

## **BLACK COUNTRY GROWTH DEAL**

The Black Country Growth Deal 'Made in the Black Country Sold Around the World' will drive business growth, give people new skills, test new innovations, invest in transport infrastructure and the regeneration of key sites for housing and employment in the Black Country. The focus is on maximising the economic impact of growth opportunities from the automotive, aerospace and construction sectors, capitalising on the Black Country's key strengths in advanced manufacturing.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the LEP's Strategic Economic Plan:

- Raising Employability, Education and Skills
- Improving Black Country Business Competitiveness
- Transforming the Black Country Infrastructure and Environment
- Improving Transport Infrastructure

The Black Country LEP has secured **£138.7m from the Government's Local Growth Fund to support economic growth in the area – with £25.8m of new funding confirmed for 2015/16 and £77.6m for 2016/17 to 2021**. This includes:

- as part of the Government's ongoing commitment to the Black Country LEP a provisional award of a further £12.7m of funding for projects starting in 2016 and beyond; and
- £22.6m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will bring forward at least £220m of additional investment from local partners and the private sector. **Combined together this will create a total new investment package of £358.7m for the Black Country LEP.**

By 2021, this Deal will create at least 4,000 jobs and allow at least 1,000 homes to be built.

The Black Country LEP brings together Walsall Metropolitan Borough Council, Wolverhampton City Council, Dudley Metropolitan Borough Council and Sandwell Metropolitan Borough Council with Higher and Further Education Institutions and businesses in the area.

### **Summary of Black Country LEP Growth Deal projects and funding**

This Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund, gives local partners the backing to focus on local priorities.

<b>Black Country LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	25.8	77.6	103.4
<b>Previously committed funding</b>	9.6	13.0	22.6
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	12.7	12.7
<b>Total</b>	35.4	103.3	138.7

The table above includes increases to the Housing Revenue Account borrowing limit for Dudley Metropolitan Borough Council by £6,210,288 to help support the development of new affordable homes.

Please note: These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills European Social Fund match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies

**The Black Country LEP and central government have agreed to co-invest in the following jointly-agreed priorities:**

#### **Projects Starting in 2015/16**

- A new state of the art **Centre for Advanced Building Technologies and Construction Skills** comprising approximately 4,427m<sup>2</sup> of new teaching and workshop facilities to complete the £48m investment in Dudley Advance
- **Wolverhampton Interchange:** A fully integrated multi-modal transport hub, with new commercial floor space development for high value jobs, and an improved strategic gateway to the Black Country which will link to HS2
- **Bentley Lane Remediation** creating 11ha of high quality employment land through site remediation works and off site road improvements to draw in £40m of private sector development
- **Advanced Science, Engineering and Technology Centre** at Halesowen College – a centre to up-skill local people in this key growth sector
- Growing the **City Centre Cultural and Business Events Offer:** A major refurbishment and extension of the Wolverhampton Civic Halls and theatre complex to meet demand and stimulate further economic development and investment in the city centre
- **M6 Junction 10** – Improve highway capacity and reduced congestion to support the Black Country Enterprise Zone
- **Goscote Lane Corridor** – A programme to bring forward a mixed ownership residential development of 735 houses on three vacant brownfield sites totalling 21ha
- **Accessing Growth Fund** – A programme of smaller infrastructure schemes which improve access to employment sites and town centres across the Black Country
- **Growing Priority Sectors Programme** – providing access to finance for small and medium sized enterprises in priority sectors through capital investment in plant, machinery & property
- A new **Science, Technology and Prototyping Centre** – expanding the Wolverhampton Science Park facilities and extending the work of the Black Country Growth Factory and Caparo Innovation Centre
- The **Regeneration of Bilston Centre** – with provision of infrastructure, services and remediation to Bilston Urban Village to prepare further residential and employment development sites
- **Managing Short Trips** – a package of sustainable transport projects to create an Active Travel Network
- **FAB KIT** – an investment in a range of high value manufacturing capital equipment which will be available for small businesses to use.

The following projects have been provisionally allocated funding from 2016/17 onwards:

- The development of an **Elite Centre for Manufacturing Skills**

- Improvements to access at **Woods Lane, Sandwell**, enabling increased housing delivery

**Local flexibility over Growth Deal programme:** Black Country LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area, and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The Black Country LEP will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

## The Black Country Growth Deal

The investment secured by the Deal will be focused on four key areas to deliver transformative growth:

### **Raising Employability, Education and Skills**

The Black Country Growth Deal will agree a suite of capital investments in the skills infrastructure of the Black Country, providing new training opportunities for local people that align to expanding economic opportunities, particularly in advanced manufacturing. Projects will include a new state of the art **Centre for Advanced Building Technologies and Construction Skills** comprising 4,427m<sup>2</sup> of new teaching and workshop facilities to complete a £48m investment in 'Dudley Advance'. The centre will provide a lead in Building Information Modelling and up-skill over 3,250 people in the first five years, ensuring the local workforce is ready for the opportunities across the West Midlands that will result from HS2.

