

Economy and Growth Scrutiny Panel

Minutes - 21 June 2023

Attendance

Members of the Economy and Growth Scrutiny Panel

Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Ciaran Brackenridge
Cllr Claire Darke
Cllr Harbinder Singh
Cllr Udey Singh (Vice-Chair)
Cllr Jacqueline Sweetman (Chair)
Cllr Iqra Tahir
Cllr Ellis Turrell

In Attendance

Cllr Stephen Simkins (Deputy Leader)
Cllr Louise Miles (Cabinet Member for Jobs and Skills)

Employees

Lee Booker (Scrutiny Officer)
Mark Taylor (Deputy Chief Executive)
Richard Lawrence (Director of Regeneration)
Isobel Woods (Head of Enterprise)
Julie Obada (Head of Skills)
Laura Collings (Head of Policy & Strategy)

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies**
Apologies were received from Cllr Sally Green and Cllr Jasbinder Dehar.
- 2 Welcome and Introduction**
The Chair welcomed the Panel.
- 3 Declarations of interest**
There were no declarations of interest.

- 4 **Minutes of previous meeting (15 February 2023)**
Resolved: That the minutes of 15 February 2023 be approved as a correct record.

5 **Portfolio for City Inclusive Economy about his Plans and Priorities for the Municipal Year**

The Deputy Leader stated that he had 10 priorities for the City's Economy and believed it was vital to help get the City through the cost of living crisis. Part of this was to encourage more local jobs for local people, to work with and encourage youth employment and to be climate conscious with the targeting of skills and delivery of employment. Improving the visitor economy to the City was also key so that more people visited the City from the local area and further afield to bring more commerce. He wanted the City to be a caring City, where residents were looked after, he said work was being targeted at the care sector, which would also contribute to employment in the area. Support for communities was paramount, especially during the cost-of-living crisis; Community Hubs were seen as essential for this and were delivering services. Thriving families were key to regenerate the population in the City and maintain its high youth statistics. Healthier lives policies were being pursued to ensure the biopolitical strength of the City. All of this was to be unpinned by an efficient and inclusive local authority.

The Deputy Leader informed the Panel that as part of creating a thriving local economy, they wanted to bring in a further 30,000 visitors with a predicted boost to local economy of £10 million. They wanted to invest in new jobs, in particular the creative sector. For Visitor Economy, investment into the City centre and local towns was being pursued as well as further investment in the learning sector to help upskill local people. Collaboration on the I54 site extension and in engaging businesses had occurred between The City of Wolverhampton Council and South Staffordshire Council.

The Director of Regeneration then opened a presentation (a copy of which is attached to the signed minutes). He displayed and summarised a number of projects which had been delivered: I9, Bilston Urban Village, National Brownfield Institute, Transport Interchange, I54, I10, The Civic Halls, Art Gallery. Over the 12 months previous to the Scrutiny Panel meeting, 9 funding successes had been achieved, with a future proposal for further funding from the West Midlands Combined Authority. The Director of Regeneration informed the Panel that over the previous 12 months, Wolverhampton Employer Support, had supported 568 businesses which included start up businesses and had opened up 2529 new job vacancies which included 89 apprenticeships. He explained future priority projects were: Horsely Fields, Green Innovation Corridor, Canalside South, Brewers Yard, Interchange 8, Stream mill and Sackworks, a Hotel, Commercial District, City Centre West and St Georges. He covered the City Investment Priorities for the future 12 months which were: City Investment Strategy, Working arrangements with the West Midlands Growth Company, Events and Marketing Plan, Business Week 2023, IGNITE and WES, Wolverhampton Investment Prospectus, Global West Midlands, Strategic Relationship Management.

A Councillor praised the comments made but said he would like thinking to go beyond 12 months and be even more long term.

A member of the Panel queried the reported Hotel project, he referred to the

Birmingham Unite the Union headquarters building which went a further £60 million over estimated budget and wanted further oversight to ensure similar mistakes were not made with the building of the Wolverhampton Hotel, via public money.

The Deputy Leader replied emphasising the importance of the Council working with its partners to invite private investment into the Hotel business. He also stressed the link with the West Midlands Combined Authority, as much of the project funding came from that government body. However, he stated that the work of the City of Wolverhampton Council and its Officers were the reason why this money was released as they had demonstrated they used the money adequately.

The Director of Regeneration informed the Panel that they had done a supply and demand analysis on the hotel sector, as well as applying a lessons learned approach from previous projects. He said that most Hotels outside of London required a public sector subsidy and they had been liaising with other local authorities to see how they had done such projects. They had also been approached by other companies in the City to discuss Hotels which did not require public sector subsidy which were of a lower end quality and price.

