

# Stronger City Economy Scrutiny Panel

05 July 2016

<b>Report title</b>	Attracting Investment	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keren Jones, City Economy	
<b>Originating service</b>	City Economy	
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<b>Report to be/has been considered by</b>		

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## Recommendation(s) for action or decision:

The Scrutiny Board is recommended to:

1. Endorse the approach to attracting inward investment and support indigenous investment to Wolverhampton.

## 1.0 Purpose

- 1.1 The purpose of this report is to provide an update on investment activities that have taken place or are planned for the next 18 months.

## 2.0 Background

- 2.1 A key objective in the City of Wolverhampton Council's Corporate Plan is to support business, encourage enterprise and investment. To deliver this, a targeted programme of activity to enhance the profile of the city to potential investors is being developed and delivered. Performance is measured by monitoring the £millions of investment attracted in to the city as a result of Council led or supported programmes and activities
- 2.2 The term **inward investment** refers to any new investment in Wolverhampton including Foreign Direct Investment (FDI), national investment by supply chain companies looking for other regional hubs/bases and regional via supply chain companies. **Foreign direct investment (FDI)** occurs when one company purchases another business or establishes new operations for an existing business in a country different than the investing company's origin.
- 2.3 The City Council also supports **indigenous investment** through the expansion and growth of current Wolverhampton based businesses. Investment creates jobs in an area and brings wealth into the economy therefore plays an important part in creating economic growth for Wolverhampton.

## 3.0 Attracting Investment to Wolverhampton (Post September 2015)

- 3.1 Attracting inward investment and encouraging indigenous investment is a core element of the Council's Enterprise facing team. The focus for inward and indigenous 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.
- 3.2. Our main opportunities to attract investment are in the city centre and growth corridors. The City Investment Manager will play a crucial role in the development of sector propositions and providing Wolverhampton specific information in response to investor enquires. The key regeneration investment opportunities for each of the city's corridors are set out below:
  - 3.2.1 **City centre** Is a key business, professional, financial and retail services centre with over 2000 businesses employing over 37,000 people. Following the successful occupation of i10 a 30,000 sq.ft grade A office space. Our approach to attracting new businesses into the city centre is closely linked to our major physical regeneration schemes.

- Mander Centre - £35 million redevelopment bringing new national retail chains to the centre. Work is under way at present with the first shops expected to be open at the end of 2016 with the Debenhams anchor store due for completion in Autumn 2017
- Westside - £94 million development which will see a new cinema, hotel, restaurants coming to the vibrant city centre core in 2018.
- Southside - £63 million redevelopment adjacent to the city's thriving Wulfrun Centre. Plans are currently being discussed to explore potential schemes
- Canalside - £200 million major redevelopment of the city's Canalside. Plans are currently being drawn up for the area which will benefit from city centre living, retail, restaurants and commercial office space
- Interchange - £120 million redevelopment of the city's rail station and transport hub. The scheme is based on a phased delivery and will see commercial office space, retail units and a state of the art rail station due for completion in 2019.
- Royal Hospital site - £100 million redevelopment of the former royal hospital site. The site has recently been acquired by the homes and communities agency who are in the process of exploring potential schemes for the site.
- St Georges – The former Sainsbury's site has recently been acquired by the city council as a long-term regeneration investment project.

3.2.2 We work in close collaboration with our city centre developers and agents to manage how our opportunities are marketed to businesses and end users. These relationships also allow us to draw on their expertise to ensure we market our opportunities at the right time, first time every time. In addition our opportunities are marketed through national property and land databases including Estates Gazette, Nova Loca and Costar.

**Appendix 1** illustrates the range of regeneration investment projects that have been delivered in the last 18 months that are on site now and to be delivered over the next 12 months

3.2.3 **Northern Growth Corridor** - The Northern Growth Corridor encompasses our enterprise zone and is home to a number of our key strategic organisations including those on i54 such as JLR and MOOG. It is also home to the University and science park capturing Wolverhampton's research, innovation, creative & digital sectors.

