

Enterprise and Business Scrutiny Panel

Cllr Michael Heap

30 September 2014

Time 6.00 pm Public Meeting? YES Type of meeting Scrutiny

Venue Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr John Rowley (Lab)
Vice-chair Cllr Jonathan Yardley (Con)

Labour Conservative Liberal Democrat

Cllr Zahid Shah

Cllr Harbans Bagri Cllr Philip Bateman Cllr Payal Bedi

Cllr Craig Collingswood

Cllr Val Evans

Cllr Tersaim Singh

Cllr Jacqueline Sweetman

Cllr Martin Waite

Quorum for this meeting is three Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Earl Piggott-Smith

Tel/Email Tel: 01902 551251 or earl.piggot-smith@wolverhampton.gov.uk Democratic Support, Civic Centre, 2nd floor, St Peter's Square,

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. Title

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes of the previous meeting (15.7.14) (Pages 1 6)
- 4 Matters arising

DISCUSSION ITEMS

5 Approach to Business Support and Investment (Pages 7 - 18)

[A report on the Council's approach to business support and investment]

Exclusion of public and press

[To pass the following resolution:

That in accordance with Section 100A (4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

6 North Wolverhampton Enterprise Zone and (3) corridor (Pages 19 - 28)

[A report on current progress regarding the North Wolverhampton Enterprise Zone.]

7 Old Steam Mill and Cornhill Road Closure (3) (Pages 29 - 88)

[To receive a report on proposed options that would enable the Council to meet its responsibilities to protect Old Steam Mill building and lead to the re-opening of Cornhill Road]

[NOT PROTECTIVELY MARKED]





Enterprise and Business Scrutiny Panel

Minutes - 15 July 2014

Attendance

Members of the Enterprise and Business Scrutiny Panel

Cllr Harbans Bagri

Cllr Philip Bateman

Cllr Craig Collingswood

Cllr Val Evans

Cllr John Rowley (Chair)

Cllr Tersaim Singh

Cllr Martin Waite

Cllr Jonathan Yardley (Vice-Chair)

Employees

Tim Johnson Strategic Director, Education and Enterprise

Keren Jones Assistant Director, Partnerships, Economy and Culture

Earl Piggott-Smith Scrutiny Officer

Part 1 – items open to the press and public

Item No. Title

1 Apologies

Apologies were received from the following Councillors

Cllr Jacqueline Sweetman

Cllr Payal Bedi Cllr Zahid Shah

2 Declarations of Interest

There were no declarations of interest received

3 Minutes of the previous meeting (4.3.14)

Resolved:

That the minutes of the meeting held on 4.3.14 be approved as a correct record and signed by the Chair.

4 Matters arising

Cllr Bateman commented on previous concerns raised about the impact of derelict sites along the railway corridor into the City and the poor impression given to rail users and visitors to the City.

Tim Johnson advised the panel that his presentation would set out plans for the regeneration of the City that would respond to the concerns.

Cllr Bateman commented on the difficulty in redeveloping sites to make them attractive to developers and suggested consideration be given to changing the planning designation to encourage their development. Cllr Rowley commented on the need for the Council to be flexible when considering changes from employment to residential use.

Tim Johnson advised the panel that while there is a lot of available land in the City, there was insufficient demand. As a result current efforts were focused on bringing packages of land together that could be made attractive to developers, but accepted that this was a challenge. Tim Johnson commented that the Council has limited resources and it was therefore important to invest in regenerating those areas that were expected to deliver an economic return for the City and make marginal areas more financially viable.

5 Black Country Working

Keren Jones presented a report on the development and delivery of the Black Country Strategic Economic Plan and supporting Growth Fund opportunities. Keren Jones outlined the aims of the strategy and the role of Black Country Local Enterprise Partnership (LEP) in supporting the delivery of projects across the region. Keren briefly outlined the funded resources managed by the LEP and how they were being used.

Keren Jones outlined the success of the Black Country Growth Deal bid to deliver a programme of projects and deliver new ways of working. Wolverhampton had been very successful in securing funding for the city within this context. The Black Country LEP has also secured flexibility about how the resources will be used. Keren Jones explained the spending plans for 2015/16.