The Vice Chair discussed the visitor economy and hotel market. He wanted to know how they planned on working with partners to make the Hotel more attractive to private investors.

The Director of Regeneration answered that two approaches could be taken. The first was the Hotel would be developed through the public sector and then a franchise procured. The second was working with a private developer where they would take on the risk and management of the building instead. He stated that demand side, there was a strong demand from the private sector for a suitable hotel to accommodate visitors to some of the major employers in Wolverhampton and that business was currently being lost to Birmingham or Stafford. He also stated the University of Wolverhampton also brought forwards the same demands. The Council was working with consultants to gather further information on this before they moved forwards.

The Vice Chair asked which British based investors were the Council speaking to for the project.

The Deputy Leader stated they would speak to anyone who wanted to invest in the City.

The Director of Regeneration replied that most investment came from the South East of the country, and that they would also like to get more investment from the North West. He said a lot of the investment came from internal investors but that they would also like to work long term to attract more foreign investment.

Resolved: that the Regeneration team report back to the Panel when the Visitor Economy is discussed with further details on investments, subject to the commercially sensitive information rules.

This was agreed by the Panel.

The paper was agreed and accepted by the Panel.

6 **Supporting the City's Businesses**

The Head of Enterprise set out the aim of the presentation (a copy of which is attached to the signed minutes), to show where they were at and where they planned on going in the future with supporting the City's businesses. Due to the United Kingdom leaving the European Union, the Council hired Metrodynamics to review the landscape of the City's businesses and recommend a new framework. The government announced the Levelling Up policy in 2022 followed by the UK Shared Prosperity Funds. This fund was set to replace the European Union funding, but at a significantly lower level of funding. By October 2022, the West Midlands Combined Authority agreed a co-ordinated regional approach for business support. In March 2023, the Government closed all Local Enterprise Partnerships and Growth Hubs nationally, in April 2023 Wolverhampton Employer Support went live. The Head of Enterprise informed the Panel of the current position; they were waiting receipt of the UKSPF and were confirming what data and evidence was still outstanding such as engagement with employers and employer groups, the plan was to link with other strategic key points in the City plan. They were engaging with stakeholders to co-plan and co-produce future business support policies. They aimed to come back to Scrutiny Panel on this later in the year. Businesses which had received EU funding had fed back that the knowledge they received in business oversight was more successful than the grant money received.

A Councillor was disappointed the workplace champions scheme wasn't mentioned in the presentation. He enquired if information on how the IGNITE scheme was progressing, which had been in operation for 12 months. He wanted feedback on its success.

The Head of Enterprise apologised that it did not come across in the report that the Workplace Champions scheme and other existing partnership policies were being utilised. She stated these networks were also being utilised as part of this plan but she had used the presentation to show what other ways were being planned or utilised to support the City economy and employers. The Head of Enterprise said they were still in the process of collating the data and feedback from the IGNITE scheme and would be happy to bring it to Scrutiny when it was ready.

The Deputy Leader added that it was important all these schemes were utilised and that communication with employers was maintained. He stated that the new challenge would be the lower levels of money under the new UKSPP compared to former EU funding and stated getting this across to businesses in the City was the next step.

A Panel member asked how well communications with businesses was really going, citing that in his opinion, the Council had performed poorly dealing with businesses in the City centre impacted by the street pedestrianisation program. He wanted to know what lessons had been learnt to avoid the same thing happening in the future. He also raised the matter of reports that are produced by consultants that the Council pays for and stated he would like to see those reports brought to Scrutiny.

The Chair added that she wanted to know how they determined the success of

communication/engagement with businesses.

The Head of Enterprise informed the Panel that they worked with partners, which included meeting business federations and other similar groups for discussion and feedback. They had also undertaken surveys with some partners previously. They had more flexibility with who they could work with now the country was out of the European Union, as the European Union had strict criteria as to what sectors they could fund.

The Chair sought further clarification and asked if this meant the Council was still in the early stages in figuring out the best practice to work with businesses.

The Head of Enterprise replied that they were working with everyone and that now the UK had left the EU, this meant they were now able to work with businesses and sectors they hadn't worked with before.

The Director of Regeneration added that it was important to note that there were other sources of business support alongside the Local Authority and that working with partners, it was important to ensure businesses sought support from the right sources.

Resolved: that the Metrodynamics and RSM reports circulated to members of the Panel. For the RSM Report, legal advice be taken before disclosure and the report be distributed in a content and format as appropriate.

