



**21st November 2016 at 3.00p.m. at Walsall Housing Group,
100 Hatherton Road, Walsall**

Present:

Stewart Towe	Chair;
Andy Cox	Cox & Plant;
Simon Eastwood	Carillion plc;
Chris Handy	Accord Group;
Ninder Johal	Nachural Communications;
Cllr Roger Lawrence	Wolverhampton CC;
Prof Geoff Layer	University of Wolverhampton;
Cllr David Sparks	Dudley MBC;
Lowell Williams	Dudley College;
Tom Westley	Westley Group.

In Attendance:

Sarah Middleton	Black Country Consortium Ltd;
Sarah Norman	CX - Walsall CC
Stuart Everton	Strategic Transport Director;
Rachel Goodwin	Black Country Consortium Ltd;
Paul Mellon	Black Country Consortium Ltd;
Angie Took	Black Country Consortium Ltd;
Kim Rowlands	BEIS;
Hywel Ruddick	Black Country Consortium Ltd.

Apologies:

Paul Brown and Councillors Coughlan, Eling, Lowe and Moore.

142/16 **Declarations of Interest**

Lowell Williams declared a pecuniary interest in the item at Minute 147/16 c) regarding the LGF application for Dudley College Construction Apprenticeship Training Centre.

143/16 Minutes

The minutes of the meeting held on 24th October 2016 were circulated.

Lowell Williams provided an update on Minute 129/16 regarding Youth Employment Initiative funding, expressed concern that Dudley MBC's team would be appointed after Christmas, when tender had gone live in May/June.

Sarah Middleton provided an update on Minute 130/16 & Skills Funding Agency. She advised that appointed contractor had been asked to provide evidence on how they intended to deliver the contract within the area and stated that she would report back to the next meeting.

Agreed: -

- 1) that the minutes of the meeting held on 24th October 2016, be received and confirmed as a correct record; and
- 2) that the updates on the be noted.

144/16 Policy Update

The Board received an update on the following policy items: -

1. LGF letter to Creative Industry Council

This item was noted.

2. Industrial Strategy

The meeting was advised that this would be a future agenda item. Kim Rowlands advised that the Place agenda had featured prominently and that a discussion paper would be out soon.

It was commented that as well as Place, there should be a focus on sectors too.

Reference was made to a letter sent to Liam Fox MP and it was agreed that this be circulated to Board Members.

3. Autumn Statement

This item was noted.

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4. DIT Honours

This item was noted.

5. Ministerial Local Growth Champions – Margot James MP, Parliamentary Under-Secretary of State Small Business, Consumers and Corporate Responsibility – visit

This item was noted.

6. Future Funding Principles – a LEP view

This item was noted.

7. Local Enterprise Partnerships supporting Trade

This item was noted.

8. LEPs and Housing

This item was noted.

9. Annual Conference – LEP Network

This item was noted.

Agreed that the Policy Update be noted.

145/16 **Black Country LEP - Annual Conversation**

Sarah Middleton advised that the Annual Conversation represented a “Statement of Affairs” and that from the transport side the key topics would be reported. Kim Rowlands added that communication with the LEP went on throughout the year but that this represented a stock take of where the LEP currently was at with its programmes.

A discussion ensued regarding transparency and decision making, to include Freedom of Information (FOI) requests.

Cllr Roger Lawrence advised of the process at Wolverhampton, in that all journalists’ requests were reported to Members and published on the Council’s website. The aim being that people could be directed to these pages if repeated questions were received.

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Sarah Middleton advised that the Accountable Body – Walsall MBC – dealt with FOI requests and that legal advice had been requested for FOI and the Black Country Consortium Ltd. She stated that a report would be submitted to a future meeting on the outcome.

The Chair asked to be notified of the outcome and that a log of declarations be retained.

Agreed: -

- 1) that the update be noted; and
- 2) that a report on the outcome of the FOI discussion be reported to a future meeting.

146/16 Policy Away Day – Draft Programme

The programme for the policy planning away day was shared and the meeting noted that the location would be advised by the end of the week.

Agreed that the update be noted.

147/16 West Midlands Combined Authority Update

Councillor Roger Lawrence advised that there were concerns around the Investment Sub-Committee but that progress was being made. He advised that the Mayoral Order was progressing.