Cllr Bateman commented on the potential benefits of developing the canal side area of the City and making improvements to the towpath area to make it more attractive and generate positive headlines. Cllr Bateman welcomed the report and the successful funding bids.

Keren Jones explained that it was a competitive process and that some of the funding would provide an opportunity to improve the green infrastructure and access corridors into the City.

Cllr Rowley commented that not enough done to unlock the potential of the open space and the opportunity to improve cycling and walking routes.

Keren Jones commented on the work being done with the Canal and River Trust to develop this area of work. Keren Jones commented on the development of a cycle lane from Tettenhall to the i54.

Keren Jones explained that the first round of Growth Deal funding was for capital projects, and included opportunity to make employment, housing and mixed use sites more attractive for inward investment and development.

Cllr Martin Waite commented on the concern about whether local people will have the necessary skills to take advantage of the job opportunities as result of the investment.

Tim Johnson commented on the challenge in equipping local people with the skills needed. Tim Johnson commented on the issue of employability and the need to help people with low skills. The current focus is on how to equip people with the skills needed to help them take advantage of job opportunities linked to planned developments.

Cllr Yardley commented on the funding figures quoted in the Express and Star which suggested that Wolverhampton had not been very successful in its bids. Keren Jones explained that Wolverhampton had done much better than the headlines would suggest, as some of the projects the City will benefit from are cross cutting, which benefit the whole of the Black Country.

Keren Jones commented that it has taken time to understand the figures because of how the funding has been calculated.

Resolved.

- 1. That the report and the presentation be received.
- 2. That the panel welcome the progress made to bring forward development projects in Wolverhampton.

6 Education and Enterprise - regeneration priorities and current position

Tim Johnson gave an overview of the key strategic regeneration areas of the Wolverhampton, current and future development work, and the overall vision for the future of the City. Tim Johnson commented in detail on the work being done in the following areas during the presentation:

- J2/i54
- City centre
- Bilston

Tim Johnson commented that the three areas offered the best opportunity to regenerate the City.

Tim Johnson commented on the opportunity to develop Council owned land on the site of i54 which could support its future expansion and encourage developers to the area. Tim Johnson commented on the enquiries received from developers who have expressed an interest in moving to the site and the work being done to improve transport links to the area.

Tim Johnson commented that the new Sainsbury store was open in the City centre and that the new Tesco site was expected to open in early 2015. Tim Johnson commented on the work being done to regenerate the City centre and specifically the plans for the Westside and Southside developments. Tim Johnson commented on the work being done to also retain existing businesses in the area.

Tim Johnson commented that there are discussions about the future plans for the indoor market, but nothing has been decided. Tim Johnson commented that no new indoor markets had been developed in the last 30 years in the UK, which is a sign of the change in shopping patterns. The current market offer needs to be developed as part of the overall City centre offer.

Tim Johnson commented about discussions with the Department of Transport about the interchange project and the development of a new car park. Tim Johnson commented on developer interest on the 'block 10' site near the station.

Tim commented on the Canalside quarter development and the plans for the redevelopment of the Springfield Brewery site. Tim Johnson commented that discussions ongoing about redeveloping the site as a national centre to provide training on construction and education for young people. Tim Johnson also commented on the plans for the redevelopment of the former Sunbeam factory site.

Cllr Rowley welcomed the plans to redevelop both sites which have been empty for many years.

Tim Johnson commented on the importance of the cultural and entertainment offer in helping to regenerate the City centre.

Tim Johnson commented on the local growth fund bids that will used to redevelop the Civic Halls and the Grand Theatre and increase its capacity. Tim Johnson commented the importance of the investment of the University in the city. Tim Johnson commented on the work being done with Wolverhampton College which had missed out on past investment opportunities.

Tim Johnson commented on the vision for the future of the Bilston and the work being done to bring forward developments

Cllr Bateman commented on the need to consider how funding can be used to also support the development of other areas of the City and would like all areas to benefit from the planned investment.

Tim Johnson commented on the importance of focus on regenerating key areas of the city and unlocking their potential of those sites which have been derelict for some time. The regeneration of these areas was considered to be key to the work being done to improve the City, but it will take time to deliver the changes.

