

Report title	Wolverhampton Pound: Spend local for more jobs and opportunities	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Charlotte Johns, Director of Strategy	
Originating service	Policy and Strategy	
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Report to be/has been considered by	Strategy Leadership Team Strategic Executive Board	6 January 2021 8 January 2021

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the approach to maximise the Wolverhampton Pound, including the vision, objectives and priority areas for action for the next 12 months to increase local spend, creating more jobs and opportunities (appendix 1)
2. Endorse and support the delivery of the action plan through the Wolverhampton Anchor Network to take forward the actions and recommendations of this report.
3. Approve the allocation of £56,000 from the Recovery Reserve, to fund the costs associated with the delivery of the 12 month action plan to progress with the priority actions identified in this report.
4. Delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance, to accept external funding and approve supplementary budgets necessary to reflect external funding offered by The Health Foundation as part of their Economies for Healthier Lives fund as a result of a successful grant funding application.

Recommendation for noting:

The Cabinet is asked to note:

1. That the Wolverhampton Pound vision, principles and action plan were co-produced after extensive engagement with city partners, businesses and the voluntary and community sector.

1.0 Purpose

1.1 The purpose of this report is to approve the city's approach to Community Wealth Building (CWB), the Wolverhampton Pound which outlines a partnership approach to local economic development.

2.0 Background

2.1 On the 16 September 2020 Full Council approved the Relighting Our City recovery framework to guide the Council's approach as we emerged from the Covid 19 pandemic. The plan set out five overarching priorities for recovery:

- Support people who need us most
- Create more opportunities for young people
- Support our vital local businesses
- Generate more jobs and learning opportunities
- Stimulate vibrant high streets and communities

2.2 The Council's recovery framework made a further commitment to work as 'one city', alongside our city partners to design and deliver innovative solutions to some of the challenges we are currently facing, and to drive community and economic recovery.

2.3 Over the past three months the Council and city partners have worked alongside the Centre for Local Economic Strategies (CLES) to develop the Wolverhampton Pound approach, which will leverage the combined power of our local institutions to build and retain local wealth in Wolverhampton to improve outcomes for local people. CLES are the national leading organisation for Community Wealth Building in the UK, and the Wolverhampton Pound framework is rooted in this approach.

2.4 The actions and activities set out in this report are not exhaustive and the Council will continue to work collaboratively with partners, businesses, residents and the Voluntary and Community Sector (VCS) to further develop the Wolverhampton Pound, and our wider recovery framework.

3.0 What is Community Wealth Building and why is it relevant?

3.1 CWB is a people centred approach to local economic development which seeks to reorganise local economies so that they are fairer and more equal, stopping the flow of wealth out of our communities, towns and cities. It places the control of wealth in the hands of local residents, businesses, organisations and communities.

3.2 CWB has been adopted by several local authorities across the country, as well as the Scottish Government, it has demonstrated improved outcomes for local people in those areas, most notably in Preston. Since adopting a CWB approach to local economic development in 2013 Preston has seen:

- £74m more directed into the city economy
- £200m more into the regional economy
- An additional 1600 new jobs created
- 4000 additional employees across the city receiving the real living wage
- A move out of the bottom 20% most deprived local authority areas in the country

3.3 At its core CWB is a place-based approach which uses the strengths and assets of a local place to drive economic change. While different areas have interpreted the approach differently, they all share a common objective of generating local wealth to benefit the most disadvantaged communities, by employing the following levers:

- Local spend and procurement - Placing a greater emphasis on redirecting public spending to local businesses and organisations wherever possible and maximising the public good from this through social value (which incorporates economic, social and environmental value).
- Economic Development - A more deliberate approach to economic development where the Council uses its levers such as land and assets, workforce and procurement spend to benefit the most disadvantaged communities. For example, by directing an increased amount of spend to local businesses.
- Anchor institutions (local businesses and organisations with a significant presence in the city) - CWB is a partnership approach and a key part of this work involves galvanising partners to work collaboratively with the Council on this agenda. For example, encouraging local businesses to sign up to up to a city-wide social value pledge.

4.0 The Wolverhampton Pound Vision and Objectives

4.1 Working alongside CLES, the Council and city partners have developed a bespoke approach to CWB, 'The Wolverhampton Pound', which will:

'Use the combined power of institutions, businesses and communities to retain local wealth, creating new jobs and opportunities'

4.2 The approach sets out five evidence based strategic objectives, which have been developed after extensive engagement with city partners;

- Retain and grow local wealth – We will prioritise local spending through our procurement and commissioning approaches to strengthen and support local supply chains, encourage the growth of new sectors and create new local jobs.
- Embed social value in the city – Leverage maximum value from our investments through social value to strengthen local supply chains, support local SME's and build skills for future.

