



BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

Wednesday 8 March 2017, 12.00pm

Sandwell Metropolitan Borough Council,
The Council House, Committee Room 1

MINUTES

VOTING MEMBERS

Councillor Steve Eling, Sandwell MBC
Councillor Sean Coughlan, Walsall MBC (Chair)
Councillor Bilson, Wolverhampton CC (sub)

NON VOTING MEMBERS

IN ATTENDANCE

Sarah Norman, Dudley MBC
Jan Britton, Sandwell MBC
Paul Sheehan, Walsall MBC (Secretary)
Keith Ireland, Wolverhampton CC
Sarah Middleton, The Black Country Consortium Ltd

INVITED GUESTS

Paul Mountford, Sandwell MBC (sub)
Mark Lavender, Walsall MBC (sub)
Jim Cunningham, Dudley MBC (sub)

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1. **Apologies**
Councillor Roger Lawrence, Wolverhampton CC
Stewart Towe, BC LEP Board
Cllr Pete Lowe, Dudley MBC

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2. **Notes of Previous Meeting held on 25 January 2017**

17/0013

It was resolved that:

the notes of the meeting held on 25 January 2017 were agreed as a true record.

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3. **Matters Arising from the notes of the previous meeting.**
None.

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4. **Declarations of Interest**
None.

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5. **Local Government (Access to Information) Act, 1985 (as amended):** To agree that the public be excluded from the private session during consideration of the agenda items indicated for the reasons shown on the agenda.

There are no items to be considered in private session.

6. **Black Country Local Growth Deal - Growing Priority Sectors Individual Project Decision - Keytracker Ltd Project - Approval to move to contracting**

Paul Mountford presented the report to the Committee. Paul advised that a request for £50,000 for a £170,000 project to extend existing premises with a new production area. In summary, Keytracker Ltd are requesting:

- Maximum grant of £50,000 to help implement a £170,000 project at an intervention rate of 29.4%;
- Leverage £120,000 of Private Sector Funding; and
- To create 6 new jobs by March 2022 at £8,300 per job and an average salary of £21,000 per annum.

17/0014 It was resolved that the BCJC:

approves Sandwell MBC to move to contracting with Keytracker Limited for £50,000, from the Growing Priority Sectors programme of works totalling £6.5m to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors Keytracker Limited project - with delivery to commence in the 2017/18 financial year.

7. **Black Country Local Growth Deal – Growing Priority Sectors Individual Project Decision – Hawthorne Trading Company Project – Approval to move to contracting**

Paul Mountford presented the report to the Committee. Paul advised that a request for £300,000 for a £1,866,000 project to fund the purchase of new premises. In summary, the Hawthorn Trading Company are requesting:

- Maximum grant of £300,000 to help implement a £1,866,000 project at an intervention rate of 16%;
- Leverage £1,566,000 of Private Sector Funding; and
- To create 39 new jobs by March 2022 at £7,292 per job and an average salary of £21.9k per annum.

17/0015 It was resolved that the BCJC:

approves Sandwell Council to move to contracting with Hawthorn Trading Company for £300,000, from the Growing Priority Sectors programme of works totalling £6.5m to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors Hawthorn Trading Company project - with delivery to commence in the 2017/18 financial year.

8. **Black Country Local Growth Deal – A4101 Pensnett Improvement Scheme – Change Request – Approval to Amend the Existing Grant Agreement**

Jim Cunningham presented the report to the Committee. Jim advised that the A4101 is a main road and a key link in the West Midlands transportation network with approximately 30,000 vehicles using the High Street every day and subsequently suffers from traffic congestion and vehicle delays. The improvement scheme will tackle the existing pinch point by regulating conflicting vehicle movements through the introduction of new signalised junctions and by providing increased capacity by

widening the High Street to two lanes in each direction on the approach to the new traffic lights. These improvements will enhance the efficiency of the transport network on this key link for all users.

This Change Request is to bring forwards £959,000 of the 2017/18 allocation of grant into 2016/17 with the aim of ensuring full utilisation of the BC LEP's allocation of grant in 2016/17.

The Q4 review with the Dudley Team managing the delivery of A4101 Pensnett Road Improvement Scheme has identified the inclusion of output targets in their Contract Award. This related to the delivery of 5 Apprenticeships resulting from the scheme which will not now be delivered.

