

REGENERATION SCRUTINY AND PERFORMANCE PANEL

Thursday 12 March 2009 at 6.00 p.m.

Panel Members present

Councillor D. Pitt (Chair)
Councillor S. Coughlan (Vice-Chair)
Councillor T. Ansell
Councillor D. Anson
Councillor B. Douglas-Maul
Councillor B. Tweddle
Councillor I. Shires

Officers present

Mike Tichford – Assistant Director – Regeneration
Mark Lavender – Head of Strategic Regeneration
Paul Nicholson - Regeneration Manager – Delivery & Development
Louise Powell – Regeneration Manager – Economic Development
Jo Lowndes – Partnership & Performance Manager
Laura Terry – Partnership & Performance Officer
Danny Edwards – Regeneration Team Leader – Enterprise Development & Business Support
Craig Goodall – Acting Principal Scrutiny Officer
Matthew Underhill – Scrutiny Officer

Other invitees present

Karen Sands – Chair, Walsall Market Traders' Association
Tony Lerner – Vice-Chair, Walsall Market Traders' Association
Mike Riley – National Market Traders' Federation

71/08 APOLOGIES

No apologies were received for this meeting.

72/08 SUBSTITUTIONS

There were no substitutions for the duration of the meeting.

73/08 DECLARATIONS OF INTEREST AND PARTY WHIP

Councillor Shires declared a personal interest in Item 7 'Enterprise and Business Support'.

74/08 MINUTES OF PREVIOUS

In response to a query from the previous meeting, the Chair noted that the request for further information in respect of decision 95/08 'A34 South Park and Ride' was expected to be received shortly.

Resolved:

That the minutes of the meeting held on 8 January 2009 and 19 January 2009, copies having previously been circulated, be approved as a true and accurate record.

(annexed)

75/08 FORWARD PLAN

A copy of the Forward Plan published on 9 March 2009 was tabled at the meeting.

76/08 DEVELOPMENT OPPORTUNITIES

Craig Goodall highlighted bespoke training on scrutiny and performance issues available to Members.

77/08 ENTERPRISE & BUSINESS SUPPORT

Members were informed on the work undertaken by the Enterprise and Business Support Team which included highlighting the work that was being undertaken to assist those residents facing redundancy, the work being completed to support new and existing businesses through the current economic climate and the interventions being developed through Enterprise Target Action Plan (ETAP).

Louise Powell explained that Business Link takes the lead locally in terms of providing assistance for local businesses. The Council plays a supporting role which includes confirming with firms that they are happy with the assistance they are receiving. Other support provided to companies includes help with local re-location as a way of ensuring they choose to remain within the borough. Danny Edwards explained that the Government had recently introduced the Business Simplification agenda which is lead by Business Link. This initiative is intended to streamline business support to make it more effective and easier for businesses to access. This means that anything that is developed by the Business Support Team has to be aligned with the activity of Business Link

Danny Edwards set out the current enterprise picture in Walsall, this includes a new business registration rate of 45.8% which compares poorly with the national average of 64.2%. He also explained that the borough experienced a higher business failure rate than the national average of 10.1%. Further details provided include redundancies up 182% during the period October to December 2008, combined with a fall of 58% in vacancies in December 2008 compared with December 2007. He noted that the scale of the challenge is demonstrated by the difficulties being suffered by large established local companies, providing details of recent local redundancy announcements, including Amtrak (400 job losses); Corus (180 job losses); GKN (165 job losses). He pointed out that this indicated that many sectors had been severely affected by the economic downturn, including construction, automotive supply chain and engineering.

