



**LOCAL
PARTNERSHIPS**

WOLVERHAMPTON CITY COUNCIL

West Midlands Property Alliance

Using assets for growth



Introduction

Background

Wolverhampton is one of four urban areas that constitute the Black Country region but is the only one that has conferred city status, this being granted in 2000. It is well connected in terms of rail and road access, lying close to both the M6 and M54 motorways and sitting directly on the West Coast high speed rail network.



It has a population of approximately 250k, with 65% aged between 15 and 64 yrs old, and 16% being 65 yrs old and above. The city's population is relatively ethnically diverse with a Black, Asian, Minority-ethnic component of 35% compared to a country average of 20%.

In terms of its economy, Wolverhampton prides itself on its engineering and manufacturing history but the decline of these industries over recent decades has created embedded unemployment issues that the city is striving to address. The unemployment rate is higher than the UK average with the city having the 4th highest Job Seekers Allowance (JSA) claimant count in the country.

The Council

The Council is currently structured into three main Directorates, supported by an Office of the Chief Executive. The Directorate mainly concerned with assets and growth is the Education and Enterprise Directorate, the other two Directorates being the Community Directorate and the Delivery Directorate.

As with many local authorities, the Council is attempting to deal with an increasing demand for its services within a significantly reduced budget envelope. It recently announced the need to find an additional £123m worth of savings beyond those already made and projected a reduction in staff of approximately 1,400 over the next two years.

Although, on the face of it, this presents a difficult backdrop for Council led economic development activity, it remains committed to a number of important, strategic initiatives aimed at supporting the economic wellbeing of the city.

- ▶ The corporate downsizing is providing the opportunity to overhaul the Council's administrative estate and help stimulate latent private demand for high quality office provision in the city centre
- ▶ It is taking full advantage of the benefits of the Government's Enterprise Zone, capitalising on previous Council led investments in relationships and infrastructure to unlock multi-million pound private sector investment in the North of the city
- ▶ An urban village is being developed in the South of the city to provide much needed housing and social infrastructure. The site will see the development of at least 500 homes and up to 4 hectares of employment land by 2026.

There is also the need to maximise the returns from the considerable public sector investment that the city's state schools and social housing has received over the last five years. Approximately £270m has been spent on either refurbishing or re-building every secondary school in the city through a partnership with Carillion under the Building Schools for the Future initiative. The social housing stock of the Authority has also benefited from significant investment with £400m being spent on bringing 23,000 units up to Decent Homes standard, overseen by the Council's arm's length management organisation Wolverhampton Homes, in conjunction with private sector partners Bullock Construction, Frank Haslam Milan and Thomas Vale.



1. Case study: i54 South Staffordshire gets Jaguar Land Rover

1.1. Background

- ▶ The location of the 91 hectare i54 business park straddles a number of geographic and political boundaries. It sits in the geographical domain of Staffordshire County Council, Wolverhampton City Council and South Staffordshire Council. It also sits within two Local Enterprise Partnerships (LEP) areas.
- ▶ The emergence of business rate retention and the classification of i54 as an Enterprise Zone has presented new infrastructure funding possibilities which will facilitate further development of the business park. It has also locked the three authorities and two LEPs into a long term funding alliance where rates are collected into a pool administered by South Staffordshire Council and shared in accordance with an agreed mechanism.

1.2. Securing a globally recognised occupant

- ▶ The success in securing the occupancy and investment of Jaguar Land Rover was testament to the foresight, confidence and partnership working that all three authorities demonstrated in facilitating the development of the site. Wolverhampton and Staffordshire committed to investing £40 m in a new motorway junction and additional on-site infrastructure, underpinned by a fast-track planning process from South Staffordshire Council. This meant that they were in a position to move quickly and provide i54 occupiers, including Jaguar Land Rover with the type of site they required in a comparably short time scale.
- ▶ A key determinant in Jaguar Land Rover choosing to locate at i54 was the ability of the region to adopt a collegiate response. Jaguar Land Rover has a major presence in other parts of the West Midlands, notably Gaydon and Whitley in the Coventry and Warwickshire LEP and Solihull in the Greater Birmingham and Solihull LEP. The four LEPs co-ordinated a unified response to the Government's Regional Growth Fund.
- ▶ In order for i54 to fulfil its development potential, a new motorway junction was required. This is being delivered by Staffordshire County Council but involves all three councils playing a role, the first venture of its type in the UK.