Sarah Middleton stated that there were further discussions ongoing regarding future devolutions deals. She stated that the use of the Strategic Economic Plan for the Combined Authority put them in a good position, as it provided the evidence. She referenced the Skills and Productivity Group, chaired by Lowell Williams, representing FE Colleges across the West Midlands.

Reference was made to the Land Remediation Fund of £200 million, which would be available from 1st April 2017 and the outline business case was to be presented on 7th December 2016.

Agreed that the update be noted.

(Lowell Williams declared an interest as Chair of the Skills and Productivity Group)

148/16 **Black Country Strategic Economic Plan – Pipeline**

a) Local Growth Fund Report

The Board received the regular dashboards on the progress of LGF projects and the City Deal. The Board noted the continuing work to ensure that spend for 2016/17 was achieved and to make provision for slippage in future years. It was noted that the decisions regarding additional bids were detailed under the Funding Applications Sub-Group.

Agreed: -

That the LEP Board: -

- 1) Note the total LGF/LTB funding allocation for 2016/17; and
- 2) Note the forecast slippage and measures being taken to progress spend.

b) Local Growth Fund Programme Dashboards

Paul Mellon provided an update on the funding dashboards and Stuart Everton provided an update on the Transport dashboards.

In regard to the Transport Dashboards, the meeting was advised that £1.673 billion was unfunded and that bids would be identified for funding to the Department of Transport, WMCA or HS2, plus any other funding streams that became available. In regard to the RAG rating where they were showing amber, this was because the relevant Project Team had yet to be established.

The Board were notified of potential risks to include inflation and HS2 construction putting pressure on contractors.

Reference was made to the contingency built in of 10-20% for roads and 40% for metro/rail projects. There was a discussion as to whether these contingencies were too great and the potential that they overpriced projects. Stuart Everton agreed to review the programme in light of these comments.

A question was asked whether the identified projects, if all proceeded, would make a real improvement to the transport network or resolving matters that needed to be done. Stuart Everton advised that if all proceeded then there was potential for transformation of transport in the Black Country.

Agreed that the update be noted.

c) Draft Minutes of the Funding Applications Sub-Group 10th November 2016

The Chair of the Funding Applications Sub-Board reported that the Sub-Board had met on 10th November 2016 and considered a number of applications for Local Growth Funding, an application for Growing Priority Sectors funding and the use of surplus Growing Places funds: -

Growing Priority Sectors – Programme Update

The Sub-Board had received an overview of the status of the applications for Growing Priority Sector funding and of the overall performance of the programme. The current potential total expenditure was £5,197,077. In addition to the full applications there were a further three approved expressions of interest in the system which, if they led to successful full applications, would add a further £590,000 to the total grant being requested leaving £473,000 to be allocated.

The Sub-Board was also updated on the progress of the submission of claims.

Growing Priority Sectors – Application for Funding – Total Construction Supplies Ltd.

The Sub-Board considered an application by Total Construction Supplies Ltd. for £750,000 for a £3,751,000 project to fund the purchase of new premises and the installation of new machinery. The application aimed to create 75 new jobs by March 2022 at £10,004 per job and an average salary of £2,200 per annum leveraging £3,001,186 of private sector funding.

The Sub-Board noted that, although there was a need to assess whether the investment would achieve the forecasted growth, the project was one of the highest scoring projects presented for consideration, offered very good value for money in terms of salaries and cost per job, would create eight apprenticeships and that the Company was a fast-growing company with a strong

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additionality argument in that multiple funding sources would be used to finance the project.

The Sub-Board had recommended: -

to approve the application for funding by Total Construction Supplies Ltd. subject to the following conditions: -

- a) a maximum grant of £750,000 to help implement a £3, 751,000 project;
- b) leverage £3,001,180 of private sector funding;
- c) the creation of 75 new jobs by March 2022;
- d) clarification of the Company's ability to deliver the rate of growth and return projected in the application through due diligence.

Growing Priority Sectors – Project Change Process

The Sub-Board considered a proposed process for successful applicants who wished to make a change to their agreed project where the original contractual conditions would also change.

The Sub-Board had recommended that the process be approved subject to: -

- a) the process making clear to applicants that proposals may be rejected and result in action to recover grant;
- b) provision being inserted for further discussions with applicants following assessment of impact of the proposed change;
- c) making for provision for the Sub-Board to make recommendations to the Accountable Body for legal action if necessary following refusal of a request;
- d) that the grant application process should ensure that applicants are aware of the possible impact of failure to comply with grant agreements and achieve targets.

