



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

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE ANNUAL GENERAL MEETING

On Wednesday 21 June 2023 at 11:00am

To be held at Walsall Council House, Lichfield Street, Walsall

[Watch a Live Stream of the meeting](#)

MINUTES – PUBLIC (Draft)

MEMBERS - In person

Dudley MBC - Councillor Patrick Harley (Voting),
Sandwell MBC - Councillor Bob Piper (sub) (Voting), Shokat Lal
Walsall MBC – Councillor Mike Bird (Voting), Deborah Hindson (**Secretary**)
City of Wolverhampton Council - Councillor Stephen Simkins (sub) (Voting), Tim Johnson

INVITED GUESTS – In person

The Black Country Consortium Ltd – Sarah Middleton

INVITED GUESTS – via Teams

Dudley MBC - Kevin O'Keefe
Walsall MBC – Kelly Valante and Dave Brown

Deborah Hindson welcomed everyone and advised that as this was the annual general meeting of the Black Country Executive Joint Committee, as Secretary she would be the Chair person until a new Chair was elected.

Deborah confirmed that the meeting was quorate and that there were no members of the public present in the room.

1. Apologies

Councillor Ian Brookfield, Wolverhampton
Councillor Kerrie Carmichael, Sandwell

2. **Appointment of Chair and Vice-Chair for 2023/24**

Deborah Hindson asked for nominations for Chair person for 2023/24 however advised that Councillor Bird had indicated that he would be happy to continue.

Councillor Simkins, Councillor Piper and Councillor Harley supported Councillor Mike Bird continuing as Chair person.

Deborah Hindson asked for nominations for Vice Chair person for 2023/24 however advised that Councillor Brookfield had indicated that he would be happy to continue.

Councillor Bird, Councillor Piper and Councillor Harley supported Councillor Ian Brookfield continuing as vice Chair person.

Decision 23/0007

Deborah Hindson moved the recommendations that were put to the vote by way of a roll-call of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the Joint Committee appoint Councillor Mike Bird as Chairperson and Councillor Ian Brookfield as Vice-Chairperson of the BCJC for the 2023/24 cycle.

Councillor Bird chaired the meeting from this point onwards.

3. **Notes of Meeting held on 1 February 2023**

Decision 23/0008

Councillor Bird confirmed that it was Resolved that the minutes of the meeting held on 1 February 2023 be confirmed as a true record.

4. **Matters Arising from the notes of the previous meeting**

None.

5. **Declarations of Interest**

None.

6. **Local Government (Access to Information) Act, 1985 (as amended):
to agree that the public be excluded from the private session.**

None.

7. Constitution and Timetable of meetings 2023/24

Deborah Hindson referred to the report previously circulated and explained that this was her annual report as Secretary to advise of the updated Constitution and Protocols which were for noting as a result of the changes made to the Collaboration Agreement following the closure of the Black Country LEP. The report also contained the 2023/24 meeting dates and the Forward Plan publication dates.

Decision 23/0009

Councillor Bird moved the recommendations that were put to the vote by way of a show of hands of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the Joint Committee

Note the amendments made to its Constitution (Appendix A) and Protocols (Appendix B).

Approve the Forward Plan publication dates for 2023/24 as set out in Appendix C of the report.

Approve the Timetable of meetings for 2023/24 as set out in Appendix D of the report.

8. Black Country Executive Joint Committee Collaboration Agreement

Kelly Valante referred to the report previously circulated and explained that the report is for noting only as the Agreement was signed and sealed by all parties in May 2023. The three key changes referred to in the report were (1) the amended governance arrangements in that the Assurance Framework is still followed but only where it is applicable; (2) treatment of legacy funds and equal sharing of remaining uncommitted amounts and overage; (3) updated Enterprise Zone schedule to the collaboration agreement to reflect the reversion of management and decision making back to local authorities at March 2025

Councillor Bird thanked colleagues at Wolverhampton for getting the collaboration agreement signed and sealed.

Decision 23/00010

Councillor Bird moved the recommendations that were put to the vote by way of a show of hands of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the Joint Committee It was resolved that the Joint committee

notes the revised Black Country Joint Committee Collaboration Agreement, attached as Appendix A, with significant changes set out in further detail in this report. Completion of the signed and sealed document by all four local authorities was achieved on 24 May 2023.