The LEP will deliver this package of investments alongside their ongoing work to encourage employers to invest in the skills of their workforce, increase educational attainment and the links between schools and businesses and to increase the skills and employability of those local people who are furthest from the labour market.

Signalling the Government's support for the Black Country's ambition to become an employer-led centre of expertise in training for supply chain manufacturers is a key part of the Black Country's Growth Deal. The Black Country welcomes local business interest in the proposal for the Elite Centre for Manufacturing Skills and sees this as an important development, with the potential to position the Black Country at the heart of national industrial development. Government is signalling its support for this proposal with an intention to fund £7.6m in 2016/17, subject to business-led development of the proposal.

<b>Black Country LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Secure investment of £20.5m in the new Centre for Advanced Building Technologies and Construction Skills at Dudley College, including local public sector investment of £15m and private sector investment of £5.5m</li> <li>• Secure investment of £7.12m in a new Advanced Science, Engineering &amp; Technology Centre at Halesowen College, including private sector investment of £6.8m</li> <li>• The full development of proposals for an Elite Centre for Manufacturing Skills, ensuring that local businesses play a driving role in the design of the centre</li> <li>• The Government expects Black Country LEP to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value</li> <li>• LEPs are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers; can</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £7.9m in the new centre at Dudley College (£4.2 in 2015/16)</li> <li>• Invest £1.1m (in 2015/16) in the new Advanced Science, Engineering &amp; Technology Centre</li> <li>• A provisional allocation of £7.6m from 2016/17 for the Elite Centre for Manufacturing Skills</li> <li>• Government commits to working with the Black Country to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in the Black Country</li> <li>• Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach:               <ul style="list-style-type: none"> <li>○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment</li> <li>○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots</li> </ul> </li> </ul>

<p>have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, Black Country LEP will facilitate stronger linkage between education providers and local businesses. We will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service</p> <ul style="list-style-type: none"> <li>• The LEP will consider skills implications as part of decision taking on growth strategies</li> <li>• The LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the Further Education and skills sector</li> <li>• The LEP will positively engage the Further Education and skills sector in key strategic partnerships e.g. Skills and Employment Boards</li> <li>• The LEP will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment.</li> </ul>	<p>from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery</p> <ul style="list-style-type: none"> <li>○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years</li> <li>• Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery</li> <li>• Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.</li> </ul>
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### Improving Black Country Business Competitiveness

The Black Country LEP has a very good track record of supporting business growth, which was a key project within the Black Country City Deal. This Growth Deal confirms additional funding to continue the delivery of the Black Country Growth Factory business support programme and commits Government and local partners to creating a new **Science, Technology and Prototype Centre** expanding the Wolverhampton Science Park facilities and extending the work of the Black Country Growth Factory and Caparo Innovation Centre. The £10m centre will provide 2,839m<sup>2</sup> of high quality managed office, space as well as dedicated and/or shared workspace and laboratory or testing space to facilitate prototype and research and development activity, supporting growth in the Black Country Enterprise Zone and the wider region.

Black Country LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Secure investment of £17m in the Growing Priority Sectors grant fund programme.</li> <li>• Secure investment of £10.3m in the Science, Technology and Prototyping Centre at Wolverhampton Science Park, including £4.3m from public sector partners and £6m from the private</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £2m in 2015/16 and an indicative £4m in 2016/17 – 2017/18 in the Growing Priority Sectors programme.</li> <li>• Invest £4.9m in the Science, Technology and Prototyping Centre over 2015/16 – 2017/18 (£0.5m in 2015/16)</li> </ul>

<p>sector;</p> <ul style="list-style-type: none"> <li>• Provide public and private funding in 2015/16 to support the delivery of the local growth hub, at a level to be agreed.</li> <li>• Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. Black Country LEP should work closely with Greater Birmingham &amp; Solihull and Coventry &amp; Warwickshire LEPs on aligning appropriate Growth Hub activity.</li> <li>• To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Black Country LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, Black Country LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide £400k funding to the LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</li> <li>• UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UK Trade and Investment has doubled the number of Partnership Managers to sixteen. This will ensure that UK Trade and Investment can work more closely with LEPs and help build their capability to secure more inward investment.</li> <li>• The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li> </ul>
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## Transforming the Black Country Infrastructure and Environment

The Black Country LEP has identified the availability of, and access to, high quality commercial and housing sites as a key obstacle to local growth. The Growth Deal contains a range of projects which will bring forward large scale development sites for both accelerated housing development and business growth. A key commitment within the Growth Deal is for Government to continue to work with the Black Country LEP and local partners to secure the development of the Phoenix 10 site within the **Black Country Enterprise Zone**. This site has the potential to deliver substantial economic benefits for the Black Country and UK economy and is an example of the challenges facing development in the Black Country created by a long and varied industrial history.

The Growth Deal also includes the provision of up to £15m of loan finance from the Public Works Loan Board to enable accelerated development of housing sites across the Black Country.

