

Attendance

Members of the Scrutiny Board

Cllr Paul Sweet (Chair)
Cllr Rita Potter
Cllr Wendy Thompson
Cllr Simon Bennett
Cllr Susan Roberts MBE
Cllr Zee Russell
Cllr Ellis Turrell (Vice-Chair)
Cllr Barbara McGarrity QN
Cllr Louise Miles
Cllr Dr Paul John Birch J.P, BEM. (Substitute)

In Attendance

Cllr Stephen Simkins (Cabinet Member for Inclusive City Economy)

Employees

Martin Stevens DL (Scrutiny Team Leader)
Tim Johnson (Chief Executive)
David Pattison (Chief Operating Officer)
John Denley (Director of Public Health)
Ian Fegan (Director of Communications and Visitor Experience)
Isobel Woods (Head of Enterprise)
Peter Taylor (Regeneration Manager)
Earl Piggott-Smith (Scrutiny Officer)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies for absence**
Apologies for absence were received from Cllr Phil Bateman, Cllr Val Evans and Cllr Jacqueline Sweetman.

Cllr Thompson advised that Cllr Udey Singh would be late to the meeting as he had been in London. Cllr Simon Bennett would also arrive later in the meeting due to his attendance at a School Governors meeting.

Cllr Paul Birch, JP, BEM was officially substituting for Cllr Jacqueline Sweetman.

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

3 **Annual Scrutiny Report May 2021 - May 2022**

The Scrutiny Team Leader presented the Annual Scrutiny Report, May 2021 – May 2022. The Annual Scrutiny report took the format of a newsletter style. 40 official Scrutiny public meetings had been held during the year. For a small team, this was a significant number of meetings to organise. When you removed School Holidays, where the Council tended not to hold public meetings, it averaged out at about one public scrutiny meeting per week. When the current Municipal year was finished, even more meetings would have been held than the previous year.

The Scrutiny Team Leader stated that it was easy to ascertain from the report that excellent scrutiny relied on a One Council approach where all Members and Officers contributed to the function. He thanked all Members and Officers for their engagement with the Scrutiny Team. The report showed a wide range of areas were covered during the Municipal year of May 2021 – May 2022. The year had also saw a Select Committee on the Wolverhampton Pound, which had made over 20 recommendations. The recommendations had been monitored by Scrutiny Board and the Resources and Equality Scrutiny Panel.

The Scrutiny Team Leader commented that the Scrutiny Annual report May 2022 – May 2023 would be written during the Summer with an aim for publication in September. He personally thanked all Members of the Scrutiny Team, old and new for their contribution to the Scrutiny function during the municipal year.

The Chair commended the Chairs of the Scrutiny Panel and the Members of the Panel and Scrutiny Board for their work throughout the Municipal year. He thanked the Officers who had serviced an inordinate large amount of meetings, which included all the administration work before and after meetings, including following up on actions. He asked the Chief Executive to pass on his thanks on behalf of the Scrutiny Board to everyone involved.

The Vice-Chair remarked that the Annual Scrutiny report was one of the most important reports, that the Council produced each year. He felt it was the best Annual Scrutiny report he had seen in terms of its content. Scrutiny was a vital function of any Local Authority in the decision making process. It was right to ask questions and learn from where mistakes had been made. He welcomed the improvements that had been made to the Scrutiny process. He looked forward to the Annual Scrutiny Report for the Municipal year May 2022 – May 2023. He paid tribute to everyone involved in the Scrutiny function.

Resolved: That the Annual Scrutiny Report May 2021 – May 2022 be noted.

4 **Wolverhampton Investment Prospectus – First Phase Delivery Plan**

The Chief Executive gave a presentation on the Wolverhampton Investment Prospectus – First Phase Delivery Plan, a copy of which is attached to the signed minutes.

The Cabinet Member for Inclusive City Economy gave a statement of his views on the prospectus.

A Board Member asked if the building of St George's Church would be retained and not demolished. The Chief Executive responded that it was a grade two listed

Church and would be retained within any scheme. The building added character to the City.