9. Land and Property Investment Fund – Programme Changes

Kelly Valante referred to the report previously circulated and explained that the report was to agree the amended profiles based on actuals for the last financial year and revised forecasts to the end of the programme. Some exceed the 10% delegated authority threshold set out in the assurance framework and therefore need to be agreed. Attachment one explains the changes to the profiles.

Decision 23/00011

Councillor Bird moved the recommendations that were put to the vote by way of a show of hands of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the Joint Committee It was resolved that the Joint committee

Approve of the 2022/23 actual spend position of the Land and Property Investment Fund Projects, reflecting all changes to the Land and Property Investment Fund Programme.

Approve the individual change requests for projects (detailed in paragraph 3.6) that have exceeded the 10% threshold as set out in the Black Country Assurance Framework and for the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to amending the funding profile within the Grant Agreements for:

- Globe Asset Management Limited, to deliver the Globe House, Walsall project with drawdown of grant to start in the 2023/24 financial year.
- GreenSquareAccord Limited, to deliver the Swan Lane, West Bromwich project with drawdown of grant to start in the 2023/24 financial year.
- Wolverhampton City Council, to deliver the Wolverhampton Stowheath Redevelopment for Housing with drawdown of grant to start in the 2023/24 financial year.
- KMN Investments Ltd, to deliver the Spring Road Wolverhampton project with drawdown of grant to continue in the 2023/24 financial year.
- Sandwell Council, to deliver the Sandwell Housing Gap Funding project with drawdown of grant to continue in the 2023/24 financial year.

Councillor Bird made the following statement and gave a note of thanks to Sarah Middleton on behalf of the Committee members.

As we are now within the final stages of the Black Country funding programmes, with the closure of the Black Country LEP that happened in March and the Black Country Consortium Ltd closing at the end of July, I would like to take this opportunity on behalf of the Members of this Committee to thank you Sarah Middleton for all of your excellent work and dedication to ensure that the various funding programmes that have been made available to the Black Country have been delivered successfully. These projects have benefitted millions of people and businesses across the Black Country and for this you and we should be very proud. We wish to every success in your future plans.

The meeting closed.



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

**REPORT OF THE HEADS OF REGENERATION WORKING GROUP TO
THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE ON**

24 JANUARY 2024

**BLACK COUNTRY EXECUTIVE JOINT COMMITTEE GOVERNANCE CHANGES:
LEP ASSURANCE FRAMEWORK CHANGE CONTROL AND DELEGATED
AUTHORITY (REVISED APPENDIX 23)**

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee (BCJC) approves changes to the Change Control Process and Delegated Authority governance, by agreeing BCJC Delegated Authority to the Single Accountable Body (Walsall Council) Section 151 Officer (SAB s151 officer), which will reduce the number of in-person meetings required.
- 1.2 The recommendations were endorsed by the Working Group on 12 October 2023.

2. RECOMMENDATIONS

- 2.1 To approve BCJC Delegated Authority to Walsall Council's Section 151 Officer (SAB s151 officer) as set out in Table 1 (paragraph 3.7), in consultation with the other three Black Country Section 151 Officers (BC s151s) where indicated.
- 2.2 To approve that the Black Country Local Enterprise Partnership (BCLEP) Assurance Framework be amended to reflect the delegations, as per the BCLEP Assurance Framework Appendix 23 attached to this report.

3. REPORT DETAIL

- 3.1 ABCA Leaders requested a simpler process for non-significant decisions, to result in a reduction to the number of meetings being required. The SAB have considered this request in light of the LEP Legacy Funds being fully allocated, as most remaining decisions relate to changes to existing projects.

- 3.2 Change Control Process allows changes to be considered and agreed for projects which have already been approved by the BCJC and are in the delivery phase, allowing the effective annual change management of each project cash flow, outputs and milestones.
- 3.3 LEP Legacy Funds are as follows: the Local Growth Deal; the Growing Places Fund; the Land and Property Investment Fund (LPIF); the Black Country Enterprise Zone (BCEZ); the Getting Building Fund (GBF); and the BCLEP Reinvestment Fund.