The Enterprise and Business Support Team also undertakes the Business Needs Survey (BNS) which has assisted in defining the full extent of the economic decline. It was undertaken in September 2008 with 5227 businesses from many sectors, including

construction, manufacturing, and the automotive industry invited to participate and a 12% response rate. A number of key issues were identified including local companies requesting greater engagement with the Council, concerns regarding business crime and some expressions of dissatisfaction with the borough as a business location. Following the BNS the Business Support Team have undertaken an extensive follow up process to understand how to help businesses with any of these challenges, beginning with contacting 106 businesses since January 2009 and including a number of one-one visits. To demonstrate the type of impact that the Business Support Team has made locally Danny Edwards referenced a local engineering firm whom they helped gain a £90,000 Selective Finance for Investments (SFI) grant. This activity has complemented other action undertaken to support businesses, including providing advice on expansion plans, brokering tailored solutions, and undertaking site searches and visits. Other activity includes providing redundancy support to mitigate the effect on individuals, ranging from interview skill, developing C.V. writing skills to providing guidance for those contemplating using their redundancy settlements for starting new businesses. To support this programme of action the Business Support Team has developed close working relationships with the Learning and Skills Council (LSC) and Job Centre Plus, and partnership activity includes a annual redundancy roadshow. The Business Support Team also provides support for the five local district Centres, Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall with work undertaken to identify where opportunities exist for increasing footfall.

Other activity undertaken by the team includes assisting the Police in implementing Business Link schemes, the Schools Enterprise project, with various programmes aimed at involving young people in the agenda, and efforts to raise VAT registrations. Proposals for the future include carrying out the redundancy roadshow up to three times a year with strong links to procurement developed to encourage local businesses to trade with each other and the public sector. This will be complemented by the development of Walsall.com which will act as a portal for local businesses to trade with each other. The Business Support Team will also be expanded to include officers who will access district centres to strengthen the level of support offered to local business.

A Member stated that he was impressed with the work undertaken by the Business Support Team but noted that as business was the life-blood of the area further work was needed to attract businesses to Walsall. He wondered if it would be possible for the challenges faced in achieving this could be identified with the possibility that the Panel might then be able to assist in overcoming them. Danny Edwards commented that Walsall already had strong infrastructure for attracting businesses to the area, including an excellent road network and a readily available workforce together with the town being well-placed geographically. However he identified one of the key challenges as the absence of readily-available good quality sites for businesses to move to which was a consequence of historical underinvestment. Louise Powell also commented that this issue was also being considered in terms of the broader worklessness problems being suffered locally, with various options being considered for tackling the lack of sites including Action Development Zones (ADZs), where previously unviable plots of land are brought into use by activity that might include improving the local road network. The Urban Regeneration Company was also supporting this process with inward investment aimed at improving the local offer for businesses. Another Member wondered if it would be possible for a list of available sites to be provided to companies contemplating moving to Walsall. Another Member observed that although there were a number of large sites suitable for redevelopment there were no companies of any size queuing to move to Walsall. However he also observed that Walsall was no exception to the

difficult economic conditions being faced. Disappointment was expressed by one Member within the regeneration of Willenhall that housing development had taken place on employment land. He suggested that a possible solution to the economic difficulties being faced would be to make use of the increasing requirement for zero carbon housing development and that encouragement should be provided to local businesses to provide the construction materials for these developments.

A further potential problem expressed by a Member was the absence of available land for business development was in part a consequence of the frequency with which planning permission was being awarded for housing on former industrial sites with the consequence that opportunities for employment creation were being missed. He expressed the view that it was important to protect employment creation opportunities and the balance needed to be regained between housing and sites for commercial use. A Member observed that the current difficulties were a consequence of decision of the Council to insist in pursuing the urban village model which has resulted in employment land being lost. He wanted to understand what support will be offered for internal relocation of businesses to more suitable sites. In responding to Panel comments Danny Edwards agreed that it was important to understand the current position to determine the most appropriate response. He explained to the Panel that comprehensive strategy had been developed for Ashmore Lake and this was being managed by the project reference group. There was general agreement that a healthy balance must be achieved between commercial sites and housing.

