

Economy and Growth Scrutiny Panel

Minutes - 20 November 2024

Attendance

Members of the Economy and Growth Scrutiny Panel

Cllr Philip Bateman MBE
Cllr Ciaran Brackenridge
Cllr Lovinyer Daley
Cllr Sally Garner
Cllr Steve Russell
Cllr Harbinder Singh
Cllr Udey Singh
Cllr Jacqueline Sweetman (Chair)

Employees

Charlotte Johns – Executive Director of Economy
Richard Lawrence - The Director of City Development
Luke Dabin-Williams – Head of Finance
Lee Booker – Scrutiny Officer

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies**
Apologies were received from Cllr Zee Russell, Cllr Green, Cllr Collingswood and Cllr Butt.

The Cabinet Member for City Development, Jobs and Skills gave his apologies.
- 2 **Declarations of interest**
There were no declarations of interest.
- 3 **Minutes of previous meeting**
The minutes of 5 September 2024 meeting were approved as a true and correct record.

A Councillor wanted an update on the Chubb building progress. The Executive Director Economy agreed to write to the member about it.

The Chair raised the resolutions of previous meeting. The Executive Director Economy said they would pick these up.

4 **Out Future Council - Responding to the Future Challenge**

The Head of Finance briefed the Panel that the Council's economic position was comparatively stronger than many other Local Authorities (LAs) but that like all LAs currently, it faced challenges due to decreased money from the national government, inflationary pressures and wage rises. He stated that updates on the financial challenge had been received by Cabinet in February and July 2024. The Our Future Council (OFC) budget plan was reviewed due to ongoing pressures and taken to Cabinet in November. The Council had identified £10.4 million in proposed savings across a number of years but further savings were needed. The Head of Finance reported that all services were now required to deliver against approved savings targets which equated to a further £19.9 million. The updated medium term financial forecast showed that despite budget reductions, there was still a gap in the budget they needed to work to fill.

The Executive Director of Economy stated that it was proposed that the Council would consolidate its economy, skills, housing and development functions into a new streamlined structure, in order to better respond to the opportunities and challenges.

The Director of City Development raised that the City Development and City Assets department had a minimum savings target of £1,214,000. He stated that they aimed to achieve this by a combination of securing external funding to deliver City Development activity, together with the introduction of pre-application planning fees. As well as maximising the Council's operational assets - leasing out non-operational areas of the Civic Centre, withdrawing, in a controlled way, from educational catering and cleaning and being more commercial in approach to facilities management (including cleaning and catering).

The Executive Director of Economy informed the Panel that the City Economy and Partnerships department had proposed savings targets in Events Strategy and that they would undertake a review of the Council's skills, employment and business offer. There was a proposal for a significant reduction in the Council's subsidy to the community events programme, allied to a significant increase in income. Full details would be brought forward before any decisions were made. This was estimated to save £148,000. The review of skills, employment and business offer is in response to the changing regional economic development landscape, and to ensure value for money and the Council estimated it would save £376,000. The City Economy and Partnerships department had a minimum savings target of £467,000 with a focus on making efficiencies and reducing expenditure in areas where others could potentially able to make a more significant contribution to service delivery.

A Member of the Panel wanted to know how local schools having more autonomy over the services they hired impacted the budget. Greater autonomy meant they were less reliant on Council provided provisions, he wanted to know how it impacted on the Council's savings budget.

The Cabinet Member for Resources said there had been a downturn in take up of Council provided services, such as catering in schools. She said they would review this.

The Councillor referred to the proposed cuts to skills provision and wanted to know if the Council had reached out to West Midlands Combined Authority (WMCA) for funding in that area.

The Executive Director of Economy stated that the WMCA were a critical partner in the skills system, which was subject to a number of devolution deals. The adult education budget was one of those. She said there was a push for greater devolution on employment support, which could help support more people across the region. She said it was a complex system, citing the various deals for supporting people back to work who had been off long term sick. She said the wider system needed reform to make it more effective in delivering our priorities of ensuring more local people into good jobs and work.