Change Control process

- 3.4 The LEP Legacy Funds are fully allocated, but all programmes are either still spending or at output monitoring stage. Therefore, contractual spend and output re-profile requests are highly likely to arise. Under the existing Assurance Framework, this would trigger a Request for Change submission (via the SAB) to the HoR Working Group and BCJC, or certain decisions could be delegated to the HoR Working Group Chair although these are very limited as they are based on percentage change thresholds.
- 3.5 Requesting in-person BCJC meetings to approve such change requests is considered to be a disproportionate use of time and resource of key personnel, especially for low risk items where the likelihood of the BCJC not approving (say a re-profile) would be considered to be remote.

BCJC Delegated Authority

- 3.6 It is requested that the BCJC agree to cease the existing Delegated Authorities to the Chair of the HoR Working Group and to replace with simpler new Delegated Authorities to the SAB s151 officer, as set out in Table 1, in consultation with the other three Black Country Section 151 Officers where indicated.
- 3.7 Table 1: Delegated Authority thresholds to the SAB s151 officer

Delegation	Consultation
1. Re-profiling of finances and outputs within funding end dates/programme lifetime	SAB s151 officer only (except for the BCEZ £250k Pipeline Development Grant spend re-profiles which would be in consultation with all BC s151s due to the potential impact of permitting carry forwards on BCEZ surpluses returned to each Local Authority (LA) on 31 March 2025)
2. Reallocation of funds between existing projects/funding sources (up to the original grant allocation)	SAB s151 officer in consultation with other BC s151 officers*

	(except for projects within the BCEZ £250k Pipeline Development Grant revenue grant for which the delegation is to the SAB s151 only, given the LEP Funding Sub-Group (LEP FSG) agreed to more flexibility for LA to spend on priority projects as they see fit at its last meeting)
<p>3) Reduction of outputs:</p> <p>3a. If no material impact on programme outputs, and impact on Benefit Cost Ratio (BCR) doesn't take it below 1: 1.5 points</p> <p>3b. If material impact on programme outputs or impact on BCR brings it lower than 1:1.5 points</p>	<p>SAB s151 officer</p> <p>SAB s151 officer in consultation with other BC s151 officers*</p> <p>If all agree - report to ABCA, otherwise, requires BCJC approval</p>
<p>4) Reduction of funding and release back into a competitive pot:</p> <p>4a. If due to underspend, and project supports decision in writing</p> <p>4b. If project does not support the decision</p>	<p>SAB s151 officer only</p> <p>SAB s151 officer in consultation with other BC s151 officers*</p>
<p>5) Increase on intervention rate in relation to match funding:</p> <p>5a. <5%</p> <p>5b. >5%</p>	<p>SAB s151 officer</p> <p>SAB s151 officer in consultation with other BC s151 officers*</p>
6) Immaterial changes	SAB s151 officer

*All s151 officers must unanimously agree with a decision, otherwise decisions would need to go to BCJC for approval.

3.8 The Change Control Process and Delegated Authority (Appendix 23 to the BCLEP Assurance Framework) has been reviewed by the SAB team and is attached to this report. The BCLEP Assurance Framework continues to apply under the BCJC Collaboration Agreement, in so far as it remains applicable, to all LEP Legacy programmes, including BCEZ.

3.9 The new delegations to the SAB s151 officer, as outlined in Table 1 (paragraph 3.7), will allow the effective management of the LEP Legacy programmes, and will ensure that Black Country manage risk and meet agreed outputs targets and spend the allocations ranted by government. When delegations are to be used, an email will be sent to all Leaders (cc Chief Executives) advising that the delegation is to be used and giving a summary of the matter for awareness. The delegations will be reviewed in 12 months' time, as part of and in line with the Assurance Framework review undertaken by the SAB.

3.10 BCJC approval will still be required in the following instances:

- Project(s) withdrawal due to identified due diligence issue meaning SAB cannot contract.
- New funding decisions or where underspend on programmes need allocating to new project(s).

Note that:

- a) in the table above, s151s make the decision to reduce/release the funding for redistribution, but BCJC will make the decision on the award to a new project;
 - b) exception is the new projects funded by the BCEZ £250k Pipeline Development Grant revenue grant, which is delegated to SAB s151 only.
- If BC s151 delegated decisions are not unanimous.
 - For any governance changes to BCJC, including to widen the scope of BCJC decisions to new funding awards/ programmes, to agree accountable/ lead authorities or delegations, etc.

