

# Stronger City Economy Scrutiny Panel

## Minutes - 5 February 2020

### Attendance

#### Members of the Stronger City Economy Scrutiny Panel

Cllr Philip Bateman MBE  
Cllr Payal Bedi-Chadha  
Cllr Dr Paul John Birch J.P.  
Cllr Craig Collingswood  
Cllr Claire Darke  
Cllr Barbara McGarrity QN  
Cllr Udey Singh (Vice-Chair)  
Cllr Jonathan Yardley

#### In Attendance

Cllr Harman Banger (Portfolio Holder – City Economy)  
Cllr Dr Michael Hardacre (Portfolio Holder – Education and Skills)

#### Employees

Martin Stevens (Scrutiny Officer) (Minutes)  
Charlotte Johns (Director of Strategy)  
Ian Fegan (Director of Communications and External Relations)  
Richard Lawrence (Director of Regeneration)  
Isobel Woods (Head of Enterprise)  
Heather Clark (Manager Strategic Project Funding)  
Paula Warrilow (Head of Organisational Development and Apprenticeships)  
Richard Nicklin (City Investment Manager)  
Jai Ghai (ICT Services Business Manager)

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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 Asha Mattu, Cllr Susan Roberts MBE and Cllr Jacqueline Sweetman.

Cllr Barbara McGarrity QN and Cllr Craig Collingswood apologised in advance for their intention of leaving the meeting early.

The Portfolio Holder for City Economy apologised in advance as it was his intention to leave the meeting early.

2 **Declarations of interest**

There were no declarations of interest.

3 **Minutes of Previous Meeting**

The minutes of the meeting held on 5 February 2020 were agreed as a correct record.

Cllr Philip Bateman asked for the assumed new housing capacity of Wolverhampton City Centre to be recorded in the minutes. This was provided by the Director of Regeneration as follows: -

4556 homes up to 2038, or 240 homes per year (Urban Capacity Review Update 2019). This includes a windfall allowance of 550 homes (30 per year) for vacant upper floor conversions - in line with trends in recent years. In total, 950 new homes were completed in the City Centre during 2006-19, or 73 homes per year on average.

4 **Matters arising**

There were no matters arising.

5 **Wolverhampton Digital Infrastructure Strategy**

The Digital Innovation Champion, Councillor Beverley Momenabadi gave a presentation to the Panel on the Wolverhampton Digital Infrastructure Strategy. She commented that the Council was committed to future proofing the Digital Infrastructure within the City. One of the ways to do this was through the rollout of full fibre. She spoke about bringing 5G to the City, which operated at a speed ten times quicker than 4G. 5G had the potential to deliver services more efficiently. The demand for greater digital connectivity was accelerating. She cited the example of businesses increasingly using the software package, Microsoft Teams. This package had the ability to allow you to connect to colleagues in a different way. It had an instant messaging service and could facilitate conference and video calls, which meant less in person meetings were needed. 5G would allow more mobility for businesses and using a package like Microsoft Teams could transform the way a business worked.

The Digital Innovation Champion stated that a study had been completed by Regeneris in January 2018. Their study had predicted that over 15 years full fibre would lead to a £27 million direct impact, £64 million business impact and £58 million of benefits to households in Wolverhampton. The Council were working closely with West Midlands 5G and developing use cases, exploring how 5G could be used to improve service delivery and productivity through test beds. Local businesses in the City could benefit through involvement in the test beds and the WM5G application accelerator allowing them to explore the opportunities that 5G could provide to their business. All four mobile phone network operators had announced the roll-out of 5G in Wolverhampton. Wolverhampton was the first in the nation to have a 20 metre, 5G Mast. It was hoped that the digital investment would make Wolverhampton more attractive to big companies to establish themselves in the City.

The Digital Innovation Champion remarked that they wanted Wolverhampton to become a "Smart City." Bristol was currently considered the UK's leading Smart City. A short video was shown to the Panel about what Bristol were doing and what Wolverhampton could aspire to in the future.