- I54 – Further expansion on the site by JLR is planned which will bring total employment to over 3,000. In addition AJ Mucklows have recently been granted option to develop 3 high value manufacturing units ranging from 40,000 sq.ft to 160,000 sq.ft
- Enterprise Zone – Offers business rates relief for 5 years providing an additional incentive to investors.

3.2.4 We work in close collaboration with our Northern Growth Corridor developers and agents to manage how our opportunities are marketed to businesses and end users. These relationships also allow us to draw on their expertise to ensure we market our opportunities at the right time, first time every time. In addition our opportunities are marketed through national property and land databases including Estates Gazette, Nova Loca and Costar.

3.2.5 **Southern Growth Corridor** - Local centre Bilston has seen significant investment projects. Wiggle a major sports retailer in the UK have recently relocated their operations to a major warehouse facility in Bilston.

- Bilston Urban Village - Work is now well underway on creating around 500 homes. The City Council, the Homes and Communities Agency and the Black Country Local Enterprise Partnership have invested in the 100-acre site to prepare it for development and over the next few years it will be transformed to create a new community complete with shops and business premises.

3.2.6 We work in close collaboration with our Southern Growth Corridor developers and agents to manage how our opportunities are marketed to businesses and end users. These relationships also allow us to draw on their expertise to ensure we market our opportunities at the right time, first time every time. In addition our opportunities are marketed through national property and land databases including Estates Gazette, Nova Loca and Costar.

#### 4.0 **Investment into businesses including inward investment**

4.1 Given the increasing importance of business retention and growth to the Council and City as a whole we are reviewing and refreshing the Council's approach to business engagement to ensure that it continues to support the effective delivery of managed growth and wider Council plan.

4.2 The revised approach to engagement and account management will be based on customer segmentation and prioritisation aligning services to customer needs ensuring maximum impact from council resources. The approach is based on the identification for distinct groups of businesses for which different tailored approaches will be applied.

- (a) **Inward Investors.** The Council proactively targets potential investors both from outside Wolverhampton (inward investment). Strengthening our relationship with UKTI the team works closely with their regional contact. Wolverhampton was recently showcased in the High Profile UKTI Midlands Financial Services of Excellence launched by Sajid Javid at Deutsche Bank (**Appendix 2**) The document positions the city as a key investment location to financial services firms and is a key piece of collateral for lead generation.
- (b) **Strategic Investors.** These are major businesses and key economic assets which are not only responsible for significant employment and investment in the Borough, but who also play a key role as stakeholders in helping to shape the area's economic future, informing approaches to the regeneration of the city West Midlands Combined Authority and the Midlands Engine.
- (c) **Major Employers and High Growth Sectors.** As well as major employers in the city (many of which are associated with strategic employers such as Jaguar Land Rover, MOOG Carillion, UTC Aerospace there will be a proactive focus on key growth sectors / supply chains – those which are important to the area economy, offer further investment and growth potential, and create significant employment and / or Gross Value.

- (d) Small and Medium Enterprises in the Borough – not within the priority sectors / supply chains set out above.
  - (e) Micro-Enterprises and New Starts. Support for enterprise, social enterprise and new businesses will be provided through the Growth Hub working with intermediaries.
- 4.3 This new approach to engagement, account management and targeted inward investment will help identify and secure investment opportunities for the city and enable the team to focus on employment opportunities, referring these to the employment & skills team.

## 5 **Projects, Campaigns and Events to drive the city's investment**

5.1 **Projects** – To promote Wolverhampton as a business friendly city a number of projects have been commissioned to equip the city council with the necessary tools to attract inward investment, these are set out below:

- Year of change video – In order to capture how Wolverhampton is a changing city a 'Year of Change' video was commissioned to highlight the investment that has taken place across the city from both the public and private sector. The video captures i10, the former Sunbeam factory, University Business School and Marston HQ to name a few. The video is used at events and during presentation to highlight how Wolverhampton is a changing city. The video has been well received attracting over 57,000 views on social media.
- City image project – This project is commissioned by the economic growth board and is well under way, a task and finishing group has been set up to ensure it is finalised and launched during business week in September 2016. The steering consists of City of Wolverhampton officers and private sector stakeholders who are committed to raising the profile of the city. A detailed project brief has been produced and the group have met with a number of expert place branding agencies to identify how they will approach the project. Once the project has been awarded we will be working closely with the agency to ensure the image suitably reflects the City of Wolverhampton.
- Invest City of Wolverhampton website – A new market leading inward investment website will be profiled at the Investors event taking place in the Houses of Parliament on 12<sup>th</sup> July 2016. The website will act as a gateway to businesses, investors and developers looking to find out more about investing in the city and provides all of the information they will require to help form their investment decision. This ranges from location of the city in relation to roads, rail and air, population and qualification statistics, key sectors, investment opportunities and case studies from previous investors.
- In addition to the website we have also produced an Invest City of Wolverhampton micro - site. The site is designed to be used at exhibitions and events and provides 'at a glance' headline facts and figures about Wolverhampton and our key investment propositions. The site works perfectly on tablet computers and is an excellent tool to

promote the city to our key audiences. The site can be found at <http://www.investwolverhampton.com/>

- High Value Manufacturing city tool – The city of Wolverhampton Council in conjunction with the other 3 Black Country local authorities and Invest Black Country are working together to produce an online supply chain tool titled the High Value Manufacturing city. The platform is similar to the ‘bullet’ (automotive supply chain tool) and the ‘virtual hospital’ (building supply chain tool) The innovative and interactive inward investment tool is aimed at supporting the Black Country’s High Value Manufacturing City in its aim to add over £1 billion to the economy, bring forward 150 hectares of land and create over 25,000 jobs. It is the first time a platform of this kind has been created and builds on the Black Country’s reputation as a centre for High Value Manufacturing. Use of the platform will articulate the inward investment opportunities, drive supply chain development and integration and support major contract delivery through the development of virtual models. It will be the ‘go to’ resource for details on all investment and supply chain opportunities in the Black Country.

5.2 **Events** – Identification of strategic events that we can attend / exhibit at are key to raising the profile of the city amongst our target audiences, these events also contribute to our lead generation strategy as they allow us to individually target delegates that we wish to begin dialogue with. Below is a selection of some of the events we have attended / will be attending to raise the profile of the city to our target audiences / sectors

- MIPIM UK – October 2015 (Property & Regeneration Exhibition – We exhibited at this event to raise the profile of the city and in particular showcase our regeneration sites to potential investors and developers)
- MIPIM Cannes – 14<sup>th</sup> – 18<sup>th</sup> March 2016 (A world class property and regeneration Exhibition - We exhibited with Invest Black Country alongside our partners from Birmingham under the Greater Birmingham brand. at this event to raise the profile of the city and in particular showcase our regeneration sites to potential investors and developers) **Summary Report – Appendix 3**
- Farnborough Airshow – 11<sup>th</sup> – 17<sup>th</sup> July 2016 (Aerospace trade show – We are attending this exhibition as one of our key sectors in the city is advanced manufacturing including the aerospace sector. All of the major aerospace companies and their supply chain attend the event therefore providing us with a platform to promote our aerospace quadrant within the Northern Growth Corridor to organisations that may be looking to expand)
- Parliamentary Investment Event – 12<sup>th</sup> July 2016 (Financial Investors / Developers event – This high profile investors event has been commissioned to showcase Wolverhampton as a key investment location to 150 potential investors and developers. This is an example of the city taking bold actions to promote the city to our key audiences. As the majority of the companies we are looking to engage are based in London it make sense for us to take Wolverhampton on tour in order to showcase the fantastic investment opportunities on offer.

- We are also in the process of commissioning a 3D video animation of the city for the event that will showcase the city, its infrastructure, key developments / investment opportunities. This tool will have a number of applications and will become another of our key 'sales' tools that will be used to promote the city particularly to audiences that may not be familiar with the city.
- Wolverhampton Business Week 26<sup>th</sup> – 30<sup>th</sup> September 2016. As part of the city conference season Wolverhampton business week will be taking place between the above dates at GTG training centre in Wednesfield. The theme of the event will focus on business support and the range of services that are available across the city to promote business growth.
- Over the last 6 months we have also hosted 3 Chinese delegations that have visited the city to find out more about our key investments sites. 2 of the delegations represented the automotive sector on behalf of their respective cities and were keen to find out more about the i54 site. The delegations were impressed with the opportunities that were presented to them and are now in the process of arranging return visits with business leaders from the automotive sector. These delegations are key to developing our foreign trade links and promoting the city as a lucrative investment location to foreign investors.