[NOT PROTECTIVELY MARKED]

Resolved

- The Panel agreed to receive the presentation.
 The Panel welcomed the presentation and supported the work being done to regenerate the City.

The meeting ended at 8pm.



Agenda Item No: **XX**



Enterprise and Business Scrutiny Panel

30 September 2014

Report title Approach to Business Support and Investment

Councillor Peter Bilson

Cabinet member with lead

responsibility

Economic Regeneration and Prosperity

Wards affected All

Accountable director Tim Johnson, Education and Enterprise

Originating service Enterprise and Skills

Accountable employee(s) Jim Cunningham Interim Head of Enterprise and Skills

Tel 01902 550166

Email James.cunningham@wolverhampton.gov.uk

Report to be/has been

considered by

Recommendation(s) for action or decision:

The Panel is recommended to note and comment on the Council's approach to business support and investment which aims to promote new business start-ups; existing business growth; and the attraction of new companies to Wolverhampton.

1.0 Purpose

1.1 The purpose of this report is to outline the Council's approach to business support and investment in the context of the wider business support environment.

2.0 Background

- 2.1 Encouraging enterprise and business is a key aim of Wolverhampton City Council's Corporate Plan. This report outlines the Council's approach to business support in respect of the priorities attracting new businesses, supporting development and growth and supporting our priority sectors.
- 2.2 At a sub-regional level, Black Country Growth Hub is funded by £3.1 million from Regional Growth Fund (RGF) as part of City Deal. The Growth Hub offers a one stop shop approach to business assistance across the Black Country with packages of support available to local businesses. It aims to equip the Black Country's manufacturing small to medium enterprises with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them. The city Council is the accountable body for the Growth Hub and the Council's business support team is now based in the Business Solutions centre which hosts the Black Country Growth Hub
- 2.3 Attracting new business and supporting enterprise is a key priority of Wolverhampton City Council. Attracting and supporting businesses with high growth potential will bring new job opportunities, supply chain opportunities and raise the national and international profile of Wolverhampton. When locating a business, inward investors seek a number of factors that are key to ensuring the City retains its own indigenous growth companies:
 - A stable macro-economic climate
 - A stable political and regulatory environment
 - Market access and open competition
 - A welcoming environment
 - Available sites and/or premises
 - Appropriate, available and reliable utilities and transportation
 - Available skilled workforce
 - Available local suppliers and resources
 - Appropriate education, training and research facilities
 - A good quality of life, especially when bringing ex-patriots
 - Manageable regulation and taxation systems
 - Incentive schemes

3.0 Council's approach to business support

- 3.1 The Enterprise and Skills Service delivers against business support programmes structured to meet the needs of different business sectors, taking into account their size and their level of maturity. These are summarised below and detailed in **Appendix 1**.
- 3.2 Support for business start-up: GOV.UK provides an online information portal on how to start a business. In Wolverhampton business failure rates in the first five years are much higher than the national average, and for many people the advice portal is not enough. The Council and its partners have worked together to provide a one stop shop at the Business Solutions Centre for business start-up advice and support. The Council also support other providers to meet particular needs in Wolverhampton, including community economic development.
- 3.3 **Support for micro-enterprise and small business:** Small businesses are defined as those that have fewer than 50 employees, and micro-businesses are less than 10 employees. In Wolverhampton they represent 95% of all business in the city and provide a considerable proportion of the local employment opportunities.
- 3.4 Support to small and medium enterprise with significant potential to grow: the 2010 City Economic Assessment identified a number of business sectors that have the potential to grow. The Council and its partners are developing a targeted approach to companies within priority sectors which aim to build so-called "gazelles," or fast-growth companies with the potential to create a large numbers of new jobs and high annual growth rates.
- 3.5 **Work with strategic companies:** top business executives, in particular, have a critical role to play in engaging other companies, government bodies, international agencies, and civil society organizations to explore complementary, and possibly collaborative, action.
- 3.6 **Supporting companies seeking to locate, or re-locate, in the city:** the Council's approach to business investment is outlined below.
- 3.7 **City Board Annual Business Summit:** Business exhibitions, conferences and events attract people from outside the area and delegates spend significant sums of money during their stay. To stimulate growth in this area it is proposed to run an annual business summit as part of the City Board Conference programme each autumn. Once established, it is envisaged that the Business Summit would be mainly self-financing, as well as attract business sponsorship. An annual Business Summit will reinforce that Wolverhampton is a good place to do business, invest and locate.

