

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

27th January 2014 at 3.00p.m.
at GTG Conference and Training Facility, Bearing Drive,
Wednesfield

<u>Present:</u>	Stewart Towe Cllr Adrian Andrew Cllr David Sparks Paul Brown Andy Cox Simon Eastwood Chris Handy Ninder Johal Cllr Ian Jones Prof Geoff Layer Cllr Roger Lawrence Jat Sharma	Chairman; Walsall MBC; Dudley MBC; Ernst & Young; Cox & Plant; Carillion plc; Accord Group; Nachural Communications; Sandwell MBC; Wolverhampton Uni; Wolverhampton CC; Walsall College.
<u>In Attendance:</u>	Sarah Middleton Kim Rowlands Jan Britton Simon Warren Laura Shoaf Nigel Easom	Black Country Consortium Ltd; BIS; Sandwell MBC; Wolverhampton CC; Black Country Transport Director; Black Country Consortium Ltd.
<u>Apologies:</u>	Councillors Bird, Cooper and Tom Westley.	

01/14 **Welcome**

Jonathan Douglass, General Manager of the GTG Centre, welcomed members to the Centre and briefly outlined the resources available at the Centre.

02/14 **Minutes**

The minutes of the meetings held on 28th October and 10th December 2013 were circulated.

Agreed that the minutes of the meetings held on 28th October and 10th December 2013 be received and confirmed as a correct record.

03/14 **Black Country Strategic Economic (Growth) Plan**

Further to Minute No. 82/13, Sarah Middleton updated on the progress of the development of the Strategic Economic Plan (SEP). It was reported that the draft was submitted on the 19 December 2013, and that informal feedback from government on development issues had been received at a session at BIS West Midlands' offices on 24th January and details of the points made were circulated for the Board's information. The formal session with the Minister for Cities was scheduled for 3rd February when the Minister was visiting Wolverhampton to formally sign the City Deal.

Sarah also reported on the following areas of SEP development:-

- i) Black Country Green Plan for Growth – a final draft was submitted. The overall programme had a specific focus on energy and CO2 reduction.
- ii) Enterprise Zone (EZ) profile – the Government had commissioned Paul Spooner previously of the Homes and Communities Agency (HCA) to provide an independent assessment of the progress of each zone and the potential of each to accelerate delivery. It was understood that the Black Country had been classified as a 'Booster' area due to its high level of performance when benchmarked nationally. The Board was also informed that an options appraisal had been instigated by the HCA to better understand the alternative remediation solutions and delivery strategies for the Phoenix 10 site. A decision would need to be made by the Department for Communities and Local Government which could be available by April 2014 but it was unclear whether the decision would also need to involve the Treasury.
- iii) Cross-LEP Collaboration - the Government had stated that SEPs should provide for "effective collaboration across Local Enterprise

Partnership geography”. The areas of collaboration to form elements of the final SEP included:-

- work on transport where each LEP would confirm its commitment to working to the following four objectives:
 - a) Access to national and international gateways including a focus on HS2;
 - b) Ensuring freight and business movement was reliable and efficient;
 - c) Providing access to growth opportunities;
 - d) Access to labour and skills including addressing economic exclusion.
- business support where the principals for cross Growth Factory collaboration from a Black Country perspective were:
 - a) An initial focus on HVM;
 - b) Development of first class intelligence on collective strengths;
 - c) Building a multi-LEP collaboration around the business opportunities and assets
 - d) Encouraging leading businesses - Caterpillar, Rolls Royce, JLR and the catapult centres to help lead this approach.
- joint financial engineering instruments (FEI) where, following work by Blue Sky Finance to establish the viability of a proposal, LEP Chairmen had agreed that LEPs would include involvement in a West Midlands JEREMIE in their submissions to enable the drawdown of the EIB and secure the AWM Legacy funds.

Revised Plans had to be submitted by 31st March 2014 and it was expected that the Government would make Local Growth Fund offers and complete Growth Deal negotiations by the Parliamentary recess in July 2014.

Agreed:-

- 1) that the initial feedback from Government on the draft SEP and the arrangements for Ministerial ‘Challenge’ session be noted;

- 2) that the draft Green Plan for Growth be approved and incorporated within the overall SEP;
- 3) that the ongoing work on the EZ profile be noted;
- 4) that the ongoing activity to refine and develop areas of cross-LEP collaboration as outlined above be supported;
- 5) that the recommendations of the West Midlands' LEP Chairmen in relation to FEI Collaboration be supported, specifically:-
 - a) the principle of creating a JEREMIE Fund-of Funds vehicle for the West Midlands;
 - b) the allocation of £8m within the SME Competitiveness Priority Theme 1 of the Black Country EU Structural and Investment Fund Strategy document, with the possibility of a further £2M being available from Priority Theme 3 - Low Carbon Environment;
 - c) that cross LEP collaboration would be an appropriate vehicle for use of ex-AWM Legacy funds.

