councillor also suggested larger businesses that use the space contribute more based off a threshold of income, to enable the Council to keep the space open. The Councillor also stressed the need for the Council to do more shout outs via communications to promote when new businesses have been launched and when awards have been won.

The Head of Enterprise thanked the Councillor for her comments and then informed the Panel that the Council was due that weekend to have a "Small Business Saturday", where businesses could tweet the Council and be retweeted to aid in their promotion. Further communicative efforts were then raised and cited as examples where the Council promoted businesses.

A member of the Panel explained that they had picked up on a few points from the report, in particular the Wolves at Work program and asked if the council had

breakdowns of the numbers of jobs filled and as well the makeup of the skill set of these individuals filling the jobs after they had been through the program.

The Head of Enterprise agreed this was a crucial piece of information that the Council had to gather and explained that they would need to look into the criteria of the information gathered on skill sets and hoped to be able to get that data for the Panel in the future.

A Councillor reiterated another Panel Members comments in reference to contributions to the IGNITE program from larger earning companies, although they advised this be investigated once the period of economic downturn was over. The Councillor linked the Council's employment programs towards contributing to businesses local workforce, citing Wolves at Work and other Council delivered services. The Councillor then expanded on the previous Councillor's comments about improving skills and suggested that the Council could make grants available for apprenticeships to further improve its employment services.

The Chair thanked the Councillors for their comments and thanked the Head of Enterprise for her report.

## 6 **Heath Town Baths**

The Chair invited Head of City Development and Senior Regeneration Manager to give their presentation on the Heath Town Baths Development.

The Head of City Development opened the presentation "Heath Town Baths from closure to renewal", a copy of which is attached to the signed minutes. They began by discussing the fire that had occurred on the site and explained that the fire that had occurred in July 2022 was limited to a small area on the Heath Town Baths site and the damage was limited. Anti-Social behaviour on the site had been addressed with the installation of CCTV and other security measures, including on site patrols which had all been funded by the site developer. The planning application had progressed with a series of community engagement initiatives.

The Senior Regeneration Manager explained the surroundings of the Heath Town Bath site, which included a variety of high value heritage sites. The Senior Regeneration Manager gave historical background information about the site which included when it was built and why. The baths were closed in 2003 by decision of Cabinet after a survey of the site carried out in 2000 identified a number of structural issues which required high-cost repairs to fix. The Council's Swimming Strategy business case sought to deliver new build leisure facilities which saw investment for the leisure pool at Bentley Bridge and the Bert Williams Leisure Centre. Heath Town library was replaced by new Wednesfield library.

The Senior Regeneration Manager stated that a number of schemes were considered by the Cabinet for use of the site but all of these foundered leading ultimately until a decision by the Cabinet Resources Panel on 20 January 2015 to put the site out to the open market. A procurement exercise was undertaken to select a commercial advisor and Avison Young (then called GVA) were appointed to undertake a strategic marketing review. After a various bids and reviews, Avison Young recommended in a report to the Cabinet that Gaddu Associates be the preferred bidder on the site. Cabinet approved this on 10 January 2017. The



proposals for site development had been worked on in consultation with Historic England, the National Lottery Heritage Fund and the local community. Local community engagement has been achieved primarily through the Heathfield Park Community Action Network, as well as others, and the site uses were to be consistent with the Heathfield Park Neighbourhood Plan. The scheme proposes the building be restored to offer a range of uses which would include a banqueting hall, day nursery, training and conference rooms, business start-up space and multi-purpose community function rooms.

The Senior Regeneration Officer remarked that the Council had worked to agree a Skills and Employment Plan, as developed with the Wolves at Work team. The procurement strategy seeks to use local contractors and suppliers where possible. In August 2022 Gaddu Associates presented at the Heath Park Community Fair to engage with the community on the proposals. Much of the feedback was overwhelmingly positive. Correspondence with Wolverhampton North-East member of Parliament had been regular from the developers. The cost of the works were to be met by Gaddu Associates.

The Head of City Development informed the Panel that planning and listed building consent applications were submitted by Gaddu Associates and formerly submitted on October 12 2022. The application was due to be considered at the Planning Committee in January 2023. Overall funding for the site came from a variety of private funders as well as the National Lottery Fund. Heritage funding from the Lottery would be given once planning permission was granted and the development phase progressed to stage 2. The Head of City Development set out a number of outcomes which included job creation estimates, traineeship and apprenticeships. Site benefits, and spatial information.

The Chair thanked the Head of City Development and the Senior Regeneration Manager for their presentation.

A Councillor raised concerns with the road system around the site, explaining that its one way, very busy and often full of parked cars. The Councillor wanted to know how the site would impact on increasing car park space pressures.

The Senior Regeneration Manager informed the Panel that considerations of parking and traffic management were included within the planning application process for review. He explained that the developer aimed to put on large scale events outside of peak hours and that people will be employed to deal with car parking management to ensure that the sites own car parking area would accommodate all pressures generated by site events.

