

Stronger City Economy Scrutiny Panel

Minutes - 18 March 2021

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 Claire Darke
Cllr Val Evans
Cllr Christopher Haynes (Vice-Chair)
Cllr Asha Mattu
Cllr Barbara McGarrity QN
Cllr Susan Roberts MBE
Cllr Jonathan Yardley

In Attendance

Cllr Stephen Simkins (Portfolio Holder for City Economy)

Employees

Martin Stevens (Scrutiny Officer) (Minutes)
Richard Lawrence (Director of Regeneration)
Isobel Woods (Head of Enterprise)
Liam Davies (Head of City Development)
Julia Cleary (Scrutiny and Systems Manager)
Earl Piggott-Smith (Scrutiny Officer)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies**
Apologies for absence were received from Cllr Craig Collingswood and Cllr Rupinderjit Kaur.
- 2 **Declarations of interest**
Cllr Phil Bateman declared a non-pecuniary interest as a Member of the Canal and River Trust Advisory Board.
- 3 **Minutes of previous meeting**
The minutes of the meeting held on Thursday, 21 January 2021 were approved as a correct record.

4 Matters arising

A Member of the Panel referred to a section in the minutes of the previous meeting which stated that there was nearly £31 million in grant money to be distributed to businesses and asked if this had now been allocated. The Scrutiny Officer confirmed that grant funding would be covered under a section in the presentation later in the agenda.

5 Portfolio Holder for City Economy - Statement and Question Time

The Portfolio Holder commented that he was delighted to be able to attend the Scrutiny Panel and to answer questions on his Portfolio of City Economy. He remarked that the team of Officers had performed exceptionally well in unprecedented times. He was immensely proud of the work that had taken place in regenerating the City and the economy. He asked the Director of Regeneration to present some slides by way of information to the Panel.

The Director for Regeneration stated that the Wolverhampton Interchange Project was now a multi award winning project. Phase 2 works for the Railway station were due for completion shortly. Adjacent to the railway station was the i9 building which was almost fully built. Practical completion would take place later in the Summer. They were in pre-let discussions with two organisations and were confident that the building would be fully pre-let ahead of its opening in the Summer. There had been a recent press announcement, stating that the Ministry for Housing, Communities and Local Government (MHCLG) would have a second headquarters in Wolverhampton. Officers were meeting with representatives from the MHCLG the following week, to discuss their requirements further.

The Director for Regeneration commented that whilst the country had been in a lockdown period, the investment enquiries into the City had still progressed. The Council had been informed recently of the positive news that they had secured £25 million in support of Wolverhampton's Investment Plan for projects across Bilston, Wednesfield and the City Centre. A Town's Fund Board meeting was scheduled for the following day, which was the first time they would have met since the announcement. The next steps were for the Board to consider whether they agreed to accept the £25 million and secondly how they would prioritise the eleven projects put forward as part of the original £48 million bid.

The Director for Regeneration stated that the National Brownfield Institute had been awarded £14.8 million through the "Getting Building Fund." The ground breaking ceremony was imminent. Planning permission had been secured and the University had appointed a contractor. The Council had secured £15.7 million to support the transformation of spaces within the core City centre. There were four key areas the Council were looking to develop one of which was the public realm around the Civic Halls and they were looking to develop the public realm around Victoria Street down to the West Side area. There would be further enhancements around the City Centre environment. He referred to the Levelling Up Fund which had been recently announced and guidance provided. Up to £20 million was available per Parliamentary constituency. The Local Authority was responsible for bidding for the funds, but it did require the sign off from the local Member of Parliament.

The Director for Regeneration spoke of the need to create jobs. The i54 / Western Extension was continuing. He commented that the project would be completed in the

Summer of 2021. Marketing for the project was already taking place. They had already received a very strong key investment enquiry, which if secured would be great news for the City.

The Director for Regeneration stated that the Bilston Urban Village Employment site had received strong interest from a range of experienced developers. It was expected to release 100,000 square ft of floorspace.

The Director for Regeneration presented a slide on the subject of homes. There would be significant provision of new housing across the Bilston Urban Village site. This had resulted in private sector investment of at least £80 million in the area with almost 500 new homes being provided over a five-year period. He spoke on the subject of the Canalside Quarter South, the Council had acquired the former British Steel site, which enabled one of the most strategic regional residential opportunities. There would be approximately, 1000 residential units in total. The first phase, Horsley fields, had been submitted for planning permission. Placefirst were keen to take part in the development of the first scheme. A number of developers had expressed an interest in the other phases of the Canalside Quarter South development. He referred to private sector investment in housing, the Council was supporting significant residential activity with the Beatties planning application approved. For Telecom House and Crown House, they were supporting a repurposing of the City Centre in line with the Towns Fund and the Future High Street Fund.

