



## The Wolverhampton Economic Development Strategy (2009-2026): A Road-Map

### Executive Summary

A report submitted by

GHK Consulting

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***“I can go into a business meeting and say....’it’s absolutely rubbish here in Wolverhampton’, and nearly every person would say, ‘you’re right; it’s awful here’.... I can go to the same type of meeting the following day and say, ‘gosh it’s marvellous here in Wolverhampton; so much potential.’, and nearly every person they would say. ‘you’re right; it’s excellent working and living here and it’s going to get even better’!.....With consistency, self-belief and vision Wolverhampton might really BE excellent”***

Source: Local Business person interviewed by GHK, September 2008.

# EXECUTIVE SUMMARY

## Introduction

The assignment, on which this report is based, was undertaken in little over a month, from mid January to just beyond mid February 2009. The findings and recommendations presented in this report are based on work undertaken by GHK for the Wolverhampton Economic Assessment during late 2008, and a comprehensive programme of stakeholder engagement completed in February 2009. Nevertheless, the report must be seen as a road-map to an economic development strategy (EDS), one that presents a vision for 2026, an outline strategy for the City to realise that vision, and a number of specific actions that can be adopted by the leadership bodies of Wolverhampton to ensure that the City is on the trajectory to 2026. This report is not a comprehensive EDS. Detailing up the strategy and the associated actions, and devising a comprehensive and robust implementation plan, complete with financing strategies and budget line allocations, was beyond the scope of works.

## The Current Urgency

Wolverhampton faces a storm of deep seated problems compounded by the impacts of the recession. The percentage of working age people employed in Wolverhampton with no qualifications increased between 2003 and 2007. In 2007 the figure stood at just below 25%. This single stark statistic neatly summarises the challenges facing the communities of the City. The current recession is biting deep into Wolverhampton; unemployment is increasing, businesses are contracting, and opportunities for expanding the wealth generating sector seem to be thin on the ground. Action is required.



**'Over 400,000 jobs? Not in Wolverhampton, that's for sure. There is nothing out there'**

Lucy Bannerman  
The writing across the rain-streaked windows of the Jobcentre promised 'Over 400,000 jobs'.

But the signs failed to convince one young man who had just joined the thousands of new and increasingly desperate jobseekers in the West Midlands.

"400,000 jobs? Where?" he asked with a shrug. "Not in Wolverhampton, that's for sure. There is nothing out there."

The former factory worker, aged 25, was made redundant in November from the nearby plant where he made gearboxes for Caterpillar diggers. He and 150 of his colleagues have been looking for work every day since.

"There is nothing out there. I've been searching the internet, coming down the Jobcentre. Nothing. And now there's 150 of us, all looking for the same job. What can you do?"

In Wolverhampton a job is a rare commodity. The city once proud to be part of the "workshop of the world" now an unemployment blackspot, a total of 176 adults have lost their jobs over the past 12 months, with as many as one in ten men now out of work in some areas.

Which explains why the Jobcentre Plus on Temple Street in Wolverhampton was busier than usual. Dozens of people of all ages, peered over the screens of the job-centre podiums scrolling through the lists in search of work.

Tapped to one computer was a dog-eared piece of paper listing "Today's jobs". They were fewer than last. Fork lift truck driver: £6.10 per hour. Steel fabricator: £7.50. Labourer: £5.75.

Another signet, advertised an open day for trainee gas fitters. Each a small sign of hope in a place where optimism seems to have disappeared along with its industries.

David, 40, was less than hopeful as he waited outside for a fitter. He was also equally sceptical about that figure in the window.

"600,000?" he said incredulously. "But they are nowhere to be seen."

"Why, if unemployment is going up haven't I seen that number go down yet?" It always stays the same.

The father of three has lived in Wolverhampton most of his life and has witnessed the steady shrinking of his workforce. In an ideal world, he said, he wanted to work with children. But this particular part of the world being far from ideal, he simply wanted to work more than the ten hours a week he did in a part-time catering job at a local secondary school.

"Just take a look at all these people signing on today. That says it all."

He gestured across the Jobcentre floor, where middle-aged men, teenagers in baseball caps and pregnant women pushing prams were all waiting in line for their turn to speak to an adviser.

