

Stronger City Economy Scrutiny Panel

26 September 2017

Report title	Bilston – Local Economic Development and Growth	
Cabinet member with lead responsibility	Councillor Cabinet Member for City Economy Cabinet Member for City Economy	
Corporate Plan outcome	An environment where new and existing businesses thrive	
Wards affected	Bilston East, Bilston North and Ettingshall	
Accountable Director	Keren Jones, Service Director, City Economy	
Originating service	City Economy	
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Report to be/has been considered by		

Recommendation(s) for action or decision:

The Stronger City Economy Scrutiny Panel is asked to consider how can the Council help to support the development and strengthening of the local economy in Bilston?

1.0 Purpose

Within the context set out below, the Stronger City Economy Scrutiny Panel is asked to consider:

- How can the Council help to support the development and strengthening of the local economy in Bilston?
- What else should be done?
- Who are the key partners, what is their role and how can they contribute?

2.0 Background – Local Economic Development and Growth

- 2.1 Friends Provident Foundation in its Creating Good City Economies in the UK states that “Traditional economics – inward investment, regeneration programmes, enterprise zones, the prioritisation of economic growth and reliance on trickle down – has had some successes. It has brought in investment and improved the infrastructure of the UK’s major cities, turned city centres into hubs of culture and tourism, and – over decades – prevented places from sliding further into decline.
- 2.2 But this agglomeration model – the dominant local economic model for UK cities – creates as many losers as winners and is an outdated approach to city economies that are currently experiencing huge social, technological and environmental change. This dominant model favours city centre economies, skilled workers and high-end jobs. It starts with the physical – buildings and infrastructure – rather than the needs of people. It encourages people to move or commute to areas of opportunity rather than creating jobs close to the neighbourhoods in which they live”.
- 2.3 The Centre for Local Economic Strategies (CLES) in Productive local economies: creating resilient places argues that “economic development cannot always be conceived on a narrow economic imperative, such as competitiveness or growth as it does not match wider economic reality and makes some places hostage to impossible aspirations. Where growth is achieved, it is important that it is robust and used effectively within a location, complementing place identity and community aspirations, and does not simply evaporate when an area experiences an economic shock.
- 2.4 In addition, we are seeing successful areas which do have economic growth adopting even more aggressive growth strategies without due regard for the place, culture and identity or indeed the environmental consequences, both locally and globally.
- 2.5 So much decision-making focuses on our policies of place (e.g. land use planning, architecture, transport, new schools or housing, even public parks) and tends to be dislocated from economic development. In an atmosphere of public sector cuts, there is a real and pressing need for greater integration between place and economic policy.
- 2.6 Where local economies are too dependent on either the public, commercial or social aspects of their economy, place resilience can be vulnerable and brittle, and areas may fail to take advantage of opportunities”.
- 2.7 Furthermore, they state that “where our research has identified strong resilience of place, a common reason for this strength has been the proactive leadership and/or coordinating role of a local authority. However, all too often, and wrongly, the role of local authorities is perceived as simply being about delivery. This leadership role can take many forms but

the most common is where the local authority plays a facilitating role, working to broker relationships between different parts of the private, public and social economies”.

3.0 Good Business Relationship Support

3.1 Some local authorities offer a range of business support services to encourage economic development and regeneration. The Young Foundation 2011 report “Grow Your Own - how local authorities can support social enterprise” found that tailored business support for social enterprises and entrepreneurs is the bedrock of growth in the sector.

The local authorities within their project had a variety of business support actions for businesses that included:

- Ensuring that social enterprises have access to specialist business support, especially on legal structures and financial planning;
- Mapping the sector – the services they provide and the assets they have available;
- Analysing gaps and growth areas in the public-sector market and providing intelligence;
- Mapping national, regional and local organisations providing advice and good practice and then promoting those;
- Creating a social enterprise page on the council website;
- Promoting the use of self-assessment tools to help social enterprises/ entrepreneurs identify their development needs;
- Setting up an online directory of local goods and services and social enterprises.

4.0 Community Development and Regeneration

4.1 According to Rubin & Taylor (2007), regeneration approaches need to pay closer attention to the complex dynamics of an area and seek to build on its distinctiveness - whether this is physical, social, economic or environmental.

4.2 The Local Government Association’s report “Grow Your Own Way - taking a localist approach to regeneration” states that successful programmes show signs that they have achieved success in at least some of the following criteria:

- Physical success – making the area a more desirable place to live physically – which can be demonstrated through increases in house values or improved access to transport;
- Economic success – improving job prospects and growth potential – which can be demonstrated through an increase in the number and type of jobs; income per capita; rise in business rates; or a reduction in the amount of vacant land; and
- Social success – improving the wellbeing and happiness of the people who live there – which can be demonstrated through improved health indicators; an increase in community spirit, social bonds and volunteering; or improved political engagement.

4.3 What Works Scotland and Training and Employment Research Unit in their June 2017 report “What Works in Economic Regeneration” highlighted key ingredients to achieve successful regeneration of an area.

