

Minutes of a Meeting of the Black Country Local Enterprise Partnership

25th February 2016 at 8.30a.m.
at Wolverhampton University Business School, Lord Swraj Paul Building, Molineux Street, Wolverhampton.

Present:

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| Stewart Towe | Chairman; |
| Cllr Adrian Andrew | Walsall MBC; |
| Paul Brown | Ernst & Young; |
| Andy Cox | Cox & Plant; |
| Cllr Darren Cooper | Sandwell MBC; |
| Simon Eastwood | Carillion plc; |
| Chris Handy | Accord Group; |
| Prof Geoff Layer | Wolverhampton Uni; |
| Cllr John Reynolds | Wolverhampton CC; |
| Tom Westley | Westley Group; |
| Lowell Williams | Dudley College. |

In Attendance:

| | |
|-----------------|-------------------------------|
| Sarah Middleton | Black Country Consortium Ltd; |
| Keith Ireland | Wolverhampton CC; |
| Zoey West | Walsall MBC; |
| Paul Mellon | Black Country Consortium Ltd; |

Apologies:

Councillors Bird, Lawrence and Lowe and Ninder Johal.

27/16 **Minutes**

The minutes of the meeting held on 25th January 2016 were circulated.

With reference to Minute No. 18(a)/16, Lowell Williams updated on college discussions concerning the review process.

Agreed that, subject to the correction of minute numbers, the minutes of the meeting held on 25th January 2016 be received and confirmed as a correct record.

28/16 **Policy Intelligence Report (Earnings)**

The Board received on trends in resident and workplace earnings in the Black Country up to 2015.

In terms of residents, the Black Country ranked 38th out of the 39 LEPs for average gross annual full-time resident earnings. However, the 5.5% growth rate for the Black Country between 2014 and 2015 was the highest of the 39 LEP areas together with Coventry & Warwicks.

Based on workplace, the Black Country ranked 32nd out the 39 LEPs for average annual full-time employee earnings. Earnings for the Black Country LEP area were the third highest in the West Midlands. The Black Country's annual growth rate of 5.8% in 2015 was the second highest in the country after Greater Birmingham & Solihull LEP at 6%.

Earnings growth in the Black Country had been above the national average growth over the past year, the five year period from 2010 to 2015 and from 2005 to 2015.

The Board noted the growing impact of skills shortages across a range of employment areas and the increasing need to find routes into employment for those lacking basic skills and educational requirements. The likely impact of the Apprenticeship Levy was also discussed noting that it would not distinguish between age groups.

29/16 **West Midlands Combined Authority – Draft Orders and Devolution Deal**

Further to Minute No. 06/16, Sarah Middleton reported on the timetable and process for the Parliamentary Orders establishing the Combined Authority and the powers of non-constituent authorities set out in the draft constitution of the Authority. Councillor Cooper and Keith Ireland updated on the progress of discussions, bodies that had requested Non-Constituent Member status and the next steps towards the establishment of an elected Mayor.

Sarah also reported on discussions concerning a second phase of devolution and the 'asks' that might be the subject of submissions to Government.

Agreed:-

- 1) that the decision at Minute No. 132/15 to become a non-constituent member of the Combined Authority be reaffirmed;
- 2) that the Combined Authority Order, draft constitution and terms of the Devolution Deal be supported;
- 3) that the possible areas for a second Devolution Deal be noted.

30/16

Midlands Engine and Midlands Connect – Next Steps

Further to Minute No. 08/16, the Board received a paper setting out further details of the development of the Midlands Engine. The draft notes of a meeting of West Midlands LEP Chairmen held on 5th February where they considered Midlands Engine Progress and an update on Midlands Connect were also submitted.

Members noted the need for clear explanation of the purpose and role of Midlands Engine particularly in relation to the Combined Authority and discussed its likely role in the further devolution of powers from central government.

Agreed:-

- 1) that the Chief Executive prepare a further detailed report on the development of the Engine Themes and its implications for the Partnership's work and programmes to inform the discussions on member support pursuant to Minute No. 08/16;
- 2) that the need to have a clear explanatory framework for role of Engine especially in relation to the Combined Authority be highlighted in discussions over the development of the programmes.

31/16

Local Growth Fund - Programme Dashboards

The Board received the regular dashboards on the progress of LGF projects and the City Deal. The Board noted the continuing work to ensure that spend for 2015/16 was achieved and to make provision for slippage in future years.

Agreed:-

- 1) that report on the latest position and steps being taken to ensure that spend in 2015/16 is maximised and accounted for and possible implications for future years be considered at the next meeting;

- 2) that the Secretariat make enquiries concerning West Midlands and national position on LGF spend;
- 3) that officers be thanked for their work in developing the dashboards and that work continue to explore the use of the approach for other programmes.

32/16

Funding Applications Sub-Board - Decisions Made at Meeting of Sub-Board held on 19th February 2016

The Chair of the Funding Applications Sub-Board reported that the Sub-Board had met on 19th February 2016 and considered a number of applications for Local Growth Funding, an application for Growing Priority Sectors funding and the use of surplus Growing Places funds:-

Local Growth Fund

Pursuant to Minute No. 16/16 of the Partnership Board, the Sub-Board received a report considering the follow:-

- a) Over-programming and scheme slippage;
- b) projects previously approved which would constitute the 2016/17 LGF programme;
- c) three site investigation bids for LGF support in 2016/17;
- d) Accessing Growth transport schemes.

