

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

26th January 2015 at 3.00p.m.
at Sandwell College, Spon Lane, West Bromwich

Present: Stewart Towe Chairman;
Cllr Sean Coughlan Walsall MBC;
Paul Brown Ernst & Young;
Andy Cox Cox & Plant;
Simon Eastwood Carillion plc;
Chris Handy Accord Group;
Ninder Johal Nachural Communications;
Cllr D Sparks Dudley MBC.

In Attendance: Sarah Middleton Black Country Consortium Ltd;
Paul Noon UKTI;
Kim Rowlands BIS;
Simon Neilson Walsall MBC;
Zoey West Walsall MBC;
Jim Cunningham Wolverhampton CC;
Wayne Langford Black Country Consortium Ltd
Phipp Calcutt Black Country Consortium Ltd.

Apologies: Councillors Cooper, Lawrence and Lowe, Prof. Layer,
Jat Sharma and Tom Westley.

01/15 **Welcome**

The Principal, Graham Pennington, welcomed the Board to the Campus and briefly outlined some of the working going on at the College.

02/15 **Minutes**

The minutes of the meeting held on 17th November and the 'Away Day' session on 15th December 2014 were circulated.

Agreed that the minutes of the meeting held on 17th November and 'Away Day' session on 15th December 2014 be received and confirmed as a correct record.

03/15 **Discussion with Paul Noon, Regional Director, UKTI**

Paul Noon, Regional Director, UKTI attended the meeting and updated on the progress and performance of the his Black Country Team including performance targets, events and missions, changes proposed for the period 2015-20 and details of the proposed Opt-In under the new EU funding programme.

The Board discussed the need to shift to longer term partnerships, ongoing work with priority sectors, the scope for establishing mechanisms to enable companies to share their experience of exporting to particular countries and the impact of the development of the Growth Hub.

Agreed:-

- 1) that the progress made by UKTI in engaging with LEPs be welcomed and direction of activity supported;
- 2) that work continue to align UKTI activity with SEP priority sectors and further reports submitted to a future meeting;
- 3) that work continue to ensure that links are made between Growth Hub and UKTI activity and a further report submitted to a future meeting.

04/15 **Current Economic Overview – Labour Market Intelligence**

The Board received an update on a range of positive developments in the four key strategic programmes areas focusing on raising employability, education and skills – skills for the supply chain, schools, skills capital and upskilling. The report focused on a sub-set of these areas in order to inform future strategic proposition development highlighting areas where further activity was needed.

The Board discussed the need to encourage companies to train, the work necessary to expand intelligence base to other sectors and the importance of school business activity and how it could be developed

The Board discussed the need to encourage companies to train, the work necessary to expand the existing intelligence base to other sectors and the importance of school business activity and how it could be developed.

Agreed that further consideration be given to means to further develop and engage with companies and their training needs be given further consideration at a future meeting.

05/15 **Policy Update**

The Board received a report on recent policy documents received by the Secretariat including:-

- Big Issue Invest report, 'SME Investment in the UK Regions'
- Combined Authorities – 'Devo Manc' – setting out details of the devolution agreement for Greater Manchester
- Local Authorities response to DCLG consultation on the proposal to use a Legislative Reform Order to give local authorities greater flexibility in forming a combined authority or economic prosperity board
- Centre for Cities – Cities Outlook 2015

Councillor Sparks updated on the ongoing discussions with Government and other local authorities concerning the development of a combined authority,

06/15 **Black Country Strategic Economic Plan (SEP) and Growth Deal Update**

Further to Minute No. 96/14, Sarah Middleton submitted:-

- i) a draft Growth Deal Evaluation Plan;
- ii) Local Growth Fund Implementation Plan is required by each LEP.

A final evaluation plan had to be submitted to BIS by 10th February while the Implementation Plan provided the basis for Ministerial briefings and monitoring LEPs' progress,

Sarah also reported on the details of further potential Growth Deal pipeline projects for 'Local Growth Fund Expansion' anticipating a potential further £24m allocation to the Black Country with any additional funds starting in 2016/17. This award would result in £167m Growth Deal funds being available over the period up to 2021.