04/14

Final EU Structural and Investment Fund Strategy and City Deal Update

Further to Minute No. 74 /13, the Board received the final draft of the EU Investment Fund Strategy following feedback from Government. The Strategy had to be submitted to Government by the end of the month.

The Board was also informed that the Minister for Cities would be visiting Wolverhampton on 3rd February to formally sign the City Deal agreement.

Agreed:-

- 1) that final comments on the draft Strategy be submitted to the Secretariat by the 29th January 2013;
- 2) that, subject to any final comments, the Chairman be authorised to agree and sign the final Strategy for submission to Government;
- 3) that the arrangements for signing the City Deal agreement be noted.

05/14

Black Country Strategic Transport Board Update

Further to Minute No 03/14 above, the Board received an update on the work of the Strategic Transport Board (STB) and on transport proposals for inclusion in the SEP.

The STB was proposing that the following be included within the SEP in addition to those already agreed:-

The Snow Hill Lines Scheme – a cross-LEP scheme that it considered should be included given the strategic cross boundary importance of the scheme, and its local benefits.

Junction 1 of the M5 – this scheme would increase the capacity of all approaches to Junction 1 of the M5 and would be delivered in the tail end of the programme period (beyond 2019) in conjunction with the Highways Agency and programmed with other required motorway junction improvements in the Black Country and the wider network.

The SEP allowed the opportunity to bid for increased levels of funding over a longer timeframe to 2020/2021 and the Board had recommended that additional funding be sought for the two Motorway Junction schemes (M6 J10 and M5 J2) which were key strategic priorities for the Black Country.

The STB had also recommended that the SEP seek an allocation of £4.5 million per annum for a rolling infrastructure fund to deliver smaller schemes which improve access to employment sites and strategic centres to support and enable regeneration in the Black Country. Further work was also underway to consider how to best align capital funding proposals to unlock revenue funding set aside by the Department for Transport and to maximise the resources and the potential for the package to be supported through European Structural Funds particularly around the themes of innovation, skills and environment.

Officers would be preparing a report for the next meeting of the STB setting out the programme of schemes in detail including their funding request from the SEP, partner contributions, outputs and delivery timetable.

The STB had also recommended the inclusion of additional 'asks' of Government within the Plan:-

- Work with the West Midlands LEPs to find a solution to releasing the full potential benefits of the M6 Toll.
- Recognising that the provision of a high quality rapid transit link between Wednesbury and Brierley Hill would provide growth and regeneration to the western part of the conurbation.

- Support and play an active role in the West Midlands Rail devolution proposal.
- For LEPs to have a stronger direct input to the investment programme of the proposed re-structured Highways Agency.

These would be in addition to the two asks already included in the draft submission:-

- A study into the case for electrification of the Wolverhampton – Shrewsbury line.
- The establishment of multi-year allocations and the ability to move money between years.

Agreed:-

- 1) that the following additional proposals be included in the SEP:-
 - the Snow Hill Line and Improvements to Junction 1 of the M5;
 - the establishment of a rolling infrastructure fund to develop schemes which support regeneration initiatives;
 - the ‘asks’ of Government as set out above;
- 2) that the additional work underway to develop schemes which would leverage Local Sustainable Transport Fund and European funding be noted;
- 3) that west Midlands LEPs be requested to make joint representations to Government to support proposals for the electrification of the Wolverhampton-Shrewsbury line.

06/14

Growing Places and Regional Growth Fund (RGF)

The Board received the minutes and recommendations of the meetings of the Growing Places Sub-Board held on 12th December 2013 and 9th January 2014. At the meetings the Sub-Board had considered and made recommendations in respect of the following proposals for Growing Places capital funding:-

The Portal, Dudley Canal Trust
 Rolfe Street, Smethwick
 Walsall Noirit Site
 Enterprise Zone, Site Investigation
 Stuart Works, Brierley Hill
 Bilston Urban Village
 Millennium House, Walsall

Wolverhampton City Centre/Interchange
Dudley Guest Hospital.

