

Black Country LEP

**Minutes of a Meeting of the Black Country Local
Enterprise Partnership**

21st January 2019 at 3.00pm
PB019, Business Solutions Centre,
Wolverhampton Science Park, Glaisher Drive, Wolverhampton

Present:

Chris Handy	Accord Housing (in the Chair);
Cllr. Adrian Andrew	Walsall MBC;
Paul Brown	EY;
Cllr. Jackie Cowell	Dudley MBC;
Prof Jackie Dunne	University of Wolverhampton;
Simon Eastwood	Richardsons;
Prof Geoff Layer	University of Wolverhampton;
Cllr. Bill Gavan	Sandwell MBC;
Cllr. John Reynolds	City of Wolverhampton; and
Tom Westley	Westley Group.

In Attendance:

Cllr. Brian Edwards	South Staffordshire DC;
Richard Lawrence	City of Wolverhampton;
Sarah Middleton	Black Country Consortium Ltd;
Katherine Birch	Black Country Consortium Ltd;
Lara Cragg	Black Country Consortium Ltd;
Ian Cribbes	Black Country Consortium Ltd;
Nicky Horne	Black Country Consortium Ltd;
Delma Dwight	Black Country Consortium Ltd;
Hywel Ruddick	Black Country Consortium Ltd.

Apologies: Councillors Bird, Eling and Zada and Stewart Towe and Deborah Williams.

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1/19 **Declarations of Interest**

Agreed that the following Declarations be noted: -

Minute 20/19 - GPS Thomas Dudley Foundry – Tom Westley declared a personal interest as the applicant was known to him, took no part in the consideration or voting thereon and left the room during consideration of the report.

Dudley College – Tom Westley declared his interest as a Governor of Dudley College, insofar as any matter referenced the College.

2/19 **Minutes**

The minutes of the meeting held on 17th December 2019 were circulated.

Agreed that the minutes of the meeting held on 17th December 2019 be received and confirmed as a correct record.

3/19 **Policy Update**

The following Policy updates were provided: -

- i. Policy Away Day Notes and Outcome
 - ii. Prime Minister's Council of LEP Chairs – 31st January 2019 –
 - iii. HMRC Customs Intermediaries Grant
 - iv. Future High Streets Fund
 - v. JLR Announcement
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- i) Policy Update – a brief overview was provided.
 - Note that the Head of Growth Hub was leading on the BC Business Plan for the Growth Hub and this would be reported to a future meeting.
 - Health and Care Plan would be reported back.
 - Towns and City Centres – work be undertaken.
 - CG2022 – first meeting scheduled for 29th January 2019. Update will be submitted when required.
 - ii) PM Council of LEP Chairs
 - Stewart Towe attending and report back to next meeting.
 - iii) Future High Streets Fund – update to be reported back.
 - iv) JLR – WMCA were looking at impact and the Mayor had called a

meeting to consider the impact of Brexit and potential scenarios to include no-deal. Jonathan Browning, Chair of Coventry and Warwickshire LEP, was the WM LEP representative on the group and Corin Crane, Chief Executive of the BC Chamber of Commerce provided a local voice.

The Chair queried the impact of the JLR announcement on the BC supply chain. Paul Brown referenced hardship funds in relation to the JLR redundancies announcement. Jat Sharma advised that engineering training and apprenticeship statistics were considerably down.

Sarah Middleton advised that JLR were restructuring and highlighted the investment in the electric engine plant at i54.

Agreed that the LEP Board notes the Policy Updates.

4/19

Annual Performance Review (APR)

The meeting was advised that the Annual Performance Review (formerly Annual Conversation) and page 2 referenced the agreed actions by each party. In relation to quorum the meeting was advised that whilst currently 4 local authority and 4 private sector members in attendance, there was potential for some flexibility. It was highlighted that once the outcome of the APR was announced there would be a report back to the Board.

Peter Smith advised that the final outcomes would be provided in the letter from Stephen Jones to all LEPs.

The Chair queried the outcome of the LEP Review in relation to GBSLEP, where there were boundary overlaps. Prof Geoff Layer expressed concerns at the potential of other factors for the LEP as well the boundary question. It was noted that the LEP continued to work with partners.

Cllr. Brian Edwards confirmed that his authority was only on one LEP area.

Agreed that the Annual Performance Review update and associated comments be noted.

5/19

National Assurance Framework and Black Country Assurance Framework

The meeting was advised of the initial revisions required to the Black Country Assurance Framework, arising from the National Assurance Framework revisions received 9th January 2019.