4.0 Council's approach to business investment

4.1 Inward investment and the promotion of international trade activity is a core element of the Council's Enterprise and Skills business facing team. The focus for inward and outward investment activities fall into three key areas, regional, national and international,

linked with Wolverhampton's key business clusters, with a focus on Advanced Engineering and specifically aerospace. Internationally, USA, India and Europe have been identified with activity to date mainly linked to the Aerospace and advanced engineering cluster.

- 4.2 Wolverhampton City Council is a partner in **Invest Black Country**, the inward investment organisation for the Dudley, Sandwell, Walsall and Wolverhampton areas. It works with businesses that are looking to expand or relocate and demonstrate why being in the Black Country makes business sense. Through Invest Black Country, businesses can access a bespoke range of services from market intelligence, property support and supply chain development to access to finance and innovation opportunities that will help them as they land, grow and thrive in the Black Country.
- 4.3 The **Black Country Enterprise Zone** ooffers inward investors full Business Rates relief for 5 years. I54 and business areas around junction 2 of the M54, are Wolverhampton's Enterprise Zone areas. Business Support and Regeneration market the sites and opportunities, assembling further financial incentives, as well as after care for the new inward investor, by introducing them to the local business community. Once an inward investor is secured, the team also work on maximising opportunities for local business through supply chain development.
- 4.4 Cabinet Panel on 25 June 2014 approved the creation of a City Investment Fund of up to £350,000 that offers discretionary grants to help secure exceptional inward investment opportunities or provide incentives to retain existing major employers considering relocation. The fund will be used in order to be able to compete both locally and nationally with other locations to attract occupiers or to retain strategic businesses within the city, in areas such as reduced rates, feasibility studies, master planning or other areas of support.
- 4.5 The Council act as first point of contact for individual companies looking to relocate to the city or indigenous business seeking space to grow in respect of land and workspace. This includes assessing the initial needs of a company and the company's strategic and economic importance to the City. In the future, an account manager will appointed to hand hold the company through the "landing" process.
- 4.6 Enquiries for new business investment, either inward investment or from the expansion of Wolverhampton's current local businesses, currently enter the Council through a number of different departments and teams. A process is being developed that introduces a central point of co-ordination for responding to and recording business investment enquiries is currently being reviewed in order to achieve the following:
 - Central co-ordination of all business investment enquiries
 - Ensuring a consistent and excellent quality of responses for all business investment enquiries.
 - Ensuring all teams/departments within the Council understand the importance of recording and responding to business investment enquiries

- 4.7 Successful co-ordination of all business investment enquiries will allow a more comprehensive investment enquiries report to inform future planning processes and ensure an effective and professional response to investment enquiries.
- 4.8 The Council have recently successfully worked with four investors moving into Wolverhampton, including the relocation of a firm within the Black Country resulting in the creation of 25 full-time and 20 part-time jobs. In the last quarter, there have been 33 new registrations on WCC's property search site, three enquiries for premises from new businesses, eight new inward investment leads with 38 others leads ongoing.

5.0 Financial implications

5.1 There are no financial implications from this report. The Business Development and Investment team are mainstream funded. The cost of externally funded project staff are included in the bids. Investment activities are funded with the Economic Partnerships budget.

[ES/18092014/F]

6.0 Legal implications

6.1 Advice will probably be taken from legal colleagues but accountability for appreciating and detailing the legal implications remains with the accountable officer(s). There are no immediate legal issues arising from this report.

[Legal Code: TS/16092014/Z]

7.0 Equalities implications

7.1 An equalities analysis on activities was completed for the production of the Economic Growth Plan and did not foresee any negative impact. Economic inclusion is a cross cutting objective and the team support several networks including the Women's Business Forum, Black Business Network which have a positive impact on equality.

