

Minutes of a Meeting of the Black Country Local Enterprise Partnership

28th April 2014 at 3.00p.m.
at Accord Housing 178 Birmingham Road, West Bromwich

Present: Stewart Towe Chairman;
Cllr Adrian Andrew Walsall MBC;
Cllr Khurshid Ahmed Dudley MBC;
Paul Brown Ernst & Young;
Simon Eastwood Carillion plc;
Chris Handy Accord Group;
Ninder Johal Nachural Communications;
Prof Geoff Layer Wolverhampton Uni;
Jat Sharma Walsall College;
Tom Westley Westley Group.

In Attendance: Sarah Middleton Black Country Consortium Ltd;
Kim Rowlands BIS;
Simon Neilson Walsall MBC;
Keren Jones Wolverhampton CC;
Wayne Langford Black Country Consortium Ltd.
Sophie Thompson Black Country Consortium Ltd.
Nigel Easom Black Country Consortium Ltd.

Apologies: Councillors Bird, Cooper and Lawrence and Andy Cox.

22/14 **Minutes**

The minutes of the meeting held on 24th March 2014 were circulated.

Agreed that the minutes of the meeting held on 24th March 2014 be received and confirmed as a correct record.

23/14

Current Economic Overview Produced by Black Country Economic Intelligence Unit

The Board received:-

- a) a summary of the UK Commission's Employer Skills Survey (UKCES, 2013) which gives a comprehensive and robust picture of skills needs and training investment in UK business;
- b) a summary of LEP Network report - "Building Local Advantage: Review of Local Partnership area economies in 2014" analysing socio-economic performance in LEP areas across the country.

Members discussed the data base that UKCES used for its survey and its possible impact on findings and the relevance of the classification used in the LEP Network report.

Agreed:-

- 1) that further work be undertaken to establish base of UKCES data;
- 2) that the LEP Network be made aware of Board's concerns that the classification of Partnerships in the report should not be applied more widely.

24/14

Black Country Strategic Economic Plan (SEP)

Further to Minute No. 15/14, the Board was informed that following submission of the SEP by the Government's deadline of 31st March, initial consideration of Plans by Government resulted in the receipt of requests for further detail and the submission of a single integrated list that reflected all of the sixteen priority projects including the four transport schemes. This revised list had been submitted following electronic consultation with Members.

Kim Rowlands reported on the process that was taking place within Government to assess plans and that civil servants would be looking to meet officers to discuss projects prior to a meeting with Ministers. It was anticipated that an announcement on funding would be made in July before the start of the parliamentary recess.

The focus of activity would now be on the preparation of a full business case so that the Board's next 'away day' session could devote time to considering the progress of project development and the establishment of the project pipeline. In this respect, members discussed a proposal

for a public/private sector grouping to co-ordinate activity on land use and development.

Agreed:-

- 1) that the concept of a joint public/private sector committee to co-ordinate land use/development be supported in principle;
- 2) that the need to focus on arrangements for pipeline development and establishment of integrated management processes for funding streams be supported.

25/14

EU Structural and Investment Fund Strategy (EUSIF) – Formal Feedback from Government and Next Steps

Further to Minute No. 04/14, the Board received the Government's formal feedback on the steps necessary to complete the Black Country EUSIF for 2014 – 2020, an update on the national position and the proposed next steps for the development of the Black Country Strategy and local project pipeline. The focus for officers would be to ensure that there was a strong pipeline of projects that were fully developed, with robust systems that ensured that projects were fully integrated into the overall project pipeline development to support the SEP and were complementary to the Black Country Growth Bid and City Deal projects.

Members emphasised the need for a pipeline of projects and for robust commissioning arrangements to ensure that projects could meet their proposed spend profiles. The uncertainty concerning the administration of local sub-committees and contracting arrangements were noted.

Agreed that the work to ensure the establishment of a strong pipeline of projects with robust systems and governance arrangements be supported and that further report on proposals be submitted to a future meeting.

26/14

International Trade and Inward Investment Update: – Memorandum of Understanding with UKTI

The Board received a report setting out with an overview of a proposed memorandum of understanding with UKTI, the Government Agency tasked with driving up exports. The Agency's targets were exports of a value of over £1 trillion by 2020 with over 100,000 companies exporting. In order to achieve these challenging targets UKTI want to align its activity to LEPs and it had designed a simple memorandum of

understanding to allow each party to be held account to, and be responsible for specific activity. The proposed memorandum was welcomed as a statement of intent from UKTI that would help ensure the alignment of export activity with a separate document for Inward Investment, however the report highlighted a number of omissions that required further discussion:-

- a) no linkages to inward investment were made – although this reflected the national delivery landscape with separate agencies delivering export and investment activity the Partnership had expressed a desire to align these two areas of work;
- b) the memorandum enabled Partnerships to receive the UKTI action plan once developed but it would be worthwhile requesting explicitly involvement in the setting of any action plans jointly to maximise limited resources;
- c) the Invest Black Country service would work closely with UKTI on delivering LEP objectives, therefore intelligence tools available to UKTI should be made available to the LEP to support the business planning process of export activity for the LEP;
- d) a greater emphasis should be requested for mid-sized businesses for targeted export support.