17/0016 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley MBC for £3,800,000 to reflect an amended Grant Allocation of £2,059,000 in 2016/17 to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of A4101 Pensnett Road Improvement Scheme. This change relates to a transfer of funding of £959,000 into 2016/17 from 2017/18.
- 2.2 note that there will be no change to the overall LGF intervention rate for this project and indeed the overall value of grant (£3,800,000).
- 2.3 approves for the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley Council to reflect the removal of outputs relating to the delivery of 5 apprenticeships as part of the scheme.

9. Black Country Local Growth Deal – Dudley Brownfield Land, Phase 1 – Change Request – Approval to Amend the Existing Grant Agreement

Jim Cunningham presented the report to the Committee. Jim advised that Dudley has a large number of vacant brownfield sites that are suitable for housing redevelopment but not economically viable due to previous use and subsequent land remediation costs.

Processes required to render the land viable for development include the treatment of contamination and mined ground; site preparation costs including service diversions and re-grading of levels; and the removal of redundant structures and buildings.

This project supports the remediation of 6.88 hectares of land across nine sites within the ownership of Dudley MBC. The sites will then be developed throughout the period from 2016/17 to 2020/21 to deliver residential units.

17/0017 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley MBC for £2,846,204 to reflect an amended Grant allocation of £750,000 in 2016/17. This is a transfer of funding of £213,000 from 2017/18 into 2016/17.
 - 2.2 notes that there will be no change to the overall LGF intervention rate for this project and indeed the overall value of grant (£2,846,204).
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10. **Black Country Local Growth Deal – Growing the City Centre Cultural and Business Events Offer – Change Request – Approval to Amend the Existing Grant Agreement**

Karen Jones presented the report to the Committee. Karen advised that request to bring forward £534,561 of the 2017/18 allocation for the Growing the City Centre Cultural and Business Events Offer (Civic Halls) project into 2016/17. The amended grant allocation for 2016/17 will be £3,134,561.

To request an amended overall Grant allocation of £5,011,260 - a reduction in overall funding of £1,988,740.

17/0018 It was resolved that the BCJC:

- 2.1 approve the Accountable Body for the Growth Deal (Walsall Council) to amend the existing Grant Agreement with City Of Wolverhampton Council for the Growing the City Centre Cultural and Business Events Offer (Civic Halls) project to reflect an amended Grant Award of £5,011,260 and an amended allocation of £3,134,561 in 2016/17 - this is a transfer of funding of £534,561 from 2017/18, and a reduction in overall funding of £1,988,740.
- 2.2 note the change in approach from project to programme management by the City of Wolverhampton Council and the BC LEP in relation to the Council's Growth Deal projects (Regeneration of Bilston, Growing the City Centre Cultural and Business Events Offer and Wolverhampton Interchange).
- 2.3 note that there will be no change to the amount of LGF funding awarded or to the overall LGF intervention rate to Wolverhampton City Council's programme of projects (which includes the Growing the City Centre Cultural and Business Events Offer and Regeneration of Bilston projects).
- 2.4 note that the Business Cases and Outputs for each project have not changed.

11. **Black Country Local Growth Deal – Regeneration of Bilston – Change Request – Approval to Amend the Existing Grant Agreement**

Karen Jones presented the report to the Committee. Karen advised that the request was to amend the existing Grant allocation to the Regeneration of Bilston - Bilston Urban Village project to £5,238,740, an increase to the overall funding allocation of £1,988,740.

17/0019 It was resolved that the BCJC:

- 2.1 approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with City of Wolverhampton Council for the Regeneration of Bilston – Bilston Urban Village project to reflect an amended Grant award of £5,238,740 - an increase in the overall funding of £1,988,740.
- 2.2 note the change in approach from project to programme management by the City of Wolverhampton Council and the BC LEP in relation to the Council's Growth Deal projects (Regeneration of Bilston, Growing the City Centre Cultural and Business Events Offer and Wolverhampton Interchange).

- 2.3 note that there will be no change to the amount of LGF funding awarded or to the overall LGF intervention rate to Wolverhampton City Council's programme of projects (which includes the Growing the City Centre Cultural and Business Events Offer and Regeneration of Bilston projects).
- 2.4 note that the Business Cases and Outputs for each project have not changed.