The Digital Innovation Champion commented that full fibre and 5G offered great opportunities with the traffic management system. There were also great opportunities in the monitoring of air quality, public safety solutions, the control of street lighting, car parking, smart waste collecting and the monitoring of footfall. The new smart lamp posts would be able to monitor day light to determine when to turn on. Wolverhampton Homes would be piloting a Smart Device proof of concept in five homes embracing Internet of Things, which included temperature and humidity sensors, Smart boilers, Smoke and CO2 alarm and energy monitoring. She outlined the timetable over the next few years for Wolverhampton becoming a Smart City.

The Digital Innovation Champion described a future opportunity known as 3D Mapping. This allowed realistic modelling of Wolverhampton allowing a better visualisation of the current environment. An area where 3D modelling would be useful included, public consultations showcasing new schemes in 3D, promoting city investment opportunities and supporting funding bids. She cited a second example as smart planning, where planning applications could be viewed from every angle to assess impact of change and determine feasibility allowing fast track planning. She cited as a final example smart traffic management where live traffic reports would be overlaid redirecting traffic. A short video and VR demo was shown demonstrating the use of 3D modelling solutions.

The Digital Innovation Champion gave some details on Esports (electronic sports). It was the second fastest growing entertainment and media sector in the UK growing 21% year on year. Global Esports revenue was set to reach £1.1 billion in 2019 a year on year growth of 26.7%. Esports had 450 million viewers globally. Wolves Esports was the professional gaming arm of Wolverhampton Wanderers Football Club. The Wolves Esports team had signed the 14<sup>th</sup> and 16<sup>th</sup> globally ranked Esport players and were the first Premier League Club to sign a Brazilian.

A Member of the Panel commented that only four responses had been received to the formal consultation and he asked why this was and who had actually responded. The Digital Innovation Champion responded that the consultation had been available online. There had also been posts about the consultation on the Council's Facebook social media page. The Manager of Strategic Project Funding responded that the two responses were from residents and two were from other interested party's.

A Member of the Panel commented that it was the right decision for the Council to appoint a Digital Innovation Champion, as communication was key. Digital Innovation was clearly of huge importance to the City. He asked how the Council was able to determine what the correct priorities were of the strategy, particularly given there was a small response to the consultation. The Digital Innovation Champion responded that Officers were well informed and were not powering ahead blinkered. The Officers had setup a Digital Infrastructure Programme Board working alongside Highways and Regeneration, to reduce the amount of disruption. The Director of Strategy commented that in addition to the formal consultation there was a broader engagement period including the pre-decision process and engagement with organisations like West Midlands 5G. The strategy was formulated on a very strong business case including a strong economic case. The ongoing dialogue and consultation would be with the development of the use cases. Digital Infrastructure was an enabler of how the Council Plan was delivered and this could include changes to the way services were delivered. In September 2019, the Chair of

WM5G, Igor LePrince had commented that there was no 5G in some internationally known major cities such as Paris and Munich, but there was in Wolverhampton.

The Director for Communications and External Relations commented that 5G was critical to the connectivity of the City and would help to give Wolverhampton a competitive advantage in the future. Wolverhampton was further advanced in this area than some of the neighbouring cities in the West Midlands. 5G could form an important part of marketing and branding the City in the future.

The Panel expressed their thanks to the Digital Innovation Champion and the Officers supporting the work of Digital Innovation within the City.

## 6 **Scrutiny Review of Apprenticeships**

The Portfolio Holder for Education and Skills introduced a report on apprenticeships. He stated that in Germany you would not find a major manufacturing industry that didn't have someone with an Engineering degree on the Board of Directors. The education system in the UK had been for a long time dominated with a view of the importance of a classical education, rather than a practical focus. The pressure to achieve a target of 50% of all young people attending University had negatively affected apprenticeships. The Government had started to listen about the importance of practical learning. Through the work of the Scrutiny review and the ongoing work subsequently, the Local Authority and the City of Wolverhampton as a whole had benefited.