1.3 Defining clear roles and responsibilities

- ▶ The project, including the wider enabling infrastructure and site development, is structured into three elements with each Council taking the lead on one of the elements. For example, Wolverhampton is leading on the skills element, which includes the development of a sector wide training programme to increase the skills base in the city and, in turn, its ability to take advantage of the employment opportunities available. Staffordshire are leading on the land and property element and South Staffordshire on communications and community relations.

1.4 Future aims

- ▶ In order to maximise the benefit of Jaguar Land Rover at i54, the partners are working on developing the assistance to the supply chain and ensuring it offers an environment that can attract companies to both the site and the city. This is not only in terms of support to help companies be competitive and win contracts but also in terms of its place shaping role around housing, connectivity, schools and leisure.



- ▶ Wolverhampton hopes to be able to expand the supply of high quality employment land in its area, with focus on the growth of aerospace, automotive and high value manufacturing. The presence of companies such as Moog, Eurofins and ISP has helped create an additional 635 jobs and the area is now developing a recognised reputation as a national cluster for aerospace technology.



2 Case study: Bilston Urban Village

2.1 Background

Key facts:

- ▶ Bilston Urban Village was inspired by a movement amongst urban designers and other built environment professionals beginning in the early 1990's in response to what they perceived to be the bland characteristics of speculative house building. The Urban Villages Forum was formed to promote the principles of authenticity and neighbourhood scaled mixed use development and a set of guidance notes were published to promote examples of best practice.
- ▶ Historically, the land in this location has long been used for both manufacturing and coal mining. In 1990 and 2001 respectively, the two major industries located on the site, Guest Keen and Nettlefolds plc and Metabrasives, closed and vacated their premises. The only active use on the site which remained was a collection of scrapyards which was the cause of significant environmental degradation, including the tipping of significant quantities of tyres and industrial waste. The Council exercised its powers of compulsory purchase to buy both the leasehold and freehold of the site and then undertook a massive site clearance exercise.
- ▶ Bilston Brook, which had been piped beneath the site, was polluted and the site itself suffered from fly-tipping and lack of maintenance. An area of the site had been subject to previous landfill and the in-filled canal basins contained domestic refuse. Since the mid 1990s, the Council had taken steps to achieve a comprehensive redevelopment of the site in order to promote the social and economic regeneration of Bilston. In 1998, the Council approved a master plan for a mixed use scheme for an urban village and in March of that year the Council entered into a Joint Venture Agreement (JVA) with English Partnerships to promote the project. As successors in title to English Partnerships, the RDA and the Council entered into a revised JVA to ensure the effective delivery of the project. The central objective was to develop a model sustainable new community based upon the best principles of urban design, ultimately extending to some 1300 new homes and with a wide range of community facilities.
- ▶ It was agreed that the RDA would fund land acquisition and public infrastructure works whilst the Council had secured European Regional Development Funding and Local Transport funding which would also be applied to the Project. Various works were undertaken across the site, including the location and stabilisation of known mineshafts and other site investigation works and a major land remediation and infrastructure contract to bring forward leisure and commercial development on the site closest to the town centre, which has good road frontage and easy linkages to the established retail centre.
- ▶ This led to the development of a new £18.6m leisure centre which opened in December 2011 and which provides an eight-lane, 25m swimming pool, a studio pool, sauna, dance studio and a health and fitness suite. There are also four squash courts, a sports hall which can be used for badminton, basketball, netball, volleyball and five-a-side football, dedicated gym equipment for older people and a special gym for youngsters aged eight to 15. This facility was directly funded by the City Council plus a £900,000 grant from Sport England. There were 60,000 visitors in the first two months following its opening.