12. **Black Country Local Growth Deal – A4123 Development Works, Development Funding – Change Request – Approval to Amend the Existing Grant Agreement**

Stuart Everton presented the report to the Committee. Stuart advised that the A4123 is a key corridor of movement through the Black Country from M5 J2 into Wolverhampton City Centre. The corridor links a number of key housing and employment sites that will come forward over the next 5-10 years. The route is currently at capacity in a number of locations and not fit for the future purpose. The aim of this development funding is to begin development work of a major scheme business case for the A4123 with the aim of bidding at a wider Combined Authority or national level for funding to eventually construct the scheme. Similar work is currently underway on the A454 and A449.

17/0020 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the existing Grant Agreement with City of Wolverhampton Council to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the A4123 Development Works – Development Funding scheme. The change for which approval is requested is the transfer of grant funding allocated in 2016/17 of £120,000 into 2017/18.
- 2.2 notes this development funding is underwritten by City of Wolverhampton Council.

13. **Black Country Local Growth Deal – Wolverhampton to Willenhall Metro Extension, Development Funding, Wolverhampton - Grant Agreement Approval**

Stuart Everton presented the report to the Committee. Stuart advised that this work seeks to undertake a development study to look at extending the metro system from Wolverhampton Train station out towards New Cross Hospital and then Willenhall. The study will also explore options to extend the metro system further into Wolverhampton City Centre to connect the South and Westside developments.

17/0021 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with City of Wolverhampton Council for £150,000 of pre-allocated Local Growth Fund (LTB) funding (originally allocated to the Aldridge Station Scheme) to deliver the Wolverhampton to Willenhall Metro Extension transport project (Development Funding) – with delivery to commence in the 2017/18 financial year.
- 2.2 This development funding to be underwritten by City of Wolverhampton Council.

14. **Black Country Local Growth Deal – Wolverhampton to Willenhall Metro Extension, Development Funding, Walsall - Grant Agreement Approval**

Stuart Everton presented the report to the Committee. Stuart advised that this work seeks to undertake design and business case development work for the extension of the Metro system from Wolverhampton Station out towards New Cross Hospital and then Willenhall. The work will also identify options to extend the Metro system further into Wolverhampton City Centre to connect the South and Westside developments.

17/0022 It was resolved that the BCJC:

2.1 That the Joint Committee approves the Accountable Body for the Growth Deal (Walsall Council) to move to an appropriate form of internal Agreement for £50,000 of Pre-allocated Local Growth Fund (LTB) funding (originally allocated to the Aldridge Station scheme) to deliver the Wolverhampton to Willenhall Metro Extension transport project (Development Funding) – with delivery to commence in the 2017/18 financial year.

2.2 This development funding is to be underwritten by Walsall Council.

15. **Black Country Local Growth Deal – Airfield Drive, Aldridge – Change Request – Approval to Amend the Existing Grant Agreement**

Mark Lavender presented the report to the Committee. Mark advised that this investment will deliver industrial employment space to address the local shortage of new, speculative, industrial accommodation developments. The provision of good quality industrial accommodation will improve the Black Country's business competitiveness by providing accommodation that is available for businesses to lease and facilities for new businesses to occupy either through relocation or inward investment.

The Quarter 4 review meeting undertaken by the Programme Management Office with Trebor Developments, leading on the Airfield Drive Project, has confirmed that qualifying spend on the project will not begin until June 2017. Originally the project requested £66,823 be available to claim in 2016/17 from the overall Grant award of £370,993. This is no longer feasible for the applicant to achieve and they have requested the funding be transferred into 2017/18.

17/0023 It was resolved that the BCJC:

approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the existing Grant Agreement with Kay Properties Limited to deliver the Local Growth Fund (LGF) funded elements of the Airfield Drive, Aldridge project. The change for which approval is requested is the transfer of grant funding allocated in 2016/17 of £66,823 into 2017/18.

16. **Black Country Local Growth Deal – Goscote Lane Corridor, Walsall – Change Request – Approval to Amend the Existing Grant Agreement**

Mark Lavender presented the report to the Committee. Mark advised that this scheme is comprised of three related vacant brownfield sites, totalling 21 hectares, within the Goscote Lane Corridor regeneration area in Blakenall, Walsall. The sites were

previously developed for residential uses, predominantly semi-detached social housing, but were subject to a large-scale demolition programme pre-2008 by WHG. This occurred as a result of the 'Decent Homes' assessment and identification of the area 'failing' in the Black Country and Telford Housing Market Renewal Area.