The Portfolio Holder for Education and Skills commented that the Local Authority now spent all of its apprenticeship levy. The authority was increasing its apprenticeships and were working with organisations within Wolverhampton to try and ensure people had the opportunity to learn on the job and be certificated. Apprenticeship co-ordinators had been allocated to all the Local Authority schools in Wolverhampton. A City Apprenticeship Group had been established. They were also supporting Managers with the Council to look at whether a suitable apprenticeship was the best way to fill a vacancy. He believed this was the right approach in conjunction with a more supportive recruitment process.

The Head of Organisational Development and Apprenticeships gave a presentation to the Scrutiny Panel. A copy of the slides are attached to the signed minutes. Some of the main points were as follows: -

- Across the City there were 104 different apprenticeship standards being used with businesses.
- The Council had increased its 2016/17 offer of level 4 sector apprenticeship standards to a current offer of 27 from level 2 -6.
- The level of qualifications to undertake apprenticeships had been revised.
- The age ranges for people undertaking apprenticeships at the Council was monitored compared to the rest of the City.
- The Council had setup the tools to become an exemplar employer. The pay scale had been improved, information for managers and the recruitment process had been improved.

- The Council was utilising apprenticeship standards to upskill current employees.
- Apprenticeship standards were made up of two parts, Learning and Knowledge training and End Point Assessment.
- Level 2 and Level 3 apprenticeship standards could be started without a formal English and Maths qualification.
- With any apprenticeship standard the apprentice had to achieve the level 2, English and Maths qualification prior to the End Point Assessment.
- If a person had recorded a special educational need they would be able to undertake a level 2 or level 3 apprenticeship and achieve entry level English and Maths at the End Point Assessment.
- For people undertaking a level 4 and 5 apprenticeship there would be an expectation that they hold a level 2 in English and Maths when recruited onto the programme.
- There had been an increase in the apprenticeship levy spend, which had increased to £614,398 compared to £105,752 in 2017/18.
- The Council had undertaken levy transfers. To date the Council had supported Wolverhampton Homes and 2 academies. Linking with the WMCA.
- In 2018/19 there were 3.06% of the workforce undertaking apprenticeships compared to 1.58% in 2017/18. The public sector target of 2.3% had been exceeded.
- There would be a new Apprenticeship 2020 project working with specialist suppliers and internal services.

The Cabinet Member for Education and Skills asked for his personal thanks for the work of the Head of Organisational Development and Apprenticeship to be recorded.

Members shared some of their own personal experiences with apprenticeships.

A Member of the Panel stressed the importance of helping people with learning disabilities to reach their potential, if they wished to undertake an apprenticeship.

There was a discussion about Small and Medium Enterprise Businesses (SME). The Head of Enterprise remarked that 95% of businesses were an SME in Wolverhampton. They had been targeting 250 SME's as part of an engagement project. The Head of Organisational Development and Apprenticeships added that a number of SMEs had attended the City Apprenticeship Group breakfast sessions.

## 7

### **Marketing**

The Director of Communications and External Relations introduced a briefing note on Marketing. The briefing note had been specifically requested by the Chair of the Panel, Cllr Jacqueline Sweetman, following the presentation on the City Brand at the

previous Panel meeting. She had asked how the work on branding had fitted into the wider plan of marketing activity and where were the areas of competitive advantage and USPs (Unique Selling Points) that the City wished to promote. The note highlighted the fact that the work by the Council on marketing the City was a work in progress. There were many elements to the plan and it was very much a partnership arena. They were working closely with the West Midlands Growth Company on their regional work.