Agreed that the Progress of Growth Deal development including the draft Evaluation and Implementation Plans and likely announcement from Government of Growth deal Expansion be noted.

07/15 **Team Black Country**

Further to Minute No. 104/14, the Board received a report outlining the proposed programme office structure and further areas for consideration in terms of the functionality of the Programme Office and detailing the next steps with regard to recruitment of the key posts. The Board was updated on the current position concerning the recruitment of the SEP Delivery Director and a Verto Management System Operator (Programme Management Officer. The Board was also informed of a proposal by the Heads of Regeneration to establish a 'proposition development fund' with a suggested £50k contribution from each LA (total of £200k) and held under the stewardship of BCC Ltd to enable transparent and pragmatic use in support of theme development and specific propositions.

Agreed:-

- 1) that the proposed Programme Office structure and terms of reference be supported;
- 2) that the progress of the recruitment of a Delivery Director and Programme Management Officer be noted;
- 3) that the work by the Working Group to identify posts related to the Programme Office be supported and further reports on progress to be submitted to Board;
- 4) that the proposals for the establishment of a development fund supported;
- 5) that the draft Accountable Body proposals be noted.

08/15 **Assurance Framework**

Further to Minute No. 84/14, the Board received the final Assurance Framework published by the Government.

Agreed that the provisions of the LEP Assurance Framework be noted and that the Action Plan for ensuring conformity with its provisions be submitted to the next meeting.

09/15 **EU Structural and Investment Fund Strategy**

The Board received an update on the European Investment Fund programme including:-

- a) Granting intermediate body status;
- b) Progress of programme development including the local committee;
- c) Possible strategic projects;
- d) Progress of opt-ins;
- e) Technical assistance funding

Cllr Sparks updated on discussions with Government concerning Intermediate Body status.

Agreed:-

- 1) that the progress of the development of EU Investment Fund programme including likely calls for submission be noted;
- 2) that a briefing note on Intermediate Body status discussions be prepared to support Board Members and others in discussions with Government. MPs etc.

10/15 **Growing Places Fund - Black Country Enterprise Zone – Site Investigation Programme**

Simon Neilson submitted a report on a request for a variation to the current Growing Places Funding Agreement and Deed of Variation in respect of the Growing Places funded Darlaston Site Investigation Strategy to revise the funding end date / works longstop date, funding level and the repayment period.

Agreed:-

- 1) that the request to extend the 'Funding End Date' and 'Works Longstop Date' for the Programme to 31st March 2016 be approved;
- 2) that reduction in the total Growing Places allocation by £70,000 be approved;
- 3) that the request to vary the five year Initial repayment period to 1st April 2020 to 31st March 2025 be approved,

11/15 **Airport Commission Consultation on New Runway Capacity – Proposed Response**

The Board considered a request by Birmingham Airport to support the submission of a response to the Airport Commission's consultation concerning three options for increasing the UK's aviation capacity.

Agreed that the submission of representations as proposed by Birmingham Airport be approved.

12/15 **EU Structural and Investment Fund Strategy 2014-2020 - Financial Engineering Instruments (FEI)- Project Update**

Further to Minute No. 40/14, the Board received an update on the progress of the West Midlands cross-LEP Financial Instruments programme including an outline of work being carried out by the European Investment Bank (EIB) with the consultants Regeneris, on a nationwide ex-ante-evaluation of needs for all regions that were contemplating this type of operation within their EUSIF Programmes. The EIB, as the most likely private sector co-investor in the fund-of-funds, had invited LEPS to confirm their commitment to a regional Fund-of-Funds model

Agreed that the submission of a letter confirming commitment to a regional Fund-of-Funds model be approved.