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- ▶ As part of a PFI scheme, the £25m 1200 place South Wolverhampton & Bilston Academy opened in 2013 as the first Academy in the City of Wolverhampton, catering for 11-18 year old students. Its sponsors are the City of Wolverhampton College, University of Wolverhampton and Wolverhampton City Council. This iconic new building is an imposing statement of commitment by the Council to the continued regeneration of Bilston.
 - ▶ Ensuring the delivery of house building of any significant scale has proved much more difficult to achieve. After a protracted Competitive Dialogue procurement process, the Council and the RDA selected Places for People Group (PFP) to deliver over 500 new homes and up to 4 Ha of employment land, public open space, retail and other uses. Following the housing market crash, by 2010 it was clear that PFP could not justify development in this location taking into account reduced values and the high up front costs of land remediation. The partners failed to secure Kickstart funding support. During 2011 it was decided to halt negotiations with PFP and to prospect for funds to invest in the removal of site constraints ahead of seeking a range of new developer partners, possibly from the HCA's Development Partner Panel.
 - ▶ With a financial commitment from the HCA (as successors to the RDA) and the Council, the intention now is for the public sector to take a lead developer role and to undertake a range of works to remove some, but not all, of the risks of the site and to release smaller parcels of land for development at the appropriate time.

2.2 Exceptional characteristics

- ▶ In the most challenging of circumstances, the Council has doggedly stuck to its objectives to regenerate this community and to remove the blight left behind by previous industrial processes from this neighbourhood. The brown field land in this location demonstrates a text book example of just how complex and expensive it is to remediate previously used land in the Black Country. It is a classic example of how market forces, left to their own devices, will never deliver solutions. Ambitions for the site were well advertised over a period of years that spanned both boom and bust and yet only 80 new homes have been developed. Faced with these daunting challenges, it would have been easier and certainly cheaper for the Council to abandon the whole project. Yet there is no suggestion that they intend to do so.
- ▶ It is apparent that the Council has developed and sustained a robust and above all honest relationship with community members. Local people seem to appreciate that the Authority is battling with difficult circumstances and has done all it can to keep going. It has enjoyed the confidence and support of local residents by twin tracks of activity. Firstly, the delivery of big iconic, game-changing capital projects (school and leisure) and secondly with a drip-feed of small grass-roots initiatives such as Townscape Heritage funded repairs to Georgian buildings and work to derelict shop fronts and more recently by making significant improvements to areas of open space on the site which will be retained and integrated with the new built development. Much of this has relied on the consistent involvement of Ward Councillors and key Portfolio Holders participating in the Bilston Urban Village Steering Group over many years.

2.3 Key lessons learned:

- ▶ Ambitions to comprehensively regenerate large areas of brown field land in relatively low value inner urban areas across the Black Country to supply new family homes is in all too many cases non-viable for the private sector even when markets are booming. Relying on extant planning permissions, allocations and other policy designations on



land of this quality to produce housing outputs is unwise. Public funding, if funds can be identified for land remediation and site servicing, are unlikely to be recovered via any revolving mechanism. It is gap funding that is required not loans that have to be repaid out of land receipts. Projects in such locations will always struggle to provide a suitable margin to house builders even at nominal or nil land values.

- ▶ Regeneration in areas that share these characteristics will be measured in the span of decades not years. It is therefore essential that Council's take and show determined and consistent leadership promoted through the development of trusting relationships at community level. The key lessons learned at Bilston can be summed up as "never give up, keep taking small steps forward, just do what is possible and celebrate together whenever you can".

2.4 Future aims:

- ▶ To keep going!
- ▶ To ensure that value of the whole development is significantly bigger than the sum of all the parts.



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