BCEZ Pipeline Development grant

3.11 Each Black Country Local Authority receives annual £250k development grant from within BCEZ Pipeline Development fund, funded from BCEZ surpluses, to develop priority schemes. The BC LEP Funding Sub Group (FSG) originally required Local Authorities to submit a list of projects proposed to be funded from their £250k development grant to be approved by FSG at the start of each financial year.

3.12 At FSG on 12 January 2023 it was noted that the Local Authorities pipelines were fluid as funding opportunities and priorities evolved over time. It was also onerous for the SAB to trace and check eligible projects to the original and amended lists, and for Local Authorities to return to FSG each time when there was a change required.

3.13 At FSG on 12 January 2023 it was agreed (Dec. no. 84/22) that moving forward, Local Authorities can use the development grant flexibility for their own priority projects named in the Black Country Pipeline, as long as they were not already funded. This would give Local Authorities flexibility to claim for their priority projects in line with need and reduce administrative burden during the claim process. The minutes also stated that a formal paper would follow to formalise this, but the next FSG was cancelled, and a paper was never taken.

- 3.14 In the absence of FSG, the Heads of Regeneration Working Group is requested to consider and endorse the recommendation that BCEZ Pipeline Development grant can be used flexibly by the Local Authorities for their own priority projects named in the Black Country Pipeline, as long as they were not already funded, and these projects lists/ priority scheme changes will not require formal BCJC approval.

4. BENEFITS COST RATIO (VALUE FOR MONEY)

Not applicable to the recommendations and content of this paper.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no additional costs associated with the recommendations in this report.
- 5.2 The use of Delegated Authority and Change Control Process Tolerances are designed to provide an agile response to projects changes. There is significant risk associated with not having these delegations in place and this may include project stalling, reputational damage and/or clawback/loss of funding.

6. LEGAL IMPLICATIONS

Walsall Council in its role as SAB will utilise the existing grant agreements and BCJC governance processes and procedures to implement changes, which will be in consultation with the appropriate legal and financial services input, advice and approval.

7. RISK MANAGEMENT

- 7.1 Without these measures there is a significant risk that a lack of flexibility will undermine our ability to deliver the Programmes in terms of both spend and outcomes that meet those expected by government, resulting in a clawback/ loss of income and outcomes that benefits local people and businesses.
- 7.2 Risk will be managed through the consultation process for Delegated Authority's decisions required, to ensure that appropriate stakeholders are consulted as appropriate on any request to utilise any delegated authority.
- 7.3 Mechanisms are in place to ensure that for all requests the agreed processes are followed and the limits of the Delegations and Tolerances are adhered to and reported on.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

Legal and Finance officers, including the Section 151 officer, at Walsall Council have been consulted as part of the development of this report. The Section 151 officers of each Local Authority have also been consulted and support the proposals.

Background papers

None.

Attachments

Attachment 1 – BCLEP Assurance Framework, Appendix 23 *‘Change Control and Delegated Authority’*.

Report Author

Mark Lavender

Joint Committee Programme Manager
Walsall Council
Civic Centre, Darwall Street, Walsall
WS1 1TP
Email: mark.lavender@walsall.gov.uk
Telephone: 01922 654772

Change Control and Delegated Authority Processes

The Change Control and Delegated Authority process applies to all LEP Legacy programmes and its projects, including Black Country Enterprise Zone (BCEZ).

1. Change Control Definition

Change control is the process through which all requests to change a project baseline are captured, evaluated and then approved, rejected or deferred.

2. Definition of changes

Change control is deployed to enable changes requested by a project that deviate beyond the tolerance boundaries that have been set. A clear audit trail must be put in place to ensure that the reason for the change from the baseline is transparent.

The following are instances that would trigger change control / a request for change:

1. A proposal to accelerate funding from a subsequent financial year into the current financial year, when the value of a project exceeds the agreed tolerance;
2. A proposal to passport funding from the current financial year into the subsequent financial year/s when the value exceeds the agreed tolerance;
3. Increases to a Grant Award;
4. Scope creep / change in scope from the baseline. This can sometimes result in changes to costs (including match) and outputs;
5. When the outputs agreed to be delivered by a project change;
6. Material changes to the nature or purpose of the Project;
7. Material changes to the ownership, control and nature of business of the Grantee;
8. Immaterial changes such as a change of Company name.