5.3 In addition to the above a work plan has been devised detailing the range of events, campaigns and projects we are looking to commission over the next 18 months.

6.0 **Marketing Strategy and Collateral:** This is being developed in partnership with local businesses through the City Economic Growth Board. It includes the introductory "Welcome to Wolverhampton" infographic video, which has been well received. Other examples of marketing collateral we have commissioned to support investment includes:

- The city marketing strategy for businesses, developers and investors is now well advanced and a complimentary visitor economy marketing strategy has been drawn up. The strategies detail how the city will be marketed to each audience and how the two must work collaboratively to secure investment. Each strategy details how our efforts meet the objectives of the corporate plan and the specific activities that will take place over an 18 month period. This plan is regularly revised to ensure it remains fit for purpose and that our resources are focused in the correct areas to generate maximum impact. The plan details a number of projects, campaigns and events that we are looking to commission along with the collateral that will be used to support these activities. Examples of some of the collateral we have commissioned since September 2015 / will be commissioning in the coming months can be found below:
- 360 degree tour of the city – A 3D electronic tour of the city has been commissioned to capture / provide further information on our key investment sites, strategic businesses, transport infrastructure, University estate and lifestyle offer. The tour provides a compelling snapshot of the city to our target audiences from the comfort of their office / home. The tour is used in presentations and events and a number of our target audiences have commented on how useful the tool is when providing an

overview of the city. The tour can be found by following this link - <http://www.360imagery.co.uk/virtualltour/aerial/wolverhampton/>

- UKTI Midlands Engine Regeneration Investment Opportunities Pitchbook – During MIPIM Cannes (March 2016) a Midlands Engine investment pitchbook was launched by Said Javid, Secretary of State for Business Innovation and Skills. The aim of the pitchbook was to capture the key regeneration investment sites that are currently available across the Midlands. The City of Wolverhampton was successful in submitting 5 of its high profile investment sites (Westside, Southside, Interchange – Block 9, Royal Hospital Site, Canalside) The University was also successful in submitting their Springfield Brewery Campus. The pitchbook has a global reach and is a key piece of collateral to showcase the city to both indigenous and foreign investors. – **Appendix 4**

**6.1 Investment Collateral** – When talking to businesses, investors and developers we identified the need to leave them with collateral that they can refer to at a later date. These pieces of marketing collateral highlight why Wolverhampton is a key investment location and capture the £3.7 billion of investment that is either on site or in the pipeline. Examples of collateral we have commissioned to promote the city and generate inward investment includes:

- Regeneration opportunity factsheets – These provide information on all of our key investment sites including location, size, use, total investment opportunity and type of investor sought.
- Investment update z-cards – These details all of the investment that is either on site or in the pipeline
- Business Support z-cards – These details the range of business support on offer and where it can be accessed
- Procurement z-cards – Provides all of the contact details for procurement teams within strategic companies operating across the city to allow suppliers to access the supply chain more easily
- Invest City of Wolverhampton website and microsite
- An Investor's Guide to the City of Wolverhampton – The city investment manager in conjunction with the City Council's Communications team are in the process of producing an investment prospectus that will provide investors with key information they require about the city. The information will be mirrored on the website in order to funnel inward investment enquiries. This document will be produced for the investor's Parliamentary event taking place on the 12<sup>th</sup> July and will continue to be used after the event for other campaigns and projects.
- Visible 'making it happen' signage around the city – As part of keeping visitors and residents informed about what is happening around the city in relation to our key regeneration sites we have commissioned a number of highly visible 'Wolverhampton making it happen signs.' These can currently be seen on the train station car park, Southside and will shortly be in situ at the St Georges site. As Westside reaches further development stages, signage will also be erected at this site.

