

Briefing Note

Title: Public Realm Support Packages for Businesses **Date:** 15 February 2023

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Intended Audience: Internal Partner organisation Public Confidential

1. Purpose or recommendation

- 1.1 To update City Economy Scrutiny Panel on the business engagement and support undertaken before and during the city centre public realm improvement works along Victoria Street and surrounding roads.
- 1.2 To outline the approach for business support in future phases of the city centre public realm improvements works.

2. Background

- 2.1 The regeneration of the West side of the city centre, aimed at arresting the decline in retail footfall and transforming the environment to bring more homes, jobs, events and shops, has been a significant priority since the publication of the City Centre Area Action Plan in 2016 and has been referenced in subsequent Investment documents as a key opportunity site.
- 2.2 The Council has proactively sought to assemble a strategic regeneration opportunity through land acquisition and subsequent enabling works such as demolition to present a 'development-ready' opportunity. City Centre West will represent a comprehensive mixed-use masterplan approach to bring the site forward in context with wider transformation and plans for the city centre.
- 2.3 City Centre West is identified as a priority project forming part of a continued public sector partnership approach with the Department for Levelling Up, Homes and Communities and Homes England with a view to accelerating delivery, enhancing the quality of the project and maximizing outcomes for Wolverhampton.
- 2.4 The public realm works are an essential part of the overall masterplan and have been planned over a number of years. Following completion of concept plans for the work, and Cabinet endorsement to consult on the project in September 2018, engagement with the public, businesses and stakeholders began in October 2018. During this time extensive consultation was undertaken with a variety of specific interest groups including local businesses, taxis, disabled groups, Wolverhampton BID and cycle forum.

- 2.5 By the end of 2018 all businesses in the phase 1 (Victoria Street) and phase 2 (Queen Square / Lichfield Street) areas that were directly affected by the proposals were contacted on an individual basis.
- 2.6 In March 2020 work on the project paused as the country went into lockdown during the pandemic. Whilst detailed design work and business case development was undertaken during the early months of the year, contact with businesses was limited as most premises were shut down and only a limited amount of contact via email was possible.
- 2.7 As a response to the pandemic and to help facilitate social distancing and increase walking and cycling as a means to travel safely, the Council was mandated to create wider open spaces for safe walking and cycling routes. This led to the early intervention to close Victoria Street to traffic other than time restricted servicing and as part of the Government Reopening the High Street initiative, pavement build outs were created in Victoria Street to assist the hospitality sector to reopen safely with extra areas for outdoor dining. In Lichfield Street, Queen Square and Darlington Street pavements were widened, bus stops were built out, traffic movement restricted to one way westbound and a new segregated cycleway was created as part of these Emergency Active Travel Fund measures.
- 2.8 In July 2021 preliminary enabling works began on site. Occupiers of affected areas were informed by letter drop of the works and traffic management arrangements around the area. Media coverage through the Express and Star and Council social media channels also allowed for a wider audience to be made aware of the works. Ongoing communication with key stakeholders continued through the usual channels including BID meetings and social media.
- 2.9 In November 2021, prior to the start on site of the main contract works, all occupiers in the area were visited and contact / information cards distributed to ensure that occupiers had 7 day per week contact details for the Customer Relationship Manager (or her team). The project website was fully up and running and social media links went live.
- 2.10 On 7 April 2022 officers were invited by the businesses on Victoria Street to attend a business meeting. The meeting had over 50 local traders, ward councillors, Cabinet Member for City Economy and the local MP. At this meeting the business agreed a sub-group with a chair that would represent the businesses in the area and provide a conduit to keep the wider network informed. This subgroup would meet regularly with representatives from the council and agreed to take on the responsibility to feedback information and actions, to and from the meeting.
- 2.11 On 9 May the Cabinet Member for City Economy, Assistant Director for City Transport and Environment, council officers leading the public realm improvements works project, Head of Enterprise and the Director of Wolverhampton City centre BID, met with 10 businesses of the subgroup. At this meeting information on the programme of works and forthcoming events was shared. Businesses fed back the impacts of the work on their premises and access issues that were relayed to the main contractor Eurovia.
- 2.12 The meeting on 9 May also invited businesses to shape the approach for business support. The council outlined that this work needed to be undertaken by an independent party. Traders agreed that it was important the offer included a package of support; advice and guidance on current business needs, support to help the businesses prepare for when the

works completed, and a financial review. Details of the tender specification were shared with the traders, who provided oversight and input.