7 **Supporting more people into jobs and training**

The Head of Skills gave a presentation on Education and Skills (a copy of the presentation is attached to the signed minutes). She summarised the current strengths the City had towards employment support. She felt some of the strengths in the City were nationally strong, those were 20 secondary schools, 19 with sixth forms, 54 independent training providers. 8 Colleges delivered learning to City residents. There were more City of Wolverhampton schools rated as "good" by Ofsted than the national average. Online learning had increased in usage during and then post-Covid lock down. There were low levels of young people who did not participate in employment, education or training (years 16 – 17), a youth employment HUB, extensive data collection.

The Youth Employment HUB had finished its first year, it had a target of 300 people, it managed over 400 with 30 percent who moved into employment. The Head of Skills listed the current challenges to be dealt with, these were:

- high levels of long-standing unemployment (especially between 18 to 24)
- low levels of formal qualifications compared to regional and national averages

- low level essential skills
- an imbalance of skills in reference to qualifications and experience thus meaning a skills shortage in the area
- employers were focused on hiring employees and not developing existing staff with upskilling or reskilling
- loss of European Union funds
- legacy issues from the Covid lock down.

To address some of the challenges, in particular the loss of European Union funding and the framework with which that set out, the Council would be taking funding from the Commonwealth Games Legacy Fund and the UK Shared Prosperity Fund. They also had a development deal between the national government and the West Midlands Combined Authority which would see a more place-based approach to address Local Authority Specific challenges. The Head of Skills then discussed the Wolves at Work programme, which was a cross sector approach to tackling unemployment in the City, highlighting its approach in the presentation slides. Community Skills delivery targeted supporting adults who were furthest from the jobs market to enable them to get skills in a community setting. This included maths support tailored towards helping people understand how to budget, second language speakers for migrants, skills and well being packages, people with learning disabilities and more. They aimed to get community grants in the future towards further facilities, taken from the United Kingdom Shared Prosperity Fund. A joined up approach was being developed in house with the Adult Education Service.

The Head of Policy and Strategy stated that with new investment into the City, there were new opportunities, however, she was aware there were many young people who would not yet be able to take advantage of those opportunities due to various barriers, so strategy was focused on working with young people to enable them to progress. The challenges of worklessness were inter-generational and went back 20 years and would require a long term plan to address. 5 areas of focus for transformation and action were: Children have the best start in life, high quality education which prepares young people for work, post 16 education provision that meets the needs of employers, lifelong learning pathways to good quality work, a new employer support model.

The Vice Chair thanked the team for the report. He stated he had read a statistic that Wolverhampton had the second highest number of unemployment benefit claimants in the country. He felt that when it came to young people having the best start in life, there was statistical evidence that local children from around key stage 3 started to drop off in terms of their output quality. He said in English and Maths particularly, there were children falling behind. He said he felt the data did not highlight white working class children, who made up a massive cohort of the school population. He felt the report should have included that group too. He said more engagement

needed to occur with parents to stress how important education was at a young age for their children. He stated that the future would bring further global competition, with countries like Mumbai and Delhi. Citing his own experiences visiting those countries, he said the children in those schools were hungry for education because education was seen as a ticket out of poverty. He felt this same message was not being driven home to students in England, especially Wolverhampton.

The Head of Policy and Strategy felt there was an opportunity in the schemes to drive home to families the importance of learning maths and english. She also said careers engagement from a young age was key to increase aspirational thinking.

The Cabinet Member for Jobs and Skills stressed the importance of the strategy containing practical actions that could be done and emphasised the need for increased support around post-18 year olds to target the slump in career based trajectories that age group brings with careers advisory.

A Panel member stated that he felt the figures of unemployment across the City were too high, and not reducing. He said more needed to be done to reach people to get them into employment.

The Head of Skills referred to statistics quoting that the most recent City unemployment figures were 28.7 percent, which was higher than regional and national averages. However, 26.1 percent of those people said they wanted a job, which was higher than the regional and national averages. She explained, however, that there were people listed as economically inactive and people who were economically inactive but seeking a job. The latter would be on the radar of services as they'd be attending the jobcentre for benefits, whereas those not seeking were off the radar and were harder to engage with. She informed the Panel the Council was in line to receive funding from the United Kingdom Shared Prosperity Fund, once this funding had been granted to the Council, they intended to invest around £1 million into reaching economically inactive people. She said it was important to note that data sets that report figures of people claiming Universal Credit included people who did work but were on low wages or zero hours contracts. She said these were people who were under-employed and that they too were a focus to try increase their working hours or job prospects. She hoped for devolved powers to local Department of Work & Pensions so that they could do place based targeting on these issues, rather than a generalised national system as was currently in place.

A Councillor stated that he would be interested in seeing which wards were doing the worst on employment figures.

Resolved: That the Employment team come back to the Panel with strategies for local wards and how employment and unemployment is in those wards. The information should also contain which wards and services are the weakest links.