The Director of Regeneration presented a slide on planning applications. For the National Brownfield Institute a planning application had been submitted at the end of September 2020. Planning had been granted on 1 December 2020, enabling work to start on the site at the beginning of 2021. For the Royal Hospital, Jessup had submitted a new application for the conversion of the main building for forty flats for people aged over 55 and for 128 dwellings to the rear. He was hopeful that planning permission would be granted in March 2021, enabling a potential start on site in Summer 2021. For Canalside, Horsley Fields, there had been a planning application for comprehensive redevelopment of 370 new dwellings. They were working with the developer to improve the design quality. It was hoped that planning permission would be granted in Summer 2021. For the former Beatties building planning permission had been approved for 306 new apartments together with new commercial space on the ground floor.

The Head of Enterprise presented a slide on business activity and support. The unemployment rate for the City was currently at 10.3% against a national average of 6.3%. She commented that at the last meeting there had been an enquiry as to when health had become the highest employment sector within the City. They were still tracking the statistics back, but she believed it was at least a minimum of three years.

The Head of Enterprise remarked that over the last twelve months, the Council had been paying business grants and £63 million had been paid out to well over 4,500 businesses in Wolverhampton. There was the mandatory scheme which was linked to business rates but the Council also had a discretionary element, which meant they had been able to support businesses which didn't meet the eligibility criteria as first outlined. This was important as it allowed them to reach the grass root businesses, the market traders and it also enabled them to put in place the taxi scheme. This

had been live for the past three weeks and nearly £1 million had nearly been distributed. The £31 million as referred to under matters arising, this was from the money the Council had received in Lockdown 2 in October 2020. Approximately £18 million out of the £31 million had been distributed. She commented that they had also received guidance on the restart and would be able to offer more financial support to businesses from the 1 April 2021.

The Head of Enterprise commented on the Social Value Contract and put this at a critical value of £539 million. She said that the Council had supported over 50 companies in the Aim for Gold Programme in the last twelve months. She referred to the Council's, Relight our City launch in January, this was important for small businesses who didn't have the same resilience as some larger companies. The Wolves at Work Programme had identified over 2,500 vacancies in the last twelve months, through working with over 709 businesses.

The Head of Enterprise presented a slide on Skills and Employment between April 2020 and March 2021. Wolves at Work had supported just under 900 people into work and of this number 50% were in sustained work. The Council had been successful in retaining the Black Country impact youth employment funding until 2023. This meant they were still able to offer much needed support and interventions for young people who faced barriers getting into work. She was pleased to report that the NEETs (Not in Education, Employment or Training) figure was below the national average and currently stood at 3.9%. The national average for NEETs was currently at 5.3%. Considerable work had taken place with the Careers and Enterprise company, continued enterprise sessions had taken place within schools virtually.

The Head of Enterprise spoke on the new Kickstart programme. They had identified 180 paid placements over 40 businesses within the City and the Council. Wolverhampton had been given gateway status which meant they could soon secure the young people into positions. The Council had made a commitment for over 30 places. They had been given resources to help with training and were also mindful of helping to ensure the young person's progression. They had commenced a new partnership with Adult Education and 70 new traineeships were planned for 2021.

The Head of Enterprise presented a slide on the challenges moving forward and those of the last twelve months. They would continue to support businesses with Covid-19 grants. They would be ensuring the support was in place to assist the recovery of the City and those sectors who had already been adversely affected, such as hospitality, culture, leisure and retail. They were looking to minimise the impact of redundancy for residents and businesses. The Furlough scheme had been extended until September by the Government. Over the last twelve months it had been important to maintain construction activity during the periods of lockdown. The Council had worked closely with its development partners to ensure work could continue in a safe way across a range of major construction projects, including the i54 and interchange without major delay or impact to the budget. In order to engage with stakeholders they had developed an adaptive approach which had embraced technology. They had established major stakeholder forums such as the Town's Fund Board and meetings had taken place via the software packages of Microsoft Zoom and Microsoft Teams. They had delivered the City's first online Business Week event.

The Director for Regeneration listed the priorities for the Directorate and the Portfolio Holder for City Economy as follows: -

- Relighting our City
- Opening of the Civic Halls in 2022
- Completion of Interchange and i9, over the next few months
- Attracting end users to i54
- Delivery of Future High Streets and Town Fund project
- Bringing forward major regeneration projects such as Brewers Yard, City Learning Quarter and Westside
- Providing continued business support post the Covid-19 pandemic
- Events

A Member of the Panel referred to the different employment sectors within Wolverhampton and commented that he was pleased that there was now a broader employment sector base as it gave more future resilience for the City, not to be heavily reliant on one sector. He believed the Health sector in Wolverhampton had benefited from the growth of the education sector in Wolverhampton including the University. He did think it was important to maintain the manufacturing sector whilst accepting a broad employment sector base was beneficial.

