



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

**REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD
TO
BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON
9 MARCH 2016**

Black Country Local Growth Deal – PROGRESS UPDATE AND OUTPUT CHANGES
Approval of project expenditure and outputs

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To update the Joint Committee on the progress made in the further development of the Growth Deal projects (following the Progress Update and Output change report considered by the Joint Committee on the 20th January 2016).
- 1.2 To present to the Joint Committee a summary of the current estimated known position for project funding and outputs, showing the associated change recommendations to the required projects.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee, as recommended by the Advisory Board, notes and approves the updated project expenditure and outputs for the Growth Deal projects and agrees the changes as set out in Appendix 1.
- 2.2 That the Joint Committee notes the changes to Cashflow Forecasts as outlined at 3.4.

3. REPORT DETAIL

- 3.1 This report details the current position of the Growth Deal Projects approved by the Joint Committee, reflecting all changes to the Programme (Funding and Outputs) since the Progress Update and Output Change report considered and approved by the Joint Committee on the 20th January 2016.
- 3.2 The 2015/16 LGF support approved by BIS was £24.35m. The Baseline of projects being offered Grant awards by Walsall Accountable Body for 2015/16 started at £22.7m, with a gap in spend of £1.65m. Therefore to ensure full utilisation of the £24.35m LGF and address potential underspend as highlighted by projects throughout the first year of the programme, a range of additional Pipeline projects have been brought forward for LEP and

Joint Committee approval, resulting in £26.78m of live projects being approved and an over-programming of around 15%.

- 3.3 The Black Country Consortium (BCC) Programme Office undertook Q4 Individual Project Performance Monitoring Reviews in January 2016 to ascertain the Predicted Year End spend position and to validate Outputs both already realised and yet to be delivered following LGF Investment support. A number of changes to project output and funding profiles were endorsed by the Programme Management Office (and subsequently reported to the LEP Board); these include the transfer of funds between financial years due to fundamental changes in project design and delivery. With these changes taken into account, the latest position on programme spend in 15/16, is £26.88m against £24.35m allocated from BIS, the latest forecast is £24.33m. As outlined above, overprogramming has been approved by the LEP Board to mitigate against the reported slippage in the original programme. The latest expenditure forecasts, although presented to the Advisory Board on 24th February, have not been included in this report.
- 3.4 The Joint Committee are asked to note that Cashflow Forecast reductions have occurred, following the detailed Q4 reviews which robustly tested each Projects' Cashflow forecast, identifying slippage in individual projects, and will be subject to further change during the final few months of the financial year. This is monitored closely by the Programme Office via fortnightly status reporting as well as a year-end stock take requested by the LEP Funding Sub Group to establish our position as at 31/03/2016. The LGF Dashboards will continue to be presented to reflect the changes.
- 3.5 Regarding outputs, the current 3,739 jobs projected is close to the original target of 4,000, however there is a continued need to strengthen the Pipeline, especially for additional business assist outputs. There are 2,262 business assists currently projected against a target of 3,200. Both housing and learner assist numbers continue to exceed our target, providing a welcome contingency. In addition, we are projecting to deliver a target of 11,494 Apprenticeships by 2021.
- 3.6 The Pipeline highlights additional outputs to be delivered through future LGF funding awards over the target period to 2021.

4. FINANCIAL IMPLICATIONS

- 4.1 The costs associated with this development work and the delivery of projects that form part of the LGF will be covered by allocations from government associated with this programme. This includes the use of any interest accrued by the Accountable Body to cover costs associated with the delivery of Accountable Body functions, as approved by its (Walsall Council) Cabinet on the 29th October 2014.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements are being prepared by the Accountable Body (Walsall Council) and will include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint

Committee. The Grant Agreement Schedules will be revised and re-issued to Grantees at the beginning of the new financial year, and these changes will be included.

6. RISK MANAGEMENT

6.1 Risk is being managed through the on-going assessment of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with Government and set into place by the LEP Board or the Joint Committee.

7. EQUALITY IMPLICATIONS

7.1 None at the time of drafting.

8. CONSULTATION

8.1 A completed consultation sheet supports this report.

Back Ground papers

Black Country Local Growth Deal (Round 1) – Progress update and Approval for Output Changes on Previously Approved – *Joint Committee Report 18th February 2015*

Black Country Local Growth Progress Update and Output Changes – *Joint Committee Report 20th January 2016*

Attachments

Revised Growth Deal Round 1 Project Outputs

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Attachment 1 – Revised Growth Deal Round 1 Project Outputs