A Board Member referred to the importance of family homes in the City, it was more than flats which were needed in the City. She wanted more detail on the City Centre West proposals. She referred to the importance of a new hotel in the City. If Broad Street Car Park was replaced, she suspected an underground car park might be constructed. She raised a concern that this could impact on elderly people attending the Theatre. Some people did not like to use underground car parks.

The Chief Executive agreed that a balanced housing offer was required in the City. The Canalside South Scheme by Legal and General was bringing forward 400 units with a mixture of tenures and uses. The Royal Hospital site would also be a mixture of accommodation. Distinct quality that was reflective of the housing market in the City was what the Council was aiming to achieve. The detail would be developed with the developers and they were seeking Cabinet approval to proceed with the approach. He agreed that more hotel accommodation was required in the City and he believed there was a strong demand. They were conscious of a need to deliver a balanced car parking model in the City and if Broad Street Car Park was used for other means, it would require parking elsewhere to compensate for the loss.

A Board Member referred to the visit she had attended to the National Brownfield Institute. She commended the land which had been flattened and was ready to build on. She did express concern in relation to the type of panelling that she had been shown would be placed on the housing for the Canal Side South modular scheme. She suggested a pre-planning meeting to discuss the aesthetics of the housing. The Regeneration Manager responded that there was a pre planning stage coming up. The Council's planners would be challenging L&G (Legal and General) on the uniqueness of the product and ensuring that there was a high quality outcome as part of the process.

The Cabinet Member referred to the excellent relationship the Council had with the architects L&G. L&G would place on any facade that the Council asked within the limit of the modular design. On the matter of hotels he referred to the fact that many hotels were a franchise scheme. It was possible in the future that the Council could ask a developer to build a hotel and then franchise it out. The Council were keeping their options open. The Prospectus gave them the ability to enter discussions with private investors and other Government bodies.

A Board Member referred to the Raddison Hotel on Broad Street in Birmingham which was built and operated by Birmingham City Council. He wanted the Council to have the same vision. He thought the Court House in Wolverhampton would be an excellent place for a four-star hotel in Wolverhampton and would stimulate the night time economy and encourage other hotels to be built.

The Board Member referring to the presentation he had received during the site visit to the National Brownfield Institute commented he had offered advice to the architects, which was to visit the Estate Agents to see what the market wanted. He felt there was a disconnect between what the architects were proposing for the Canal Side South Scheme and the residents of Wolverhampton. Flats were not necessarily what the people wanted. He believed the site could take 240 Homes but not the 380

homes planned. He was also concerned about the lack of car parking in the proposals. He requested the Regeneration Team consider these points.

The Cabinet Member responded that the Council did not own the Court House and there were no proposals for a compulsory purchase order. The proposed housing sites were in or around a transport hub. He wanted to encourage people to use public transport who lived in the City and for those that wished to visit the City from outside the area. L&G were offering mixed tenures. The job of the Council and the Prospectus was to bridge the viability gap. He spoke in favour of hotels being built in different places in Wolverhampton. He would take on the points the Member had made about the style of housing being proposed in Canal Side South.

The Vice-Chair commented that implementation of the prospectus was key. Without delivery it remained just a delivery plan. He cited the shelved West Side project as an example. The West Side project had shown that a residential element was essential to a significant City development scheme. He believed the current hotel offer in the City was presently inadequate. He expressed concern that the CBRE report had questioned the viability of a hotel being able to be built by the private sector alone. Hotel projects had overrun and had gone way beyond original budgets in other places in the country. New hotels were high risk and he questioned why the Council were not looking to improve the existing offer of hotels. He referred to the Britannia Hotel in Wolverhampton which had once been the jewel in the Crown in the City, but was now in a much reduced state. If the Council acquired the hotel there would be an opportunity to turn it into a luxury hotel.