This investment will deliver new housing and supporting environmental and infrastructure improvements that are essential to transforming the long-standing reputation issues associated with the area, and changing the market perceptions.

17/0024 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the existing Grant Agreement with WHG for £8,820,000 to reflect an amended grant allocation of £2,808,000 in 2016/17. This is a transfer of funding of £426,000 from 2017/18 to 2016/17.
- 2.2 note that there will be no change to the overall LGF intervention rate for this project and indeed the overall value of grant.

17. **Delegated Authority - Black Country Local Growth Deal – Bourne Street, Coseley – Site Investigation – Grant Agreement Approval for Noting**

Mark Lavender presented the report to the Committee. Mark advised that the initial proposal to develop Bourne Street was made by Ideal Estates Ltd and approved by the LEP Board in July 2016. The applicant later changed to Real Homes One Limited who are now keen to progress a Planning Application with a view to completing the remediation of currently toxic land and delivering c.100 homes on the site.

This project stalled due to failure to secure planning consent. The original application was not secured due to uncertainty as to site conditions. The Site Investigation (SI) proposed will go some way to addressing the issues raised which are not considered to be insurmountable. The works to be undertaken as part of the SI will enable the completion of an intensive ground investigation and the development of a land remediation strategy, enabling a successful planning application for c.100 properties.

Around £750,000 of additional funding may be required to subsequently remediate the site by way of loan or grant, dependent on the results obtained.

LEP Board approval was achieved 19/09/2016. The applicant has agreed to a clawback arrangement with the Council for this funding, and will repay the funding if no asset is delivered on the Site by March 2021.

17/0025 It was resolved that the BCJC:

- 2.1 notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to Grant Agreement to the value of £63,600 with Real Homes One Limited to deliver the Local Growth Fund (LGF) elements of the Bourne Street Coseley Site Investigation project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 19th September 2016 LEP Board meeting.

- 2.2 Notes the need to use delegated authority was identified as the project was time critical and waiting for approval by the Black Country Joint Committee in January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.
- 2.3 note that the Bourne Street Coseley Site Investigation project will be underwritten by a clawback arrangement with the applicant.

18. **Delegated Authority - Black Country Local Growth Deal – Dudley Town Centre Sites and Buildings Improvement Programme – Amending the Existing Grant Agreement Approval for Noting**

Mark Lavender presented the report to the Committee. Mark advised that the Dudley Building and Sites Improvement Programme Phase 1 is proceeding to time and budget and will complete in March 2017. The opportunity has arisen to fund additional project works within the programme. Dudley Council therefore wishes to request an additional £30,000 of funds to support the improvement of 172 High Street in Dudley which is a conference and banqueting suite.

The owners wish to enhance the building and have obtained planning approval for the reinstatement of the shopfront and windows, which will open up the blank elevation and bring new floorspace into use. The project will be completed by March 2017 and a Business Assist output will be secured along with Private Sector leverage of £15,000.

17/0026 It was resolved that the BCJC:

- 2.1 note that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley Council to reflect an increased grant value of £30,000 to deliver the Local Growth Fund (LGF) elements of the Dudley Town Centre Sites and Building Improvement Programme, with delivery to commence in the 2016/17 financial year. Approval of this change was achieved at the 24th October 2016 LEP Board meeting.
- 2.2 Note the need to use delegated authority was identified as the project was time critical and waiting for approval by the Black Country Joint Committee in January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.

19. **Delegated Authority - Black Country Local Growth Deal – Growing Priority Sectors Individual Project Decisions –Approval to move to Contracting for Noting**

Mark Lavender presented the report to the Committee. Mark advised on the following projects:

Chiriquí Adhesives and Sealants Limited - £80,000 of Growing Priority sectors in 2016/17 is a request for £80,000 of LGF grant support for a £602,000 project to enable creation of an additional plant on the company's existing site to produce a new sealing system. The project involves the creation of an additional plant on the company's existing site to produce a new sealing system in conjunction with Ceracon, based in Germany.