A Councillor referred to page 24 of the agenda pack and wanted more detail on the conversations that were going to happen with the private sector around events support, where the Council was no longer going to be able to support funding.

The Executive Director of Economy stated that there were two types of events the Council got involved with: community events (Pride, Armed Forces Day) and commercial events. It is proposed that the events programme would be reviewed, in order to maximise income.

There was discussion and clarification around the 49 different offers in the region available for support into employment. The Executive Director of Economy explained these were regional and varied in source. Some were provided via the WMCA, some from Integrated Care Boards, and some at a local level, such as the Council's Wolves at Work programme. She explained a review meant making this system more effective in supporting people. The Cabinet Member for Resources added that a review could help avoid unnecessary duplication of services.

A Member of the Panel focused on the Director of City Development's comment about the Council being one of the few Councils which did not currently charge for pre-planning applications. He wanted to know if work had been done to find out if the proposed change to charge for these applications would impact on the number of applications the Council currently received.

The Director of City Development said most Councils did charge and that they were currently consulting on this matter. He added that if they decided to charge, they would use this to enhance the planning process to improve the processing time of applications.

The Executive Director of Economy stated that Wolverhampton received interest from developers because they saw the potential and opportunity the City offered; not because of the current lack of a charge for pre-planning applications.

A Councillor asked if they had estimated how much the introduction of planning application fees would bring in per year for the Council.

The Director of City Development stated that it would vary depending on the route taken and the service review. He said currently they estimated it would bring in £80,000 to £100,000, but this would need further testing.

A Councillor was concerned cutting support for City events would push them outside of the City to other areas. He said events brought money into the City and wanted the Council to approach proposals to reduce events subsidies with caution.

There was discussion around support for City Events, with discussion focusing on not supporting those which were not economically viable. Assurances were provided from the Executive Director of Economy that focusing on City Events which were viable was key to supporting vibrancy and in turn the City's economic growth.

A Member of the Panel asked if the proposed changes to pre-planning fees would be handled by the same team, or would they have more planners in the event of introducing charges.

The Director of City Development stated that increasing staffing would only happen if the amount of applications increased, requiring added staff.

A Councillor commented that she wanted officers to consider a sliding scale system to the proposed pre-planning fee charges, so that much smaller scale applications did not receive charges /received reduced charges.

A Councillor wanted to know if Council owned assets were being considered as being rented out to generate further income to support tackling the budget deficit.

The Director of City Development replied that they were reviewing all Council owned non-operational spaces, such as the second floor at the Civic Centre, to rent or dispose of, where appropriate. He explained assets as a detailed item went to the Resources and Equality Panel.

A Councillor referred to page 25 of the agenda and quoted the paragraph which stated "the focus will be on making efficiencies and reducing expenditure in areas where others are able to make a more significant contribution to service delivery".

She wanted to know who the “others” were.

The Executive Director of Economy said they did not have specifics for that section but rather the Council would be reviewing its provision of all its services to find efficiencies.

The Chair wanted to hear more about the framework and governance for attracting inward investment into the City.

The Executive Director of Economy said inward investment was a critical part of the City’s economic strategy. She said they were working with partners such as the West Midlands Growth Company, to ensure the Council was delivering the best offer to attract inward investment.

A Councillor felt the Council should work with partners to encourage the promotion of the City’s historical and cultural heritage. Citing Peaky Blinders television series as a cultural example which brought interest and money into the city of Birmingham.

The Chair enquired about sponsorship opportunities for events and wanted to know if the Council had any plans around sponsorship.

The Executive Director of Economy agreed with the Councillor in relation to the importance of working with partners to promote the City’s heritage. She stated that as in line with the city events strategy, the Council was exploring commercial sponsorship to reduce Council expenditure, citing Pride as an example where Council expense had been cut down by using commercial sponsors.