The Chief Executive responded that there was demand for a new hotel in Wolverhampton. The way that hotels were funded though was the problem, which caused the dilemma, which meant there was a viability gap. This either had to be bridged or a time had to be waited for when the situation had changed. The Council did not own the Britannia and there was no basis for the Council to do a compulsory purchase order. Britannia Group were not willing to sell any of their hotels in the UK at the present time. The operating model the Britannia Group had was viable for them as a company, although he did not find it pleasing for the City. Whether the hotel could be converted to modern day standards was a question which had not been answered as no work had been undertaken to address the question.

Members referred to the need to bridge the viability gap for hotels by working with partners. The benefits to the local economy of a newly reopened Civic Halls could not be fully realised without a new hotel.

A Board Member referred to a friend who could not find a hotel room anywhere in the City for less than a £100. He believed new hotels in the City would help stimulate competition and bring prices down. He made reference to what the Council had done with the i9 and the i10 for Office space and wanted to see this repeated for hotels.

A Board Member spoke in support of the L&G modular building design in contrast to views held earlier in the evening. He did not believe they were designed for people who needed to park cars on the drive. He felt they were designed for younger commuters. Solutions were vital to ensure the plan could be delivered.

The Chief Executive understood the frustrations Members had communicated about delivery. Time was needed and there were difficult market circumstances at the present time. The plan was however focused on delivery. He referred to the success of the i9 and i10 in the delivery of Class A Office space, which no developer had considered before the Council involvement. It had set the benchmark for Office rates in the City. This meant any future Office space would be viable as there was now a benchmark. He hoped private and public funds could unlock a new hotel scheme which would stimulate future hotel development. He felt due to the demand it was not as risky as some people felt.

A Board Member referred to empty office space in the City Centre and in particular the Mander Centre, which the West Midlands Pension Fund had vacated to occupy some of the space at the i9. He asked why this office space was not being utilised. Whilst he understood that the Council would have to fund some of the projects he stressed it could not be unlimited funding.

The Chief Executive responded that the plan was enabling discussions to take place with partners, it was not committing funding and certainly not blank cheques. It was enabling the work to take place, which would ultimately lead to a set of propositions that could be put forward to the Council. The West Midlands Pension Fund had moved as their office space in the Mander Centre was not fit for purpose. There was a challenge in how the space was repurposed when it was no longer suitable for its original use of Office space.

The Cabinet Member added that there was potentially opportunity to turn the office space at the Mander Centre into residential or even a hotel.

A Board Member stressed the need to move forward and mitigate risk where the Council was able to do so. Some risk would be needed in order to move forward for a vibrant City.

Resolved: That the comments by Scrutiny Board Members be noted for future consideration by the Executive at the appropriate time.

5 **Public Realm - Support for Businesses**

Several Members raised objections to the report being received on the evening of the meeting, just after 5pm. The Director of Communications and Visitor Experience apologised for the late report. Officers wanted to provide as much information as possible and had wanted to wait for the meeting that had taken place with Traders the evening before. They had also had to seek the permission from RSM to share some of the information that had been provided to them in their full report.

The Cabinet Member for Inclusive Economy also offered his apologies for the late report, which he believed had been necessary because it had been important to meet the Traders on the evening before to share the information with them first. It had been an intense piece of work which required careful legal considerations.

The Vice-Chair raised concerns about to follow reports and asked it to be noted that he did not want this to be an ongoing issue.

There was an exchange of views about the quality of engagement with traders that had taken place.

A Board Member commented that for future projects of a similar nature it was important to have better planning on how the traders were communicated with and the support they were offered.

The Head of Enterprise gave a presentation on Victoria Street Business Support. She presented a summary timeline which started in May 2022 and ended on 13 March 2023. RSM had been appointed to review the previous scheme and make recommendations for improvement for Council consideration and decision. Their review had taken place between 3 January and 17 February 2023, with their final report being received on Friday, 3 March 2023. It had been acknowledged that in the Council's view, there was no legal requirement on the Council to provide support.