7.0 Environmental implications

7.1 There are no environmental implications to the report. Sustainability must be taken into account in externally funded business support projects and the Growth Hub has a specific product around resource efficiency.

8.0 Human resources implications

8.1 There are no human resources for this report.

9.0 Corporate landlord implications

9.1 There are no corporate landlord implications to this report. The Business Development and Investment team have co-located at the Black Country Business Growth Hub at

Wolverhampton Science Park as part of a coherent offer to business support across the Black Country.

10.0 Schedule of background papers

10.1 None

Appendix 1: Council Approach to Business Support

Education and Enterprise - Support to Business

Briefing on Wolverhampton City Council business support activities

The Business Support Arm delivers against Business Support programmes are structured to meet the needs of different business sectors, taking into account their size and their level of maturity:

- 1. Business start up
- 2. Small and micro-business
- 3. Small and Medium Enterprise with significant growth potential
- 4. Strategic Companies
- 5. Companies seeking to locate, or re-locate, in the City

There are **five** Council mainline staff within the team, plus additional staff who are externally funded to deliver specific projects. This team is now co located within the Business solutions Centre plus a Head of Service, who over the next year will by partly externally funded through City Deal and RGF funding to develop the Black Country Growth Hub.

1. SUPPORT FOR BUSINESS START UP

GOV.UK provides an online information portal on how to start a business. In Wolverhampton business failure rates in the first five years are much higher than the national average, and for many people the advice portal is not enough. The Council and its partners have worked together to provide a one stop shop at the Business Solutions Centre for business start-up advice and support.

Signposting would-be entrepreneurs to the right business support provider - the Council is often the point of contact for many local people wishing to set up a business.

A delivery partner as part of the Wolverhampton Business Solutions Centre. This includes undertaking a diagnostic to assess the viability of a business ideas. It also includes supporting clients through the pre-start up phase.

Commissioning business start-up support services. The Council has a service level agreement

- Wolverhampton Business Solutions Centre
- Access to Business
- University of Wolverhampton
- Black Country Chamber of Commerce
- Prince's Trust

with Access to Business to provide intensive assistance which is managed by the Team.

Development of special projects: The Team works with partners to attract additional funds to encourage enterprise e.g. 5 Businesses have been recently supported through the Idea2Reality competition.

2. SUPPORT FOR MICRO-ENTERPRISE AND SMALL BUSINESS

Small businesses are defined as those that have fewer than 50 employees, and microbusinesses are less than 10 employees. In Wolverhampton they represent 95% of all business in the city and provide a considerable proportion of the local employment opportunities.

Public sector and local private sector contracts: through the development of the Find it in Wolverhampton Portal, which, together with the UK Contract Finder, is how all Council contracts over £10K should be advertised. The portal provides on-line information to local businesses about new opportunities and encourages local trading.

A delivery partner as part of the Wolverhampton Business Solutions Centre. Includes undertaking diagnostic work to identify the needs of more established micro-enterprise and small business.

Business networks: Networks enable micro-business and small and medium enterprise to share best practice, open up new markets and support each other with business issues and commercial opportunities. The Council team play a facilitative role, and meet with the chairs at a quarterly Business Groups Meeting to discuss and address small business issues.

Social and Micro-Enterprise Support – a externally funded project to support the development of social enterprise in four deprived areas of the City. Opportunity to expand this work will be available through the Black Country City Deal (from 2014) and Black Country EU Structural Investment Funds (from 2015).

- Wolverhampton Business Solutions Centre
- Wolverhampton SME Forum
- Access to Business
- University of Wolverhampton
- Wolverhampton Voluntary Sector Council
- Social Enterprise West Midlands
- Prince's Trust

Development and delivery of special projects: e.g. management of detailed negotiations with existing small businesses in the Southside area. This includes successfully distributing Southside Grants — of £375,319 of grants to help local business refurbish properties.