A Member commented that it would be important to use both feedback generated from the redundancy event and to be able to effectively point local businesses in right way as well as encourage the starting of new businesses. He also observed that schemes must work hard to present situations such as redundancy as an opportunity rather than allow individuals to focus on the downside. The Member suggested that it was important to breakdown the helpless attitude of those experiencing difficulties and ways into the media to promote schemes should be found and partnership working also further developed to support individuals. Louise Powell acknowledged the importance of building on the strong support and enthusiasm the Council enjoyed from partners and further work will be undertaken to strengthen the promotion of events. In response to a question from the Panel Danny Edwards guided Members that financial advice to individuals suffering redundancy, including pension information, was being provided by the Citizens Advice Bureau (CAB). A number of views were expressed by different Members including how support would be provided to those who had been made redundant but who would face difficulties given that they had skills set specific to a particular industry and limited transferable skills.

A further concern expressed by the Panel was around the medium and long-term issues faced in economic regeneration including poor attainment levels which continue to be faced by local schools, the difficulties of tackling the low aspirations of low income families and how the Council might address these issues, including re-training and apprenticeships. A Member observed that within the workforce there was a strong constituent of people whose strengths lay in their practical rather than office-based skills and reliance should not be placed on supermarkets to develop the economy. The Member expressed the view that it was important to make suitable sites available for industrial and manufacturing firms, giving the example of a site in Darlaston which offers strong potential but requires cleaning-up. In terms of understanding the current position and action taken to improve the economic situation locally a Member suggested that the

Panel should receive presentations from each of the partners to understand what each is delivering on this agenda.

Resolved:

That the Panel consider job creation in Walsall from the perspective of the Council and other key partners at a future meeting.

Councillor T. Ansell left the meeting.

7808 WALSALL PARTNERSHIP QUARTERLY REPORT

The Panel were informed on quarterly performance of the Local Area Agreement (LAA), progress in agreeing new LAA targets with Government Office for the West Midlands and the development and progress with TAP's.

Laura Terry informed the Panel that as yet performance monitoring of sixteen of the LAA targets had not been finalised as these were awaiting agreement with GOWM.. She added that a fuller performance reporting position will be available for future Panel meetings. She also provided an update on TAP the process where a lead agency is identified to engage with all appropriate agencies, for example, to review performance trends and determine future activity. She reported that those TAPs agreed were on track to be achieved by the end of the year, and added that information on the worklessness targets will be provided to Members when it becomes available.

In response to a Member query Jo Lowndes explained that the Working Neighbourhood Fund (WNF) was not bound by financial years. This avoided the potentially reductive impact of funding being allocated for no other purpose than to avoid its loss at the end of any financial year. She added that this enabled more effective TAP's as a longer-term approach can be taken and a three year period of performance data collated.

Officers guided Members that the LAA refresh, where targets can be re-negotiated if a change in circumstances effects delivery, was near completion. Proposals for Walsall will be considered by Cabinet on 18 March and if approved submitted to Government. Subject to this Cabinet approval officers proposed to provide an update to the Panel on the LAA refresh as part of the next quarterly report. In addition to this officers proposed to present to the Panel on a six-monthly basis as part of the work programme to ensure that key Partnership issues and developments are highlighted and Members given the opportunity to recommend appropriate actions.

79/08 ST MATTHEW'S QUARTER

Members considered three key issues concerning the redevelopment of the St Matthews Quarter:

1. Action taken to understand the requirements of the Walsall Charter;
2. An update on the Council's meeting with Threadneedle Properties;
3. Consideration of future management options for the market.

Members expressed concerns that they had little opportunity to consider the report prior to the meeting due to its late submission. The Chair of the Panel explained that the delay had partly occurred as a result to amendments being made to the report to enable

the majority of its contents to be made publically available.. Following the redrafting all confidential information was contained in an exempt appendix.

