



BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

Wednesday 25 January 2017, 12.00pm

Dudley Metropolitan Borough Council,
The Council House, Committee Room 1 & 2

MINUTES

VOTING MEMBERS

Councillor Peter Lowe, Dudley MBC (Chair)
Councillor Steve Eling, Sandwell MBC
Councillor Sean Coughlan, Walsall MBC
Councillor Roger Lawrence, Wolverhampton CC

NON VOTING MEMBERS

Stewart Towe, Black Country LEP Board

IN ATTENDANCE

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

INVITED GUESTS

Jim Cunningham, Dudley MBC
Paul Mountford, Sandwell MBC (sub)
Simon Neilson, Walsall MBC
Stuart Everton, BC Director for Transport

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1. **Apologies**
Jan Britton, Sandwell

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2. **Notes of Previous Meeting held on 23 November 2016**

17/0001 **It was resolved that:**

the notes of the meeting held on 7 September 2016 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 - Total Construction Solutions – Approval to move to Contracting**

Paul Mountford presented the report to the Committee. Paul advised that the request is for £750,000 for a £3.75m project to fund the purchase of new premises and the installation of new machinery. In summary, Total Construction Solutions Ltd are requesting:

- Maximum grant of £750,000 to help implement a £3,751,482 project at an intervention rate of 20%.
- Leverage £3,001,186 of Private Sector Funding
- Create 75 new jobs by March 2022 at £10,004 per job and an average salary of £27.2k per annum.

17/0002

It was resolved that the BCJC:

approves Sandwell MBC to move to contracting with Total Construction Solutions to the value of £750,000, from the Growing Priority Sectors programme of works £6.5m allocation, to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors, Total Construction Solutions project - with delivery to commence in the 2016/17 financial year.

7. **Black Country Local Growth Deal - Growing Priority Sectors Individual Project Decision - Quality Metal Products – Approval to move to Contracting**

Paul Mountford presented the report to the Committee. Paul advised that the request is for £300,000 for a £1.5m project to fund the purchase of new premises and the installation of new machinery :

- Maximum grant of £300,000 to help implement a £1,500,000 project at an intervention rate of 20%.
- Leverage £1,200,000 of Private Sector Funding
- Create 30 new jobs by March 2022 at £10k per job and an average salary of £21.5k per annum.

17/0003

It was resolved that the BCJC:

approves Sandwell MBC to move to contracting with Quality Metal Products to the value of £300,000, from the Growing Priority Sectors programme of works £6.5m allocation, to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors - Quality Metal Products project - with delivery to commence in the 2016/17 financial year.

8. **Black Country Local Growth Deal - Parkrose Industrial Estate Site Investigation – Change Request – Approval to Amend the Existing Grant Agreement**

Paul Mountford presented the report to the Committee. Paul advised that The Parkrose Industrial Estate Site Investigation is now complete. Due to the absence of appropriate evidence of contractual commitments in place at 31st March 2016 the Accountable Body were unable to pay the total value of the grant against 2015/16. As a result the applicant has requested to transfer a proportion of their total LGF allocation (£80,000) into 2016/17.

17/0004 It was resolved that the BCJC:

That the Joint Committee approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Mint Property Developments Limited to deliver the Local Growth Fund (LGF) funded elements of the Parkrose Industrial Estate (Site Investigation) project. The change for which approval is requested is the transfer of a proportion of grant funding allocated in 2015/16 of £19,170 into 2016/17.

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

Alan Lunt presented the report to the Committee. Alan advised that Dudley Council's Housing Department will bring forward the Brownfield Land and Housing projects previously approved by the LEP Board, which are currently programmed to commence in 2017/18. These projects will now start in 2016/17 and this will allow site clearance and ground works to proceed on the 3.75 hectares of land to be remediated. The result will be accelerated delivery of the projects outputs of 63 Housing Units, arising from the remediation, which will be delivered up to 3 months earlier in 2017/18 than originally programmed. The financial profiles are detailed in the report.

17/0005 It was resolved that the BCJC:

approves for the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley MBC to deliver the Local Growth Fund (LGF) funded elements of the Dudley Brownfield Land Improvement Programme Phase 1. The change for which approval is requested is the transfer of a proportion of grant funding allocated in 2017/18 of £100,000 into 2016/17.

10. Black Country Local Growth Deal - Very Light Rail – Test Track and Innovation Centre, Dudley - 'SEED Funding' – Grant Agreement Approval

Alan Lunt presented the report to the Committee. Alan advised that the VLR scheme encompassing delivery of an Innovation Centre and Test Track is proving a complex high profile scheme with multiple Stakeholder interests across Central & Local Government, within the Rail Industry and amongst its leading Supply Chain companies. The scheme contains site assembly ambitions along with a determination to engage heavily with leading Rail Industry stakeholders. The Full Business Case development commenced with the LGF support of £300k, in January 2016. Development is now approaching completion of RIBA stage 3, which will provide a confirmed Design which can then be fully costed. Currently the scheme as envisaged, is still seeking to secure adequate funding, from a variety of sources.

