

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

28th October 2013 at 3.00p.m.
at Carillion plc, Birch Street, Wolverhampton

Present: Cllr David Sparks Dudley MBC;
Paul Brown Ernst & Young;
Andy Cox Cox & Plant;
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;
John Polychronakis Dudley MBC;
Simon Warren Wolverhampton CC;
Simon Neilson Walsall MBC;
Nigel Easom Black Country Consortium Ltd.

Apologies: Stewart Towe, Councillors Bird, Cooper and
Lawrence.

70/13 **Chair**

Simon Eastwood took the chair for the meeting.

71/13 **Minutes**

The minutes of the meeting held on 17th September 2013 were circulated.

With reference to Minute No. 62/13 (Membership and LEP Capacity -
Establishment of Black Country Joint Committee and LEP Co-

Operation); the Board noted that the chairmen of the three Partnerships were meeting on 30th October 2013 to discuss next steps in co-operation prior to a proposed meeting with Greg Clark on 7th November 2013.

Agreed that the minutes of the meeting held on 17th September 2013 be received and confirmed as a correct record.

72/13

Current Economic Overview Produced by Black Country Economic Intelligence Unit

The Board received an update on Innovation and Sector Intelligence highlighting investment by the Technology Strategy Board (TSB) and information concerning high performing sectors. The Board discussed the role of the TSB and the role of universities in supporting innovation.

73/13

Black Country Enterprise Zone – Financial Modelling and Investment Plan

Further to Minute No. 29/13, representatives of DTZ attended the meeting and outlined the work they had undertaken into the financial principles and criteria that had been agreed so far and others that could be adopted and applied by the Partnership in its future investment decisions within the Enterprise Zone. The model used by DTZ had been accepted by Government as exemplar of good practice in this field. They outlined the elements of the model, the previous decisions and key assumptions and principles that had underpinned the work and the headline financial information that could be derived from the work on the model to date. It was emphasised that several key principles and assumptions might be subject to change and that further scenario testing and sensitivity analysis would be required to better inform future investment decisions.

The Board discussed the further work necessary to develop the model and clarify the risk involved in decisions. The report set out proposals for determining future investment decisions in the Zone through individual 'business-case' approaches prepared against recognised appraisal criteria including:-

- Deliverability e.g. willing and able land owners, state aid compliant investment and procurement methods, ability to generate business rate income and benefits within a required period.

- Economic benefits:-
 - o Gross outputs over the Zone lifetime i.e. development floorspace, private sector investment, construction and operational jobs;
 - o Net additional benefits i.e. permanent jobs and Gross Added Value (GVA);
 - o Wider benefits to the locality and Black Country as a whole assessed through a multi-criteria scoring and weighting system i.e. catalyst for further private sector investment, strengthening the economic base, image enhancement;
 - o Cost benefit analysis i.e. economy/best value, effectiveness in achieving objectives, cost effectiveness (investment cost per job).
- Financial implications i.e. project costs, income and rates additionality.

The timing of decision making was discussed and the need to progress engagement with land owners particularly in relation to the Phoenix 10 site and to ensure that agencies, and in particular the Homes and Communities Agency, were fully engaged was emphasised.

Agreed:-

- 1) that the previous decision that the first priority for the utilisation of business rates is to fund the i54 infrastructure and motorway junction costs be reaffirmed;
- 2) that the second priority for the utilisation of business rates should be to fund the Phoenix 10 project costs subject to the agreement of the final business case;
- 3) that establishment/revenue costs incurred by the local authorities (Walsall MBC and Wolverhampton CC) towards delivery of the Zones be fully recovered through business rate income and that a further report be submitted on the establishment of a funding pot for this purpose;
- 4) that the financial principles set out within the Enterprise Zone Financial Model be supported and that the model be used as the tool to forecast, manage and monitor the Zone Investment Plan;
- 5) that the areas around which key financial assumptions have been made and the need to conduct further sensitivity analysis on the

- associated risk to establish the impact on the surplus/ deficit position be noted;
- 6) that further reports be submitted to the Board as the Model is developed further and as timelier and more accurate information becomes available;
 - 7) that the proposals concerning the way in which future Zone and Strategic Economic Plan investment decisions are taken be supported and that the LEP Sub-Group on Growing Places and Regional Growth Fund be authorised to consider and make recommendations to the Board on future proposed investment decisions in the Zone.

74/13

Black Country Strategic Economic (Growth) Plan Development Including Updates on City Deal and EU Investment Strategy

Further to Minute No. 59/13, the Board received an update on the preparation of the Black Country Strategic Economic Plan (BC SEP). This included:-

- a) the progress report on the BC SEP that had been submitted for consideration by BIS to meet its deadline of 25th October 2013.
- b) a proposal to use Multi Criteria Analysis (MCA) to support the financial and economic analysis and impact assessment in the Plan and to assist in choosing between projects;
- c) a summary of the current view of the 'big ticket' items in the Plan;

The timetable for the preparation and submission of the SEP was noted and the need to establish clear arrangements and plans for delivery was emphasised.

Sarah Middleton also reported that the report of the Witty review into universities and growth had been published on the 15th October and the SEP would need to take the recommendations in the Report into account. It was proposed that this should be one of the topics of the policy planning session on 10th December 2013 and discussions would be held with Wolverhampton University on the means of taking this forward.

Further to Minute No. 61/13, the Board was also informed that the Black Country draft EU Strategic Framework been signed off by the Chairman and Chair of the Task and Finish Group (Cllr Lawrence) and submitted to Government for comments.