Mike Tichford informed the Panel that it would be necessary for the Charter to be translated before legal opinion could be sought in respect of its impact on any proposed re-location of the market. The Charter documents date from 1586 and 1627 with a significant proportion written in early modern Latin, and work was underway to identify possible translators. This was likely to be provided by an academic. Mike Tichford informed the Panel that the Charter presented a two-fold challenge as translation was only the first step, determining its impact in law would also be necessary. He advised the Panel that through inquiries on these matters it emerged that Counsel guidance had previously been sought on a potential re-location of the market and it was possible that the Walsall Corporation Act 1969 superseded the Charter and conferred on the Council full power over decisions in relation to the market. Mike Tichford reassured Members that the translation of the Charter would still be undertaken to enable the exact legal position to be established.

The Panel were also informed by Mike Tichford of the outcome of discussions in a recent meeting held between representatives of Threadneedle and the Panel Chair, Regeneration Portfolio Holder and Executive Director for Regeneration. He explained that Threadneedle's position was that it was only willing to support a temporary relocation of the market if this was tied to the wider redevelopment of St. Matthews' Quarter, adding that if a permanent move of the market was attempted the Council would be vulnerable to a legal challenge.

In respect of potential management options for the markets, Mike Tichford provided the Panel with a summary of three options to consider for the management of the market, namely: the Council continues to manage the market; the Council out-sources the management of the market; the Council enters into a joint venture for the long-term management of the market, procured through the an OJEU market. Mike Tichford emphasised that the joint-venture proposed by officers would be designed to maintain the current and long-term future of the market. Paul Nicholson informed the Panel that the report due to be considered at the next Cabinet meeting would seek agreement for the wider re-development of the St. Matthew's Quarter and not just the market in isolation.

Mike Tichford provided further guidance on the heads of terms that officers are proposing would be the foundation of any partnership arrangement. Principally this would be the formation of a new market company which would operate as a 50:50 joint venture between the Council and a private sector partner. He also guided the Panel on other details of the proposal, ranging from the commitment by the Council of land and market income into the company, to the number of stalls, location and governance arrangements, including Market Traders Association (MTA) representation. Mike Tichford also informed the Panel that the Council had received advice of the requirement to comply with the Official Journal of the European Union (OJEU) requirements should a partner be sought through procurement to jointly-manage the market.

Councillor Anson asked for it to be recorded that it was very important that the market stayed in Council control, pointing out that it had a long history, it would act as base to bring trade into Walsall centre, and the consequent need for it to be maintained. He

would vote against any shared ownership proposals and in his view this stance would be widely supported by local people.

A Member expressed the view that in fact two charters existed for Walsall market, one which applied to Mondays and the second to Tuesdays. The Member observed that it would not be possible to have a discussion on the movement of the market whether on a temporary or permanent basis before it was established which charter had to be followed in law. The Member stated that they were not against the temporary re-location of the market but that it should return to its current location once the re-development work had been completed. The Member expressed their objection to any proposed partnership but noted that according to the Walsall Corporation Act 1969 the Council was permitted to undertake such arrangements. Continuing on this theme another Member observed that the Panel was being handicapped by a lack of information to make a rational decision, and in particular emphasised the need for the Charter to be interpreted. The Member noted that in their view sufficient time had been available for this work to have been undertaken and could not understand why this had not taken place. The Member added that they would support a temporary re-location of the market for the period of redevelopment before returning it to its original site.

A Member wanted to know what the drivers were behind the proposal for a 50:50 partnership arrangement for the market. The Member observed that the Panel had participated in discussions and consideration of the future of the market for over three years. The Member stated that in their view the partnership proposal was based on what was in the best interests of the developers rather than traders. The Member also expressed concern regarding the impact of these proposals on the boroughs district markets and added that in their opinion the Panel had made a decision on this issue at a previous meeting. Paul Nicholson explained to the Panel that the proposed 50:50 partnership arrangement offered a range of advantages, while the key drivers around the proposal were that they would enable a quality, attractive and sustainable market to be established. He pointed out that one of the benefits of the joint-venture proposal was that it would provide capital costs for the creation of the new market and that there would be a step-change in the quality of stores, services, and refuse collection arrangements throughout the new environment. However the other options do not present the capital costs required and which the Council cannot meet now or in the immediate future. The Chair noted that in his view there had been a decline in local markets since 2006 and wanted to understand if profit achieved from the new market development would be distributed to support district markets. Paul Nicholson confirmed that if a profitable joint-venture was achieved it would provide financial support to those other markets within the borough.