- 2.13 At the same meeting the council also shared the point that it was not legally required to provide compensation but that it was committed to supporting those businesses where there was clear evidence of impact and financial loss. The council highlighted that it had to ensure it uses taxpayers money legally, appropriately and in their best interests.
- 2.14 The next meeting took place on 6 June. At this meeting with the traders, officers provided an update on the progress with the tender, information on the programme of works and the city centre events programme, including the forthcoming Commonwealth Games and Crazy Races. Officers also stated the council's commitment to invest £20,000 in a future events programme for Victoria Street upon completion of the works. Officers responded to requests from the traders to promote footfall to this area of the city. A social media campaign and signs around the city, saying Victoria Street 'businesses are open' were actioned and have carried on throughout the time of the works. Later in June, the council procured a local business, SCA Consultancy, to undertake the business support.
- 2.15 On 23 June a representative from SCA met with the subgroup, supported by Head of Enterprise, to talk through the approach to engage with businesses and to agree the reporting timeline period for the financial information. The financial information would be captured in a cashflow statement and would identify if a business had evidence of a financial loss arising from the public realm improvement works.
- 2.16 The decision to use a cashflow statement for the financial evidence followed a discussion with the traders. It had been identified that business owners in the area had varying accounts and ways of recording their financial position. To bring a fair and consistent approach, and enable independent businesses to participate, it was agreed with the traders that the cashflow statement was the best approach. Both the Council and traders were keen for SCA to begin their work swiftly and so it was agreed that the financial assessment period would be from January 2021 – September 2021, the 9 months before the works commenced, and October 2022 – June 2022, the 9 months from the start of the works up to that point in time
- 2.17 The meeting on 28 June with the council and traders was cancelled at the trader's request, because a meeting with the business consultant was planned to take place later that week.
- 2.18 On 30 June SCA consultancy attended a business meeting with local traders from Victoria Street and areas where the works were taking place. Around 45 businesses attended, they received information on the engagement with SCA, the service they would offer and the financial evidence for the time periods, set by the traders sub-group.
- 2.19 During July SCA, made contact with local traders in the area. From the 74 independent businesses who had been identified, 52 came forward to meet with SCA.
- 2.20 On 26 July, the council and traders met. The meeting was attended by SCA who fed back the number of responses and shared challenges contacting some traders, having emailed, phoned and walked around the area. The traders were asked when they wanted to bring to a close the business engagement activity. They made it clear this was to be Friday 29 July and confirmed they would inform all the businesses of this deadline.

- 2.21 On 1st August SCA concluded engagement with the businesses in the area where the public realm works were underway.
- 2.22 The meeting on 22 August was cancelled at the trader's request
- 2.23 At the meeting on 26 September SCA presented their findings to the group. From the 74 independent businesses within the identified area, 52 engaged with the consultants, of these 11 showed financial evidence of a drop in turnover.
- 2.24 On 12 October individual letters were hand-delivered to every business who had participated in the business review with details of the financial information for the first and second period, showing the percentage difference.
- 2.25 On the 17 October, after the findings of the initial business review work had been shared, the traders presented concerns to the council regarding the financial review process methodology. Comments were received that businesses had not been able to provide all the financial information which had been requested by SCA
- 2.26 On 28 October the council hand delivered letters to the 52 businesses who had taken part, to invite any missing information for the work which had been undertaken by SCA, to come forward. It was made clear that this information was for the cashflow statement.
- 2.21 On 7 November 2022, the council met with the traders. The traders presented a new approach for the financial review they wanted the council to undertake. They requested that the financial review should be re-done with different financial information and over a revised period, to include the three months since the original financial review with SCA had concluded in July. At no point was December 2022 or the forthcoming Christmas trading period mentioned. Some concerns were raised about the level of support received and this matter is being examined.
- 2.22 Although traders were originally involved in agreeing the terms of the initial review, the council acknowledged the feedback and subsequently commissioned, at pace, a specialist firm of accountants, RSM to review the process and methodology. They were fast-tracked through procurement and started their work before Christmas. They have experience of working on previous similar schemes, both here in the city and West Midlands. This work is being progressed and the council is expecting a report on their findings shortly.
- 2.23 On 16 December the council made disruption payments to 5 of the 11 businesses who had evidenced a loss of turnover. The remaining six businesses did not meet eligibility requirements either because they provided erroneous information when validated or ceased trading.

3. Current Position

- 3.1 The council is currently awaiting the outcome of the review from RSM which is due early February.
- 3.2 With regards to political oversight, updates on the public realm works have been shared at Economy and Growth Scrutiny Panel in October 2022, Residents, Housing and

Communities Scrutiny Panel on 17 November, at Scrutiny Board on 27 January 2023, and also at Full Council in January 2023.

- 3.3 A report on the outcome of the consultation on the Phase 2 (Lichfield Street / Queen Square) of the city improvement programmes is due at Cabinet on 22 February 2023. The report recognises the need to have early engagement with businesses and regular channels of communication between all parties – council businesses and the contractor will be established. This will inform businesses about the programme of works and help to identify business support that may be needed.
- 3.4 The RSM review work will also provide a robust methodology that can be applied to future schemes, necessary to the transformation of the city centre, which may impact upon local businesses.

4. Going Forward

- 4.1 Current business support is undergoing significant transformation as EU funded programmes come to a close. The council is working with key partners and stakeholders including the WMCA to establish a new local employer support programme, which will meet the needs of the businesses in the city.
- 4.2 The council will review the report recommendations made by the financial experts currently reviewing the methodology and approach and this will inform future policy.