There is no ownership of shares in this joint venture between Ceracon and Chiriquí, but there is a contract in place. Essentially, the project has been developed over the last five years, with two Ceracon employees seconded to Chiriquí to develop the product and its market. As a result there hasn't been any procurement by Ceracon of a partner or licensee – it's been more of a collaborative approach using the expertise and facilities of both parties. There is no capacity to produce the sealing system without the purchase and installation of new machinery and necessary upgrades to the existing building.

Once completed, Chiriquí forecast £3m of additional product sales over the next three years mainly to the automotive sector.

SEMCO External Framing Solutions Ltd £131,172 in 2016/17

Is a request for £131,172 for a £661,223 project to fund the expansion of the production capacity of a fabrication business which will allow new products to be brought to the market place.

- To leverage £530,061 of Private Sector Funding
- To create 20 new jobs by March 2022
- Project start date Nov 2016.

Growing Priority Sectors – Midland Tool & Design Ltd £100,000 in 2016/17 is a request for £100,000 for a £340,000 project to fund the purchase and fit-out of new premises to allow the manufacturer of prototype motor core packs to expand into the manufacture of complete wound motor assemblies in response to customer demand.

- Leverage £240,000 of Private Sector Funding
- Create 10 new jobs by March 2018
- Project start date Nov 2016.

Growing Priority Sectors – Ash & Lacy Building Systems Ltd £55,000 in 2016/17 is a request for £55,000 for a £550,000 project to fund the installation of a new Polyester Powder Coating (PPC) facility.

- Leverage £495,000 of Private Sector Funding
- Create 5 new jobs by March 2022
- Project start date Nov 2016.

17/0027 It was resolved that the BCJC:

- 2.1 notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve **Sandwell Council to move to contracting with Chiriquí Adhesives and Sealant Limited (Walsall) to the value of £80,000** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors Chiriquí Adhesives and Sealant project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 19th September 2016 LEP Board meeting.
- 2.2 Notes the need to use delegated authority was identified as the project was time critical and waiting for approval by the Black Country Joint Committee in November would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.

- 2.3 notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve **Sandwell Council to move to contracting with SEMCO External Framing Solutions to the value of £131,172** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors SEMCO External Framing Solutions project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 24th October 2016 LEP Board meeting.
- 2.4 notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve **Sandwell Council to move to contracting with Midland Tool and Design Limited to the value of £100,000** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors Midland Tool and Design Limited project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 24th October 2016 LEP Board meeting.
- 2.5 notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve **Sandwell Council to move to contracting with Ash and Lacy Building Systems to the value of £55,000** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors Ash and Lacy Building Systems project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 24th October 2016 LEP Board meeting.
- 2.6 Notes the need to use delegated authority was identified as these projects were time critical and waiting for approval by the Black Country Joint Committee in January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.

20. **Delegated Authority - Black Country Local Growth Deal – Shidas Lagoon, Oldbury – Site Investigation – Grant Agreement Approval for Noting**

Mark Lavender presented the report to the Committee. Mark advised that the opportunity is the speculative development of c10,500m² of industrial development in Oldbury that could support over 200 jobs. This grant is required to provide certainty as to site conditions and related costs associated with remediation.

LEP Board approval was achieved on 18th July 2016 following email endorsement in June 2016. The delay in project approval since LEP Board endorsement in June 2016 is due to the Due Diligence process issues which have now been resolved with the applicant. These were around the security for this Grant – as the applicant was unwilling to enter into a clawback arrangement, a legal charge has now been agreed with the landowner.

17/0028 It was resolved that the BCJC:

- 2.1 notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve the Accountable Body for the Growth

Deal (Walsall Council) to proceed to Grant Agreement to the value of £81,719 with Stoford Properties Limited to deliver the Local Growth Fund (LGF) elements of the Shidas Lagoon, Oldbury Site Investigation project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 18th July 2016 LEP Board meeting, following endorsement by email in June 2016.

- 2.2 notes the need to use delegated authority was identified as the project was time critical and waiting for approval by the Black Country Joint Committee in January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.
- 2.3 notes that the Shidas Lagoon Site Investigation project will be underwritten by a legal charge over the site.

Date of future meetings

- Wednesday 19 April 2017, 12.00pm at Wolverhampton City Council
- Wednesday 28 June 2017, 12.00pm at Walsall Council
- Wednesday 13 September 2017, 12.00pm at Dudley Council
- Wednesday 22 November 2017, 12.00pm at Wolverhampton City Council