A Member stated their doubts that the views of the Panel would be considered by Cabinet. In disagreeing that the Panel was overlooked the Chair pointed out that all resolutions made by the Panel to Cabinet had been accepted. The Member wanted to understand why it was assumed that the private sector is frequently seen as the only option for ensuring viability of schemes. They expressed concern that the private sector would prioritise profit and shareholders rather than the interest of Walsall and its residents. The Member noted that the private sector was not necessarily always more successful at operating schemes and equally it was wrong to assume that the public sector was always less so. The Member observed that originally there were plans to temporarily re-locate the market last summer and that there were increasing numbers of empty stores. In this respect the Member doubted the reality of Threadneedles position that moving the market would significantly impact trade and expressed the view that the

Council should consider testing the likelihood of a legal challenge. The Member stated the view that the temporary relocation of the market should be pursued or the Council would risk losing further traders who would be unlikely to return. A further observation made by a Member was that if the private sector has identified that the development and partnership management of the market as an attractive proposition this should remind the Council of the value in its retention. The Member stated that they were strongly against the market being sold, and called for the market to be temporarily moved and returned once the St. Matthew's Quarter had been re-developed.

A Member sought guidance on what guarantees the potential market developer partner, Norton & Proffitt/ St Modwen Properties, had offered regarding their long-term financial viability, given that the Council will be relying on their funding for re-development proposals. Paul Nicholson advised the Panel that any agreement the Council enters into will be based on the entire St. Matthew's Quarter re-development and no agreement would be undertaken unless there was confidence of completion. Mike Tichford explained to the Panel that while it was viewed that St. Mowdem was in a good financial position, almost before this issue would require consideration it will be necessary for the developer to identify an anchor tenant for the scheme or it would not go ahead. The Member expressed the view that they would have accepted that argument until the summer of 2007 and the arrival of the economic downturn. This has impacted on a number of development schemes across the UK, including a proposed development involving in Newham, London where St Modwen's had withdrawn from a redevelopment scheme... Karen Sands informed the Panel that the private sector management at Cannock market had seen a large scale decline.

Karen Sands sought guidance in respect of the latest correspondence received from Threadneedle which did not appear to address questions posed by the Council regarding circumstances in which legal action would be considered. She noted that a number of stores within the Old Square had now closed and therefore questioned whether the company did rely on the footfall from market shoppers and doubted if it would be possible for the temporary re-location of the market to be linked to a decline in Threadneedle's trade. She also re-emphasised the importance of the temporary re-location and development being carried out urgently, given that Tesco are set to re-locate and the additional impact this would have on the market. In terms of potential partnerships, Karen Sands expressed concern that while there had been presentations regarding possible heads of terms this had not been placed in context or clear explanations offered, as well as concern that the impression given is that an agreement has already been reached with St. Modwen Properties. The Chair sought to reassure Karen Sands in relation to a number of her concerns. He explained that the latest meeting with Threadneedle had been considered a success by those Members and officers involved. The outcome was a recognition of the importance of a shared vision for the future with the objective of a viable solution achieved through a series of milestones, and moving away from the threat of legal action.

Councillor Coughlan moved the following resolution:

'That the Walsall Market be relocated on a temporary basis by 1 June 2009 and that the market remains under the total managerial control of Walsall Council'

The resolution was seconded and resolved.

A named vote was requested by the Panel:

For the resolution: Councillor Coughlan, Councillor Anson, Councillor Tweddle, Councillor I. Shires;

Against the resolution: Councillor D. Pitt, Councillor Douglas-Maul

The Chair reminded Members that at this time the temporary re-location of the market was still subject to challenge by Threadneedle. Pursuing this course of action was likely to lead to more Council money being spent on costly legal action and therefore he would not support the motion.