The Head of Enterprise stated that the RSM report had made the following points: -

- Whilst a reduction in turnover was often a good indicator of a loss of trade, any support should be based on the loss of profits, a business had suffered as a result of a loss of trade caused by the works.
- The financial review was unlikely to have captured the true loss position, as it focussed solely on the fall in turnover of a business.
- Businesses needed to be individually assessed, to understand the nature of the business and how the work may have affected their operations of loss of profit.
- The periods used in the financial review were not adequate to assess the loss of trade and profits, noting that there was no one size fits all approach to a loss of profits methodology.
- It was unclear how the financial information provided by the traders through the process had not been verified.

The Council were considering two options. The first one involved the consideration of five criteria:-

1. Eligibility Criteria.
2. Evidence to be provided.
3. Validating information.
4. Examining evidence and calculating the loss.
5. Calculating disruption payments.

The Head of Enterprise described in detail how each of the five criteria would work in practice.

The Head of Enterprise presented details on Option 2, this was a more accessible, generic business support 'relaunch' grant based on less complicated key criteria. The overall aim of this was to minimise bureaucracy and therefore the impact of the process on business and the Council, and to deliver the resulting financial support to businesses in the next few weeks / months. It would maximise the benefit to local

businesses and deliver value for money for the public purse. It would be a fixed one-off payment for those businesses who had engaged with the scheme and provided information. It would be enhanced by a wider programme of support including events to drive footfall and business advisor support.

The Head of Enterprise stated the process would supersede all previous exercises, although where a business had already received a goodwill gesture it would be deducted from any new sum payable through the process. In order to qualify for the grant, businesses had to have the following criteria:-

1. Currently be in business, open and actively trading and impacted by the works in Victoria Street or the accelerated Phase 3 works and undertaken during Phase 1.
2. Be a local / independent Business – employ less than 250 and not part of a larger organisation or parent company.
3. Sign a grant agreement that includes, but not limited to:-
 - That the payment is final and legally binding.
 - Agreement that any business rate arrears would be offset before any grant was paid over.
 - Confirmation that the business is not subject to any pending or active insolvency proceedings and intends to operate as a going concern for the foreseeable future.
 - Confirmation from the business that any grant award would not breach subsidy control levels (although unlikely to be relevant due to low Rateable Value levels).
 - Commitment that intending to remain open for business at the current location for the foreseeable future.
4. Businesses will be required to provide their latest utility bills and also their latest bank statement to demonstrate that the business is open and actively trading to accompany their signed grant agreement.

The Head of Enterprise commented that most businesses would benefit, although the amount payable needed to be affordable within Council funds. Due diligence checks would be in place to ensure the Council met the Council's audit and finance regulations. She remarked that the two options had been shared with the Traders group on Monday, 13 March. The Traders were planning to meet to discuss with their network. Council Officers had offered to then meet with the wider group to answer any questions on options and timelines. The Council would then agree the funding allocation with legal and finance so that it was proportionate, appropriate and affordable, noting that it was taxpayers money and the Council had no legal obligation.

A Board Member suggested option 2 was the best choice as option 1 was effectively subjecting a company to a full audit. He suggested potentially a business rates holiday could be something which the Council could consider. The second thing he suggested was a contribution towards their rent. Another potential option was for the Council to offer match level funding. He said the Council could potentially even consider writing off any debts the businesses owed to the Council.

A Board Member referred to online shopping and the real impact this had on businesses in the City Centre.

A Board Member asked if option 2 would include businesses which started up during the period of the works. She asked who ultimately decided which option would be used, she was aware the Traders were being asked for their views. The Director of Communications and Visitor Experience responded it was ultimately a decision for the Cabinet Member.

The Cabinet Member asked for the support of Scrutiny Board for a support package. He referred to the numerous times the Public Realm had been discussed at other Scrutiny meetings.

The Vice-Chair commented the communication with the Traders had not been as it should have been from the start of the project. Whilst the Council had acknowledged the impact of the works on the businesses, the Council had not been willing to offer an apology for the impact it had on them. He felt an apology should have been offered. He referred to businesses which had ceased trading and others which had left the City. He asked if any support package would be extended to the businesses on Lichfield Street when works commenced there. He asked for more details about who had attending the meeting the evening before.