Discussions with Dudley to find ways of accelerating delivery of the scheme, have identified a range of activities that could be accelerated to enable the Full Business Case to be completed for LEP Board consideration and any subsequently Approved scheme to be delivered in a more timely way.

A paper setting out what could be accelerated and what would then be achieved

has been developed by Dudley and its Project team and this has been scrutinised by the LEB Funding Sub Group and the LEP Board have now endorsed the additional SEED funding request.

It is recommended that if this Scheme bid is Approved, the sum of £836,778 be treated as an initial drawdown against the £4.5m “earmarked” funding provided in LGF 2 (expansion profile) allocation to the Black Country LEP to support the VLR Scheme.

Particular reference was drawn to point 3.11 of the report detailing the conditions to be attached to any offer of funding.

17/0006

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 Dudley Council for a maximum of £836,778 from within the Local Growth Fund to deliver the ‘SEED Funding’ elements of the Very Light Rail Test Track and Innovation Centre project - with delivery to commence in the 2016/17 financial year. This funding is to enable the Very Light Rail project to undertake specific identified steps which will enable it to resolve outstanding issues enabling a detailed and de-risked Full Business Case to be submitted and for the project to remain within its competitive lead position.

2.2 That the Joint Committee approves that this funding is to be underwritten by Dudley Council.

11.

Black Country Local Growth Deal - Dudley College - Construction Apprenticeship Training Centre – Grant Agreement Approval

Alan Lunt presented the report to the Committee. Alan advised that the application relates to a funding request of £600,000 LGF grant support towards delivery of the Training Equipment for a £1.18m scheme to deliver a Construction Apprenticeship Training Centre. This project will unlock growth objectives in Building Technologies and have an impact locally on SEP growth targets in the Black Country because of the 66 strategically important construction businesses in the region.

The proposal is to relocate the college’s existing provision to the ATC centre in Brierley Hill. This building will be rented on an initial 10-year Lease. Given the nature of the building being a rented property the bid is purely for the new additional equipment required for the facility to enable the new and increased provision to be delivered.

The College aims to provide state of the art construction equipment, which will not only meet the new standards and legislation within the construction industry but also allows learners to experience different ways of working with new technologies and techniques.

The college would seek to use its available capital in refurbishing and altering the building together with the ongoing lease cost of the facility as its match funding to the proposal, and therefore is applying for 100% of the equipment costs.

17/0007

It was resolved that the BCJC:

approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with Dudley College for £600,000 to deliver the Local Growth Fund (LGF) funded elements of the Dudley College - Construction Apprenticeship Training Centre project - with delivery to commence in the 2016/17 financial year.

12.

Black Country Local Growth Deal - Music Institute and Student Accommodation, Brierley Hill - Site Investigation – Grant Agreement Approval

Alan Lunt presented the report to the Committee. Alan advised that the This bid seeks support for a set of Site Investigations to inform the wider Full Business Case bid expected in early 2017/18. The aim of the BICMP Ltd Music Institute scheme is to fill a significant gap in provision of the range of qualifications, courses and skills training that is generally available within the education sector.

The applicant does not yet own the building, although terms have been almost been finalised with INTU for the freehold acquisition of the site. The building and site surveys proposed will enable the scheme to conclude the detailed design process and enable the planning application to be prepared, along with estimation of detailed costings for undertaking the refurbishment and conversion works for educational use.

Details of the Site Investigations composition are contained in the report at 3.6

Particular reference was drawn to point 3.7 of the report detailing the conditions to be attached to any Grant Offer.

17/0008

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 **BICMP Limited for £32,600** to deliver the Local Growth Fund (LGF) funded elements of the Music Institute and Student Accommodation Site Investigation project - with delivery to commence in the 2016/17 financial year.

2.2 note that the Grant Agreement is subject to conditions at 3.7 of this report.

2.3 note that the project will be underwritten by a clawback arrangement with the applicant, if for any reason the clawback fails and the Grant cannot be recovered by the applicant, the provisions in the Collaboration Agreement, relating to underwriting by geographical area will be applied.

13.

Black Country Local Growth Deal - Former Reedswood Golf Course, Walsall - Site Investigation – Funding Agreement Approval

Simon Neilson presented the report to the Committee. Simon advised that the applicant and Site owner is Walsall Council who has submitted an Initial Proposal for LGF funding to obtain funds for site investigations on the Site. The 5ha site potentially forms part of a wider comprehensive development opportunity to include the adjoining former Caparo Works site (6.4ha). The Caparo Works site forms part of a separate funding application.