These are:

- Community support and buy in. It is really important to ask and keep on asking local people what it is they want and what do they feel needs to change;
- A sustained effort over a long period of time is critical;
- The regeneration process needs to be managed and led, and engage all the key organisations whose input is needed to create sustainable regeneration;
- The process needs to be driven by a clear vision for the area being regenerated;
- Transport connectivity are critical, to raise the attractiveness of private sector investment in a locality, but also to connect poorer neighbourhoods to employment opportunity;
- Proximity to major assets, such as developable land, are a key factor;
- Overall management of the regeneration process is best placed in the hands of a regeneration vehicle such as a development company of some kind or another;
- Stability in programme, funding, governance and strategy;
- Buy in from key local influencers.

5.0 What issues are there in Bilston?

5.1 Bilston is facing several socio-economic issues, including:

- **High population growth** – between 2001 and 2011 the population of the three wards covering Bilston (Bilston North, Bilston East and Ettingshall) increased by 11.3% to 39,058. This rate of growth exceeded the Wolverhampton rate of 5.4%, the West Midlands rate of 6.4% and the England and Wales rate of 7.8% (source: Census data, Nomis). Bilston’s population will grow further with the development of Bilston Urban Village;
- **Low (but increasing) working-age population** – between 2001 and 2011 the proportion of the population of the three wards who were of working age increased from 61.8% to 63.5%. Despite this increase, the proportion remains below the Wolverhampton (63.9%), regional (63.6%) and England and Wales (64.7%) levels (source: Census data, Nomis);
- **High levels of social renting** – in 2011, 37% of the population of the three wards lived in social rented accommodation, below the figure of 40% in 2001. The rate for the three wards is significantly above the averages for Wolverhampton (28%), the West Midlands (19%) and England and Wales (18%), all of which saw a decrease between 2001 and 2011 (source: Census data, Nomis);
- **Low levels of home ownership** – in 2011, 49% of the population of the three wards lived in owner-occupied accommodation, below the figure of 51% in 2001. The rate for the three wards is significantly below the averages for Wolverhampton (57%), the West Midlands (65%) and England and Wales (64%).

All of these spatial areas saw a decrease in home ownership between 2001 and 2011 (source: Census data, Nomis);

- **Relatively low skills levels** – in 2015, only 22% of the working age population of the Wolverhampton South East (SE) parliamentary constituency, in which Bilston is located, were educated to NVQ level 4. This was below the rate for Wolverhampton (24%), the West Midlands (31%) and England and Wales (37%). However, the percentage of working-age people with NVQ level 4 in Wolverhampton SE had increased from 15% in 2011. The percentage of Wolverhampton SE's working-age residents with no qualifications in 2015 was 20%, above the Wolverhampton (19%), regional (13%) and England and Wales (9%) levels (source: annual population survey, Nomis);
- **High levels of deprivation** – the seven Lower Super Output Areas (LSOA) which cover Bilston have an average deprivation ranking of 3,311, placing them in the most deprived 10.1% of LSOAs in England. Two of the seven LSOAs are in the most deprived 2.1% of LSOAs in England (source: Indices of Multiple Deprivation, 2015);
- **Increasing levels of economic activity** – between 2010/11 and 2015/16, economic activity rates in Wolverhampton SE increased from 69.8% to 75.1%. In 2010/11, the rate for Wolverhampton SE was below the rate for Wolverhampton but is now above Wolverhampton's rate of 72.0%. Wolverhampton SE's economic activity rate remains below the regional rate of 75.4% and the Great Britain rate of 77.8% (source: annual population survey, Nomis);
- **Decreasing unemployment** – between February 2013 and February 2017, the number of people claiming Jobseekers Allowance in the three wards 2,385 to 1,290, a decrease of 45.9%. However, this rate of decline was below the Wolverhampton rate of 46.1%, the regional rate of 48.5% and the England and Wales rate of 50.9% (source: claimant count, Nomis);
- **Relatively low income levels** – in 2016, the median gross weekly pay of full-time workers resident in Wolverhampton SE was £431.20, below the Wolverhampton (£440.80), West Midlands (£507.80) and England and Wales (£541.00) levels. Between 2012 and 2016, earnings in Wolverhampton SE increased by 3.5%. This rate of change exceeded the Wolverhampton rate of 2.2% but was below the regional rate of 8.2% and the England and Wales rate of 6.4% (source: annual survey of hours and earnings, Nomis);
- **Poor health levels** – a report for the City Council in 2014 showed that life expectancy in Bilston East ward is among the lowest in the City, with average life expectancy for men of 74.8 years and women of 80.1 years. The averages for England in 2015 were 79.4 for men and 83.1 for women (source: Public Health England: Health Profiles); and

- **High crime levels** – in 2016 there were 152 reported crimes per 1,000 residents in Bilston East ward. This is above the Wolverhampton average of 97, the West Midlands average of 95 and the England and Wales average of 102 (source: Home Office and Department for Communities and Local Government).