Agreed:-

- 1) that the submission of the SEP Progress Report to Government be noted;
- 2) that the proposals to commission support in developing a Multi Criteria Appraisal Approach be supported;
- 3) that discussions be held with University of Wolverhampton concerning the implications of the findings of the Witty Review for the work of the Partnership to facilitate discussion at the 'away day' session on 10th December.

75/13

Development of 39 LEPs Organisation

The Board was informed that, at a meeting of LEP Chairs – the '39 LEPs' Group on the afternoon of 8th October, consideration had been given to a paper on the future of the LEP Network and emerging 39 LEPs organisation. The paper was set in the context that Government's funding for the LEP network expired at the end of the current financial year and LEPs therefore needed to consider whether some form of national forum for LEPs should continue and, if so in what shape and the means by which it would be funded. The session had agreed that a LEP Network should be established; that they would in principle agree to contribute £5,000 towards the cost and that the LEP Network Logo would remain. There was also an ongoing discussion around the adoption of LEP Network 'ambassadors' at the national level. On this basis a Group was tasked to write another paper with a business plan / case to move the proposal forward.

Members discussed the proposals and noted that there was not a clear consensus over proposals, concerns were expressed at the impact the national organisation would have on existing links with Ministers, etc. and the level of funding that would be required. The nomination of 'ambassadors' was not felt to be an appropriate means of influencing Government

Agreed that the proposals be not supported at the present time and that position be reviewed when the further paper has been prepared.

76/13

Black Country Strategic Transport Board Update

The Board received an update on the work of the Strategic Transport Board (LTB) and noted the work it was undertaking on proposals for the SEP

The Board was also updated on the progress of proposals for the governance of the West Midlands Transport Authority and discussions with Greater Birmingham and Solihull LEP.

77/13 **International Trade Update including Missions to Sweden and India**

Andy Cox reported that UKTI had cancelled a proposed mission to Sweden and he reported on possible missions to South America and Indonesia in March and May. He and Ninder also fed back on the experience and results of the mission to India and discussed possible ways to focus international trade activity.

Agreed that further consideration of proposals to develop international trade activity be considered at the Policy Planning session on 10th December.

78/13 **Broadband Strategy – Update**

Sarah Middleton updated on the development to BDUK to secure capital resources in support of the completion of fibre broadband infrastructure across the Black Country.

BDUK was supportive of a Black Country LEP resubmission of a Broadband Plan with the proposed mandatory local match being sourced from Growing Places funds. Arrangements have been made to commission specialist consultants to support the secretariat in a representation of the Black Country Broadband Plan to BDUK. Timing would be critical as approval from BDUK to proceed to the next stage and procurement within the State Aid framework would require a six months process. It was proposed that Wolverhampton CC assume the accountable body role in succession to Sandwell MBC.

A member referred to exemptions to state Aid obtained by Liverpool region.

Agreed that the Board's support for the proposal to submit a holistic Black Country Broadband Plan be confirmed and that the change in accountable body be noted.

Growing Places and Regional Growth Fund (RGF)

The Board received the minutes and recommendations of the meeting of the Growing Places Sub-Board held on 8th September 2013 when consideration had been given to applications for the unallocated pot of funding within the Growing Priority Sectors in the Black Country” allocation.

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

Company Name	Grant Request
Alucast	£240,000
Rimstock PLC	£137,000
Ash & Lacy Perforators Ltd	£84,500
Intervate	£125,000
Brockhouse Group Limited	£125,000
HCM Engineering Ltd	£71,087
Hadley Industries Holdings Ltd	£359,400
Davro Steel & Co Ltd	£200,000
Cornpoppers	£168,000
Ash & Lacy Building Systems Ltd	£113,756
MTI Welding Technologies Ltd	£150,000
Phoenix Calibration & Services Ltd	£107,500
Ramcell Ltd	£202,000
Ufone Precision Engineers Limited	£125,000
A Perry & Co Ltd	£90,000
HE Knowles Ltd	£495,000
N. Smith Box Co Ltd	£100,000
Pargat & Co Limited	£800,000
Ultra Furniture	£175,000
XL Technical Services Ltd	£108,600
Roadlink International- Project 2	£175,000
Quality Metal Products Ltd	£562,500
Adams Enclosures	£73,000
Precision Chains Ltd	£224,000
Charter Casting Ltd	£160,000
Moseley Brothers	£875,000
Total	£6,046,343

The Sub-Board recommend that approval of the following application be deferred:

Company Name	Grant Request
Roadlink- approval deferred until details of the cost of the new premises and the sale of the current premises are received.	£175,000
Total	£175,000

The Sub-Board had recommended that the following applications be approved subject to further funding being made available through Regional Growth Fund Round 4 funding, or via Round 3 funding where companies had withdrawn their applications or did not successfully complete due diligence:

Company Name	Grant Request
A&M EDM LIMITED	£695,000
Conway Packaging	£100,000
L A Husbands Ltd	£54,810
Total	£849,810

Agreed that the recommendations of the Sub-Board be confirmed.

80/13 **PR and Communications Update**

Members received the update on communications activity and Board discussed steps they could take to reach smaller companies.

81/13 **Dates of Future Meetings**

Agreed that meetings be held on the following dates in 2014 (at 3.00pm unless otherwise indicated):-

27th Jan

27th Feb (Annual Stakeholders Conference – Thursday - approx. – 8.30-11.30am)

24th March
14th April
19th May (Policy Planning 12 -5.00pm)
23rd June
21st July
22nd September
13th October
17th Nov (Policy Planning 12-5.00pm)
15th December.

(The meeting closed at 4.50 p.m.)