Local Growth Fund (LGF) – 2016/17 Forecast Slippage

The Sub-Board had noted that detailed discussions continued to reveal potential slippage against the approved programme of circa. £5m by the end of March 2017. The Programme Office was continuing to seek opportunities to accelerate support to existing successful LGF supported schemes that were already delivering valuable outputs and had LGF supported spend in future years.

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Members also discussed the steps that could be taken to ensure that projects, including reserved transport schemes, were keeping Programme Office fully informed of their spend and progress.

The Sub-Board had recommended that: -

further reports be submitted to the Sub-Board on the options for bringing forward spend in the current year's programme and on any issues, that might arise in respect of establishing accurate forecast figures for current projects.

Additional LGF Bid - Dudley College Construction Apprenticeship Training Centre

The Sub-Board had considered an application from Dudley College for £600,000 of LGF grant support towards the provision of the training equipment for a £1.18m scheme to develop a Construction Apprenticeship Training Centre. The project would unlock growth objectives in building technologies and have an impact on SEP growth targets in the Black Country because of the 66 strategically important construction businesses in the region. A schedule of the equipment it was proposed to purchase was submitted to the Sub-Board.

A significant increase in demand from employers and Construction Industry Training Boards (CITB) had resulted in Dudley College developing an enhanced construction training plan to meet these needs. In order to be responsive to these demands the College needed to invest in upgrading the dated construction facilities currently located at Mons Hill Campus. The College aimed to provide state of the art construction equipment, which will not only meet the new standards and legislation within the construction industry, but also allows learners to experience different ways of working with new technologies and techniques. The key strategic partners in the project included CITB, Laing O'Rourke, BAM Construction, Lovell's, AH Construction, Interserve, Thomas VALE, Colmore Tang Construction, Seddon's, Keepmoat and Barhale. CITB had also introduced a wider group of construction employers to this group as part of its wider network of contacts.

The Sub-Board had recommended that: -

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the LEP Partnership Board be recommended to approve the application by Dudley College for £600,000 in 2016/17 to provide equipment to support the development of the Construction Apprenticeship Training Centre.

Additional LGF Bid - Middlemore Lane, Aldridge, Walsall

The Sub-Board considered an application by St. Francis Group Ltd for funding of £4,033,395 to facilitate the delivery of a speculative industrial development scheme comprising five industrial units, totalling 22,703 sq.m, on a brownfield site of approximately 5.77 hectares. The application was for gap funding to render the scheme viable for delivery on a speculative basis. The identified viability gap arose as a result of market failure, despite generally improving market conditions, whereby the costs of delivering the scheme currently exceeded the value of the completed scheme. The funding viability gap had been agreed with the applicant as the minimum element of grant required in order that the scheme could be progressed.

The proposed scheme would deliver a total of 22,703 sq.m of good quality industrial accommodation, create or safeguard up to 503 jobs and remediate approximately 5.77ha of brownfield contaminated industrial land. Overall it was considered that the scheme offered a reasonable level of value for money and particularly good value for money in relation to number of jobs created, new employment floor space and private sector leverage achieved.

The Sub-Board had recommended: -

- 1) that the LEP Partnership Board be recommended to approve the application by St. Francis Group Ltd for funding of £4,033,395 to 2020/21 including £89,493 in 2016/17 to facilitate the delivery of an industrial development scheme comprising five industrial units, totalling 22,703 sq.m, on a brownfield site of approximately 5.77 hectares at Middlemore Lane, Aldridge, Walsall including the Heads of Terms now submitted, subject to the following conditions:-
 - a) prior to entering into the funding agreement, the applicant to confirm that funding is fully available to complete the scheme;

