



22nd May 2017 at 3.00pm
at Walsall Housing Group, 100 Hatherton Lane, Walsall

Present: Simon Eastwood Carillion plc, in the Chair;
Andy Cox Cox & Plant;
Chris Handy Accord Group;
Cllr Lee Jeavons Walsall MBC;
Ninder Johal Nachural;
Prof Geoff Layer University of Wolverhampton;
Tom Westley Westley Holdings; and
Lowell Williams Dudley College.

In Attendance: Sarah Middleton Black Country Consortium Ltd;
Rachel Goodwin Black Country Consortium Ltd;
Paul Mellon Black Country Consortium Ltd;
Simon Hall Black Country Consortium Ltd;
Hywel Ruddick Black Country Consortium Ltd.

Apologies: Councillors Coughlan, Eling, Harley, Lawrence and Moore and Stewart Towe and Paul Brown.

47/17 **Declarations of Interest**

Tom Westley declared his non-pecuniary interest in Minute No. /17 the Elite Centre for Manufacturing.

Ninder Johal – declared his non-pecuniary interest in the Black Country Music Institute and Sandwell College (FSB Minutes 20th March). Minute /17.

Prof Geoff Layer – declared his interest Elite Centre for Manufacturing Minute No. /17.

Lowell Williams – declared his interest Dudley College Construction Apprenticeship Training Centre – Change Request – Outputs. Minute /17

48/17 **Minutes**

The minutes of the meeting held on 20th March 2017 were circulated.

Agreed: -

- 1) that the minutes of the meeting held on 24th April 2017, be received and confirmed as a correct record;
- 2) that the updates in respect of the Learning the Region Concept and Scale Up Task Force be noted.

49/17 **Sandwell Neighbourhood Policing Presentation – Chief Superintendent Richard Baker**

The Chair advised that this item was withdrawn and would be re-submitted to the July 2017 meeting.

50/17 **Policy Update**

The following updates were submitted: -

- a) Housing White Paper and consultation –.
- b) June Policy Away Day.
- c) Enterprise Zones – A proposal to extend the deadline for incentives available on 1st round of EZs to 2021.
- d) Black Country UNESCO Global Geopark
- e) Government Launches Channel 4 consultation.
- f) General Election and Purdah –
- g) Business Representative Manifestos
 - i) EEF's Manifesto
 - ii) FSB's Manifesto

Agreed that the LEP Board note the Policy Update.

51/17 **West Midlands Combined Authority Update and Mayoral Plan**

The following updates were provided: -

21st April – Midland Metro extension Wednesbury to Brierley Hill – agreed submission of Outline business case to Government – funding to be sought in 2017 Autumn Statement.

12th May – regional response agreed on C4 – feasibility study BC contribute £40k share of three LEP's £120k.

An update on Collective Investment Fund – which had been reduced by £10m and was no longer able to support Sandwell MBC projects. The meeting was advised that when the WMCA had power to borrow it would be reinstated and again be able to support Sandwell projects.

Commonwealth Games bid – WMCA to support the Commonwealth Games Bid Company.

Mayors – 100-day plan, in relation to the BC was received.

Agreed: -

- 1) that the LEP Board note the decisions of the WMCA LEP Board on 21st April 2017 and 12th May 2017; and
- 2) that the LEP Board note the Mayoral Plan in relation to the BC objectives.

52/17 **DY5 – Dudley’s Business and Innovation Enterprise Zone Memorandum of Understanding**

Members received the report and noted that the MOU was prepared and ready for signing.

Agreed

- 1) That the LEP Board endorse the MOU and the PID in respect of DY5 – Dudley’s Business and Innovation Enterprise Zone
- 2) That the LEP Board authorise the Chairman to sign the MOU on behalf of the Black Country Local Enterprise Partnership.
- 3) That the LEP Board agree to receive a report on all Enterprise Zone (i54/Wolverhampton; Darlaston; and DY5 Brierley Hill) Activity and Finance to a future Board meeting.