In considering the applications members highlighted the scope for using the funding decisions to publicise the Partnership's activity. In addition, the Sub-Board had considered the following proposals for use of Growing Places revenue funding:-

Support for LEP Secretariat
Community Health and Employment Trainers Pilot, Sandwell
Walsall Supporting Businesses to Grow
Wolverhampton Interchange
Black Country SEED Project (ERDF Match)
Black Country Local Broad Plan (ERDF Match).

The Board was also informed that the City Deal included the establishment of a £20 million Black Country Sites Fund to provide loan funding to landowners to fund the cost of site remediation and servicing of sites for employment uses. The objective of the Fund was to create a supply of quality employment sites available to meet the requirements of inward investors and indigenous companies for early development and seek to address a key identified constraint of lack of site availability for early development in attracting and retaining employers across the Black Country.

At its meeting on 26th June 2012 (Minute No. 59/12 refers) the Board approved Growing Places funding to the St. Francis Group for the reclamation of the Opus Blueprint site in Wednesbury. Thomas Lister was currently working with the developer to progress their application and it was suggested that it would be more appropriate for the proposal to be funded from the City Deal fund. This would free up £2.5M of Growing Places Fund.

Pursuant to Minute No. 79/13 (Growing Places and Regional Growth Fund (RGF)), the Board was informed that the red book valuation had now been completed in respect of the application for Growing Priority Sectors RGF funding by Roadlink and that no issues had arisen that required further consideration.

Agreed:-

- 1) that the recommendations of the Growing Places Sub-Board in respect of the allocation of Growing Places capital funding set out

at Minute No. 10/14 of the minutes of the meeting of the Sub-Group held on 9th January 2014 be approved and that Sandwell MBC be requested to enter into funding agreements in respect of the following applications for the amounts indicated:-

- a) loan of up to the sum of £486,977 and grant funding up to the sum of £645,699 to Dudley MBC and grant funding of up to £658,539 to Complex Developments for the Stuart Works, Brierley Hill project, subject to the terms and conditions set out in Minute No. 31/13 of the meeting of the Sub-Group held on 12th December 2013;
 - b) loan funding up to the sum of £1.167million and grant funding up to the sum of £1.4million to Complex Development Projects for the Rolfe Street, Smethwick project subject to the terms and conditions set out at Minute No. 30/13 of the minutes of the Sub-Group held on 12th December 2013;
 - c) loan funding of up to sum of £755,000 to Dudley Canal Trust (Trips) Ltd. for the Portal Project at the Trust premises subject to the terms and conditions set out at Minute No. 03/14 of the minutes of the Sub-Group held on 9th January 2014;
 - d) grant funding up to the sum of £375,000 Grant (including £225,000 pre-approved grant) to Jessup Brothers Limited for the Noirit project, Walsall subject to the terms and conditions to be agreed by the Sub-Group once proposed mechanisms and costs have been clarified, and further consideration given to the State Aid position as set out at Minute No. 06/14 of the minutes of the meeting of the Sub-Group held 9th January 2014;
 - e) loan funding up to the sum of £300,000 (including £250,000 pre-approved loan) to Walsall MBC for the Enterprise Zone Site Investigation Fund subject to the terms and conditions set out at Minute No. 59/12 of the Partnership and Minute No. 09/14 of the minutes of the meeting of the Sub-Group held on 9th January 2014;
- 2) that the recommendation of the Sub-Group that the application by the Vine Trust in respect of Millennium House, Walsall be not supported be approved for the reasons set out at Minute No. 04/14 of the minutes of the meeting of the Sub-Group held on 9th January 2014;
 - 3) that the that the following applications for Growing Places capital funding be placed on a reserve list for consideration if further funds become available:-

- a) Bilston Urban Village – subject to further revision of the application as agreed by the Sub-Group
 - b) Wolverhampton City Centre and Interchange – subject to further revision of the application as agreed by the Sub-Group;
 - c) Dudley Guest Hospital – subject to the revision of the application to reflect revised costings as agreed by the Sub-Group;
- 4) that it be noted that the Growing Places Capital fund was now over-subscribed;
 - 5) that the recommendations of the Sub-Group to approve the following applications for Growing Places revenue funding:-
 - a) Access to Business for grant funding up to the sum of £50,000;
 - b) Wolverhampton City Council for grant funding up to the sum of £250,000;
 be supported subject to the terms and conditions set out in Minute No. 11/14 of the minutes of the meeting of the Sub-Group held on 9th January 2014;
 - 6) that it be noted that the Sub-Board will be considering a further report on the options for the use of Growing Places revenue funding that considers all remaining applications and recommendations ‘in the round’ including the future activity of the LEP at their next meeting;
 - 7) that, subject to the Secretariat confirming that there are no constraints on this course of action, the use of City Deal Sites funding for the allocation of £2.5 million to St. Francis Group for the Opus Blueprint project be approved.
 - 8) that the application for Roadlink for £169,615 of RGF Growing Priority Sectors funding be approved;
 - 9) that the Secretariat explore opportunities to use the Growing Places capital decisions at (1) above to publicise the work of the Partnership.