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- b) Confirmation from the applicant that a minimum of 3 contractors will be approached in respect of proposed construction works. Evidence of this to be provided to confirm best value is achieved;
 - c) clawback provision being included on the basis of 50% of any increase in value achieved beyond that value included within the appraisal and payable upon either sale of the unit or upon assessment of market value at the expiration of 3 years from practical completion, whichever the earlier, such clawback to be capped at the level of grant funding drawn down;
 - d) 75% of any costs saving made through the re-use of crushed material and also savings in respect of demolition costs to be deducted from the identified remediation cost and therefore overall grant award and a revised intervention level to be adopted. The revised intervention level to be reflective of this overall reduced cost and adopted for the calculation of future drawdown of funds. The calculation to be determined as set out in the due diligence report from Thomas Lister. Any reduction in the intervention level would require to be assessed at the point of identified saving being made;
 - e) compliance with key identified milestones relating to demolition, remediation, submission of planning application for proposed works;
 - f) such other conditions as may be required by Walsall MBC in their role as Accountable Body in respect of the Local Growth Fund;
 - g) a legal charge on the site prior to initial drawdown of funding; and
- 2) further consideration of the configuration of the costs once the results of site investigations are available.

Very Light Rail Centre (VLR) – Additional Support for Continuing Project Development

The Sub-Board considered an application from VLR for funding of £1,136,778 to facilitate time critical investigations and advanced works to keep the project to programme to ensure the start of the main construction package in summer 2017 and completion in autumn 2018. The Sub-Board noted that Dudley MBC had agreed to underwrite the application and the ongoing discussions with stakeholders and potential partners.

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The Sub-Board had recommended that: -

Dudley MBC and the VLR Project Team be requested to re-evaluate the proposal separating the urgent and vital tasks to progress from the necessary list of tasks to perform within the submitted cost listing and that the further refined scheme bid be submitted to the next meeting of the Sub-Board on 30th November 2016.

Managing Short Trips – Change Request

The Sub-Board considered a request to replace the proposed canal towpath improvement scheme between Galton Bridge and Spon Lane on the Birmingham Mainline Canal with a canal towpath improvement scheme on the Tame Valley and Rushall Canals between the Chatsworth Avenue canal access and Hill Farm Bridge. The change would enable the completion of the route between Walsall/Yew Tree/Great Barr and the employment/education sites to the north of Birmingham plus the city centre. Sandwell MBC had confirmed that there was no variation to the outputs of 1km of cycle track, no additional funding and no change to the scheme completion date.

The Sub-Board had recommended that: -

the LEP Partnership Board be recommended to approve the proposed scheme substitution in the Managing Short Trips Programme.

Black Country Pipeline Development 2016/17 - 2020/21 and Scheme Bid Progress

The Sub-Board noted the current position of the project pipeline and the applications being evaluated and due to be submitted to future meetings. Paul Mellon had reported on the progress of securing access to the Combined Authority Land Remediation Fund and considered other steps in the development of a land acquisition strategy to support the Black Country's strategic ambitions.

The Sub-Board had recommended that: -

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the Board be requested to agree that a discussion of the next steps to implement a land acquisition strategy should be included on the programme for the December Board policy planning session.

Agreed that the minutes of the Funding Sub-Board held on 10th November 2016, to include all recommendations and associated conditions, as detailed above, be approved and confirmed as a correct record.

(Lowell Williams declared a pecuniary interest in the item at Minute 147/16 c) regarding LGF application - Dudley College Construction Apprenticeship Training Centre. He took no part in the voting or consideration thereon and, in accordance with the Assurance Framework, left the room during the Board's consideration of this item.)

149/16 **Mental Health Commission – Action Plan**

Sarah Norman detailed that the Mental Health Commission were developing an action with the aim of keeping people well and in employment. She advised that a West Midlands Police DCI – Sean Russell - had been seconded as the Implementation Director for a period of two years and that a January launch was the aim.

The Board welcomed the Action Plan and were supportive of the aims.

Agreed: -

- 1) That the Board sign up in principle to the West Midlands Combined Authority Mental Health Commission's summary of actions;
- 2) That this is subject to the Board receiving and commenting on the final Action Plan in due course.

150/16 **Minutes of the meeting of the Employment and Skills (People) Advisory Board**

The Minutes of the meeting of the Place Making & Land Advisory Board held on 12th October 2016, were presented.

Reference was made to the following three Minutes of the Advisory Board, where Board approval/direction was sought: -

37/16 Apprenticeship Reforms

The Advisory Board Noted lack of awareness of Reforms and asked that the LEP Board and WMCA be asked to make funding available to promote awareness of the apprenticeship reforms to employers and potential apprentices in the Black Country.