- Leader in the green transition – The city is at the forefront of the green transition with the development of the National Brownfield Institute and the National Centre for Sustainable Construction and the Circular Economy. There are growing green energy, retrofit and green construction clusters in Wolverhampton with over 2,000 SMEs engaged in these industries.
- Health and wellbeing economy – Human health and residential care activities are responsible for 12% of GVA in the city and provide 15,000 jobs locally. There is a need to develop a robust skills pipeline for the city's health and wellbeing sectors, strengthen health and care business models and grow local SME's.
- Cultural and creative city – Generating a vibrant city which is built on the city's cultural strengths, we will explore the use of cultural and creative improvement districts to support the growth of the arts, cultural and creative industries.

4.3 Although the Wolverhampton Pound presents a new overarching approach to economic development for the city many of the actions and priority areas associated with it are not. Organisations across the city, in particular those in our VCS have been leading initiatives to support the growth of community wealth. The City of Wolverhampton Charter launched by City Board in 2013 is another example of cross city collaboration in this area, the Charter sets out key principles for commissioning and procurement activity in Wolverhampton and has received wide reaching endorsement across business, the public sector and VCS.

4.4 The priorities included in the Wolverhampton Pound framework are aligned to the Council Plan 2019 – 2024 and the City Vision 2030.

5.0 Wolverhampton Anchor Network

5.1 Acting alone the Council will have limited impact. The Wolverhampton Pound approach has been developed collaboratively with five key city partners who have made a commitment to work together as the Wolverhampton Anchor Network to deliver the priorities and actions set out in this report. Membership of the network includes:

- The City of Wolverhampton College
- The City of Wolverhampton Council
- The Royal Wolverhampton NHS Trust
- The University of Wolverhampton
- Wolverhampton Homes

5.2 Establishing a new network of institutions requires commitment and time. It is proposed that the Wolverhampton Anchor Network comprised initially of the five major institutions meets quarterly throughout 2021 to drive forward the 12 month action plan and further develop a city-wide approach to leverage the Wolverhampton Pound. The network will be supported by three working groups of; procurement and commissioning, land and assets

and workforce. These working groups will be comprised of one or more representatives from each institution, reporting back on progress and collectively working together to embed the approach.

5.3 The Wolverhampton Anchor Network will work alongside our existing strategic partnership boards.

6.0 Priority Actions

6.1 A 12 month action plan has been developed to drive forward the vision and objectives of the Wolverhampton Pound, below is a high-level outline of some of the priority actions to be undertaken:

- Spend analysis – We will develop a collective understanding of procurement and commissioning spend across our five anchor institutions, understanding where we currently spend locally and where we could do more.
- Market analysis – Develop an understanding of business supply in the city. This market analysis will also explore where the business base/skills base may demonstrate potential for diversification to new and emerging sectors, particularly the low carbon sectors that will likely drive economic growth in the coming years.
- Procurement and commissioning pipeline – Critical to the Wolverhampton Pound approach functioning is a strong understanding of the procurement and commissioning pipeline of our anchors. A forward-looking pipeline across the next 10 years will identify where there are opportunities to drive public spending into the local area, strengthen local supply chains or grow new sectors.
- Business support model – In order to increase local public sector spending we need to support local businesses to access these opportunities. Building on the emerging opportunity areas identified in our procurement and commissioning pipeline and our identified growth sectors, we will design our business support model to provide tailored support to local businesses to access public sector contracts.
- City- wide social value framework – Collate and map existing approaches to social value across our anchor network members to establish a single framework of measures and indicators for social value. From this we will develop a social value pledge, providing an outward public facing set of messages around ‘doing business’ in Wolverhampton.

6.2 Realising our ambitions and the full potential of the Wolverhampton Pound will require sustained commitment or a long period of time and our focus for the first 12 months is to establish a baseline across our anchor network, identify quick wins and build capacity across partners to take forward the work at pace.

6.3 The cost associated with the delivery of the 12 month action plan is £56,000 which includes consultancy and technical support to progress with the priority actions identified in this report as well as training for Council officers to develop the in house skills to take forward

the Wolverhampton Pound approach. The Council are currently developing an external funding bid to The Health Foundation as part of their Economies for Healthier Lives fund. If successful, this bid would secure three years of funding to support the further development and delivery of the Wolverhampton Pound.