The Director of Communications and External Relations commented that it was a key time for the City. There was the ongoing regeneration of the City Centre and other areas. Regional interest was developing in the area due to the Commonwealth Games in 2022. The success of the Wolverhampton Wanderers Football Club was bringing national and international profile to the City. There was also a developing cultural offer around the British Arts Show coming to the City next year, which he felt would be a very significant event. It was key to pull together a framework along with associated propositions. The draft framework outlined in the briefing note was audience focused. They were looking to build some performance measures.

The Director of Communications and External Relations remarked that they had been working with the Economic Growth Board for a number of years on developing a strong City brand that all partners used. It was a key element of place shaping to use a standard brand. They were trying to roll out the brand across the whole of the City. Working with the Growth Company they were looking to invest in trying to understand perceptions around the City. The Growth Company had undertaken some research in the last twelve months on how different areas of the country understood Wolverhampton. It was clear there was some more work to do on improving perception levels.

The Director of Communications and External Relations commented that the power of sport was important. There were increasing opportunities at Aldersley Stadium and the Leisure Village, which was hosting national events such as Judo, Martial Arts and Table Tennis. There was potential to host other sporting events such as Badminton. Wolverhampton was fortunate to have a pedigree of former Olympic athletes who called the City their home.

The Director of Communications and External Relations stated that they could build City Pride into some of the elements of the wider plan and at a more local level linking with some of the place-based work in Public Health. A five years events strategy was in development. This was a significant opportunity to develop a more vibrant and ambitious City events strategy aimed at increasing footfall across the City and economic benefit and well-being. In the last six months, all staff working on external events had been merged into one single City Events Team.

The Director of Communications and External Relations said the Council was pushing forward with developing the creative and cultural offer. The City was home to the second largest collection of Pop Art in the UK. With the investment in 5G there was potential to enhance the cultural economy. The City also had an ambition to increase the opportunities to host conferences. The research of the West Midlands Growth Company had highlighted a gap within the City of a family day offer. More work was required to understand what the proposition could be and to discuss opportunities with existing operators.

The Head of Enterprise stated that the West Midlands Growth Company had been commissioned to look at the current needs of business conferences and tourism market. The Growth Company had very strong networks in Europe and Internationally. Business delegates brought a spend of £1800 to £2000 spend per delegation, generating more income into the local economy.

The Head of Enterprise commented that earlier in the month the City had hosted a visit from 8 European delegates representing a number of Conference Associations including biomedical, textiles, engineering, retail and translation medicine. Some of the delegates had heard of Wolverhampton through the football club, but none of them had visited the City before. They had been impressed with the transport connectivity to Birmingham, Manchester and London. They had been complimentary about the conference venues they had visited which had included the Molineux Stadium, the Grand Station and the Mount Hotel. The overall picture was one in which they had been impressed with the City. Wolverhampton would be hosting the National Light Rail Conference at the Grand Station, where 200-300 delegates would visit in May 2020. The Council was taking a pro-active approach to attract business conferences, through a package of opportunity.

## 8 **Approach to Inward Investment**

The City Investment Manager introduced a report on Inward Investment. They were currently working with West Midlands Growth Company on a research piece. This was in relation to some of the negative perception of Wolverhampton or a lack of understanding of what the City offered. Appendix 1 to the report outlined the current approach to attracting investment. Some of the intermediaries they worked with included the Department for International Trade, West Midlands Growth Company and Multipliers (organisations such as legal firms and architects). They received various enquiries from a number of fields and also direct leads. They carried out proactive work such as trade show and lead generation campaigns. When an enquiry was received they then worked with that lead to illustrate how Wolverhampton was suitable to their business need. This then led on to developing the prospect into a project and maturing the project leads. There was a robust account management process in place for when contracts had been secured. This was to try and ensure that businesses received a good service when in the City.