Take a walk around the city centre, past the boarded-up shopfronts, the Poundstretcher store and struggling businesses, he said, and you can feel the economic chill. "You can just tell

it's bad," he said. "Look at people's faces. They are not smiling."

Wolverhampton is still recovering from the whiplash from the collapse of the Summer Row shopping centre scheme.

The much wanted £300 million project, which was hailed as a vital economic lifeline to regenerate the city, has joined the local list of credit crunch casualties after a private consortium of Irish businessmen pulled out.

Even the local council is not immune. About 300 council jobs are expected to go next year as part of the drive to save £60 million over the next decade.

"Regeneration. That's a nice word," said David, contemplating it as if an alien concept. "Regen-or-ation. It means building up something. But they can't."

He spoke with an air of resignation. Paul Price stepped out from the Jobcentre into the cold. It was the first time in his working life that he had signed on.

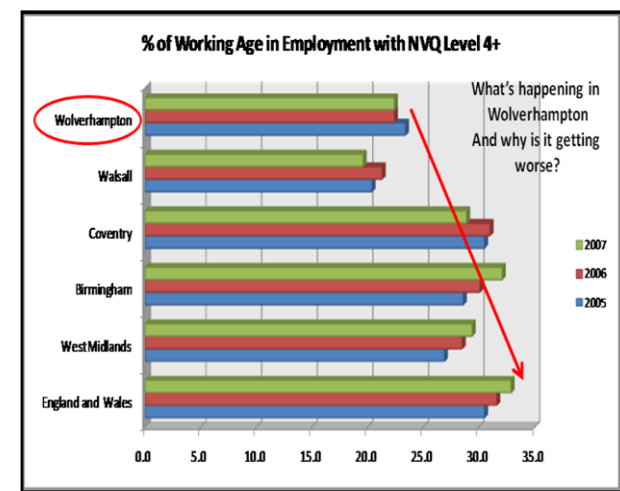
"I'm 53. I've been to university and worked all my life. But this is the first it has come to this," he said. "To be honest, I feel quite embarrassed. It's pretty depressing. And disheartening."

He is a mechanical engineer by trade. "That there's nothing at all. It's all going to China."

It was offered a couple of jobs in Dubai but I'm just not prepared to move there. There is no industry here any more."

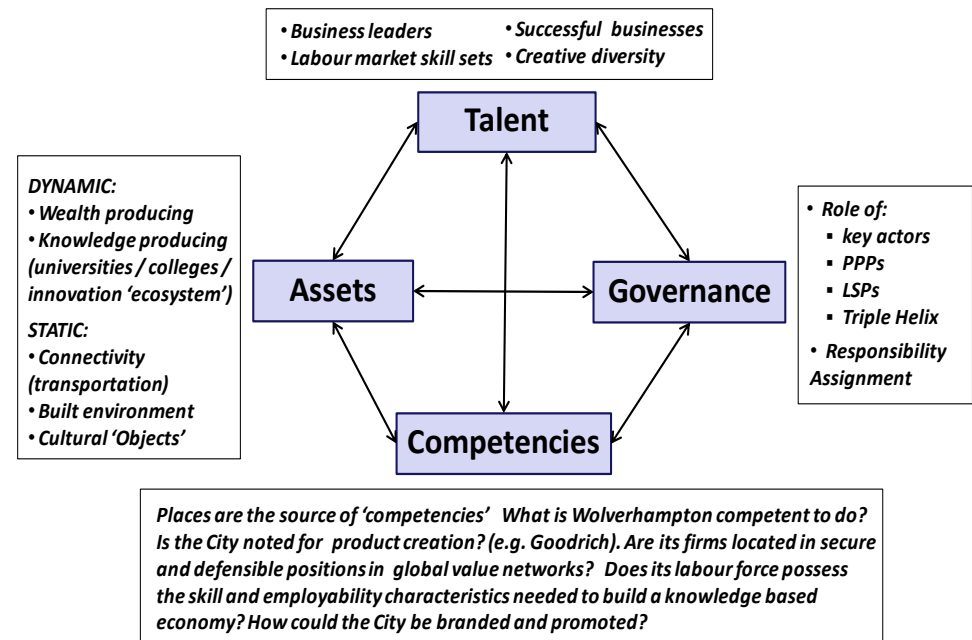
Every industry he had worked in in the area, he said – food, plastics, engineering – "it's all gone". His man has rested on an application for a manager's position in the budget supermarket Aldi.