Agreed that, subject to the receipt of satisfactory assurances concerning the issues raised in report, the memorandum of understanding be supported and signed as appropriate.

27/14

Growing Places, Regional Growth Fund and City Deal Investment Fund - Establishment of Mezzanine Fund

Further to Minute No. 16/14, the Board received a report providing clarification to the points raised during the March meeting concerning demand for a Mezzanine product in the Black Country, the likely interest rates and associated flexibilities of the fund.

Representatives of Finance Birmingham attended the meeting to answer questions on the proposals. They left the meeting for discussion of the decision set out below.

Agreed:-

- 1) that the utilisation of recycled Growing Places funding to support the mezzanine fund be approved;

- 2) that a further report be submitted to a future meeting on the mechanisms for the operation of the fund and publicity arrangements.

28/14 **Mittelstand and Black Country Economy**

Further to Minute No. 08/14, the Board received a report on the 'Meet the Mittelstand' event held on 22nd January 2014. The event was a new conference programme that brought successful German companies to Britain for UK companies to hear first-hand about their strategies for success. The German 'Mittelstand' was a powerful economic band of companies from German-speaking countries which were normally privately-owned; technology focused; experts in niche markets; exportcentric and large compared with British companies. The original meaning of Mittelstand applied to small and medium-sized companies, but many had outgrown this definition, often reaching more than Eu1 billion turnover.

The report highlighted some of the similarities and differences with UK and Black Country companies. The Black Country shared similarities with the Mittelstand and had the potential to utilise the sub-region's intricate supply chain strengths to attract international investment and increase trade values. It was noted that UKTI had secured additional resources for supporting mid-sized business development and that the Minister for Trade and Investment had committed to underpinning Mid-Sized Businesses as the drivers of the UK economy.

Agreed that further work be undertaken to examine the number and extent of companies within the Black Country that could meet the criteria of Mittelstand companies, their role within priority sectors and how mechanisms for engagement could be developed to support and promote their role.

29/14 **Invest Black Country**

The Board received an update on the activity of Invest Black Country (IBC) in 2013/14 and future priorities. IBC was a partnership between the four Local Authorities and the University of Wolverhampton to promote the Black Country to National and International markets and in particular to provide strategic leadership, lead on image building,

undertake investor servicing and facilitation, direct the targeting and investment lead generation and identify overseas opportunities to export the Black Country. The report detailed the proposed priorities for future activity including:-

- Establishing a formal governance structure
- Improving the sharing of investment data between IBC and the four local authorities;
- Securing additional resource for local teams and IBC, particularly for lead generation and investor development;
- Achieving greater co-ordination of overseas targeting;
- Developing better relationships with agents;
- Improving electronic collateral;
- Defining top ten investment targets;
- Auditing and defining any £50m plus investment opportunities for institutional investors.

Agreed:-

- 1) that the progress of IBC be noted;
- 2) that the principle of appointing a private sector lead for investment development be supported and that a further report be submitted when a nomination has been arranged.

30/14

Growing Places and City Deal Investment Fund

The Board received the recommendations of the meeting of the Growing Places Sub-Board held on 28th April 2014 prior to the meeting of the Board. At the meeting the Sub-Board had considered and made recommendations in respect of the following applications for funding:-

Black Country Broadband Plan – Growing Places Capital Fund;
Prime 10 – City Deal Investment Fund;
Target Point, Bull Lane, Moxley - City Deal Investment Fund.

Pursuant to Minute No. 06/14, the Sub-Board had also been informed that the local authority Heads of Regeneration had given consideration to the proposals for the use of Growing Places Revenue funds and had recommended that a proportion should be held back to fund Black Country Consortium core costs for years 2014/2015 and 2015/2016 with a proportionate discount to the local authorities' subscription level amounting to £100,000 for 2014/2015 and £200,000 for 2015/2016. The Consortium's Guarantee Members had now formally confirmed

these subscription levels. The Sub-Board had therefore accepted the recommendation of the Heads of Regeneration that this proposal be given priority over other outstanding revenue applications.

In considering the proposals Members also considered the need for greater integration of the management of the various funds given the growing number of investment streams for which the Partnership would be responsible.