A Councillor thanked the team for the presentation and expressed interest in visiting the site to liaise with the developers to become further acquainted with the project. The Councillor asked what the estimated cost was for the project and cited a previous quote of £900,000, she asked about the time frames of the development, once planning was approved.

The Head of City Development stated that the estimated total cost was around 4 to 5 million pounds due to the sensitive nature of redeveloping a heritage site however, the site aimed to generate money from businesses due to the creation of new spaces for rental. The social value the site would bring was also referred to, with the Head of

City Development mentioning interest from the local hospital, due to its crèche and childcare spaces. The Head of City confirmed he would be in touch with the Councillor to arrange a site visit.

The Senior Regeneration Manager explained that the completion time was subject to the amount of money the Lottery Heritage Grant would release once planning was granted. He believed the completion of the entire site would be done by the end of 2027.

The Councillor further queried how the site development would progress, referencing Key Performance Indicators (KPI) as an example of management.

The Director of Regeneration explained the planning process to the Councillor and then expanded upon the phased development. Once planning permission was granted and the developer had the lease for the building, the funding would be drawn throughout the stages of development. The actual time frames would be solidified and confirmed once the planning application process, subject to work from the planning committee was completed.

The Head of City Development stated that once planning permission was granted that part of the requirements from the Council with the developer was that building would start within 2 years from that point. He explained that funding with the National Lottery Heritage fund had been suspended due to the covid-19 pandemic, however, a lot of work had been done prior to the outbreak which means the process of gaining funding was already well ahead, which was beneficial now the National Lottery Heritage fund was open again.

A Panel member praised the progress with the development and was pleased the site was moving forwards to the benefit of the local community and the local authority. The Councillor echoed concerns surrounding traffic arrangements and made reference to the Heath Town Plan, querying if the legal document was being adhered to. He also emphasised the need for safeguarding checks through the multiple departments the work needed to go through and was keen to ensure that local people had their say throughout the process.

The Senior Regeneration manager confirmed that the planning application requirements included the Heath Town Plan as part of the criteria for delivery. He also confirmed the vast majority of local people engaged with support the project and that it was still going through multiple consultations.

A Councillor mentioned Railway lines being returned to use and emphasised the opportunity for Heath Town to have an operating train station once again, he asked the Council to take this into consideration.

The Chair thanked Members for the debate and discussion on the topic and asked the Scrutiny Officer to ensure updates on the project be provided in due time to the Panel.

## 7 **i54 New Businesses**

The Head of City Investment gave a presentation on I54, a copy of which is attached to the signed minutes.

The Head of City Investment began with background information on the I54 site, a joint partnership venture between the City of Wolverhampton Council, Staffordshire County Council and South Staffordshire Council. The site had continued to be successful and had attracted further investment. In the next 12 to 18 months all of its existing plots will be occupied by international manufacturing businesses. He explained that the Council's role had been as a partner in multiple areas including as occupier assessment and selection, an accountable body in financial and project management, in further securing occupiers and deals, as land owner, as a strategic influencer and as a provider of skills and employment to the site. It had become the United Kingdom's most successful enterprise zone with over £1 billion already invested. The Head of City Investment expanded on the statistics, which included job statistics; the site currently employs 2,588 people full time, with a forecasted increase to 3,488 once the Western extension development had been completed. He further reiterated the site's success.

The Chair thanked the Head of City Investment for the presentation and agreed it was an excellent success. He asked if the statistics could be sharpened so that the Panel could be informed of how many jobs the site provided to people specifically within the Wolverhampton City area.

A Panel Member enquired into how the employment statistics on the I54 site contributed to the reduction in unemployment in the Local Authority area.

The Head of Enterprise responded that the Council worked with the Department for Work and Pensions for targeted activities based around the businesses on I54. They had done targeted campaigns to encourage and aid with getting women into construction and logistics which had worked well. Adults with learning disabilities and the Armed Forces covenant have also had targeted campaigns to aid getting them into employment.

The Panel Member responded citing the high unemployment figures in the City of Wolverhampton and on how the site directly contributed to the reduction of unemployment in the Wolverhampton area.

The Cabinet Member for Inclusive City Economy explained that it was not possible for the Council to decide who an employer chose to employ. He stated that it was perhaps better to ask what the Council was doing in regards to skills for local people. By increasing opportunities for local people to get the education and skills needed, they were better able to compete in the jobs market.

A Panel Member reminded Members that in the early 2010s scrutiny did a report which found Wolverhampton schools were not being considered by businesses from the I54 site as highly as other neighbouring local authorities. Wolverhampton schools themselves were not as keen to get involved in working with the I54 site. He asked if information on the contemporary period could be provided at a future scrutiny date to see if it had improved since then.

The Chair praised the Panel for their contributions and explained that the site was an

excellent addition to local economies but added that it was important for them to make sure the City of Wolverhampton was getting its fair share from the site in terms of money generated and jobs provided.

A Councillor asked what levels of risk to the local economy the site posed in the event any of the businesses left the site. The Head of City Development answered stating that the demand from international businesses for plots on the site was high. He said the financial commitment from these businesses to the site was a strong indicator of low risk.