3. Change control process

Table 1: Change control process

Step	Responsibility
1. Request for Change form completed and submitted to the Single Accountable Body (SAB).	Senior Responsible Officer, triggered as soon as the change is known.
2. Change request considered by SAB, to assess: (a) if change request is reasonable; (b) whether mitigating actions could prevent the change first.	SAB, who will feedback to Senior Responsible Officer.

3. If SAB consider change request can proceed, consider if Technical Appraisal is required. If not required, move to step 5.	SAB, who will: (a) feedback to Senior Responsible Officer; (b) Instruct Technical Advisors if budget available.
4. Technical Advisors carries out Technical Appraisal and provides supporting information to SAB to help advice on the change request recommendations.	Technical Advisors.
5. SAB to consider if the change request will proceed: (a) Where not, inform Senior Responsible Officer; (b) If proceeding, consider the route required (full approval process or Delegations).	SAB.
6. There are two routes for change control: (a) Change Request route via the full approval process – see section 4 “Full Change request route”; (b) Delegations – See section 5.	SAB.
7. If change request is proceeding through full approval process, SAB will draft report for Heads of Regeneration Working Group (please refer to Assurance Framework, 4.13 Project Lifecycle).	SAB.

4. Full Change request route

A Request for Change must be submitted to the Heads of Regeneration Working Group and Black Country Executive Joint Committee (BCJC) for approval (via the SAB).

5. Delegated Authority

BCJC to the SAB s151

The BCJC has delegated authority to the Section 151 Officer (s151) of the SAB to approve changes in accordance with the instances as listed in Table 4 below and if required in consultation with named consultees. Where the programmes are at monitoring stage, this will be the preferred option to approve/ reject requested projects

changes. Prior the delegation being used, a notification will be sent to all Leaders (cc Chief Executives) advising of the individual projects changes to be considered.

Table 4: Delegated Authority thresholds to the SAB s151

Delegation	Consultation
1. Re-profiling of finances and outputs within funding end dates/programme lifetime	SAB s151 officer only (except for the BCEZ £250k Pipeline Development Grant spend re-profiles which would be in consultation with all BC s151s due to the potential impact of permitting carry forwards on BCEZ surpluses returned to each Local Authority (LA) on 31 March 2025)
2. Reallocation of funds between existing projects/funding sources (up to the original grant allocation)	SAB s151 officer in consultation with other BC s151 officers* (except for projects within the BCEZ £250k Pipeline Development Grant revenue grant for which the delegation is to the SAB s151 only, given the LEP Funding Sub-Group (LEP FSG) agreed to more flexibility for LA to spend on priority projects as they see fit at its last meeting)
3) Reduction of outputs: 3a. If no material impact on programme outputs, and impact on Benefit Cost Ratio (BCR) doesn't take it below 1: 1.5 points 3b. If material impact on programme outputs or impact on BCR brings it lower than 1:1.5 points	SAB s151 officer SAB s151 officer in consultation with other BC s151 officers* If all agree - report to ABCA, otherwise, requires BCJC approval
4) Reduction of funding and release back into a competitive pot: 4a. If due to underspend, and project supports decision in writing 4b. If project does not support the decision	SAB s151 officer only SAB s151 officer in consultation with other BC s151 officers*

5) Increase on intervention rate in relation to match funding:	
5a. <5%	SAB s151 officer
5b. >5%	SAB s151 officer in consultation with other BC s151 officers*
6) Immaterial changes	SAB s151 officer

*All s151 officers must unanimously agree with a decision, otherwise decisions would need to go to BCJC for approval.

BCJC approval will still be required in the following instances:

- Project(s) withdrawal due to identified due diligence issue meaning SAB cannot contract.
- New funding decisions or where underspend on programmes need allocating to new project(s).

Note that:

- a) in the table above, s151s make the decision to reduce/release the funding for redistribution, but BCJC will make the decision on the award to a new project;
 - b) exception is the new projects funded by the BCEZ £250k Pipeline Development Grant revenue grant, which is delegated to SAB s151 only.
- If BC s151 delegated decisions are not unanimous
 - For any governance changes to BCJC, including to widen the scope of BCJC decisions to new funding awards/ programmes, to agree accountable/ lead authorities or delegations, etc.