53/17 **Black Country Strategic Economic Plan – Update and Pipeline Local Growth Fund**

a) Bloxwich Level Crossing mitigation

Agreed: -

That the LEP Board approve and endorse: -

- 1) Approval for the Bloxwich Level Crossing Mitigation Package scheme from within the Growth Deal programme. LTB (Pre-allocated Local Growth Fund) grant funding is to be awarded to

the value of £100,000 with delivery to commence in the 17/18 financial year;

- 2) That the Board note the applicant will be notified of the outcome of their bid by the Chair of the Funding Sub-Board, and the subsequent processes of the Accountable Body as contained in the Assurance Framework.

b) Project Change Requests

Agreed: -

That the LEP Board approve and endorse: -

- 1) Approval for the following Change Requests:

- i. Dudley Brownfield Land – acceleration of £249,585 into 16/17 and revised profile;
- ii. Accessing Growth – A459 Dudley Rd/Coombs Rd Halesowen transfer of £92,998 into 17/18;
- iii. Wolverhampton Civic Hall & Grand Theatre - transfer of £460,915 into 17/18;
- iv. Growing Priority Sectors - transfer of £1,678,418 into 17/18;
- v. Woods Lane - transfer of £399,761 into 17/18 and revised profile
- vi. Elite Centre for Manufacturing Skills (ECMS) - transfer of £1,650,493 into 17/18;
- vii. Accessing Growth – M6 J10 Resilience Package - transfer of £102,305 into 17/18 for the M6 J10 Major project;
- viii. Accessing Growth Programme - transfer of up to £1,103,243 into 17/18
- ix. Very Light Rail SEED Funding - transfer of £10,000 into 17/18;
- x. A4101 Pensnett Strategic Access Improvement Scheme - acceleration of £298,683 into 16/17;
- xi. Former Caparo Site – Site Investigation - change of bidder name to Dalriada Trustees Limited;
- xii Black Country Living Museum Site Investigation - Change Request – Transfer of £3,821 from 2016/17 into 2017/18.

- 2) That the Board note the applicants will be notified of the outcome of their respective bids by the Chair of the Funding Sub-Board, and the subsequent processes of the Accountable Body as contained in the Assurance Framework.

c) Project Approval – Advanced Manufacturing Training Centre

A discussion ensued regarding the Advanced Manufacturing Centre bid and

Agreed

That the LEP Board:

- 1) Approve the Advanced Manufacturing Training Centre (AMTC), Aldridge project from within the Growth Deal programme for grant funding of £499,999, with delivery to commence in the 17/18 financial year, subject to: -
 - a) that the applicant demonstrates to the Accountable Body – Walsall Metropolitan Borough Council, that there was a local business need for the project;
 - b) that the applicant confirms the current position of their project in relation to any courses offered by Walsall College, in order to avoid duplication of provisions; and
 - c) that the applicant ensures, once a) and b) are confirmed to the satisfaction of the Accountable Body that they implement a competitive tendering process for the purchase of the equipment for the Advanced Manufacturing Training Centre; and
- 2) Note the applicant would be notified of the outcome of their bid, subject to the clarification detailed above, by the Chair of the Funding Sub-Board, and the subsequent processes of the Accountable Body as contained in the Assurance Framework.

54/17 **Local Growth Fund Programme Dashboards**

Paul Mellon and Rachel Goodwin provided updates on the respective Dashboards.

Agreed that the Board note and receive the Local Programme Dashboards.

55/17 **Minutes of the Funding Applications Sub-Board 18th May 2017**

Chris Handy, who had Chaired the meeting of the Funding Sub-Board, held on 18th May 2017 advised of the following decisions taken: -

65/17 Growing Priority Sectors – Request for Change - Re-profile of Annual Grant

Agreed: -

- 1) that the LEP Board members be asked to support the Change Request from the Growing Priority Sectors Programme for slippage of £1,678,418 of spend from 2016/17 into 2017/18; and
- 2) that the Accountable Body re-issue a revised spend profile to Sandwell Metropolitan Borough Council.

66/17 Growing Priority Sector applicants requesting an exemption from £5,000 Due Diligence – Steadfast and Keytracker

The meeting was advised that all applicants approved for funding by the LEP Board were subject to a Due Diligence review before they could receive the funding. Successful applicants that pass the Due Diligence review and receive funding, are invoiced for the cost of the review, £5,000 and the fee is payable irrespective of the size of the company or size of the grant.

It was noted that two applicants – Steadfast and Keytracker – had applied for an exemption to this fee as their respective grants were £56,000 and £50,000, with their annual turnovers were significantly below the three other companies awarded grants of less than £100,000.

Members were supportive of the respective requests, given the level of grant received and the reported turnover of each company.

Agreed that the LEP Board Members be asked to waive the £5,000 Due Diligence review fee in respect of the projects submitted by Steadfast and Keytracker.

67/17 Growing Places Fund – Project Update

Agreed that Sub-Board note the Growing Places Fund Project update.