The Sub-Board had recommended that:-

- i) the 2017/18 programme be over-programmed to match the provision in 2016/17 for slippage from 2015/16;
- ii) that the proposed programme of LGF funding for 2016/17 be confirmed;
- iii) the following applications for funding for site investigations be approved:-
 - a) Moxley Tip Infrastructure Works;
 - b) Alexandra Site, Darlaston, Wolverhampton;
 - c) Challenge Block, Hatherton Street, Walsall;
- iv) the approvals at (3) be subject to the reports produced being made available to the relevant local authority and Consortium and that this should be a standard condition of approvals;
- v) where the report shows the cost of further remediation to be prohibitive, Thomas Lister be requested to confirm the conclusions before any recommendation is made to write off the funding;

- vi) the clawback of grant for site investigation works when remediation/development does not proceed be considered on a case by case basis and that Thomas Lister be requested to report on possible criteria;
- vii) future applications for funding for site investigations be considered and funded in the same way as other LGF proposals;
- viii) the inclusion in the LGF of the Accessing Growth Transport schemes be approved

Growing Priority Sectors – Programme Update Application for Funding – Riaar Plastics Ltd

The Sub-Board received an overview of the status of the applications for Growing Priority Sector funding and noted that it was expected that expenditure in 2015/16 would broadly meet the Programme targets.

The Sub-Board also considered an application for funding by Riaar Plastics Ltd, West Bromwich. The Company was a plastic injection moulding company and was applying for £100,000 for a £340,000 project to create a new manufacturing facility and expand production in terms of both volume and product lines.

The Sub-Board had recommended that:-

- i) officers submit a report to the next meeting on a new appraisal framework for approval to reflect a greater focus on innovation and high value jobs and any implications for the Programme as a whole;
- ii) the application from Riaar Plastics, West Bromwich be not approved for reasons including low salaries, weak additionality & displacement and that officers discuss further with the applicants next steps and possible alternative sources of support.

Growing Places

The Sub-Board had recommended the approval of proposals to use Growing Places revenue funding and surplus Black Country Investment funding to support the underwriting of site investigation proposals.

Agreed that the recommendations of the meeting of the Funding Sub-Board held on 19th February 2016 be approved.

33/16 **EU Structural and Investment Fund (ESIF) 2014-2020 - Refresh**

The Board received a revised ESIF Strategy document reflecting the results of negotiations and influence from the EU Commission so that the responsibilities of the Partnership had moved away from delivery and governance, to one of oversight and strategic direction. The Board was also updated on the progress of the ERDF programme calls, a call for Youth Employment Initiative ESF funding and opt-in arrangements with the Skills Funding Agency (SFA) and BIG Lottery for work on social inclusion priorities.

The Board noted that, following the letter from the SFA on key changes to be made to ESF Opt-in offers in the light of the Government's policy announcements on devolution of the Adult Skills Budget resulting in all SFA ESF contracts closing in March 2018, the Black Country had chosen to reduce the original spending commitments and deliverables pro rata to fit the new two year period.

Agreed:-

- 1) that the revised ESIF Strategy document be approved;
- 2) that the devolution process in relation to ESF delivery post-2018 be noted and further reports submitted as the implications are considered.

34/16 **Black Country Enterprise Zone Extension – Revised Submission**

Further to Minute No. 100/15 above, the Board received revised applications for proposed Enterprise Zone at Brierley Hill and i54 and Darlaston Extension.

Agreed that the revised applications be supported.

35/16 **Black Country Consortium Business Plan – 2016-18 – Implications for LEP and LEP Capacity**

Further to Minute No. 04/16, the Board received the draft Black Country Consortium Ltd. Business Plan for 2016-2018. The Plan set out the functions and structure which reflecting the capitalisation of the Programme Office enabling the capacity and support for pipeline development to be continued. Further work was being undertaken with the Working Group to outline 'Team Black Country Transport' and how

the released revenue within local authorities could become a Black Country pool in support of specific priority projects. The Plan also set out the proposed priorities, activities and management framework for 2016/18. The plan provided the strategic capacity and the enabling, co-ordinating and advocacy function for the LEP.

Members welcomed the Plan and noted in particular the contribution made towards the Combined Authority activity.

Pursuant to Minute No. 23/16, the Board received the proposed budget for the core funding for 2016/17 as follows:-

| LEP Core Funding Budget 2016/17 | |
|--|-----------------|
| Capacity | £147,720 |
| MIPIM (Feb 2017) | £25,000 |
| Website maintenance | £11,280 |
| LEP Meetings and Conferences | £20,000 |
| Sundry Room Hire and Refreshments | £16,000 |
| Corporate Board Development | £5,000 |
| Sponsorship of LEP Network | £5,000 |
| Overheads | <u>£20,000</u> |
| | <u>£250,000</u> |

In the light of the decision at Minute No.32/16 above consideration of proposals to use Growing Places funds to further support site investigations was deferred.

Agreed:-

- 1) that the draft Black Country Consortium Business Plan for 2016/18 be approved insofar as it relates to LEP activity and plans;
- 2) that the 2016/17 LEP core funding budget be approved and the application for funding signed by the Chairman for submission to Government.

36/16 PR and Communications Update

The Board received the regular update on PR activity since the last meeting. Members discussed various routes by which the Partnership could raise its social media profile.

Agreed that work continue to explore routes for raising the LEP's media profile and that further updates be submitted to future meetings.

37/16 **Date of Next Meeting**

14th March 2016.

(The meeting closed at 10.00a.m.)