13/15 **Regional Growth Fund/Growing Places - Meeting of the Sub-Board - 11th December 2014**

The Board considered the recommendations made by the Growing Places/Regional Growth fund Sub-Board at its meeting on 11th December 2014. The meeting had considered:-

- a) a number of issues relating to additionality and ineligible spend concerns arising from due diligence and state aid assessments for a number of approved Regional Growth fund projects and requests from two projects previously contracted with the programme for substantial changes to their project activity, identified as ineligible activity;
- b) issues that had arisen in respect of the Rolfe Street and Stuart Works applications;
- c) a proposed re-application for City Deal Investment Loan funding in respect of the Prime 10 site, Wednesfield. The re-application had been submitted by a new applicant, Wednesfield Way Investment;
- d) an update on the current position of the City Deal Investment Loan Fund, issues that had arisen to date and potential solutions.

Agreed:-

- 1) in relation to Growing Priority Sectors funding:-
 - a) the revised activity for the CPT application and the associated reduction in the grant allocation approved;
 - b) the funding allocated to Top Tubes withdrawn due to the projects state aid ineligibility and that a letter be issued to Top Tubes Ltd setting out the reasons for the decision;
 - c) Precision Chains Ltd to be informed that the Company should submit a new application to be fully appraised as such when the next round of funding becomes available as the proposed building purchase represents a significant change to the business case outlined in the original application;
 - d) continued funding for the projects submitted by AJS Profiles Ltd, A&M EDM Ltd and GF Laser Ltd. approved;
- 2) that in relation to the Growing Places Fund:-
 - a) the Rolfe Street project continue to be earmarked for the previously approved Growing Places Funding subject to the approval of ERDF approval in 2015, that the eligible capital spend be backdated within the Growing Places Funding agreement between CDP and Sandwell MBC and that the

- Company should become the applicant to the 2015 ERDF round of funding;
- b) that, in relation to the Stuart Works project CDP be offered the following alternatives:-
 - i) that the loan offered to Dudley MBC, and no longer required within this project, be removed from the allocated funds and made available to support alternative project; or;
 - ii) that the Company should resubmit a loan application incurring any associated due diligence costs;
 - 3) that, in relation to the City Deal Investment Loan Fund:-
 - a) an offer of £2,227,654 loan funding to support the Prime 10 project be made conditional upon:
 - i) Wednesfield Way LLP, the applicant, entering into a loan agreement such that that the loan is specifically paid against independently certified expenditure, to undertake the agreed specified works and that the loan is secured against a first charge on the site;
 - ii) the recommended level of loan funding including a contingency of 7.5% of the overall funding requirement such contingency only to be used where evidence of its requirement is provided to the monitoring surveyor. This level of contingency considered to be appropriate for a scheme of the subject nature;
 - iii) as the applicant is a delivery vehicle which offers little by way of covenant and hence the level of security is provided solely in the form of site value on the completion of the work (as per red book valuation provided by Thomas Lister Ltd), this should be reflected in the interest rate of 5.5% recommended for the loan finance;
 - iv) the interest to be paid back to Sandwell MBC every 6 months, to reflect Sandwell MBC's agreement with HM Treasury;
 - b) Sandwell MBC be requested to agree in principle that the rolling up of interest up to two years does not constitute State Aid and is reflective of the commercial market.

14/15

Growing Places Fund – Programme Update

The Board received an update on the performance of the Growing Places Fund up to and including Quarter three, 2014/15.

15/15 **Regulation for Growth**

The Board received an update on the progress of the Regulation for Growth project, work undertaken to date and activity due for completion in the Summer. The report also outlined an ambition to achieve a Black Country Regulatory charter (combined with the Planning Charter) that would be a national first.

Agreed:-

- 1) that the further programme of work be supported and that further reports be submitted on progress;
- 2) that Board Members to be approached to act as a champion for the work on the regulatory landscape.

16/15 **PR and Communications Update**

The Board received the regular update on PR activity since the last meeting highlighting a number of ministerial visits by:-

- Lord Heseltine Growth Hub visit - 3 February 2015.
- Black Country Growth Deal signing 5 February 2015 with Greg Clark, Minister of State for Universities, Science and Cities;
- Growth Deal extension announcement.

17/15 **Decisions of Meeting of the Black Country Joint Committee – 3rd December 2014**

The decisions of the Black Country Joint Committee made at its meeting on 3rd December 2014 were noted.

18/15 **Dates of Future Meetings**

26th February 2015,

(The meeting closed at 4.55 p.m.)