The City Investment Manager detailed some of the successes in recent times. These included, Swedish owned Atlas Copco's 46,000 sq. ft industrial facility at i54 creating 80 jobs; German owned DB Cargo's £6 million freight hub expansion and American owned Charter Court's expansion at Wolverhampton Homes business park creating 250 new jobs. In January 2020 Metro Bank opened a new store on Dudley Street in the City Centre, which created 25 new jobs. The intended outcome of the International trade and Investment Strategy was to create new jobs in the City and help existing companies to expand so they could create new jobs. He was currently supporting an Indian owned company to set up operations at the Science Park in the Health care space.

The City Investment Manager stated that the current number of inward investment Projects ongoing stood at around 60. At this number the current pipeline of job creation figures stood at around 4,000. Some of these jobs would come to fruition in 2021 / 2022. The rationale for the strategy was to provide the service with a three-year strategy to attract international trade and investment, which would create new jobs and GVA (Gross Value Added) growth. A strategy was also needed to respond

to the national and international situation such as Brexit. They had seen a number of enquiries that had been lost due to Brexit and some that had ceased until the situation was more clear. A strategy was required to allow the City to realise its full potential and achieve penetration within key markets around the world. Advanced engineering was a major key sector within the City and so they would continue this theme into the future with overseas markets.

The City Investment Manager described what he hoped the strategy would help them achieve. He believed it would help Wolverhampton focus on specific sector strengths and niches. It would help to identify key sectors that they wished to target, that were aligned to key global foreign direct investment markets such as China, India and the USA. They also wished to identify key enabling sectors acting as a supply chain for key investing sectors. They intended to conduct robust competitor analysis to identify which cities and regions they would be competing with. It was important to identify what the market was looking for in an investment location and if the City offered it and then make changes accordingly. It was essential to identify what Wolverhampton USPs (Unique Selling Points) were as an investment location and then build on them.

The City Investment Manager stated that the key outcomes of the strategy were as follows:-

- Help us plan where efforts, resources and budgets should be focussed.
- Provide intelligence on key sectors, international target markets and businesses.
- Robust proactive investor targeting – How do we engage with key prospects within these markets.
- Build on BAU (Business As Usual) and increase indigenous and foreign investment in to the City.
- Final research to be delivered on 28 February 2020. This was intended to be brought to the Scrutiny Panel in the future.

A short video was shown showcasing the mechanisms and collateral used to attract investment in Wolverhampton.

A Member of the Panel commented that he did not like the video that had been shown, he thought the presenter did not give the right performance. There were not enough Sims walking around the City. He referred to paragraph 2.4 of the Marketing Briefing note, which cited the work of Philip Kotler. Philip Kotler was personally known to the Member and he believed that he would tell the Council, not to invite people to a banquet if there is no food, as the next time you invite them, no one will attend, even if the food was then plentiful. He believed the City needed to be fixed before people were invited. It was not a question of marketing, it was a question of promotion. He believed the Council needed to focus on its inward investment, rather than FDI (Foreign Direct Investment).

A Member of the Panel remarked that they believed Wolverhampton needed a new hotel and conference centre. There were two decent hotels in Wolverhampton, the Mount and the Ramada, but neither of them were located in the City Centre. He believed the City needed a Marriot Court House. This would be a four-star hotel in the Magistrates Court. It would of course require the Magistrates to move into another building. There were many free office spaces above empty and allocated

shops in Wolverhampton, yet the Council was still continuing to build more office capacity. He thought if the City was not going to use the free office space, then it was better to knock them down and build something that would attract people to the City.

The Member of the Panel commented that the City of Birmingham had invested heavily in new hotels. The Council had started by building and running the Hyatt Hotel. This acted as a catalyst in attracting other hotels to be established in the City, creating substantial inward investment. It was clear that Wolverhampton needed a first class conference hotel that was rated four stars. He thought some of the classic buildings in the City could be converted. He believed once conferencing centres and hotels had been established; then was the time to embark on a marketing campaign. He did not want people to visit the City at the wrong time and find that it was broken. The statistics regarding visitors to the City he believed were misleading, as many of the visitors were people coming to see a football match who then immediately left. In order for the City to be a success it needed to be a desirable place to visit and stay. This aspiration required a key coherent strategy, with hotels and conferencing facilities forming an essential part. Wolverhampton had significant issues as a City which needed to be addressed at their core, it was not about branding. People would be attracted to the City by making it a great place to visit.