There would be a need to come back with a further report in February when the document had been thoroughly reviewed.

Agreed that the LEP Board: -

- 1) Note the contents of the report; and
- 2) Approve the initial tranche of amendments and additions to the Assurance Framework: -
 - i) Appendix 3 – Recruitment and Selection Policy – addition under “Recruitment of Board Members” for the appointment of Chair, to include a panel of Black Country business representatives in the selection process.
 - ii) Appendix 3 – Recruitment and Selection Policy – addition under “Recruitment of Board Members” to require a commitment to recruit under positive action, people who can bring new ideas and increase Board diversity, with a commitment to continue to drive towards an equal Board gender representation by 31st March 2023.
 - iii) Assurance Framework – Paragraph 1.3.3 – the addition of the following paragraph relating to new appointees.

“All new BC LEP Board members, to include the Chair, (except for Council Leaders) appointed post January 2019 will normally serve for a period of three years renewable for one further term subject to the approval of the BC LEP Board and subject to such performance review process as the BC LEP Board may establish.”
 - iv) To note the requirement of the three West Midlands LEPs and WMCA to develop a collaboration agreement and note this will be subject to the outcome of the LEP Review.
 - v) To note that the Annual Accounts are accessible via the website and that the LEP Assurance Framework will include a reference to how and when the accounts will be published each year.
- 3) To note that a report will be submitted to the February Board meeting providing a fully revised Assurance Framework in line with the NAF issued in January 2019.

6/19

WMCA Update

With reference to the Adult Education Budget (AEB), Jat Sharma, advised that they were currently in “commissioning mode”, with a focus on level 3/4. Support in principle was strong but Birmingham had not spent all their allocations, thus it would be good if the Black Country could utilise these.

Prof Jackie Dunne advised that her Employment and Skills Advisory Board would an overview the AEB budget in the BC. She advised that the Advisory Board had already received feedback regarding the good quality of FE Colleges in the Black Country.

In relation the Regional Energy Strategy which the WMCA had adopted, Tom Westley welcomed that there was now momentum on this project.

Agreed that the LEP Board note the WMCA update.

7/19

Black Country Local Implementation Plan (LIP)

The meeting was advised that there needed to accelerate the implementation of the Local Industrial Strategy.

A further report would be submitted to the Board on the future investment impact associated with the LIP.

Reference was made to the WMCA Investment Board and it was noted that any funding requirements associated with the LIP needed to be submitted to that Board.

Agreed that the LEP Board: -

- 1) Note the progress of the Black Country LIP production and latest developments
- 2) Note the comments on the emerging content including identification of any gaps and comment on the existing pipeline.
- 3) Agree to the continued development of this document in line

with emerging government timescales.

8/19 **Black Country Smart Digital Update**

The meeting received an update on the BC Smart Digital. It was noted that the Smart City Group were again meeting with BCC Ltd taking the lead and would consider the economy, cross-LEP working (to include the WMCA); 5G test bed; and Industry 4.0.

Paul Brown queried who chaired the WMCA 5G group now Dave McClean had stepped down. It was agreed to follow this up and report back to the Board.

The Chair asked what the timescale was for 5G? He was advised that there were still governance issues to resolve in order to enable discussions with DCMS on the proposed test beds.

Jat Sharma advised that he was on the Digital Board and activity was on upskilling and a strong focus on digital links across all sectors.

Agreed that the LEP Board: -

- 1) Note the Smart Digital update; and
- 2) Note and support the application for £10,000 to BDUK for demand stimulation activity in the Black Country.

9/19 **Local Programme Dashboards**

Agreed that the LEP Board note the following Local Programme Dashboard updates: -

- a) In Flight Current Financial Year
- b) Future Years
- c) Pipeline
- d) Land and Property Investment Fund
- e) Growing Priority Sectors
- f) Growing Places
- g) Enterprise Zones
- h) Land and Property Investment Fund

It was noted that the LGF outputs for commercial floorspace were ahead of target; there was a need to increase the number of jobs and learner assists; with regard to housing there was a need to consider smaller projects in order to increase the outputs.

10/19 **Dudley Town Centre Infrastructure Improvements – Development Funding**

Agreed that the LEP Board note approves the Dudley Town Centre Infrastructure Improvements – Development Funding project, from within the Growth Deal programme. Grant Funding is to be awarded to the value of £150,000 with delivery to commence in the 2018/19 financial year.