The Portfolio Holder for City Economy responding to the Panel Member's points commented on the resilience of the general population of Wolverhampton and their ability to move with changes. The global change and transition meant that Green technology was the way forward. He referred to the different sectors where this applied such as transport, housing and components. He believed the new Green Deal moving forward should be the key driver. One of the next tasks was to see what opportunities there were for the Council moving forwards.

The Portfolio Holder for City Economy referred to the importance of entertainment in the City such as the Arts and leisure facilities. He believed education would be key to what he described as the Green Revolution. He believed elected Members and Officers had a key role in suggesting innovating ideas. He commented on the importance of working with the WMCA (West Midlands Combined Authority) and with the Councils in the Black Country Area. He spoke highly of the new train station and the new transport Hub. He spoke of the people who were not eligible for Government Covid-19 grants, who were now having to claim unemployment benefits. He felt this was wrong.

A Panel Member spoke highly of the relight scheme and supporting small businesses. She did however believe there was some further work required internally to support small businesses. She referred to an occasion where she had been advised that a service should be provided from a provider outside of the City, when it was clear to her that it could have been provided from a business within the City. Everyone needed to embrace the Relight agenda and to use businesses within the City. She thought that the City needed to do more to promote Wolverhampton as a Learning City, Wolverhampton were Members of the UNESCO Global Learning Cities Scheme. She also spoke about highlighting the importance of the partnership with Wolverhampton University. She spoke of the work that had taken place in the last twelve months to help bridge the digital divide and felt this should be celebrated.

A Panel Member asked for clarification as to when the Creation Musical Festival would be held in Wolverhampton. He spoke of the importance in having appropriate cancellation insurance. The Director for Regeneration responded that the event had been rescheduled for May 2022 following a meeting of the Senior Management Team. Tickets purchased for the 2021 event would automatically be transferred to the 2022 event. They were monitoring issues such as insurance and the risk associations. The Portfolio Holder added that Public Health would have to give an assurance to him that it was safe before it went ahead, as they would for buildings such as libraries reopening.

A Panel Member commented about the £25 million that the Government were willing to give to Wolverhampton as part of the Town's Fund. He hoped that when the Town's Fund Board met the following day, that in making their decisions, they would recognise the importance of the smaller centres to the City, citing Wednesfield, Bilston and Tettenhall. He asked if the Director could speak on the schemes which were planned for Wednesfield in the original bid. He very much hoped that Wednesfield would be looked on favourably by the Board.

The Portfolio Holder for Economy commented that he did not want to prejudice the Town's Fund Board decisions and so he was limited in what he could say. He remarked that the Local Authority would be pressing hard to complete the eleven planned projects, through one funding source or others. He added that all Local Authorities were reliant on direct funding from the Government and this made it difficult because the Council was having to compete with other Local Authorities in the Black Country and the wider West Midlands for funding. He agreed with the Panel Member's points about the importance of the smaller centres in the City.

The Director of Regeneration commented that the project that had been in the initial Town's Fund bid covering the Wednesfield area were covering a series of interventions around the Market, the High Street and along the canal side area. Through the other funding sources that had been announced and other opportunities, the Council were looking to ensure all eleven proposed projects were completed.

A Panel Member asked about the private sector investment that was not residential that was entering the local economy as a result of the Council's actions. He asked if this could be broken down by investment from within the City and investment from outside of the City. In addition, he asked about the employment sectors in Wolverhampton with the highest areas being health, followed by retail and then manufacturing. He wanted to establish how this compared with adjacent and other similar Councils. The Director of Regeneration responded that he would have to come back to the Panel Member on the exact amount of investment that was coming in through the private sector. He gave an example of private investment by referring to the i9 scheme which would be fully pre-let before the Summer. Investment was from within and outside the City. They were in discussions with developers about key strategic sites that he hoped would lever in significant capital to deliver both residential and commercial uses. He hoped to give more information in due course.

The Head of City Development added that it was a challenging environment at the present time. He referred to the private investment in the i54 site. Specific information could be sent to the Panel Member, some of the information was commercially sensitive.

The Portfolio Holder stated that it was important to see how the City would be in the future. Not only did new houses need to be built, the economy had to be built up as well. The question of the future for City Centres and shopping centres was important to answer. Covid-19 had accelerated a changing retail landscape, with online shopping becoming more prevalent. Building resilience back into the marketplace and the centres of the City was key, along with seeking the opportunities from the new green agenda. He suggested that this could be an item for scrutiny in the future.