Inside the Jobcentre The Times database shared by the job points. "About two," a passing member of staff snorted.



## The 2026 Vision: Economic Renaissance

- The Vision is for Wolverhampton to be a leading player in the re-industrialisation of the UK.
- The City will develop a range of economic competences that are grounded in its history and the comparative advantages of the current economy.
- The City will focus on building competences related to:
  - Human Capital
  - Invigorating Enterprise Culture
  - Effective Governance
- The City will be known for its high value added engineering (e.g. aerospace sector) serving national and international markets; its business and professional services service national and regional markets; its creative industries expanding into international markets; and the rise of environmental engineering and service companies.
- The City will be connected internationally; the Wolverhampton-India programme will be expanded.



- The City will be known for the effective and collaborative actions taken by its leadership bodies. CLG briefing notes will use Wolverhampton as a case study in how to address the challenges of the recession and the immediate post recessionary period. The coherence of the City's EDS and the effectiveness and unity of its leadership bodies will enable Wolverhampton to construct compelling 'asks' from funders. The City will be able to lever in significant funds, as funders are confident that the money spend will generate expected and targeted outputs, outcomes and impacts..
- Short-term actions, to 2011, will be defensive, focussing on cost-effective practical actions that can be taken to address the adverse impact of the recession. The theme of 'Wolverhampton to 2011' will be determination in the face of the recession; the public sector will play a major and important role supporting the private sector, engaging with the various communities of the City, directly, and through the voluntary and community sectors, involving them in the construction and delivery of their 'future'. The Third Sector will play an important role helping people and communities face the recession and prepare for an upturn.
- Medium term actions, 2011-2016, will be pro-active and ambitious, with a focus on the promotion of innovation in, and the expansion of, the economy. The theme of 'Wolverhampton to 2016' will be one of building the type of economic competences required by wealth generating activities. Short and medium actions will underpin the successful implementation of the Sustainable Community Strategy (2008-2026), and ensure that Wolverhampton plays the leading role in the regeneration of the Black Country.

## What needs to be done NOW?

- The public sector is important:
  - The public sector is a major employer, purchaser and investor.
  - Maintaining public sector employment in the City will lessen the adverse impact of the current downturn, and may stabilise the local economy.
  - The sector should be seen during the recession as a model employer; there should be a **Skills Pledge Plus for Wolverhampton**; namely an agreement that commits the Public Sector to the continuous development of the workforce.
  - The City Council should focus on improving the **'business friendly'** stance of the City, such as resolving planning issues (faster than before); it will be known for such action within the private sector and across the Country, establishing a **'red carpet' programme**; as a pro-active way of thinking about, and dealing with, the private sector.
- Associated with enhanced contact with business should be a **positive marketing campaign**. Wolverhampton is home to companies which have a clearly defined competitive advantage in global markets. These companies can be ambassadors for the City; nothing attracts success better than success.
- All efforts must be taken to secure those parts of the Wolverhampton economy that are truly world class. For example, a comprehensive **feasibility study for the development of the i54 site** as a centre of aerospace and advanced engineering excellence should be commissioned as soon as possible, and completed within 9-12 months.
- The aerospace sector is, perhaps, the pinnacle of the the high value added industrial sector of Wolverhampton, but the City is dominated by small and medium sized firms. A **small business forum** should be established (to complement the Business Champions Forum). SMEs should be encouraged to engage in programmes such as the **Business Improvement Technique Regime**, delivered by Wolverhampton College.
- I54 is a major project for Wolverhampton and a key project to implement the **Stafford Road Corridor programme**, the implementation of which should be accelerated.
- Delivering projects such as i54 will always be difficult, particularly so if delivery mechanisms are not sharp, clear-cut and effective. The division of responsibilities between the Wolverhampton URC, the Strategic Partnership and City Council appears unclear to many in the City. It is suggested that the **URC becomes a City Development Company (the Wolverhampton City Development Company)**; the City Council will be fully responsible for economic policy, and the CDC for the delivery of the EDS and the regeneration projects.
- The short-term focus is on supporting the **wealth creating sector**, (e.g. preventing business closures) and **laying the groundwork for future resurgence**. Only through such actions can deep-seated issues, such as the extent of worklessness characterising the City, be addressed.
- The **Economic Development Strategy** (EDS) to be detailed by the Council working with the University, the CDC, and the Economic Strategy sub-group of the Economic Partnership