**6.2 Available sites and/or premises:** Our database provides information on available sites and premises across Wolverhampton to meet the exact requirements of the investors. A package of appropriate sites and/or premises is provided to the investors followed up by

face-to-face meeting to look at preferred list. Where the site and/or premises requires some adaption, the team will conduct a finance review to identify potential grants to support renovation. Our Planning department offers a fast track service to accommodate employment creating investment.

**6.3** In addition to the council database that provides information on council owned assets we have recently procured the Estates Gazette Property search tool. This tool works in conjunction with our CRM system and provides the intelligence we require when searching for suitable properties / land on behalf of a potential investor, this information is then added to our proposal documentation. The tool also allows us to target businesses from outside of Wolverhampton who may be reaching the end of their lease on their current premises as a way to encourage them to open premises in the city. The Estates Gazette team will also work closely with our corporate landlord team to ensure information about council owned assets is kept up to date. As the tool is linked to a national database it ensures our assets are promoted on a national scale.

## **7.0 Capturing Employment Opportunities from Investment**

7.1 Identified within the Council priorities, is our objective of creating sustainable employment for the residents of Wolverhampton. Targeting services at indigenous companies to broker employment and training opportunities for local people has been well received by businesses. The offer to investors to support recruitment and skills proved to be a valuable with the Wiggle investment and we saw over 112 residents of Wolverhampton successfully secure employment with the company. Going forward a more demand led response is being developed with partners and intermediaries, to help increase the number of local residents securing employment in the city.

## **8.0 Financial implications**

8.1 Most of the direct work in relation to attracting investment is conducted by the Enterprise and Skills team. They are mainstream funded with a total revenue budget of £2.4 million. This budget will also cover the post of City Investment Manager. The Place Marketing revenue budget will cover website development and City promotional activities. Invest Black Country was part funded by the four Black Country local authorities until December 2015 with Wolverhampton's contribution of £48,500 covered as part of the Enterprise and Skills budget.

8.2 The City of Wolverhampton Council is leading a European Regional Development Fund (ERDF) bid Advice, Investment and Markets (AIM) to attract additional resources to attract investment to Wolverhampton and the Black Country embedded within the Growth Hub. The Department for Communities and Local Government (DCLG) has informed us that our outline bid for £1-2 million has been successful and invited us to submit full bids by 5 November 2015. This bid, if successful, will be restricted to fund work with Small and Medium Sized Enterprises.

8.3 The City Investment Fund was established by Cabinet on 25 June 2014 for exceptional inward investment opportunities or provide incentives to retain existing major employers considering relocation. This fund is funded through the Regeneration Reserve and following a successful grant award in October 2014 has a balance remaining of £192,000. [ES/15092015/D]

## **9.0 Legal implications**

9.1 Should the ERDF bid be successful, the grant would be subject to the funding agreement outlining the requirements for that grant. RB/09092015/P

## **10.0 Equalities implications**

10.1 There are no equalities implications to this report. However as part of the offer to inward investors, the Council provides support to recruit local residents into job created, including those from disadvantaged groups, thereby having positive equalities implications.

## **11.0 Environmental implications**

11.1 There are no environment implications to this report. However, attracting investors can enhance the environment through utilising formally derelict land. In addition, as part of the support package, the Council would support investors to access grants to improve the condition of current premises.

## **12.0 Human resources implications**

12.1 There are no human resource implications to this report.

## **13.0 Corporate landlord implications**

13.1 There are no corporate landlord implications to this report.

## **14.0 Schedule of background papers**

1. Regeneration investment update z-cards - [http://portal/place/place-directorate-portal/Place%20Document%20Library/Presentations%20and%20communication/City%20Centre%20Investment%20card\\_Mipim%20version\\_Spring%202016.pdf](http://portal/place/place-directorate-portal/Place%20Document%20Library/Presentations%20and%20communication/City%20Centre%20Investment%20card_Mipim%20version_Spring%202016.pdf)
2. UKTI Midlands Financial Services of Excellence Pitchbook - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/522563/UKTI\\_Financial\\_Centre\\_of\\_Excellence\\_Midlands.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/522563/UKTI_Financial_Centre_of_Excellence_Midlands.pdf)
3. MIPIM Cannes Summary Report – Attached to email
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