11/19 **City North Gateway Phase 1**

Agreed that the LEP Board approves the Additional Funding Request of £480,000 for the City North Gateway Phase 1 project, from within the Growth Deal programme. Grant Funding is to be awarded to the value of £480,000 with delivery to commence in the 2018/19 financial year; subject to the following condition: -

- a) That the proposed funding be awarded on the condition that the full amount of £480,000 is drawn down in the 2018/19 financial year, to include the previous 2018/19 Grant Award of £551,920; and
- b) That failure to draw down the full amount of £1,031,920 in the financial year 2018/19, will result in the additional funding of £480,000 being withdrawn.

12/19 **Hatherton Street Phase 2**

Agreed that the LEP Board approves the Hatherton Street Phase 2 project, from within the Growth Deal programme. Grant Funding is to be awarded up to the value of £799,819 with delivery to commence in the 2019/20 financial year, subject to a standard gap funding agreement is recommended to be offered to the applicant, subject to the following proposed conditionality;

- a) The Applicant to provide a copy of their State Aid advice confirming that grant funding of the scheme in the recommended sum would be State Aid compliant.
- b) Approval of the BCLEP Board and Black Country Joint Committee.
- c) Completion of the Funding Agreement within 2 months of issue.
- d) Clawback provision to be included if Jessup Brothers are to dispose of the subject two office blocks at Hatherton

Street within three years of practical completion, with 50% of any uplift from the market value from the assumed current Gross Development Value of £2,029,533 to be paid to BCLEP. The total clawback received shall not exceed the amount of grant drawn down.

- e) That the proposed funding, together with further conditionality, as set out within the attached draft Heads of Terms to be agreed between the Applicant and the relevant Accountable Body, dependent upon the funding programme proposed to support the scheme.

13/19

Shidas Lagoon Site Investigation

Agreed that the LEP Board approves the Additional Funding Request of £35,000 for the Shidas Lagoon Site Investigation project, from within the Growth Deal programme. Grant Funding is to be awarded to the value of £35,000 with delivery to commence in the 2018/19 financial year, subject to the following conditions: -

- a) It be recommended that the funding be awarded on the condition that the full amount of £35,000 be drawn down in the 2018/19 financial year, as well as the original Grant Award of £81,719.
- b) That failure to draw down the amount of £116,719 in this financial year will result in the additional funding of £35,000 being withdrawn.

14/19

Wharf Approach Site Investigation

Agreed that the LEP Board approves the Additional Funding Request of £10,787 for the Wharf Approach Site Investigation project from within the Growth Deal Programme. Grant funding of £10,787 with delivery to commence in 2018/19 financial year.

- a) It is recommended that the funding be awarded on the condition that the full amount of £10,787 is drawn down in the 2018/19 financial year, as well as the original Grant Award of £16,272.
- b) Failure to draw down the amount of £27,059 in this financial year, will result in the additional funding of £10,787 being withdrawn.

15/19

Halesowen College – Business & Construction Management Centre

Agreed that the LEP Board approves the Halesowen College – Business & Construction Management_Centre_project from within the

Growth Deal Programme, subject to the conditions below, grant funding of £5,932,100 with delivery to commence in 2018/19 financial year.

- a) Sufficient funds being available in Growth Deal; and
- b) The final outcome and recommendations from the Technical Appraisal.

16/19 **The Leather Industry Expansion**

Agreed that the LEP Board approves The Leather Industry Expansion project from within the Growth Deal Programme, subject to the conditions below, grant funding of £450,000 with delivery to commence in 2018/19 financial year: -

- a) Sufficient funds being available in Growth Deal; and
- b) The final outcome and recommendations from the Technical Appraisal.

17/19 **Very Light Rail Main Scheme (Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies)**

Agreed that the LEP Board approves the Change Request for the Very Light Rail Main Scheme project from within the Growth Deal Programme.

18/19 **Church Square Apartments**

Agreed that the LEP Board approves the Church Square project from within the Growth Deal Programme. Grant funding of £123,121 with delivery to commence in 2018/19 financial year.

19/19 **Growing Priority Sectors – Management & Administration (M&A) budget increase**

Agreed that the LEP Board approves the increase to the Growing Priority Sectors M&A budget of an additional £30,000, from the currently forecasted £34,000 underspend for the overall budget, to cover additional Due Diligence costs for the programme.

20/19 **Growing Priority Sectors – Thomas Dudley Foundry**

Agreed that the LEP Board approves the Thomas Dudley Foundry project, part of Growing Priority Sectors, from within the Growth Deal

programme. Grant funding is to be awarded to the value of £315,000 with delivery to commence in the 2018/19 financial year.