The Director of Communications and Visitor Experience stated he would ask for an update on the Lichfield Street plans from the Director of Resident Services, who had been unable to attend the meeting. Five Members of the Traders Group had attended the meeting on the evening before and some apologies had been received. There was also direct email contact with some of the other Traders. They would be going direct to each business on Victoria Street about the options.

A Board Member referred to the impact of the cost of living on retail habits, which meant there were other considerations to take into account other than the public realm works when assessing the impact on businesses. Other Members made reference to increased overhead costs such as lighting and heating.

A Board Member commented that some Wolverhampton residents were choosing to shop in Shrewsbury, Telford and Birmingham instead. These areas did not seem to be experiencing the problems of Wolverhampton City Centre. She referred to the critical comments that had been made on Social media about the public realm works and the impact on businesses.

Resolved: That,

- a) The principle of offering business support to the traders on Victoria Street be supported.
- b) A report be received by Scrutiny Board as to which business support option, for the businesses on Victoria Street, is finally chosen by the Council and implemented.

- c) The report should include details on how many traders responded as to which option they would like the Council to choose. This is to ensure that all 52 businesses are given an opportunity to respond.

6 **Scrutiny Work programme**

The Vice-Chair stated that it had been a good year for Scrutiny Board. He thanked colleagues for the support given for the meetings throughout the year.

7 **Home Office Asylum Policy**

The Chair stated that the Home Office Asylum Policy item had been requested by the Vice-Chair of Scrutiny Board. The presentation was to provide information and clarity on the Home Office Asylum process for any individual arriving in the UK claiming refugee status. It also provided details of current Government policy and the steps taken by Wolverhampton Council to influence it. A copy of the presentation, is attached to the signed minutes.

Government policy was based on the Immigration Asylum Act 1999 and Asylum Support Regulations 2000. The UK had a statutory obligation to provide destitute asylum seekers with temporary accommodation, transportation and money whilst the application was considered. A person or persons could claim asylum in the UK if they feared persecution from their home country and they had failed to get protection from authorities within their country. Persecution had to be because of the following reasons:-

- Race or religion
- Nationality
- Political Opinion
- Anything else that put a person at risk because of social, cultural, religious or political situation in a person's home country.

The Director of Public Health stated that not every asylum seeker would ultimately be recognised as a refugee, but every refugee was initially an asylum seeker. Those entering on resettlement schemes had different rights. There were a number of different resettlement schemes including Ukraine, Afghan relocation, other resettlement schemes (such as Hong Kong) and Asylum seekers outside of these schemes.

The Director of Public Health reported that Serco held the Asylum Accommodation and Support Service Contract with Central Government and covered the West and East Midlands, the Northwest and parts of the East of England. Serco provided Housing Officers who supported Asylum seekers within hotels and dispersed accommodation, to signpost a range of services, such as GP registration, education, social prescribing and translation. Migrant Help were the Central Government's contracted provider under the Advice, Issue Reporting and Eligibility Contract and provided advice and assistance to people seeking asylum in understanding the asylum support system, across the UK. He presented a flow chart showing the arrival routes and the process following arrival.

The Chief Operating Officer commented that the challenges Wolverhampton had faced were the same as many other Local Authorities when it came to asylum seekers. The Council, along with many other Local Authorities and the Local Government Association had been engaging with the Home Office for many years to try and improve the way it carried out asylum policy. In September 2021, after the Home Office had not made any changes to the dispersal policy, 7 Local Authorities led by City of Wolverhampton Council, had commenced a Judicial Review of the Home Office's previous approach to the dispersal of asylum seekers. There were two key areas that the Judicial Review focused on:-

- A fairer distribution of asylum seekers across the Country.
- A fairer funding settlement for those areas that had asylum seekers to ensure that they had the support they needed without unfunded burden on those authorities.