A Panel Member raised the important subject of new hotels in the City, which would be required if the City was to develop further. He asked for a status update on the matter. He asked if there was an allocated tourism budget for the City and if so, the amount allocated for this purpose. He asked if the Council knew the amount of business visitors that had entered the City prior to Covid-19 and how this compared to previous years. He thought this data was crucial to planning for the City. He added that the provision for tourists and the business sector was vital work for the Scrutiny Panel in the future.

The Portfolio Holder for City Economy commented that the re-opening of the Civic Hall would be critical to attracting people into the City. The new operator, who was known on an international scale, would be formerly announced the following day. He agreed that hotels did need to be looked at, the leisure offer and the marketing of the City. He thought Wolverhampton could be a central base for leisure for the neighbouring areas. He mentioned that industrial units would be coming into Bilston. There had been market interest before building had even commenced, which gave him much confidence about the future.

The Head of City Development was in agreement with the Panel Member that hotels were essential for the City, in order to ensure that business was not taken elsewhere. They were currently in the marketing process of selecting a hotel brand and operator, this was following significant interest from market leaders in the sector who recognised there was a gap in the market for hotel provision. A new hotel would help support the night-time economy. The MHCLG second headquarters would create clusters of businesses in the City, meaning that business and leisure visitors would need a place to stay.

A Panel Member commented that he thought the Magistrates Court would be a perfect place for a new four-star hotel. He thought it was important that new hotels should be in the City centre rather than on the periphery of the City. The night-time economy was stimulated by the presence of hotels. He thought with the right venues people would stay longer than one day, for instance staying the duration of a weekend within the City. There was an opportunity for the Council to design the future of the City. The Council had to own the big ideas of what they wanted to see; it was too important to delegate.

The Panel Member referred to hotels such as, "Hilton" "Marriot," "Crowne Plaza" and "Sheraton" as the type of quality hotels that the City should be looking to attract. Quality hotels could redefine the City, creating the right infrastructure in the City would re-enable the City economy. He referred to the City of Birmingham, which thirty years ago had no hotels to speak of other than the Holiday Inn. The City of Birmingham itself created the Hyatt Hotel on Broad Street and ran the franchise themselves. The hotel had been a massive success and redefined Broad Street. Other hotels had then entered the market in Birmingham to compete against the

Hyatt, which had created a hotel structure across the City. A hotel structure is what was required in Wolverhampton. If the City was not able to attract third parties to build and run hotels, then in his view the Council needed to do it themselves.

The Portfolio Holder for City Economy agreed that it was important to attract the best hotels to the City. Creating a positive environment for the City was really important. He thought the Scrutiny meetings with Members of the Council were really key, so the knowledge base could be built up, which could then be added to the strategies. Attracting hotels, skills and learning opportunities to the City were really important. Partnership working was also very important, and he cited a good example of this, being the i54 extension development. He was of the view that the 5G roll-out across the City would attract more businesses into the City.

The Chair asked the Portfolio Holder for City Economy what he wanted Wolverhampton to look like in twelve months' time and what was the biggest challenge for the year. He responded that the biggest challenge was competing for funding streams. He wanted Wolverhampton to be the shining light for the whole of the West Midlands. He thought it was essential to have good discussions with the Police, to ensure the safety of the citizens in the City and its assets. The area around the Civic Centre and the Art gallery was an important part in enhancing the City. He thought the use of the accelerator fund in Wednesfield and Bilston was a good example of using funds for the benefit of the City. International companies investing in the City had offered to help the community. He spoke highly of the principle of openness and transparency in working relationships with partners. He wanted the youth of the City to have a bigger input into the future of the City.

The Scrutiny Officer highlighted some of the main points raised during the meeting. The Portfolio Holder stressed the importance of the leisure sector and recommended it as a future scrutiny item for the future. The Portfolio Holder paid tribute to the Members contributions in the meeting. He praised the Scrutiny Officer Team of Julia Cleary, Martin Stevens and Earl Piggott-Smith for their contribution to the democratic process throughout the Municipal year. He also passed on this thanks to the Officers within the Directorate for their work in uncertain times.

The Chair noted it was the last Stronger City Economy Scrutiny Panel meeting of the municipal year. It had been a challenging year due to Covid-19 for everybody at the Council. He thanked Officers and Members for their contributions throughout the Municipal year. He also gave particular praise to Cllr Rupinderjit Kaur, the usual Chair of the Panel.

Resolved: That the Stronger City Economy Scrutiny Panel recommends adding the following to its future Work Programme:

- a) Working at a local electoral Ward level to help develop Economic Strategy.
- b) Exploring how, hotels, tourism, leisure, and the culture offer, can help enhance the City economy and in particular the night time economy.
- c) Exploring how partnership working with key partners can be enhanced for the benefit of the City economy.
- d) How the City is marketed in the future.

The meeting closed at 7:36pm.