**REPORT OF THE HEADS OF REGENERATION WORKING GROUP TO
BLACK COUNTRY EXECUTIVE JOINT COMMITTEE ON**

24 JANUARY 2024

**LAND AND PROPERTY INVESTMENT FUND (“LPIF”) PROGRAMME:
PROJECT WITHDRAWAL – DUDLEY BROWNFIELD LAND PROGRAMME
PROJECT APPROVAL – LOXDALE RESIDENTIAL SCHEME
PROGRAMME MANAGEMENT COSTS APPROVAL**

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 On 12 October 2023 an update was provided to Heads of Regeneration Working Group on the Dudley Brownfield Land (Dudley Council) project, given that the project was unable to spend its grant allocation. Members agreed to issue a final call to Local Authorities to consider replacement projects for the LPIF programme (projects with a green book compliant business case, delivering the LPIF output of land remediation, and being able to spend the grant by LPIF programme end date of 31st March 2025).
- 1.2 Wolverhampton City Council submitted the Loxdale Residential Scheme proposal, and following Heads of Regeneration Working Group endorsement via email to initiate due diligence/ technical appraisal of the business case, Heads of Regeneration Working Group is now asked to consider recommending Loxdale Residential Scheme as a replacement project for the LPIF programme.
- 1.3 The recommendations were endorsed by the Working Group on 7 December 2023.

2. RECOMMENDATIONS

That the Heads of Regeneration Working Group recommends to the Black Country Joint Committee (BCJC):

- 2.1 Approval of the withdrawal of £1,040,000 allocated to the Dudley Brownfield Land project (Dudley Council) from within the LPIF Programme, as outlined in paragraph 3.1.
- 2.2 Approval for the Accountable Body for the LPIF (Walsall Council) to proceed to enter into a Grant Agreement with Wolverhampton City Council for £1,000,000, to deliver the LPIF funded elements of the Loxdale Residential Scheme project, subject to the funding

conditions outlined in paragraph 3.11, with project delivery to commence in the 2023/24 financial year.

- 2.3 Approval for £40,000 of the remaining balance of LPIF funds to be allocated to Accountable Body programme management costs, to cover additional due diligence and contracting costs associated with the replacement of a project.

3. REPORT DETAIL

Dudley Brownfield Land project

- 3.1 The BCJC approved £1,040,000 of LPIF grant to be allocated to Dudley Council for the Dudley Brownfield Land project, supporting the delivery of 52 new affordable homes on brownfield sites. In the period since the grant award was made (1st February 2023 BCJC), there have been changes to Dudley Council's Housing Department's newbuild capital budget. This is due to the Government imposed rent cap and funds being diverted to the improvement of existing homes, following recent court cases over damp within homes making them unfit for occupation. This resulted in Dudley Council's Housing Department's new build capital programme being reduced. Therefore, the project is no longer able to fulfil the delivery timescale obligations attached to the LPIF award, hence the recommendation to withdraw the Dudley Brownfield Land project from the LPIF programme.
- 3.2 The Heads of Regeneration Working Group on 12 October 2023 considered alternative options proposed by Dudley Council, but these were not considered suitable due to either subsidy control compliance issues, being out of scope or costs being ineligible, or significant change requests being required that the WMCA were unlikely to approve. Therefore, it was agreed to issue a final call to Local Authorities to consider replacement projects for the LPIF programme (projects with a green book compliant business case, delivering the key LPIF output of land remediation, and being able to spend the grant by LPIF programme end date of 31st March 2025).

Loxdale Residential Scheme project

- 3.3 The Loxdale Residential Scheme is a circa £5.6m development in the heart of the Loxdale community, Wolverhampton, with close proximity to the city's transport links and public amenities. The project proposes to relocate its taxi licencing service from the Loxdale site, which is owned by the City of Wolverhampton Council, as part of its asset transformation programme to consolidate, rationalise and optimise service delivery in its buildings. This in turn will unlock the land occupied by the former Loxdale Primary School for redevelopment of the 'brownfield site' for key worker and family housing. This project has stalled for eight years, due to a number of challenges including lack of financial resource to carry out feasibility studies and capital funds to relocate its existing uses and further to undertake land preparation works to de-risk it and promote the site for redevelopment for an estimated 112 new homes.