### The 7 Most Important Short Term Initiatives

| The Initiatives   | Description   | Responsibility Assignment   | Deadline      |
|---|---|---|---------------|
| <b>1. Agree the 2026 Economic Vision for Wolverhampton</b>  | First, detail up the Economic Vision, second hold a community consultation programme to validate and augment the Vision; third feed the results of the consultation into a revised, stakeholder agreed and finalised Economic Vision. More specifically, the Economic Vision and the associated EDS must take into account the role that the Third Sector can play in the revitalisation of the City. | Wolverhampton City Council, Wolverhampton URC, The University, The Strategic Partnership. | July 2009     |
| <b>2. Establish a small business forum and expand the role of the private sector in economic development:</b> | Private sector involvement is essential as business growth will drive the city forward. In addition, the voice of the business community can instil a more competitive and commercial attitude.   | Chamber of Commerce, Wolverhampton City Council and URC                                   | May-June 2009 |
| <b>3. Develop a 'One Stop Shop' for Business Support:</b>   | Business support is crucial in times of economic downturn and the 'One Stop Shop' should provide a single access for businesses, signposting and helping them access the range of support activity available.   | Wolverhampton City Council.   | May 2009      |
| <b>4. Establish 'Red Carpet' programme.</b>   | To contact all the key firms within the City within 9 months, and ensure that prospective inward investors are suitably engaged. To organise and manage 'Meet Wolverhampton' events   | Wolverhampton City Council<br>Wolverhampton URC   | May 2009      |
| <b>5. Develop a sector specific approach to supporting local industry.</b>                                    | A roll out of tailored support to key sectors in Wolverhampton, building on work with the Aerospace industry, will support companies in the city through the recession and place them in a positive position to secure future growth.   | Wolverhampton City Council, Wolverhampton College, Wolverhampton University, AWM          | December 2009 |
| <b>6. Maintain the momentum of key regeneration projects</b>  | Developing compelling investment opportunities, which maintain private sector interest, will accelerate development of major initiatives such as i54, Bilston Urban Village and the Transport Interchange.  | Wolverhampton City Council, URC, AWM  | Ongoing       |
| <b>7. Develop a City-Wide Masterplan "The Big Plan"</b>   | The development of a Big Plan will ensure that economic and growth aspirations are complemented by a targeted spatial strategy which makes best use of the available development space in the city.   | Wolverhampton City Council, URC, AWM  | July 2009     |

### The 4 Most important Medium/Long Term Initiatives

| The Initiatives  | Description   | Responsibility Assignment  |
|--|---|--|
| <b>1. Establish the Wolverhampton City Development Company</b>   | A City Development Company (based on the current URC) should be established which brings together key economic development and regeneration functions in one independent, private sector led organisation.  | Wolverhampton City Council   |
| <b>2. Deliver Major Capital Projects: Summer Row and Transport Interchange</b>   | Established major transformational capital projects in the pipeline MUST be delivered in order to ensure that momentum is gained to develop economic potential. The next generation of transformational / complimentary projects are of equal importance. | Wolverhampton City Council, City Development Company                             |
| <b>3. Carry out demand assessment and design work for the next generation of regeneration projects i.e high quality city centre office space</b> | In addition to new housing growth in Wolverhampton the next generation of transformational regeneration projects should be delivered to maintain and accelerate economic growth.  | Wolverhampton City Council   |
| <b>4. Further develop Education / Business Linkages</b>  | Businesses in Wolverhampton should have a reputation for working with University, College and schools.  | Wolverhampton City Council, BSF, Business Champions - The University and College |

Wolverhampton has  
**come back to life.**

It has successfully transformed its industrial base,  
entered the **new economy**  
and experienced an exceptional year  
in terms of **new projects** and investments."