- 6.4 In order to measure the impact of the programme a performance framework will be developed alongside the action plan. Regular updates will be scheduled to Cabinet to share progress on the delivery of the priority actions.

7.0 Scale of the Opportunity

- 7.1 The Council alone employs 4,500 people and owns 20% of the city's land and property. Across the anchor partnership there is an estimated £834m of public spending and more than 14,000 employees – showing the potential power of an effective anchor approach.

8.0 Embedding the approach within the Council

- 8.1 Recognising the importance of leadership and culture, it is proposed that the approach is embedded within the Council. This will enable Council officers to understand the approach; see how their work can support this; and identify further opportunities. Subject to agreement that this is one of the key areas of action, a full engagement plan will be developed.

9.0 Evaluation of alternative options

- 9.1 Option one would be to do nothing. This would not be viable as the Council has already made a commitment to work collaboratively with partners to support community and economic recovery of the city.
- 9.2 Option two would be to use our existing Strategic Economic Plan (SEP) to support the city's recovery. This was not considered a viable option as the unique impact of Covid 19 has meant a new approach to local economic development is required.
- 9.3 Option three and the chosen option is to develop a bespoke approach to CWB, the Wolverhampton Pound which embodies our 'one city' approach to recovery and responds to the challenges and opportunities which have arisen from the Covid 19 pandemic.

10.0 Reasons for decision(s)

- 10.1 The decision to develop the Wolverhampton Pound approach is in response to the significant impact the Covid-19 pandemic has had on our communities and the local economy. The approach outlines a new cross city approach to local economic development in collaboration with key city partners which will support delivery of the Relighting Our City recovery framework.

11.0 Financial implications

- 11.1 The costs associated with the delivery of the 12 month action plan is £56,000. This includes consultancy and technical support to progress with the priority actions identified in this report as well as training for Council officers to develop the in-house skills to take forward the Wolverhampton Pound approach.
- 11.2 The Reserves, Provisions and Balances 2019-2020 report to Cabinet on 8 July 2020 approved the Recovery Reserve, as a specific reserve to set aside funds to support the Councils Covid-19 recovery strategy. This report seeks approval to the allocation of £56,000 from this reserve to fund the associated costs mentioned above.
- 11.3 There may be additional costs to ensure that we have sufficient resources to deliver the programme of work. These costs will be approved through IEDNs in accordance with delegations in place to allocate both the appropriate Covid-19 grant and the Recovery Reserve.
- 11.4 The Council are currently developing an external funding bid to The Health Foundation as part of their Economies for Healthier Lives fund. If successful, this bid would secure three years of funding to support the further development and delivery of the Wolverhampton Pound approach and replenish the £56,000 allocated from the Recovery Reserve.
- 11.5 This report seeks approval to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance, to accept external funding and approve supplementary budgets necessary to reflect external funding offered by The Health Foundation as part of their Economies for Healthier Lives fund as a result of a successful grant funding application.
- 11.6 Aligned to the Relighting Our City recovery framework guiding the Councils approach as we emerged from the Covid-19 pandemic, the Council and city partners have worked alongside the Centre for Local Economic Strategies (CLES) to develop the Wolverhampton Pound approach. Costs associated with this work totals £25,000. These costs are currently assumed to be funded by one-off Government grants to support local authorities address pressures faced in response to Covid-19.
[TT/11012021/Q]

12.0 Legal implications

- 12.1 There are no direct legal implications arising as a result of this report.
[TS/06012021/R]

13.0 Equalities implications

- 13.1 At its centre CWB and the Wolverhampton Pound approach seek to deliver more prosperous and equal communities by opening access to the local economy for residents and businesses. We will continue to engage with our communities as we have done throughout our recovery planning, which has seen in excess of 2,500 local residents,

businesses, young people, VCS and city partners help shape our next steps. Activities and projects associated with the Wolverhampton Pound approach will all be subject to individual Equality Impact Analysis.

14.0 All other implications

14.1 The Wolverhampton Pound approach will deliver environmental and health and wellbeing improvements for residents across Wolverhampton. Advancing the green economy and the health and wellbeing economy are key elements of the framework.

15.0 Schedule of background papers

15.1 [Reserves, Provisions and Balances 2019-2020 report](#) to Cabinet, 8 July 2020

16.0 Appendices

16.1 Appendix 1 - Wolverhampton Pound Vision and Action Plan