The Site is currently allocated open space, but Walsall Council is seeking to review the potential and viability for the Site to be brought forward for residential

development, particularly as part of a comprehensive scheme with the adjoining former Caparo site. The potential cumulative output of delivering both sites together is approximately 500+ residential units. The proposed development scheme therefore scores well on a value for money basis and provides strategic fit with LEP housing priorities.

Details of the Site Investigations composition are contained in the report at 3.4 and 3.5.

17/0009

It was resolved that the BCJC:

- 2.1 approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to an appropriate form of Internal Agreement for £10,514 to deliver the Local Growth Fund (LGF) funded elements of the former Reedswood Golf Course Site Investigation – with delivery to commence in the 2017/18 financial year.
- 2.2 note that the Internal Agreement is subject to conditions at 3.5 of this report.
- 2.3 approve that the project will be underwritten by Walsall Council.

14.

Black Country Local Growth Deal - Former Caparo Site, Walsall – Site Investigation - Grant Agreement Approval

Simon Neilson presented the report to the Committee. Simon advised that the Site is a residential development opportunity of approximately 6.4ha and has the potential to provide circa 310 new homes. Caparo has identified the Site as having development potential as part of a proposed comprehensive scheme with the adjoining former Reedswood Golf Course site (subject to a separate report). Caparo has full ownership and control of the Site. The opportunity therefore exists to bring forward the combined 11.4ha site – former Caparo site and former Reedswood Golf Course - which could provide circa 510 new homes in total. A reappraisal report of the historic ground investigations recently completed for Caparo identifies further investigation requirements which form the basis of this application.

Details of the Site Investigations composition are contained in the report at 3.3.

Particular reference was drawn to point 3.5 of the report detailing the conditions to be attached to any Grant Offer.

17/0010

It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to award a Grant Agreement to Caparo 1988 Pension Scheme for the value of £24,000 to deliver the Local Growth Fund funded elements of Former Caparo Site, Walsall, Site Investigation – with delivery to commence in the 2017/18 financial year.
 - 2.2 note that the Grant Agreement is subject to conditions at 3.5 of this report.
 - 2.3 note that the project will be underwritten by a clawback arrangement with the applicant, if for any reason the clawback fails and the Grant cannot be recovered by the applicant, the provisions in the Collaboration Agreement,
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relating to underwriting by geographical area will be applied.

15. **Black Country Local Growth Deal - Middlemore Lane, Walsall – Grant Agreement Approval**

Simon Neilson presented the report to the Committee. Simon advised that the Middlemore Lane bid is a gap funding application submitted by St Francis Group Ltd, to facilitate the delivery of a speculative industrial development scheme comprising 5 industrial units, totalling 22,703 sqm, on a brownfield site of approximately 5.77 hectares.

St Francis Group Ltd require gap funding of £4,033,395 in order to render the scheme viable for delivery on a speculative basis. The identified viability gap arises as a result of market failure, despite generally improving market conditions, whereby the costs of delivering the scheme currently exceed the value of the completed scheme. The funding viability gap of £4,033,395 has been agreed with the applicant as the minimum element of grant required in order that this scheme can progress on the proposed basis.

Such a funding agreement would enable St Francis Group Ltd to proceed with the demolition, remediation and speculative development of the site, subsequently drawing down funding through the construction period within an overall projected total scheme cost of circa £24m.

The proposed scheme should deliver 22,703 sqm of good quality industrial accommodation, create or safeguard up to 503 jobs and remediate approximately 5.77ha of brownfield contaminated industrial land.

17/0011

It was resolved that the BCJC:

approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with St Francis Group Limited for £4,033,395 to deliver the Local Growth Fund (LGF) funded elements of the Middlemore Lane project - with delivery to commence in the 2016/17 financial year.

16. **Black Country Local Growth Deal - University of Wolverhampton Apprenticeship Hub – Change Request – Approval to Amend the Existing Grant Agreement**

Tim Johnson presented the report to the Committee. Tim advised that the LEP Board and, subsequently, the Joint Committee approved £200,000 for the University of Wolverhampton Apprenticeship Hub project in November 2015 and January 2016 respectively for expenditure in 2015/16. However, during the contracting and stage 2 due diligence process with Walsall Accountable Body it was identified that University of Wolverhampton, was unable to provide appropriate security/underwriting for the full grant award. As a result the Accountable Body were only permitted to pay out up to £150,000 in claims in line with the lower limit securitisation applied to the Growth Deal.

Underwriting for the balance of the grant has now been concluded between the applicant and the Accountable Body resulting in the applicant's request to draw down the remaining grant award, £50,000, in the 2016/17 financial year.



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

17/0012

It was resolved that the BCJC:

approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with University of Wolverhampton to deliver the Local Growth Fund (LGF) funded elements of the Apprenticeship Hub project. The change for which approval is requested is the transfer of a proportion of grant funding allocated in 2015/16 of £50,000 into 2016/17.