- 3.4 A desk study has been completed for a Phase 1 report on ground conditions, principally mineshaft and mineworking's constraints with initial information on likely risks of contaminated ground. Tenders are in the process of being reviewed for an intrusive site investigation phase, with a proposed subsequent phase of works to subsequently locate and treat the estimated seven mineshafts and shallow mineworking under the site. This Phase 2 intrusive site investigation has a pre-tender budget and is reported to be able to be commenced in early 2024.
- 3.5 The LPIF grant support is sought to address an initial phase of the applicant's submitted viability assessment for redevelopment. The proposed package of funding will enable Wolverhampton City Council to undertake part demolition and addressing underlying mineshafts and mineworkings to the existing Loxdale Primary school site, part-site remediation and servicing, and supporting relocation of its service provision in taxi licencing from the school premises.
- 3.6 It is anticipated that the site preparation works will need to be phased, essentially due to the licencing service remaining in buildings on site until relocation in February 2025 to the refurbished accommodation at the Hickman Avenue site (within Wolverhampton City Council's ownership).
- 3.7 It is understood that the application to West Midlands Combined Authority (WMCA) is for grant support to the final phase of site preparation works and for financial support to the procured developer to deliver 112 proposed housing outcomes. It is noted that the submitted appraisal includes for a 25% number of properties in Affordable tenures (Social Rent and Shared Ownership) with these properties acquired and managed by a Housing Association. It is noted that the proposed 25% quantum of affordable housing meets the Wolverhampton City Council's policy requirements and is above WMCA's minimum target of a 20% quantum required for its intervention.
- 3.8 The project has a good fit with Black Country, WMCA and Wolverhampton City Council priorities and is considered to provide an 'acceptable' value for money for LPIF grant support.
- 3.9 Together with Wolverhampton City Council's resources totalling £1,621,000, grant support of £1,000,000 is being requested from LPIF, with £2,950,000 further funding sought from WMCA. The LPIF grant funding is proposed at an intervention level of 50% to extend Wolverhampton City Council funding to deliver the early stages of land preparation works for the Loxdale site.
- 3.10 The following tables set out the funding profiles of the LPIF grant, and outputs and outcomes. The only direct output in the funding agreement between Walsall Council as the Accountable Body and the WMCA which is linked to a clawback clause, is hectares of land remediated. Jobs, housing units and commercial floorspace are outcomes.

Table 1. Funding summary

Funding	2023-24	2024-25	2025-26	Total
LPIF	£154,000	£846,000		£1,000,000

Own Public (prudential borrowing)	£861,000	£760,000	£0	£1,621,000
Other Public (WMCA SCF)	£0	£0	£2,950,000	£2,950,000
Total	£1,015,000	£1,606,000	£2,950,000	£5,571,000

Table 2. Outputs

Outputs	Metric	2023/24	2024/25	2025/26	Total
Land Remediated	Hectares	0	1.52	0	1.52

Table 3. Outcomes

Outcomes	Metric	2023/24	2024/25	2025/26	2026+	Total
Houses Started	Number	0	0	112		112
Houses Completed	Number	0	0	0	112	112
EV Chargers	Number	0	0	0	9	9
Temporary constructions jobs	Number	0	160	0	0	160

3.11 The full application has been reviewed by the Accountable Body's independent technical advisors, who have recommended that the appropriate amount of grant funding that could be justified in order to facilitate the initial stage of project delivery is the maximum sum of £1,000,000 and subject to the following conditions:

- Funding drawdown to be complete by March 2025.
- Drawdown of funding to be based upon an intervention rate of 50% of qualifying expenditure, relating to physical land preparation works costs, supported by quarterly valuation certificates provided by an appropriately qualified surveyor with a duty of care to Walsall MBC and payments in arrears of costs being defrayed by the Applicant.
- Confirmation that all other required capital funding is available to enable the scheme to progress to completion.
- Confirmation that Outline planning consent for the proposed residential development and any Reserved Matter approvals and permissions for the land preparation works have been achieved.
- Final project Cost Plan submission to reflect site market conditions and include quotations and contractor involvement for the various, and potentially phased, works packages; and Final Contracted Costs confirmation.
- In the event of default in relation to the Grant Funding Agreement – up to 100% clawback to apply at Walsall Council's sole discretion.
- Any funding drawdown to be fully recoverable in the event that the proposed intrusive site investigation will determine that the capital scheme cannot be delivered.