72/17 Review of the Success of Site Investigation Support 2015/16 to 2016/17

Agreed that FSB recommend to the LEP Board members that the following be applied to future SI bids, subject to discretion on individual applications: -

- a) An immediate hold to be placed on future awards pending the reviews' findings;

- b) Introduce a standard 30% match funding requirement from all applicants, for consistency with other Growth Deal grant awards;
- c) Initiate a level of “clawback” of grant from successfully delivered projects, where a developer had been seen to make a significant profit; and
- d) That the Funding Sub-Board retain a level of discretion on future SI bids in relation to match funding, with a rationale of why the discretion was exercised being submitted to the LEP Board for consideration.

87/17 Walsall Accountable Body – Growth Deal Staffing Costs – Briefing Note for Clarification

88/17 Any other business

- a) **Halesowen College – Creation of Access Centre for HE – outputs misreported.**

The meeting was advised that the outputs had been misreported to the LEP Board and the Black Country Executive Joint Committee, as detailed.

	Outputs reported	Revised Outputs
Business Assists	3	0
Learner Assists	895	515
Apprenticeships	40	10

Agreed that the LEP Board be note and approve the reduced outputs for the contract.

- b) **Pensnett Estate Extension**

The meeting was advised that following the build, the Industrial Floorspace outputs had now come in at 14,957 sqm, as opposed to the agreed 15,003sqm contained in the Heads of Terms.

Agreed that the LEP Board be asked to note the revised Floorspace and approve the 6sqm reduction in the Heads of Terms contract.

Agreed: -

- 1) that the LEP Board approve and confirm the minutes of the Funding Sub-Boards held on 18th May 2017; and
- 2) that the LEP Board approve the recommendations contained therein, in relation to Growing Priority Sectors and Local Growth Fund, as detailed, for submission to the next scheduled meeting of the Black Country Joint Executive Committee.

56/17 **Funding Applications Sub-Board – Decisions post 18th May 2017**

Chris Handy also advised of additional decisions the Funding Sub-Board had taken at a specially convened session prior to the meeting to consider written reports, which had not been available at the meeting on 18th May 2017: -

a) **Change Request - Site Investigation - Transfer of funding to 17/18 for Wharf Approach**

Agreed

- 1) That the LEP Board approve and endorse the Change Request for a transfer of Growth Deals funds of £16,272 from 2016/17 to 2017/18; and
- 2) That the Board note the applicant will be notified of the outcome of their bid, subject to the clarification detailed above, by the Chair of the Funding Sub-Board, and the subsequent processes of the Accountable Body as contained in the Assurance Framework.

b) **Change Request - Shidas Lagoon**

Agreed

- 1) That the LEP Board approve and endorse the Change Request for the deferment of the project feasibility study, including the site investigation, by 6 months, which will now take place in 2017/18 rather than 2016//17;
- 2) the Change request for the transfer of Growth Deals funds of £81,719 from 2016/17 to 2017/18; and
- 3) That the Board note the applicant will be notified of the outcome of their bid, subject to the clarification detailed above, by the Chair of the Funding Sub-Board, and the subsequent processes

of the Accountable Body as contained in the Assurance Framework

c) Moxley Tip Site Investigation - Additional Funding Request

Agreed

That the LEP Board:

- 1) request if the accountable body had made contact with the applicant Parkhill Estates regarding the overpayment, with a view to requesting a repayment; and
- 2) be advised of which elements of the Site Investigation works had the accountable body overpaid against, as contained within the Thomas Lister assessment; and
- 3) receive and an itemised schedule of grant payments made to Parkhill Estates, in respect of the project.

d) Joint Committee Expenditure - Additional Funding Request

Agreed

- 1) That the LEP Board approve and confirm the request for the additional £20,661, “in principle”, for Joint Committee expenditure, subject to the receipt of a formal Change Request being received and approved; and
- 2) That the Accountable Bodies be requested to provide a breakdown of their associated costs applied to each supported project in preparation the LEP Away Day.

e) Professional Property Technical Adviser Capitalisation of Funding

Agreed

- 1) That the LEP Board approve and endorse the Capitalisation of £42,995 against the Growth Deal Programme; and
- 2) That any future capitalisation requests be submitted to the Funding Sub-Board for evaluation.

f) Walsall Accountable Body – Growth Deal Staffing Costs – Briefing Note for Clarification

The LEP Board Members Funding Sub Board (FSB) re-considered the paper from Mark Lavender with regard to capitalising Councils costs, Transport Development costs and those of the Professional Property Advisers evaluation reports costs. The meeting was updated with the

recent announcement at the LEP Network that Mary Ney, ex Chief Executive, had been appointed as a Non-Executive Director on the Department of Communities and Local Government, specifically to review the effectiveness of Growth Fund usage by LEPs and their Accountable Bodies

Local authorities and the BC Transport Director had previously utilised the Development funding in different proportions using approximately £2.5M of Growth Funds to support Council Revenue costs to date.