5.2 In terms of business indicators, Bilston has seen:

- **Increasing employment** – in 2015, the number of people resident in Wolverhampton SE who were in employment increased by 11.5% to 29,000. This rate of increase exceeded the West Midlands rate of 6.3% and the Great Britain rate of 7.3%. Over the same period, the number of residents of Wolverhampton in employment fell by 9.1% (source: annual population survey, Nomis). Strong employment growth in Wolverhampton SE was seen in education, water and waste and transport and storage. Significant declines were seen in finance and insurance and real estate (source: business register and employment survey (BRES), Nomis);
- **Relatively weak growth in the number of businesses** – between 2010 and 2015, the number of businesses in the three mid-layer super output areas covering Bilston increased by 6.5% to 820. However, this rate of increase was below the rates for Wolverhampton (14.4%), the West Midlands (14.3%) and Great Britain (18.4%) (source: UK business count, Nomis); and
- **Business growth in lower value sectors** - Wolverhampton SE has a relatively high proportion of business units compared to the regional and national averages in the production, motor trades, wholesale, retail and transport and storage sectors. Sectors in which the area has a relatively low proportion of business units include information and communication and professional, scientific and technical (Source: UK business – activity, size and location, ONS).

6.0 How does Bilston fit into the Council's Economic Plans?

6.1 The Council's City Strategy has several priority actions that relate to the work in Bilston. These are:

- Attracting new businesses – because attracting strategic companies and businesses with high growth potential will bring with them new job opportunities, supply chain opportunities, and raise the national and international profile of Wolverhampton in terms of inward investment, innovation and trade. We also need to grow our own new companies by supporting local entrepreneurship and business start-up.
- Supporting businesses to develop and grow – because we need all forms of businesses to be competitive and flourish, including social enterprise, co-operatives, mutuals and not for profit organisations.
- Supporting more people to be active within their communities – because we want more people to take the opportunities that will become available from the decentralisation and localism agenda, as it will open the door to new forms of

social entrepreneurship, whilst existing opportunities such as volunteering enable people to gain new skills and experiences and can provide a route into employment.

- 6.2 Bilston Corridor Area Action Plan (AAP) is part of the statutory land-use planning document that sits under the Black Country Core Strategy. Its aim is to: “Secure investment to ensure that Bilston Town Centre provides a wide range of services that are attractive and accessible to local people, underpinned by a vibrant High Street and Market and a high-quality environment reflecting both proud heritage and modern design.”
- 6.3 Today, the Bilston Corridor is one of the key regeneration areas in Wolverhampton and acts as a “gateway” linking Wolverhampton to the Black Country and Birmingham by rail, Metro, road and canal. The corridor has access to the motorway network via the Black Country Route and sustainable access to Wolverhampton City Centre and Birmingham via the Metro line.

7.0 What is the Council currently doing?

- 7.1 The Council offers businesses a support package that includes a dedicated account manager who:
- Advises on available business sites;
 - Gives bespoke information relevant to current - and future - business activity
 - help businesses to explore potential funding and advise on access to financial assistance;
 - Provides a tailored recruitment service;
 - Works with the business to help make it a success.
- 7.2 The Council is running several events through its Business Week from Monday 25 to Friday 29 September 2017.
- 7.3 Also the Council is undertaking various workstreams that are summarised in the attached document including supporting the Bilston Business Improvement District, supporting enterprise and business development, encouraging development of the town centre, progressing the Bilston Urban Village project, consideration of a community hub and the Gallery and Library, and a programme of environmental enhancements.

8.0 What can Partners/Stakeholders contribute?

Local economies aren't simply an isolated silo of private sector activity that can be encouraged and shaped. They are made up of a network of social, public and commercial economic activity. These aspects are interconnected and dependent on one another.

8.1 The CLES report “Productive local economies: creating resilient places” states that “the complexity of interventions in town centres means that it is essential to ensure coordinated delivery across various local authority departments and to work closely with town centre businesses, land and business owners and voluntary and community groups.

9.0 Approach

9.1 The Committee will hear from the following witnesses in evidence sessions to help the Panel answer the questions:

- How can the Council help to support the development and strengthening of the local economy in Bilston?
- What else should be done?
- Who are the key partners, what is their role and how can they contribute?

9.2 The witnesses have been asked to answer the initial questions below and the Panel will have the opportunity to have further questions of the witnesses on their evidence. The witnesses are as follows.

9.3 Local Community Groups.

At **18:05** local residents’ groups have been invited to attend to answer the initial following questions:

- What are you currently doing in Bilston?
- What would you like to do?
- What support do you need?
- What would encourage local people to spend more within Bilston?

9.4 Local business groups

At **18:35** local business groups have been invited to attend to answer the initial following questions:

- What are you currently doing in Bilston?
- What would you like to do?
- What support do you need?
- What would encourage local people to spend more within Bilston?

9.5 Panel Recommendations

From **19:05** the Panel will consider the evidence heard and decide how it may wish to the answer the questions in 9.1.

10.0 Financial implications

There none arising directly from this report. [ES/18092017/Z]

11.0 Legal implications

There none arising directly from this report. (RB/1092017/K)

12.0 Equalities implications

There none arising directly from this report.

13.0 Environmental implications

There none arising directly from this report.

14.0 Human resources implications

There none arising directly from this report.

15.0 Risk implications

There none arising directly from this report.

16.0 Corporate landlord implications

There none arising directly from this report.