3. SUPPORT TO SMALL AND MEDIUM ENTERPRISE WITH SIGNIFICANT POTENTIAL TO GROW

The 2010 City Economic Assessment identified a number of business sectors that have the potential to grow. The Council and its partners are developing a targeted approach to companies within priority sectors which aim to build so-called "gazelles," or fast-growth companies with the potential to create a large numbers of new jobs and high annual growth rates.

The role of the Council's Business Support Team:

Black Country Growth Hub: Accountable body for a £3.1m City Deal scheme to set up a Growth Hub to support manufacturing SMEs to accelerate sustainable growth, continue to innovate and develop their local supply chains. The Council's Team also undertake a diagnostic to identify the opportunities and barriers for key companies, which then draws on specialist support by MAS, UKTI, Growth Accelerator and other local providers. The activities of the Business Solutions Centre will increasingly be subsumed into the Black Country Growth Hub

Black Country Gold: Accountable body for priority sector businesses grants of up to £16,000 to support expansion projects that will enable growth by up to 20%. Includes 121 support to develop a Growth Plan.

Supply chain development and trade – Supporting key partners to develop opportunities for local import, export, licencing, inward investment and trade missions with our partners at UKTI and Chamber of Commerce.

Access to finance: Providing 121 support high growth potential businesses to secure investment and finance e.g. Regional Growth Fund, Black Country Growth Fund, Black Country Property Investment Programme and Black Country Green Shoots

- Wolverhampton Business Solutions Centre
- UKTI
- MAS
- Growth Accelerator
- Technology Strategy Board
- Black Country Consortium
- University of Warwick Business School
- Lancaster University Management School
- Cabinet Office's Cities
 Policy Unit

4. WORK WITH STRATEGIC COMPANIES

Top business executives, in particular, have a critical role to play in engaging other companies, government bodies, international agencies, and civil society organizations to explore complementary, and possibly collaborative, action.

The role of the Council's Business Support Team:

Business Champions: The Strategic Director and Deputy Leader are members of the Business Champions Group, which meets quarterly. The Council's Business Support Team provide the secretariat and technical assistance to this group.

Wolverhampton Business Champions Innovation Series. Providing support to the Business Champions to deliver a services of seminars that allow SMEs to learn from the success of strategic companies in the City.

Jaguar Land Rover and i54 Supply Chain development: Promote the supply chain opportunities for the construction and fitting out of the new factory, working with Interserve and Beck and Politizer. Evaluation of this stage of the project will shortly be conducted, in order to strengthen our approach to supply chain development.

Key partners:

- Wolverhampton
 Business Champions
- University of Wolverhampton
- UKTI
- New inward investors e.g. Jaguar Land Rover.

5. SUPPORTING COMPANIES SEEKING TO LOCATE, OR RE-LOCATE, IN THE CITY

When locating a business, inward investors also seeks:

- A stable macro-economic climate
- A stable political and regulatory environment
- Market access and open competition
- A welcoming environment
- Available sites and/or premises
- Appropriate, available and reliable utilities and transportation
- Available skilled workforce
- Available local suppliers and resources
- Appropriate education, training and research facilities
- A good quality of life, especially when bringing ex-patriots
- Manageable regulation and taxation systems
- Incentive schemes

These factors are also key to ensuring that the City retains retains its own indigenous growth companies.

The role of the Council's Business Support Team:

Invest Black Country: Working with Marketing Birmingham, Black Country Consortium and neighbouring Boroughs to promote the city and the wider region for inward investment. The Business Team co-ordinates the city's offer in response to any leads generated.

Black Country Enterprise Zone: Offering inward investors full Business Rates relief for 5 years. Business Support and Regeneration staff market the sites and opportunities, assembling further financial incentives, as well as after care for the new inward investor, by introducing them to the local business community. Once an inward investor is secured, the team also work on maximising opportunities for local business through supply chain development.

Land & Workspace — First point of contact for individual companies looking at relocate to the city, or indigenous business seeking space to grow. The team are responsible for assessing the initial needs of a company, and the company's strategic and economic importance to the City. In the future, an account manager will appointed to hand hold the company through the "landing" process.

- UKTI
- Invest Black Country
- Business Champions
- Black Country Chamber of Commerce
- Property Agents e.g. Bulleys