(NB Tom Westley declared a personal interest as the applicant was known to him, took not part in the consideration or voting thereon and left the room during consideration of the report.)

21/19 **Growing Priority Sectors – UK Rubber & Plastics**

Agreed that the LEP Board approves the UK Rubber & Plastics project, part of Growing Priority Sectors, from within the Growth Deal programme. Grant funding is to be awarded to the value of £50,000 with delivery to commence in the 2018/19 financial year.

22/19 **Growing Places Fund - Growing Places Project Change Request – Dudley Castle Hill**

Agreed that the LEP Board: -

- a) Approves the Change Request for the Dudley Castle Hill Project from within the Growing Places Programme.
- b) Note that this Change Request relates to a change in the terms of the lease.

23/19 **Funding Applications Sub-Group – 9th January 2019**

Simon Eastwood advised that as well as the above decisions and those under exempt information the Group had received updates on: -

It was noted in relation to Minute No. 14/18 – Portersfield that a letter had been sent to Andrew Cox advising of the background to the reason the Funding Applications Sub-Group had supported the application.

Agreed that the minutes of the Funding Sub-Group meeting held on 9th January 2019 be received and confirmed as a correct record.

24/19 **Black Country Joint Executive Committee – decisions 5th December 2018**

Agreed that the Black Country Joint Executive Committee decisions from their meeting held on 5th December 2018 be noted.

25/19 **PR and Comms Report**

Agreed that the PR and Comms Dashboard be noted.

26/18 **Date of Next Meeting**

Agreed that the LEP Board note that the next meeting would be held on 25th February 2019 at The Hub, Walsall College, be noted.

27/19 **Exclusion of Press and Public**

Agreed that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act 1972.

Paragraph 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

28/19 **Private minutes of the LEP Board – 17th December 2019**

Agreed that the private minutes of the meeting held on 17th December 2019 be received and confirmed as a correct record.

30/19 **Phoenix 10**

Agreed that the LEP Board: -

- 1) Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to an internal Grant Agreement with Walsall Council to deliver the Local Growth Fund (LGF) funded elements of the Phoenix 10 Phase 1 project with delivery to commence in the 2018/19 financial year. Grant Funding to be awarded up to the value detailed in the private report in the 2018/19 financial year.
- 2) Approves the reduction of up to amount detailed in the private report from the LPIF allocation.
- 3) Confirms the Value for Money of this strategic investment and acknowledge that the use of BC grant funding was funding of last resort.
- 4) Notes that this was for the first financial year of the Phoenix 10 project.

31/19 **Birchley Island Main Scheme Project Approval**

Agreed that the LEP Board approves the Birchley Island Main Scheme project, from within the Growth Deal programme. Grant Funding is to be awarded up to the value detailed in the private report with delivery to commence in the 2018/19 financial year.

32/19 **M6 Junction 10 – Information Update**

Agreed that the LEP Board: -

- 1) Notes the project progress for M6 Junction 10 Major Highways Improvement Scheme (M6 J10); and
- 2) Notes the revised spend profile for the M6 Junction 10 Major Highways Improvements project as set out in the report, which is funded from the Local Growth Fund (Transport Block) Programme.

33/19 **Dudley Interchange – Information Update**

Agreed that the LEP Board notes the project progress for the Dudley Interchange project.

34/19 **LPIF Dashboard**

It was noted that the LPIF dashboard was over committed by £16.9m and the WMCA required the commitment to be £53.04m, in line with the first tranche approval.

Simon Eastwood advised that there was a need to have a decision from the WMCA on the early release of the remaining £97m allocation to ensure all programmes could fully deliver.

Sarah Middleton stated that there appeared to be a shift in focus at CA level between job and housing outcomes. She advised that she was working with BC LA Leaders, who were also WMCA Cabinet leads, for a further release of our investment on the from the Devo 1 deal.

The Chair noted that £150m CA recommendation in March 2017 noted that we would require the additional £97m to be released and there was a need to ensure there was a speedy resolution to this matter.

Agreed that the Dashboard and associated comments be noted.

35/19

i54

(The Chair agreed to the urgent consideration of this item as a decision was required thereon before the next meeting of the Board)

Agreed that the LEP Board, approves the i54 Western Extension – Access Package project, from within the Growth Deal programme. Grant Funding is to be awarded up to the value detailed in the private report, with delivery to commence in the 2019/20 financial year.

(The meeting closed at 4.40pm)