



Cabinet

23 October 2013

Report Title	Rationalisation of Economic Development and Black Country Working	
Classification	Open	
Cabinet Member with Lead Responsibility	Peter Bilson	
Accountable Strategic Director	Economic Regeneration and Prosperity	
Originating service	Tim Johnson	
Accountable officer(s)	Education & Enterprise	
	Corin Crane	.
	Tel	01902 550166
	Email	Corin.Crane@wolverhampton.gov.uk

1.0 Description of Savings Proposal

Reduce expenditure by rationalising economic development at the City and Black Country levels.

What will be cut - In 2014/15 one specialist Foreign Direct Investment information database will be cut, which duplicates information accessed through Black Country Consortium (BCC). Reduce contribution to the FIND IT e-procurement portal by £20,000, following a joint procurement exercise with the 3 other Black Country LA's. In 2015/16 make a further and final cut to FIND IT of £20,000, a £20,000 cut to the Wolverhampton Business Solutions Centre and a £36,000 cut of the Council's subscription to the Local Government Association. In 2016/17 cuts of £42,000 will either be made to the Black Country Consortium, or alternatively our own in house team (equivalent to one economic development officer) as joint Black Country working becomes better established and resources are consolidated.

Service impact - There should be no impact for local businesses, but there are risks that we do not find a suitable provider for the Find IT Service and we have to maintain our current arrangement. Withdrawal of Council funding support for the Business Solutions Centre means the facility may no longer sustainable if alternative income and funding cannot be found.

What level of service will be retained - A small team will continue to deliver activities to attract new

business, support existing business to grow and create jobs. Emphasis will be placed on collaborative Black Country working.

Staffing implications in 2016/17 to be determined.

2.0 Table Setting out Financial Proposal

2.1 Total base budget savings

	Year 2014-2015 £000	Year 2015-2016 £000	Year 2016-2017 £000	Year 2017-2018 £000	Year 2018-2019 £000	5 year total £000's
Total base budget savings	28	76	56	0	0	160

2.2 Staffing Implication

	Year 2014-2015 £000	Year 2015-2016 £000	Year 2016-2017 £000	Year 2017-2018 £000	Year 2018-2019 £000	5 year total £000's
Full Time Equivalent (FTE)	0	0	0	0	0	0

3.0 Communications Strategy Implications

3.1 The Communications Strategy implications of this proposal represent some risk as detailed below. Sensitive communications with businesses will be required for this proposal.

4.0 Corporate Landlord Implication

4.1 The Corporate Landlord Implications of this proposal are none or minimal.

5.0 Customer Implications

5.1 The implications for customers of this proposal represent a considerable risk as detailed below.

There will be less direct support for, and contact with, local businesses, supply chains and inward investors. Our position in the Black Country will be reduced, as will key relationships with strategic companies and intermediaries i.e. UKTI, MAS, Growth Accelerator.

6.0 Economic Implications

6.1 High Economic Development is a top priority for the council and these reductions in staff will come at a time when European match funds are reduced, contributions to the Black Country Consortium are reduced and the long term effects on no contributions to our Procurement Portal - Find It, the Business Solutions Centre and the subscription to the LGA mean that we significantly reduce our ability to stimulate economic growth.

7.0 Environmental Implications

7.1 The Environmental Implications of this proposal represent a considerable risk as detailed below:Reduced capacity in the Economic Partnerships and Investment team will have knock on effect on being able to secure inward investment and external funding to remediate employment sites and bridge the viability gap. Too many sites and premises means that the city continues to appear run-down with high levels of dereliction.

8.0 Equality Implications

8.1 An equality analysis screening has been completed, a full analysis is not required.

9.0 Financial Implications

9.1 The Financial Implications in terms of savings and investments are as described in the proposal above. There will be reduced capacity to attract inward investment and external funding which could be in the multi-millions. On-going partnership working and some restructuring will be essential to reduce this risk.

10.0 Health Implications

10.1 The Health Implications of this proposal represent a considerable risk as detailed below.Failure to fully secure all economic opportunities means that the city will continue to suffer high levels of unemployment, which in turn has detrimental effect on the city's population, both now and in the future.

11.0 Legal Implications

11.1 The Legal Implications of this proposal represent a considerable risk as detailed below:There are complex legal issues with the re-tending of Find it e-procurement portal. In addition reduction in contributions to the Black Country Consortium is complex and subject to a four way agreement across all LAs in the Black Country.

12.0 Policy Implications

12.1 The Policy Implications on agreed Council policy represents a considerable risk as detailed below:Economic development for the council is a top priority, yet there is only a small amount of investment in economic development activities. By 2016/17 capacity will be diminished when the

current team of fifteen is reduced by at least four posts (this includes two posts lost when the time limited economic growth budget comes to an end). At the same time removal of budgets to cover aspects of European match funds and reduced contribution to the Black Country Consortium will compromise the City's ability to benefit from new economic growth initiatives and central government funding through the LEP. Removal of contributions towards FIND IT e-portal, Business Solutions Centre and subscription to the Local Government Association will also significantly reduce ability to stimulate economic growth. This represents risk to the delivery of the City Strategy, and the delivery of the corporate priority 'Encouraging Enterprise and Business' and 'Reinvigorating the City' in particular.

13.0 Procurement Implications

13.1 The Procurement Implications of this proposal represent a considerable risk as detailed below. There are complex procurement issues with the re-tendering of Find it e-procurement portal that are bound up in EU procurement rules and collaborative local agreements.

14.0 Staffing Implications

14.1 The HR Implications of this proposal represent some risk as detailed below. The current team of fifteen is reduced by at least four posts (this includes two posts lost when the time limited economic growth budget comes to an end). Reductions in employee numbers will require fair and due process to be followed regarding consultation, selection and implementation of any compulsory redundancies.

15.0 Trade Union Implications

15.1 **No Implications Recorded.**