4. BENEFITS COST RATIO (VALUE FOR MONEY)

4.1 Calculation of a BCR is not applicable for the Project Withdrawal recommendation (Dudley Brownfield Land Programme project).

- 4.2 The formula developed by The Black Country Consortium Ltd's (BCC Ltd) Economic Intelligence Unit will be used to calculate high level BCRs for Legacy Funds for consistency. The calculated BCR for the Loxdale Residential Scheme has been assessed as 2.76: 1, although it should be noted that this is based on public sector costs only, and excludes private sector match. A full economic appraisal and quantification of benefits would be required to complete a more accurate BCR.
- 4.3 The technical appraisal concluded that the project is considered to be a good strategic fit (the BCC Ltd BCR formula does not take into consideration the strategic fit) and that the project is considered to provide an 'acceptable' value for money for LPIF grant support, by assessing unit cost per home.

5. FINANCIAL IMPLICATIONS

- 5.1 Walsall Council are not in contract with Dudley Council for the Dudley Brownfield Land project, therefore no LPIF grant payments were made.
- 5.2 The £1,000,000 grant allocation for the Loxdale Residential Scheme will be covered by the release of the £1,040,000 allocated for the Dudley Brownfield Land project.
- 5.3 It is proposed that the balance of £40,000 be allocated to Accountable Body programme management budgets. This is to cover addition due diligence and contracting costs associated with the replacement of a project given that similar costs associated with the Dudley Brownfield Land project are now abortive. The additional budget will cover external charges related to technical appraisal and due diligence, legal, and subsidy control compliance advice plus staff resource required for contracting.
- 5.4 LPIF is a WMCA funded programme, all financial conditions of the programme will be applied to the proposed projects. The LPIF replacement Loxdale Residential Scheme project is subject to further funding conditions, as outlined in the paragraph 3.11.
- 5.5 Any grant award approval is an approval of up to the maximum figure recommended in section 2 of this report, subject to the Grant Agreement in place within 3 months the grant award to be drawn down as agreed with the Accountable Body and on eligible expenditure.

6. LEGAL IMPLICATIONS

- 6.1 The Grant Agreement between Walsall Council and Dudley Council for the Dudley Brownfield Land project has not been signed hence no legal implications for this project.
- 6.2 The appropriate agreement for LPIF grant award will be drawn up by the Accountable Body for the Loxdale Residential Scheme, and include all conditions by West Midlands Combined Authority, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from the BC LEP for Legacy Funds (including LPIF) or approved by the BCJC.

- 6.3 Any contract for grant funding requires satisfactory accountable body due diligence completion and subsidy control compliance evidence by the applicant.

7. RISK MANAGEMENT

Risk will be managed through the on-going monitoring of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with West Midlands Combined Authority and put into place by the BCJC.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

Legal and Finance officers at Walsall Council, Dudley Council and Wolverhampton City Council were consulted as part of the development of this report.

Background papers

- 12th October 2023 Heads of Regeneration Report *Land and Property Investment Fund: Dudley Brownfield Land - Project Update*
- Loxdale Residential Scheme Full Business Case
- Loxdale Residential Scheme Thomas Lister Heads of Terms

Attachments

- I. Loxdale Residential Scheme Full Business Case

Report Author

Kelly Valente

Accountable Body, Policy & Programme Delivery Manager
Resources and Transformation
Walsall Council
Email: kelly.valente@walsall.gov.uk
Telephone: 01922 650826

Dudley Brownfield Land Programme project:

Senior Responsible Officer

Helen Martin

Director of Regeneration and Enterprise
Dudley MBC
4 Ednam Road, Priory Road, Dudley, DY1 1HL
Email: helen.martin@dudley.gov.uk
Telephone: 01384 814004

Loxdale Residential Scheme project:**Senior Responsible Officer****Richard Lawrence**

Director of Regeneration
City of Wolverhampton Council
Civic Centre, St Peter's Square,
Wolverhampton, WV1 1SH
Email: richard.lawrence@wolverhampton.gov.uk
Telephone: 01902 554105