FSG members discussed the two uses of Growth Funds by Councils:

- i. Capitalisation of in house Costs
- ii. Development funding for Councils, Transport Director, etc.

i) Capitalisation of In house Costs

FSB members sought clarification of best practice from other LEP's and BEIS with regard to capitalising in-house costs and were informed this was not in place in other LEPs and was considered inappropriate by those LEPs contacted.

Agreed

- 1) that Funding Sub-Board recommended to the LEP Board that members not support the request; and
- 2) that the present practice of removing in house costs from Growth Deals bid continue.

ii) Development funding for Councils, Transport Director, etc.

FSB members sought clarification of the principle of providing Development Funding for Councils from Growth Deal funding for bringing forward future Schemes.

The meeting was advised that these funds had been established in response to a request from LAs to help with the development of the BC pipeline supporting its readiness to deliver and ensuring more "oven ready" schemes. FSB members requested clarification on the schemes this work had supported. Members recognised that this support had assisted Councils as the BC LEP delivery reputation was now much enhanced, but not all LAs had used the funds. There was potential to allocate these funds more effectively and more reflective of the delivery priorities. Any surplus funds could then be redirected back to the

programme to support additional project applications.

Members determined that there was a need to review the Development capacity programme in 2017/18 and confirm what support sponsoring partners would need moving forward. Members also confirmed that block allocations were no longer appropriate. The overall “in principle allocation” would remain at approximately £1.7M per annum but the meeting needed to understand on a case by case issue, the utilisation of this resource against the programme.

LEP Board FSB members requested that the process for Councils securing LEP Board Development funding for 2017/18, to facilitate Council Revenue (Development) costs to be capitalised subsequently, be regularised to reflect compliance with the standard Assurance Framework based Growth Fund bid processes. The meeting determined that for all future “Development Support” bidders would need to follow a process consistent with all other Growth Deal bids

Agreed

LEP Board were recommended to approve and confirm: -

1. that approval would need to be sought in advance, on a scheme by scheme basis, for Councils seeking 2017/18 Growth Deal support for Capital Scheme Development;
2. that bidders would need to submit the Initial Proposal form highlighting the usual core elements of a bid; i.e.
 - a. Strategic alignment to BC SEP priorities, WMCA priorities and to Council priorities;
 - b. Outputs to be delivered directly from Grant support;
 - c. Cost structure of the Bid;
 - d. Issues and Risks of the proposed Scheme that this grant support will mitigate through additional Development work
3. that where a Scheme was seeking a further years Development support it would need to demonstrate the Outputs delivered to date resulting from previous Growth Fund support, to demonstrate to the LEP the VFM previously delivered; and
4. that they supported the continuing need to see BCC Pipeline schemes come forward but that block allocations were no longer appropriate; and
5. that all future Development Funding bids be considered on a bid by bid basis to ensure Value for Money and targeted Outputs were delivered.

Agreed: -

- 1) That the LEP Board approve and confirm the decisions of the Funding Sub-Board; and
- 2) That the LEP Board approve the recommendations contained therein in relation to Growing Priority Sectors and Local Growth Fund, as detailed, for submission to the next scheduled Black Country Joint Executive Committee.

57/17 **Black Country LEP Assurance Framework – Accountable Body Review**

Members were advised that further revisions were required to the Assurance Framework by the Accountable Body and these would be reported to the July meeting.

Agreed: - that the Board note the update.

58/17 **LEP Core Strategy Funding**

The report on the LEP Core Strategy Funding was presented.

Agreed: -

That the LEP Board: -

- 1) Note LEP funding position as at 31st March 2017;
- 2) Note Programme Office and SEP Proposition Funding expenditure as at 31st March 2017;
- 3) Approve utilisation of funds brought forward to cover the overspend of core funds (£2,204) and expenditure set against the 2014/15 brought forward figure on strategic funds (£6,450) and agree the funds carried forward for future years; and
- 4) Grant Walsall MBC permission to continue to act as the Accountable Body in relation to LEP Core and Strategic Funding as detailed in the report.

59/17 **PR and Communications Update**

The Board received the regular update on PR activity since the last meeting and updates on work to improve response rates to e-communications from the LEP.

Agreed that the report be noted.

60/17 **Dates of Next Meetings**

The dates of future meetings were noted, with the next meeting being the Policy Away Day to be held on 26th June 2017 at noon.

(The meeting closed at 4.25pm)