(The Board noted that Simon Eastwood had declared an interest in the Wolverhampton Interchange and City Centre Project and that Chris Handy declared interests in the applications relating to Dudley Guest Hospital and Millennium House, Walsall, left the meetings of the Sub-Group and took no part in the decisions made by the Sub-Group in respect of the projects.)

07/14

Enterprise Zone Update – Meeting of the Management Steering Group Held on 21st January 2014

The Board received the minutes of the meeting of the Enterprise Zone (EZ) Management Steering Group held on 21st January 2014. The Board noted in particular the recommendations of the report by Paul Spooner assessing the progress of each zone and the potential of each to accelerate delivery, the position concerning discussions with the HCA concerning the Phoenix 10 site, discussions with National Grid concerning the Gasholders site and engagement with landowners generally.

The Board was also updated on the likely announcement of the outcome of the application for a total of £6.2m from the EZ Capital Fund.

Agreed that the minutes of the EZ Management Steering Group be received.

08/14 **International Trade Update**

Andy Cox reported on a request to make a contribution towards the support of an international inward investment buyers event as part of the proposed Glass Biennale at the Ruskin Centre in Stourbridge in 2015.

Andy also updated on work with UKTI on inward investment and on work by the Manufacturing Advisory Service around skills and exporting companies. Sarah Middleton updated on discussions with UKTI concerning the adoption of a memorandum of understanding. The Chairman reported on his experiences of engaging with German 'Mittelstand' companies.

Agreed:-

- 1) that the proposal to contribute towards a buyer event at the 2015 Glass Biennale be supported in principle subject to the submission of further details un due course;
- 2) that a further report be submitted to the next meeting on the progress of discussions with UKTI concerning the Memorandum of Understanding;
- 3) that further consideration be given to how the approach of 'Mittelstand' companies could be utilised within the Black Country at a future meeting.

09/14 **PR and Communications Update**

Members received the update on communications activity and the Board Ninder emphasised the need to build more news stories around LEP activity.

10/14 **Black Country Consortium Governance and Finance**

The Chief Executive reported on proposals to change the way Black Country Consortium Ltd was managed to reflect the changing role of the LEP, ensure transparency in governance arrangements and that Consortium Company Directors could discharge their legal obligations with regard to financial controls, risk assessment and operational matters and streamline the conduct of business. The proposals had been agreed by Consortium Guarantee Members at their meeting on 4th December 2013

She also set out details of the Black Country Consortium's (BCC) budget for 2014/15 which included core funding for the LEP from Government, the strategic development funds allocated to the Partnership for which Walsall MBC was the accountable body and the balance of the revenue allocation for the Growing Places fund that it was proposed to transfer from the accountable body, Sandwell MBC

Agreed:-

- 1) that the proposed changes to the structure of Consortium governance, including the establishment of an Audit Committee, be supported and that a further report be submitted when the membership has been finalised;
- 2) that, in future, items of business for Consortium Directors be considered at Partnership Board meetings and for that period of time the LEP will sit as a meeting of the Consortium Directors;
- 3) that the LEP core funding of £250,000 for 2014/15 be noted;
- 4) that the LEP Strategic Development Funding for 2013/14 and 2014/15 including commissioning expenses and support for preparation of the EU strategy be approved and the necessary grant contract be entered into with Walsall MBC the accountable body
- 5) that the Black Country Joint Committee be requested to transfer the balance of Growing Places funding to Black Country Consortium Ltd.

11/14 **Board Member Appraisal**

Further to Minute No. 30/12, the Chief Executive reported that the terms of office of four private sector Board Members would expire at the end of March 2014. The terms of office were renewable for a further period of two years subject to an assessment of performance. She submitted for the Board's consideration an outline appraisal process that would apply to all Board Members and that would be carried out annually.

Agreed that further work be carried out on the detailed arrangements for appraisals and the process and reporting arrangements.

12/14 **Date of Next Meeting**

27th February 2014 – Annual Stakeholders Meeting.

(The meeting closed at 4.20 p.m.)