Agreed:-

- 1) that the recommendations of the Growing Places Sub-Board in respect of the allocation of Growing Places capital funding to the implementation of the Black Country Broadband Plan as set out at Minute No. 37/14 of the minutes of the meeting of the Sub-Group held on 28th April 2014 be approved and that Sandwell MBC be requested to enter into a funding agreement in respect of the grant of up to the sum of £3 million on the terms and conditions set out in that Minute;
- 2) that recommendations of the Growing Places Sub-Board in respect of the allocation of City Deal Investment funding 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 funding up to the sum of £2,227,654 to Systemhaven Ltd. towards the remediation and site works at 'Prime 10', Wednesfield Way, Wednesfield, Wolverhampton WV11 1TZ, subject to the terms and conditions set out at Minute No. 39/14 of the meeting of the Sub-Board held on 28th April 2014;
 - b) loan funding up to the sum of £1,385,000 to Wednesfield Properties Ltd, towards the remediation works at Target Point, Bull Lane, Moxley, WS10 8RW subject to the terms and conditions set out at Minute No. 40/14 of the meeting of the Sub-Board held on 28th April 2014;
- 3) that the proposal for the use of Growing Places Revenue funding to support Black Country Consortium Ltd costs for the years 2014/15 and 2015/16 be supported and that Sandwell MBC be requested to provide this to Black Country Consortium Ltd. as a one-off, upfront payment;
- 4) that, in view of the growing number of investment streams for which the Partnership has responsibility, officers be requested to

develop options for the greater integration of their management and submit a further report to a future meeting.

31/14 **Regional Growth Fund – Growing Priority Sectors**

The Board received the recommendations of the meeting of the Growing Places Sub-Board held on 28th April 2014 before this meeting when consideration had been given to applications for funding under ‘Wave 3’ of the Growing Priority Sectors in the Black Country regional Growth Fund allocation. Sixteen full applications had been appraised by the Access to Finance Officers group using a pre-determined scoring matrix (developed by external technical experts). Applicants had to reach a minimum score threshold of 23 in order to be approved for funding. The following companies failed to meet the minimum threshold and were not recommended by the Sub-Board for approval; Direct Corporate Clothing PLC, Promo Items Ltd (trading as Chequers Ltd.) and Mercia Architectural Ltd.

The Sub-Board recommended that the following applications be approved:-

Rank	Company Name	Grant Request
1	GFS Ltd	£150,000
2	Burcas Ltd	£119,000
3	Thomas Dudley Ltd	£153,500
4	Midshire Business Systems Ltd	£214,000
5	PAL Adhesive Products Ltd	£81,000
6	Plastic Coatings Ltd	£130,000
7	Central Fabrications & Facades Ltd	£100,000
9	A&T Enclosures Ltd	£577,000
10	Bohler-Uddeholm (UK) Ltd	£392,000
11	Millennium Pressed Metals Ltd	£60,000
12	Midtherm Laser Ltd	£90,000
	Total	£2,066,500

Agreed:-

- 1) that the recommendations of the Sub-Board in respect of the applications set out in the table above be supported and the applications be approved;
- 2) that the recommendations of the Sub-Board in relation to the following applications be supported and that they be deferred:-
 - a) Goldring Industries – to enable the application to be reappraised;
 - b) KMC Food Group – pending the receipt of further information to enable the appraisal to be completed;
- 3) that the recommendations of the Sub-Board in respect of following applications be supported and that they be refused on the grounds that they did not meet the minimum threshold in the scoring matrix used for appraisal:-

Direct Corporate Clothing;
Promo Items Ltd (trading as Chequers Ltd.).
Mercia Architectural Ltd.

32/14 **PR and Communications Update**

Members received the update on communications activity and the Board also discussed the media reporting, editorial and online discussion about the development of a Greater Birmingham brand. Members welcomed development of co-operation with the Greater Birmingham and Solihull LEP but were concerned that the proposals for the marketing of 'Greater Birmingham' showed a lack of recognition of the Black Country brand and lack of engagement with proposed partners.

Agreed that a meeting be sought with the Chairman of the Greater Birmingham and Solihull LEP concerning the development of the 'Greater Birmingham' concept and the mechanisms for continued engagement.

33/14 **Governance Matters - Establishment of City Deal and Growth Deal Advisory Board**

Sarah Middleton reported on proposals to establish a City Deal and Growth Fund Advisory Board to support the Black Country Joint Committee and the Board were invited to nominate four private sector representatives to serve on the Board. The Board also noted out the

framework for the further development of the governance structure to support the Joint Committee and LEP.

The Board also received the decisions of the inaugural meeting of the Joint Committee held on 26th March 2014.

Agreed:-

- 1) that the nomination of four private sector Board Members to serve on the Advisory Board be approved and that Board Members be consulted individually on appropriate nominations;
- 2) that the Joint Committee be requested to agree that the remaining Private Sector Board Members be authorised to act as the alternates for any of the four nominated members.

34/14 **Date of Next Meeting**

Agreed:-

- 1) that the next meeting of the Partnership be held on 19th May 2014 at the usual starting time of 3.00pm;
- 2) that the Board policy planning session be rescheduled for the meeting on 23rd June 2014 subject to consultation with Members.

(The meeting closed at 5.15 p.m.)