Black Country LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Secure investment of £17.3m to bring forward housing development in the Goscote Lane Corridor, including £3.3m of public sector funding and £14m from the private sector</li> <li>• Secure investment of £52.9m in the infrastructure and remediation of Bilston Centre, including £43.8m of private sector investment</li> <li>• Secure private sector investment of £40m in Bentley Lane employment sites</li> <li>• Secure investment in the revitalising of</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £8.8m in the development of the Goscote Lane Corridor (£1.5m in 2015/16)</li> <li>• Invest £3.3m in the regeneration of Bilston Centre (£2m in 2015/16)</li> <li>• Invest £8.0m in Bentley Lane site remediation (£4.0m in 2015/16)</li> <li>• Invest £6.6m over three years (2015/16 – 2017/18) in the cultural businesses at the heart of the Black Country (£1.5m in 2015/16)</li> </ul>

<p>Wolverhampton's city centre cultural and business offer through a £13.2m local investment, with £8.5m coming from the private sector</p> <ul style="list-style-type: none"> <li>• To fully develop plans and investments for improved access to housing and employment sites in Woods Lane, Sandwell</li> <li>• The Black Country will confirm the rest of the package that will be supported by this investment and an indicative borrowing profile with HM Treasury before the borrowing is accessed.</li> </ul>	<ul style="list-style-type: none"> <li>• A provisional allocation of £5.1m from 2016/17 for the improvement of access to housing sites in Woods Lane, Sandwell</li> <li>• The Government will continue to work with the LEP and local authorities to consider the mechanisms and investment needed to bring forward development of the Phoenix 10 site, with a forecast decision for determination of the approach to be progressed by October 2014. Government will give full consideration to the LEP's ambition for an economically significant outcome for the site, in alignment with the Strategic Economic Plan</li> <li>• The Government confirms that a total of up to £15m will be made available to the Black Country in 2014/15 and 2015/16 at the Public Works Loan Board (PWLB) project rate discount of 40 basis points below the standard PWLB rate. This will support strategic infrastructure investment to enable increased housing development in projects such as the development of 600 homes in Bescot, Wednesbury or 200 homes at Cakemore Road, Blackheath which form part of the overall Growth Deal package</li> <li>• The Environment Agency, Natural England and Forestry Commission will work collaboratively with the Black Country LEP in accordance with the Defra Network offer and, if requested, will negotiate with the LEP to provide appropriate support, advice and data in bringing sites and programmes forward</li> <li>• Government will engage with the LEP to examine the potential to release Government land and property to promote local economic growth and / or housing development.</li> </ul>
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### Improving Transport Infrastructure

The Black Country benefits from excellent regional and national transport links but in key areas this infrastructure has not kept up with the pace of growth. The Growth Deal confirms investment in a package of projects which will address these challenges and improve transport connections within the Black Country, enabling better access to employment opportunities, new homes and revitalised town centres for local people. Projects such as the **Wolverhampton Interchange** will also prepare the Black Country for the arrival of HS2 and the opportunities for national and international growth it will create.

Black Country LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• Secure £34.5m of public sector funding for the completion of improvements to Junction 10 of the M6</li> <li>• Secure investment of £91.6m in the development of the Wolverhampton Interchange, including private</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £29.7m in M6 Junction 10 improvements over four years from 2015/16 (£0.7m in 2015/16)</li> <li>• Invest a further £4.5m in the Wolverhampton Interchange development (£3.0m in 2015/16) in addition to the pre-committed LTB funding for this</li> </ul>

<p>sector investment of £70m</p> <ul style="list-style-type: none"> <li>• Secure £4.6m of funding to deliver a programme of small scale sustainable transport projects, Managing Short Trips</li> <li>• Secure private sector investment in the Accessing Growth Fund to deliver smaller infrastructure projects</li> <li>• The LEP and partners agree to the LEP to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities</li> <li>• The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities.</li> <li>• Progress on the development and delivery of the priority transport schemes identified by the Black Country Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources.</li> </ul>	<p>scheme.</p> <ul style="list-style-type: none"> <li>• Invest £4.2m in small scale sustainable transport projects across the Black Country (£0.5m in 2015/16)</li> <li>• Invest £12m over four years in the Accessing Growth Fund (£3.0m in 2015/16)</li> <li>• The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with LEPs and the Local Enterprise Partnership Network, in the same way as with local and combined authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the LEP in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each LEP with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support LEPs at a national and sub-national level, and a draft licence published on 23<sup>rd</sup> June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above</li> <li>• The Department for Transport and Network Rail commit to more proactive engagement of the LEP in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the LEP as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of LEPs and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders.</li> </ul>
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**As part of the deal, the LEP will:**

- **Strengthen governance:** The Black Country has established a Joint Committee as the latest step in their long track record of successful partnership working. Government would welcome further progress in implementing the planned sharing of resources and intelligence at an operational level through 'Team Black Country'.
- **Ensure implementation and demonstrate success** by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing

monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.

- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks.
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.