The Home Office's previous position was that it would only place dispersed asylum seekers in voluntary areas. This was Local Authority areas that had at some historical point agreed to take asylum seekers. The seven Local Authorities withdrew their voluntary consent in 2021. The Home Office refused to accept the withdrawal, which was the reason for the Judicial Review proceedings commencing. The Judicial Review took place between September 2021 and May 2022 and led to the Home Office changing its policy. Every Local Authority area was now classed as a dispersal area. They had also agreed to put in place additional funding for the 2022/2023 financial year in respect of those asylum seekers dispersed into each area. The Council and other Local Authorities were seeking evidence to demonstrate the commitments made by the Home Office to the High Court were being met.

The Chief Operating Officer remarked that implementation by the Home Office of the changes to the policy of dispersal was still taking place and therefore a definitive position could not be stated. Critically Serco were engaging with all West Midlands Local authorities to procure against the Full Dispersal Plan. The Government was currently proposing changes to the current system through a new Migration Bill.

The Chief Operating Officer stated that as of December 2022 there were over 100,000 asylum seekers in the UK. Wolverhampton currently housed 350 individuals in initial accommodation (Hotels) under section 98. 820 individuals were in dispersed accommodation under section 95 or section 4. There were a high amount of asylum applications in the UK currently, the applications were managed by the Home Office. Discussion and engagement with the Home Office were critical when placing asylum seekers in Wolverhampton.

The Vice-Chair asked if the Council could do more to challenge the Home Office. He made reference to a case in Great Yarmouth, England. The High Court Judge had granted an interim injunction to block the Home Office from using Hotels to house Asylum seekers, due a policy which didn't permit a change in use of hotels. He questioned whether any new hotels built in Wolverhampton could have such a policy. In Dudley, a hotel had been planned to house asylum seekers, but opposition from residents and politicians had led to the plan being shelved.

The Chief Operating Officer responded that there had been a number of cases brought by Local Authorities to try and prevent the use of hotels for asylum seekers

based on planning policy. With the exception of Great Yarmouth, which was only a temporary injunction at present, they had all failed. The case in Great Yarmouth was still to go to full trial. He was aware of cases where the use of hotels for asylum seekers had been dissuaded by informal means and this had happened in different parts of the country. There had also been some cases where the hotel operator had not reached an agreement with Serco and therefore the hotel had not been used for asylum seekers. The Council had engaged with the Home Office on a regular basis.

The Director of Public Health referred to the importance of hotels complying with the specifications from the Home Office. They had found in the past that there had been a disconnect with the management of the contract from the Home Office and the delivery of the contract by Serco. Much partnership work had taken place in Wolverhampton to set the operations with Serco. This had led to real benefits.

A Member referred to the European picture and historical aspect of accepting asylum seekers.

The Board at 9:25pm unanimously resolved to extend the meeting by up to 30 minutes in line with the requirement in the Council's Constitution.

A Board Member commended the work of Officers and in particular the work they had done with the Home Office.

A Board Member referred to the pressure on local services and the difficulties this could bring in the community, it was important for the Home Office to understand the pressures. She understood that 300 properties were being used by Serco in the City, which added a further pressure to Wolverhampton residents who were seeking housing. Whilst it was important to be welcoming and hospitable, dispersal policy was important.

A Board Member asked about the impact assessments that had taken place at a local level and whether this was factored into any financial support the Council received. He asked if the Council knew the costs for looking after asylum seekers in the City. Nationally and regionally, the City were amongst the highest for receiving asylum seekers. The system needed to be fair and the Council needed to defend its position.

The Director of Public Health responded that it was hard to quantify the absolute costs. Partnership working helped to manage the risk of impact on services. Preventative measures helped to prevent some long term costs. He cited health screening as an example, which initially Serco had not done.

A Board Member commented that he hoped regular contact with Serco would continue. The Director of Public Health assured the Board that regular contact was being made.

The meeting closed at 9:40pm.