The Director for Regeneration remarked that he noted the Member's Comments. The Council had to begin somewhere, there were a number of different elements which the Council needed to focus on. Wolverhampton was no longer 17<sup>th</sup> on the most deprived City list and had moved to 24<sup>th</sup>. He believed the City needed to raise its profile, and the Council needed to be proactive to attract inward investment. The Council had begun conversations with some of the major hotel chains, including the Marriot and the Hilton. There was a demand in the market and finding the right place and solution for a hotel in the City was key. It took time to build relationships, but he was confident the Council would achieve its goal of a new hotel being constructed in the City. It was important to have the right building blocks in place, which was why there had been the investment in the interchange project to ensure good transport links into the City. The investment in the new office space was to attract jobs and they were also investing in skills. This investment would help deliver the City's ambition.

A Panel Member commented that he had seen a huge improvement in the City since the year 2000 and he wanted the improvement to continue. He referred to the national Britain in Bloom competition, where Wednesfield had been selected to represent the Heart of England, five years on from their first entry into the competition. Four gold medals had been awarded in that time period. Wednesfield was in the competition in the Urban category. Wednesfield had received national television coverage through their participation in the competition. The competition had proved a positive way of uniting different communities in the Wednesfield area.

A Member of the Panel commented that it was important to capitalise on the rich history of Wolverhampton. BBC 4 had been showing the Dr Michael York series – King Alfred and the Anglo-Saxons with coverage of some of the history of Wolverhampton including some of the historic battles. Communications could be improved to help showcase some of the rich heritage in Wolverhampton. He believed there were some long-term issues which needed to be addressed, such as

the impact of the climate change crisis and how this would effect big developments such as Brewer's Yard, for instance how it would be energised.

A Panel Member remarked that the establishment of new hotels in the City had been a long-standing topic at the Council. He remembered it being talked about extensively in 2005 / 2006. He commented that he wanted to obtain a true picture of the actual current position of the Council's efforts to attract a new hotel to the City, as he wanted to be able to assist, though his experience, in the process. The Vice-Chair of the Panel in the Chair asked the Director of Regeneration to contact the Member separately to arrange a meeting.

The Vice-Chair of the Panel in the Chair, commented that it was clear that Members wanted Officers to be more proactive in trying to attract a new hotel to the City. It was also clear that the Council needed to showcase more of the activity that was already taking place, such as Wednesfield's involvement in the Britain in Bloom competition. The Director of Regeneration commented that many of the conversations taking place with hotel chains and other investors were commercially sensitive. He was happy to provide an update on current activity at a meeting in the future.

A Member of the Panel asked about the significant investment, which he had heard for many years. He wanted to know how many contracts had actually been signed. He thought that if they had been signed, there should have been vast construction work taking place across the City. He commented that his daughter's friends all left the City to go to University and didn't return to live in Wolverhampton. If they did come back to visit friends and family, they would go out for the night in Birmingham. It was a good test to see if this would change.

A Panel Member remarked that it was a political imperative to improve the City. He understood commercial sensitivity, but he did not want that to prevent the City improving. He therefore suggested establishing a sub-group to look at the issues and to give political direction to strategising the investment of the City into the future. The Scrutiny Officer commented that the Panel could make a recommendation to Scrutiny Board to consider setting up such a group. The proposal would however have to be seconded and voted on by the Panel. It was agreed that the matter would be discussed at the next meeting of the Panel, when more Members were in attendance, under matters arising

## 9 **Work Plan**

**Resolved:** That the Scrutiny Work Programme be agreed.

The meeting closed at 8:30pm.