39/16 DWP and BC LEP – Working Together

The Advisory Board asked the BC LEP Board to endorse the objective to promote work experience across the area.

42/16 Adult Education Budget Devolution – Implications for the Black Country

The Advisory Board asked that the three WM LEP Chairs be asked to support the inclusion of Adult Education, as a priority for the Productivity and Skills Commission.

Agreed: -

- 1) That the contents of the minutes be noted and endorsed;
- 2) That the Marketing and Communications Team be asked to assist with Minute Nos. 37/16 and 39/16: and
- 3) That the Greater Birmingham and Solihull and Coventry and Warwickshire LEP Chairs be asked to support the inclusion of Adult Education, as a priority for the Productivity and Skills Commission.

151/16 Minutes of the meeting of the Competitiveness Theme Advisory Board

The Minutes of the meeting of the Competitiveness Theme Advisory Board held on 2nd November 2016, were presented and the contents noted and endorsed.

Reference was made to Minute 38/16 Science and Innovation Audit and the request from the Advisory Board, that the Board be requested to establish an Innovations Sub-Group

Agreed: -

- 1) That the contents of the minutes be noted and endorsed;

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- 2) That the Competitiveness Advisory Board produce a potential membership and Terms of Reference and report back to the Board.

152/16 **Black Country LEP Assurance Framework - revisions**

The Board were advised that Walsall MBC as the accountable body had reviewed the Assurance Framework and requested the following amendments to be made: -

1. Update/amendment to the '**Section 1.3 LEP Governance**' as detailed below: -
 - Reference to the Theme Advisory Groups making recommendation on applications for funding to be removed in line with the Terms of Reference for these Groups.
2. Updates/amendments to the section '**Section 2.1 Local Authority Accountable Body Structures**' as detailed below: -
 - Inclusion of the reference to the Combined Authority Land Remediation Fund with regards to the Black Country Executive Joint Committee, Black Country City Deal and Growth Deal Advisory Board, Working Group and Collaboration Agreement. Review and recommendation for strategic investment in relation to City Deal and Growth Deal, the scope widened to now include the Combined Authority Land Remediation Fund.
3. Please note the following updates/amendments to the section '**5.14 Project Lifecycle**' as detailed below:
 - Further refinements to include reference to Walsall Accountable Body Stage 2 due diligence earlier into the evaluation and approval process.
4. Please note the revised **Appendix 7 – Programme Management Office Terms of Reference**' which had been updated to reflect change in PMO structure.

Agreed: -

- 1) that the revisions to the Black Country LEP Assurance Framework be approved and confirmed; and

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2) that approval of future in-year revisions be delegated to the Funding Applications Sub-Board.

153/16 **PR and Communications Update**

The Board received the regular update on PR activity since the last meeting and updates on work to improve response rates to e-communications from the LEP.

Ninder Johal highlighted three key elements: -

- There was a new website for the BC LEP;
- A new shared platform had been created – File Protect – where Members could access archived Agendas and reports.
- Digital /Social Media was used widely but there was a need to draw up an engagement strategy and capture non-digital communication, such as speaking engagements etc.

He further advised that work was continuing on the identity proposition “Make Your Mark”, with Stewart Towe and Andy Cox being the representatives of the Board on the established working group.

Agreed that the report be noted.

154/16 **Extension to Provider Delivery on the Skills Funding Agency (SFA) European Social Fund (ESF) Opt-In**

The Board were advised that in order to enable performance on contracts to be maximised and to ensure spend and programme targets, the SFA had negotiated with the Managing Authority and the Department for Education an offer to extend ESF contracts to July 2018, to ensure all contracts have at least 18 months of activity.

The contracts affected were: -

Community Grants – Walsall MBC;
Skills Factory – Black Country Consortium Ltd.;
Support for the Unemployed – Skills Training UK;
IAG for Young People – Skills Training UK;
Skills Support for the Workforce – Calderdale College; and
Response to Redundancy – Calderdale College.

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Agreed that the Board agree to the extension of contracted activity, currently due to complete in March 2018, with a new date for completion of July 2018.

155/16 **Date of Next Meeting**

12th December 2016 between 12 noon and 5.00pm for Policy Planning.
23rd January 2016 form 3.00 pm, at Lord Swraj Paul Building, Molineux Street, Wolverhampton.

(The meeting closed at 4.30 p.m.)