GROWTH DEAL PROJECT		Outputs			
		Jobs	Houses	BA	LA
FAB Kit Programme	Reported	6		200	1,190
Advance Science, Engineering & Technology Centre	Reported	20		155	965
Growing Priority Sectors	Reported	600		30	14
Dudley Advance Construction (CABTech)	Reported	390		1,430	3,250
	Changes Agreed with PMO	315		1,150	2,600
Science, Technology & Prototyping Centre	Reported	122			
Elite Centre Feasibility Project	Reported / Revision with contract award				
Bilston Urban Village	Reported	80	580		
	Changes Agreed with PMO	80	340		
Black Country Managing Short Trips Programme	Reported				
	Changes Agreed with PMO				
Woods Lane	Reported		351	14	
	Changes Agreed with PMO		351	14	
Accessing Growth	Reported				
Accessing Growth Overprogramming	Revised and Approved				
Goscote Lane Corridor Development Programme	Reported		741	32	40
	Changes Agreed with PMO		741	32	40
M6 Junction 10	Reported				
	Changes Agreed with PMO				
Growing the City Centre Cultural and Business Event Offer, Wolverhampton	Reported	100		250	2,730
	Changes Agreed with PMO	112		250	2,730
Wolverhampton Interchange - Commercial Gateway Phase 2	Reported	2,258			
Walsall Waterfront	Reported	190	30	3	
Ruskin Mill Glasshouse Phase 3	Reported	12		10	201
Specialist Equipment for Advanced Manufacturing Technology Training	Reported	33		56	220
	Bid withdrawn by Applicant	0		0	0
City of Wolverhampton College Relocation	Reported				
Dudley Town Centre - Buildings & Sites Improvements Programme	Reported	6	0	8	
		6	5	8	
A4104 Pensnett High Street	Reported				
Elite Centre for Manufacturing Skills	Reported	16		265	2,349

Expenditure						
15/16	16/17	17/18	18/19	19/20	20/21	TOTAL
276,088						276,088
1,059,000						1,059,000
2,000,000	2,500,000	2,000,000				6,500,000
2,419,835	5,460,165					7,880,000
2,419,835	5,460,165					7,880,000
577,356	4,302,644					4,880,000
170,000						170,000
2,000,000	1,250,000					3,250,000
2,000,000	1,250,000					3,250,000
1,785,000	3,050,000	80,000				4,915,000
2,155,000	2,760,000					4,915,000
2,425,000	2,715,000					5,140,000
1,736,765	3,403,235					5,140,000
3,000,000	5,800,000	3,000,000	3,000,000			14,800,000
275,000						275,000
1,250,000	450,000	1,424,000	2,848,000	2,492,000	356,000	8,820,000
1,700,000	0	1,424,000	2,848,000	2,492,000	356,000	8,820,000
650,000	470,000	14,260,000	14,270,000			29,650,000
650,000	350,000	120,000	14,260,000	14,270,000		29,650,000
1,909,856	4,208,223	881,921				7,000,000
1,909,856	4,208,223	881,921				7,000,000
4,500,000						4,500,000
100,000	315,000					415,000
160,026						160,026
30,000						30,000
0						0
310,000						310,000
175,000	250,000					425,000
175,000	250,000					425,000
	3,800,000					3,800,000
	5,000,000	2,600,000				7,600,000

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	Changes Agreed with PMO	16		265	2,349
Chances Glassworks	Reported				
Improving Engineering Facilities at Walsall College	Reported				759
UoW Apprenticeship Hub	Reported				
Music Institute Development Study	Reported				
Very Light Rail Development Study	Reported				
PTP IT Academy	Reported	2		145	146
Walsall College - Microsoft IT Academy	Reported				500
Site Investigations	Reported				

TOTAL	Reported	3,835	1,702	2,598	12,364
TOTAL + Accessing Growth Overprogramming	Revised & Approved	3,835	1,702	2,598	12,364
TOTAL	Changes Agreed with PMO	3,739	1,467	2,262	11,494
Growth Deal Commitment		4,000	1,000	3,200	7,000
Variance to Contracted Outputs		-261	467	-938	4,494

KEY
Reported = Position previously reported to the BCJC
Revised & Approved changes = Grant agreement plus project variation change requests
Changes Agreed with PMO = due to change in delivery approach

	4,977,500	2,622,500				7,600,000
660,000						660,000
210,000						210,000
200,000						200,000
80,000	70,000					150,000
150,000	150,000					300,000
40,000						40,000
150,000						150,000
220,970						220,970

26,508,131	39,791,032	24,245,921	20,118,000	2,492,000	356,000	113,511,084
26,783,131	39,791,032	24,245,921	20,118,000	2,492,000	356,000	113,786,084
26,884,896	39,596,767	10,048,421	20,108,000	16,762,000	356,000	113,756,084