The Chair invited Mike Riley to address the Panel. Mike Riley expressed surprise that the Council was even contemplating not retaining full ownership of the market. He argued that no other authority within the West Midlands would contemplate such a course of action as the value of markets at the centre of local communities was understood. A Member concluded the item by observing that the Panel had taken now taken action on this issue through the democratic process.

Resolved:

That the Walsall Market be relocated on a temporary basis by 1 June 2009 and that the market remains under the total managerial control of Walsall Council

80/08 KEY NATIONAL & REGIONAL INFLUENCES ON REGENERATION

Members were informed of the key national and regional issues that are currently effecting regeneration in Walsall, in four key areas, namely: the Sub National Review (SNR); the City Region Initiative/Programme; the Regional Funding Allocation (RFA) Process and Accelerated Development Zones (ADZ's). He guided the Panel

Mark Lavender explained that the SNR 2007 was aimed at strengthening economic development and reducing deprivation and in this respect a number of proposals have been made to promote cross-boundary and regional working. The SNR had revived the City Region and given it a key role for the future. The City Region had been encouraged to submit to Government an expression of interest for greater local funding and authority in the form of an application to become a pilot 'City-Region' with the outcome announced in April. He informed Members that if the bid was successful further guidance would be provided to a future Panel meeting and explained if pilot City-Region status was granted there will be potential to apply to funding from a total fund of £1bn from within Regional Funding Allocation (RFA) which would be used to support regeneration through a range of regional Impact Investment Locations, which reflect the priorities identified in the Regional Spatial Strategy (RSS) and Regional Economic Strategy (RES). In respect of the borough Mark Lavender provided details of the four elements that form the funding submission, Walsall Strategic Centre and Housing Regeneration Programmes (WSC & HRP) which form a comprehensive local development strategy.

Mark Lavender concluded by providing the Panel with guidance on ADZs. The principle is that where for instance a regeneration project positively impacts an area, enabling businesses to occupy land which previously it would not have been possible to do so, the cost of improvements can be set-off against business rates receipts until the cost of regeneration has been met. The Council's ADZ proposal is based on £40m of

improvements to improve traffic flow at junction 10 (J10) of the M6 motorway which will make significant parcels of land within its vicinity available for commercial use. Mark Lavender cautioned that ADZ were a new concept which does not currently exist in law but which may be introduced in the near future. He also added that there would be a need to mitigate the risk that sufficient business rate receipts would not be generated to meet the cost of improvements. In response to Panel questions Mark Lavender informed Members that if the Treasury accept the principle of ADZs then it would be possible to begin discussions with the Highways Agency for permission to undertake work at J10. It is anticipated that discussions would take place between 2012 and 2014 with the development work itself likely to be completed within a year one agreement had been reached.

The City-Region would continue regardless even if Pilot City-Region status is not awarded. Use will be made of Multi-Area Agreements (MAAs) to allow cross-boundary tackling of unemployment and development. To support this an application has been made for an West Midlands MAA which the Government has been invited to comment on and upon which officers' proposed to provide an update at a future Panel meeting. A Member queried whether it was likely that any money awarded regionally would in fact be directed to Birmingham who would then be responsible for allocating it to neighbouring authorities. Mark Lavender explained that this would not be the case as in terms of regional decision making the Black Country authorities enjoyed four votes to Birmingham's one. There was agreement that it would be important for the Black Country authorities to align their interests and avoid conflict to ensure they delivered the most effective outcomes for their residents.

Resolved:

That an update be provided to the Panel on the outcome of the application for Pilot City Region status.

81/08 DATE OF NEXT MEETING

The date of the next meeting was noted as 23 April 2009.

The meeting terminated at 8.54 p.m.

Chair:

Date: