

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

On Wednesday 23 June 2021 at 10.30am

To be held at Walsall Council House and via a Teams Virtual Meeting
Streamed via a Live YouTube Link

MINUTES - PUBLIC

VOTING MEMBERS - Present

Councillor Patrick Harley, Dudley MBC
Councillor Rajbir Singh, Sandwell MBC
Councillor Mike Bird, Walsall MBC (**Chair**)
Councillor Ian Brookfield, City of
Wolverhampton

INVITED GUESTS - Present

Kevin O'Keefe, Dudley MBC
David Stevens, Sandwell MBC
Dr Helen Paterson, Walsall Council
(**Secretary**)
Tim Johnson, City of Wolverhampton

NON VOTING MEMBERS – via Teams

Tom Westley, Black Country LEP

INVITED GUESTS – via Teams

Sarah Middleton, The Black Country
Consortium Ltd
Lara Smith, The Black Country Consortium
Ltd
Simon Neilson, Walsall MBC
Richard Lawrence, City of Wolverhampton
Helen Martin, Dudley MBC

Dr Helen Paterson Secretary for the Black Country Executive Joint Committee welcomed everyone to the meeting and advised that as this is the Annual General Meeting, she would be the Chair person until a new Chair is elected.

Dr Paterson confirmed that as the Legislation has now changed, there is no longer Legislation in place to hold public meetings virtually and voting Members need to be physically present in a room together to vote. Dr Paterson confirmed that 4 voting members were present with her at Walsall Council House and the meeting was therefore quorate. Also present in the Council House were the Chief Executives from Dudley, Sandwell and Wolverhampton Local Authorities. All other meeting participants joined the meeting digitally via Microsoft Teams and members of the public were able to view the meeting LIVE online via YouTube.

Dr Paterson then asked each participant to confirm that they could see and hear proceedings and the meeting commenced.

Apologies

None.

Decision 21/0024

Appointment of Chair and Vice-Chair for 2021/22

Dr Paterson asked for nominations for Chair person for 2021/22 however, advised that Councillor Bird had indicated that he would be happy to continue.

Councillor Brookfield, Councillor Singh and Councillor Harley supported Councillor Mike Bird continuing as Chair person.

Dr Paterson asked for nominations for Vice-Chair person for 2021/22 however, advised that Councillor Brookfield had indicated that he would be happy to continue.

Councillor Bird, Councillor Singh and Councillor Harley supported Councillor Ian Brookfield continuing as Vice Chair person.

Dr Paterson 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 2021/22 cycle.

Councillor Bird chaired the meeting from this point onwards.

Decision 21/0025

Notes of Meeting held on 28 April 2021

Councillor Bird firstly welcomed Councillor Rajbir Singh, Leader of Sandwell Council to his first meeting of the Joint Committee.

Councillor Bird moved approval of the minutes of the meeting on 28 April 2021 which was 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 minutes of the meeting held on 28 April 2021 be confirmed as a true record.

Matters Arising from the notes of the previous meeting

None.

Decision 21/0026

Declarations of Interest

Tom Westley declared an interest as a Governor at Dudley College, a Trustee of Dudley Academies Trust and a Director of the Institute of Technology and did not participate in any discussions relating to these.

Decision 21/0027

Local Government (Access to Information) Act, 1985 (as amended):

To agree that the public be excluded from the private session.

It was resolved:

The public be excluded from the private session during consideration of Item 15 on the Agenda.

Not for publication by virtue of paragraph 3 of Schedule 12(A) of the Local Government Act 1972 (as amended)

Decision 21/0028

Constitution and timetable of meetings 2021/22

Councillor Bird referred to the report previously circulated and explained that the report was the annual report to the Committee that captures all of the changes that have been made to the BCJC Constitution throughout the year. The Constitution and Protocols have now been updated to reflect these changes and the Forward Plan publication dates are at Appendix C and the Schedule of future meeting dates at Appendix D.

Councillor Bird 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

- 2.1 Note the Black Country Executive Joint Committee Constitution (**Appendix A**) has now been updated (highlighted in yellow) to reflect the changes agreed at its meeting on 17 February 2021 regarding the removal of the Advisory Board, with Black Country Heads of Regeneration taking responsibility for wider consultation, including briefing Cabinet Portfolio Holders.
- 2.2 Note the Protocols have now been updated to reflect the change in 2.1 (**Appendix B**).
- 2.3 Approve the Forward Plan publication dates for 2021/22 as set out in **Appendix C** of the report.
- 2.4 Approve the Schedule of meetings for 2021/22 as set out in **Appendix D** of the report.

Decision 21/0029

Black Country LEP Assurance Framework - Revisions 2021

Lara Smith referred to the report previously circulated and explained that revisions have been made to the Black Country LEP Assurance Framework and the related appendices to the document. These revisions are as a result of the amended Black Country Executive Joint Committee Governance arrangements, and the programme of continuous improvement to further simplify the Black Country LEP governance and transparency above and beyond published Government standards.

Councillor Bird 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

Approves the revised Black Country LEP Assurance Framework, included as an interactive Attachment 1 to the report.

Decision 21/0030

Black Country Local Growth Deal - IT DIGITAL SKILLS AND INNOVATION – Amendment to Grant Agreement

Lara Smith referred to the report previously circulated and advised that this report relates to a change to the Outputs originally reported to the Joint Committee. Lara confirmed that the Benefits Costs Ratio (Value for Money) had also recently been updated following the reduction to Outputs and the project was still deemed to be good value for money.

Councillor Bird 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

Approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the Grant Agreement with PTP Ltd to continue to deliver the Local Growth Fund (LGF) funded elements of the IT Digital Skills and Innovation project with delivery to continue up to the 2024/25 financial year.

Note: This change relates to a reduction in the business assists output. However the project is offering an increase in their other contracted outputs, to offset the reduction in business assists and ensure the impact on the project's Value for Money is not detrimental.

Decision 21/0031

Black Country Digital Fund – BLACK COUNTRY DIGITAL STRATEGY - Grant Agreement

Lara Smith referred to the report previously circulated and advised that the funding is requested to cover the costs of producing the documents needed for Black Country Digital Roadmap and delivery of activities across the Black Country in 2021/22. It is envisaged that this funding could come from the Gainshare that was accumulated from the Black Country Broadband Project. However, this is a capital budget and it is unlikely that costs incurred in developing a strategy would comply with Capital accounting standards. Therefore, it is proposed that initially these costs would be funded from the Growing Places revenue budget, and where applicable and eligible, recharged to the capital Black Country Digital Fund. Full details are in Section 5 of the report.

Councillor Brookfield advised that all LAs have their own digital strategy and therefore asked how this would link in to ensure we are all working to one Strategy.

Sarah Middleton advised that this work will build on the current local arrangements and ensure that where there is scale and cross boundary effectiveness by transferring best practice of understanding we can build from local arrangements and local skills will transfer.

Councillor Bird asked for clarification on what £60,000 will achieve.

Sarah Middleton advised that part of work is to fund capacity to develop a Strategic Framework and support local partnerships for dedicated resources to ensure that this is delivered in a timely manner.

Councillor Bird 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

Approve the Accountable Body (Walsall Council) to **enter into a Grant Agreement with the Black Country Consortium Ltd for up to £60,000 to develop the Black Country Digital Strategy**, initially funded from the Growing Places revenue budget, and where applicable and eligible, recharged to the capital Black Country Digital Fund.

Decision 21/0032

Black Country Local Growth Deal – PROGRAMME APPROVAL OF THE 2020/21 PROGRAMME YEAR END SPEND – CAPITAL FUNDING

Lara Smith referred to the report previously circulated and advised that this is the first of 3 papers on today's agenda looking at closing down the final year of this programme.

On behalf of the Programme Management Office Lara thanked all colleagues and partners across the Black Country for their support with this programme that has been very successful. The Black Country Local Growth Deal Programme closed on 31 March 2021 and will now move to Output monitoring stage and will be reported back to MHCLG.

There is an additional two recommendations in this report linked to Very Light Rail (VLR) project (using freedoms and flexibilities) and they are proposing a swap between two funds to ensure that both programmes meet their targets – detail in section 3 of the report.

Councillor Harley advised that he fully supports the recommendations and added that the progress achieved on site for the VLR project is utterly immense and invited Council Leaders and business Leaders to visit the site as he felt that it is transforming.

Councillor Bird and Councillor Brookfield advised they would be happy to visit the site once restrictions allow.

Councillor Bird 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

- 2.1 Approves the year end position of the Growth Deal Projects, reflecting all changes to the Programme (Funding and Outputs) throughout the year and, to maximise the 2020/21 Growth Deal allocation expenditure, requests approval for various changes detailed in Attachment 1 of the report.
- 2.2 Approves that Very Light Rail Test Track expenditure of £612,051 in 2020/21 (currently funded from Growth Deal) is charged to the Getting Building Fund, to utilise unspent 2020/21 budgets allocated to the Very Light Rail National Innovation Centre project.
- 2.3 Approves that the Growing Places Fund (utilised to over-programme Growth Deal) is used to fund the Very Light Rail National Innovation Centre project costs of £612,051 in 2021/22, as the variance represents slippage rather than underspend. This will ensure that the Getting Building funds allocated to the Black Country in 2020/21 are fully utilised.

Decision 21/0033

Getting Building Fund – PROGRAMME APPROVAL OF THE 2020/21 YEAR END SPEND – CAPITAL FUNDING

Lara Smith referred to the report previously circulated and advised that this is the first Year End report of a two year project. This report mirrors that of the previous report with reference to the VLR project with funding moving from Growth Deal to Getting Building Fund to ensure that targets are met. The first year financial target has been successfully met.

Councillor Brookfield advised that the National Brownfield Institute (NBI) project that is funded from the Getting Building Funding is also a transformational project and thanked the Black Country LEP and WMCA and the Local Authorities for their joint efforts on both VLR and NBI.

Councillor Harley and Councillor Bird added they would like to thank the Black Country LEP for the work they do for the region, and they are very proud of all of these projects.

Tom Westley thanked all of the Leaders for their remarks on behalf of the Black Country LEP and also thanked the Project Management Office for their hard work. Tom advised that the Black Country LEP are delighted that these projects are moving forward and were very proud of the work in the region.

Councillor Bird 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

- 2.1 Approves the current position of the Getting Building Fund Projects, reflecting all changes to the programme throughout the year, and to maximise the 2020/21 Getting Building Fund allocation expenditure.

- 2.2 Approves that Very Light Rail Test Track expenditure of £612,051 in 2020/21 (currently funded from Growth Deal) is charged to the Getting Building Fund, to utilise unspent 2020/21 budgets allocated to the Very Light Rail National Innovation Centre project.
- 2.3 Approves that the Growing Places Fund (utilised to over-programme Growth Deal) is used to fund the Very Light Rail National Innovation Centre project costs in 2021/22, as the variance represents slippage rather than underspend. This will ensure that the Getting Building Fund allocated to the Black Country in 2020/21 are fully utilised.

Decision 21/0034

Land and Property Investment Fund – PROGRAMME APPROVAL OF THE 2020/21 YEAR END SPEND

Lara Smith referred to the report previously circulated and advised that this is the Year End report on the Land and Property Investment Fund. Unfortunately the financial spend was quite low however this appears to be due to the impact on all industries and the building trade of the Covid-19 pandemic. The Project Management Office are confident that the future funds will be allocated and spent and this should all start to slowly increase over the next few months.

Councillor Bird, Councillor Harley and Councillor Brookfield felt that the availability of this type of funding was crucial to the Black Country and they were all grateful to the WMCA and the Black Country LEP for their support in bringing sites with enormous difficulties back into use.

Councillor Bird 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

Approve of the current position of the Land and Property Investment Fund Projects, reflecting all changes to the Land and Property Investment Fund Programme (Funding and Outputs) throughout the year and, to maximise the 2020/21 allocation.

Decision 21/0035

Black Country Local Growth Deal – YMCA CLEVELAND ROAD – Amendment to the Existing Grant Agreement - Additional Funding Request

Lara Smith referred to the report previously circulated and advised that the PMO have been working closely with YMCA Team as the project has unfortunately been put on hold a number of times due to Covid 19 pandemic. These delays have created additional costs and some of these have been picked up by the YMCA themselves but not all. The additional grant (housing projects need completing) will help bring the project into completion within the next month. The grant however is subject to there being enough funding available in the Growth Deal.

Councillor Brookfield fully supports this request and added that he is aware that during the last 15 months the cost and availability of building materials has increased considerably. Councillor Brookfield felt that this may become a regular issue in the future and feels it's something Leaders and the PMO need to be mindful of and may need to budget for in the short to medium term.

Councillor Bird agreed with Councillor Brookfield and understand that there is an increase of 40% in timber and cement 25%. Feels that Leaders should look at scrutinising any variation clauses that have being put forward to us

Councillor Bird 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

- 2.1 approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Grant Agreement** with the YMCA Black Country Group to deliver the Local Growth Deal Fund (LGF) funded elements of the YMCA Cleveland Road project with delivery to continue up to the 2024/25 financial year.
- 2.2 The request is for **additional grant value of £88,676.25 in 2020/21**, subject to funding being available. Should funding be available the **total grant award will be £1,029,676.25**

PRIVATE SESSION (Public summary)

Decision 21/0036

Notes of Meeting held on 28 April 2021 – Private Session

(Not for publication by virtue of paragraph 3 of Schedule 12(A) of the Local Government Act 1972 (as amended))

Councillor Bird moved approval of the Private Session minutes of the meeting on 28 April 2021 which was 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 Private Session minutes of the meeting held on 28 April 2021 be confirmed as a true record.

REPORT OF THE HEADS OF REGENERATION WORKING GROUP

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

3 NOVEMBER 2021

LOCAL GROWTH DEAL PROGRAMME

APPROVAL OF THE 2020/21 PROGRAMME CHANGES

CAPITAL FUNDING

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approves the expenditure and output profiles for the Growth Deal projects in line with 2020/21 year-end project claims and proposed change requests.
- 1.2 This request was endorsed by the LEP Funding Sub Group on the 2 September 2021 and approved by the LEP Board on the 20 September 2021. It was endorsed by the Working Group at its meeting on 14 October and concluded on 18 October 2021 via email business.

2. RECOMMENDATIONS

That the Black Country Joint Committee:

- 2.1 Approves the year end position of Growth Deal Projects, reflecting all changes to the Programme (Funding and Outputs) throughout the year as detailed in Appendix 1 of the report.
- 2.2 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Glasshouse Development Phase 3 Grant Agreement with Ruskin Mill Land Trust**, in relation to the project outputs as set out in paragraph 3.7.
- 2.3 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Advanced Manufacturing Training Centre Grant Agreement with Incomm**, in relation to the project outputs as set out in paragraph 3.8.

- 2.4 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies – Test Track 1 Grant Agreement with Dudley Council** in relation to the project outputs as set out in paragraph 3.9.
- 2.5 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Elite Centre for Manufacturing Skills (ECMS) Grant Agreement with the University of Wolverhampton** in relation to match funding as set out in paragraph 3.10.
- 2.6 Notes that the Sandwell Metropolitan Borough Council as a contracting body on the Growing Priority Sectors project, is working towards novating the Grant Agreement with Harco Engineering Limited to Roach Precision Engineering Limited to complete the Growth Fund funded elements of the project in relation to the delivery of the project outputs.

3. REPORT DETAIL

- 3.1 The Local Growth Deal was awarded to the BC LEP and administered in 2015, as a competitive capital programme. Previous years have been successful with regards to financial achievement and output delivery. The Programme has specific agreed targets to achieve through strategic partnerships and investing in Commercial, Residential, Skills Capital and Transport schemes. This report focuses on the 2020/21 financial year and the next steps for Programme monitoring, as the Local Growth Deal closed on the 31 of March 2021.
- 3.2 Effective Programme management by the Black Country Consortium's (BCC Ltd) PMO and LEP's Single Accountable Body has resulted in the Programme achieving the 2020/21 annual spend target and therefore several change requests have been submitted for LEP and Joint Committee approval. The project expenditure and output profiles have been closely monitored by the PMO and the Single Accountable Body over the course of the Programme. This has informed the PMO's Growth Deal Dashboards as well as the Single Accountable Body's claims and committed expenditure forecasts which have continued to be presented at monthly LEP Board meetings, to inform the latest forecast as well as the over/under utilisation of Grant Funding.
- 3.3 The report details the current position of all Growth Deal projects, reflecting all changes to the Programme (Funding and Outputs) some of which have been considered and approved by the LEP Board and Joint Committee through the year. In 2019 the LEP and the Joint Committee approved the use of the

unallocated funds from the Growing Places Fund to be utilised for the ‘Local Growth Deal over programming’. This flexible over programming mechanism has been essential in ensuring that the Growth Deal Programme was fully spent by the 31 March 2021 deadline.

3.4 The final financial position for LEP Board and Joint Committee approved projects for the full programme is table below –

	2015/16	2016/17	2017/18	2018/19
Expenditure	£29,950,000	£46,301,957	£31,384,296	£19,527,429
Allocation	£29,950,000	£46,301,957	£31,384,296	£19,527,429
Variance (total funded by GPF - GD over programming)	£0	£0	£0	£0

	2019/20	2020/21	2021/22	TOTAL
Expenditure	£24,106,465	£53,587,550	£4,445,397	£209,303,095
Allocation	£24,106,465	£56,415,733	£0	£207,685,882
Variance (total funded by GPF - GD over programming)	£0	-£2,828,183	£4,445,397	£1,617,217

Appendix 1 has been provided as an appendix to this paper, that captures all Growth Deal individual project’s spend and output profiles, key changes are listed here below and will result in a reduction in the Growth Deal over-programming commitment:

- The final unclaimed balance as at 31 March 2021 relates to the Department for Transport (DfT) funding for the M6 Junction 10 project. The balance not spent totals £4,445,397, DfT have confirmed that this can be carried forward to 2021-22 financial year.
- The final Growth Deal funded element of the Very Light Rail Test Track project is £3,519,649 plus £612,051 funded through the Getting Building Fund, with the balance of funding required to be allocated from the Growing Places Fund Programme.
- The previously approved additional funding of £88,676 required for the YMCA Cleveland Road project completion will now be funded from the

Growing Places Fund Programme. This leaves the final Growth Deal spend position for this project as £941,000.

- The final Growth Deal grant claimed for the Very Light Rail – National Innovation Centre is £224,453 with the remaining project balance of £1,037,598 now being funded in 2021/22 from the Growing Places Fund.
- The Ultra-Low EV transport development funding project had previously reported an underspend, but the full grant allocation of £130,000 has now been claimed.

3.5 All project financial claims (except for the DfT funded elements of M6 Junction 10) have now been processed and Appendix 1 shows the final Programme position for all individual projects. Some projects have asked for an extension to deliver their contracted outputs, to recover the time lost due to the Covid-19 pandemic. The Growth Deal Programme had a timescale extension for outputs delivery up to 2024/25 as agreed by BEIS in 2017, this will provide additional time required for projects to recover from the impact of the pandemic. All change requests will go to the Funding Sub Group for initial scrutiny before any approvals are granted.

3.6 Transport projects have always been deemed higher risk within the Programme, due to the timescales required for development of the capital schemes and then time required for the construction phase to complete. The M6 Junction 10 major scheme, which has a large portion of Growth Deal funding allocated to it, has had a successful delivery programme to date, the final balance of the DfT Growth Deal money being drawn down and claimed in 2021/22. The Birchley Island project has had support over the lifetime of the Growth Deal Programme to ensure that the capital scheme could secure the funding required, to deliver improvements to reduce congestion in the area. The Birchley Island capital scheme successfully received programme entry in February of this year, with the funding package required, secured from the Major Route Network (MRN) programme from DfT.

3.7 **Ruskin Mill Land Trust – Glasshouse Development Phase 3**

Ruskin Mills Land Trust are a registered charity with a focus on acquiring and restoring land and property and provides its sister charity Ruskin Mill Trust with the opportunities to expand its education for young people with complex needs. The Ruskin Mill Land Trust - Glasshouse Development Phase 3 project aimed to extend the economic, cultural, and educational benefits being delivered across the site and enhance the Glasshouse's offer as a visitor attraction within the

Stourbridge Glass Quarter. The project completed the delivery phase of the project in 2016 and moved to output monitoring.

The project has now reached the end of their contractual period of output delivery and have been able to achieve all outputs except for the learner assist output target. The project has exceeded their output target for non-core learner assists, jobs safeguarded and commercial floorspace. The project is requesting for the project to be closed with the following final output profile –

Output	Target Overall	Verified to end of 2020/21	<u>Proposed Final Target</u>
Businesses Assisted	15	15	No change
Learner Assists	201	174	174
Jobs Created	12	12	No change
Jobs Safeguarded	1	3	3
Learner Assists (non-core)	170	454	454
Commercial floorspace constructed	274 sqm	360 sqm	360 sqm
Area of site reclaimed/ redeveloped or assembled	0.36ha	0.36ha	No change

The proposed change will affect the Value for Money calculation as follows:

Current BCR	New proposed BCR
33.36 > 1.5	31.81 > 1.5

**A BCR calculation of 1.5 or above is deemed good value for money*

Project SRO

Colin George
Ruskin Mill Land Trust

Project SSRO

Helen Martin
Dudley MBC

3.8 Advanced Manufacturing Training Centre

In 2017, In-Comm partnered with Hyfore to develop the Advanced Manufacturing Technology Centre (AMTC) to bring about a unique model for a truly industry led provision. Following completion of the project spend the project moved to output monitoring in 2019.

The project has now reached the end of their contractual period of output delivery and have been unable to claim all their targeted jobs safeguarded outputs, as they had based the target on being able to claim repeat jobs safeguarded outputs each financial year. The project however will be able to exceed the number of learners assisted by 250 outputs due to an increase in demand for virtual short courses during the Covid-19 pandemic.

An updated output profile and forecast is tabled below –

Output	Original Target Overall	Verified to end of 2019/20	<u>Revised Target</u>	2020/21	2021/22
Businesses Assisted	70	0	No change	0	70
Learner Assists	1000	1067	1250	183	0
Jobs Created	19	18.8	No change	0.2	0
Jobs Safeguarded	164	25	25	0	0
Apprenticeship starts	390	248	No change	72	70
Apprenticeship achievements	112	57	No change	55	0
Commercial floorspace constructed	929 sqm	1289 sqm	1289 sqm	0	0

The proposed change will affect the Value for Money calculation as follows:

Current BCR	New proposed BCR
74.53 > 1.5	78.33 > 1.5

**A BCR calculation of 1.5 or above is deemed good value for money*

Project SRO

Bekki Phillips
In-comm Ltd

Project SSRO
Simon Tranter
Walsall MBC

3.9 **Very Light Rail Test Track Project**

Very Light Rail (VLR) is a class of rail guided vehicles and associated track infrastructure that is significantly lighter weight than traditional 'heavy rail' or 'light rail'. Lighter vehicles require less energy to be propelled, cause less damage to the supporting track, and can be supported by less substantial bridges and sub-structures. Much of the technology developed in the automotive sector can be carried across to the vehicles including body structures, propulsion, batteries, control systems and autonomous control. The technology has applications on rural branch lines as well as urban tramways. VLR technologies offer pathways to low-cost rail.

The Very Light Rail National Innovation Centre (VLRNIC) is located at Castle Hill in Dudley with construction currently onsite, and an official opening planned for early 2022. The VLRNIC will also include test track facilities for performance testing and vehicle certification, the first track to be open for business by the end of this year. A second track will be commissioned to test the Coventry Very Light Rail and funding is currently being sought for this element of the project.

The retaining wall, which serves the Metro extension as well as the VLR project, and the construction of Test Track 1 are both now complete with the loop extension to be completed very shortly. It is unknown at this stage when the construction of Test Track 2 will commence, as this element of the scheme is currently unfunded. However, it is felt that the second test track 15m radius loop, is a useful capability that can be exploited in the future. The 15m radius loop will be a unique facility in the UK, enabling the cornering behaviour of new rail vehicles to be tested on the tightest bend that might be needed in urban rail schemes. By its design, it will allow both right-hand and left-hand cornering behaviour to be fully examined.

The approved funding for the Test track element of the VLR scheme, identified the 'Construction of the Test Track for prototype trials' as 2201m long and additional funding approved in June 2020 for the inclusion of the Loop Extension, increased this output to 2901m.

The 2901m length was based on drawings and knowledge of the site at the time of the funding application. However, as the construction of the track and

extension loop progressed, further measurements were taken, resulting in a more accurate figure of 1983 m for the length of the completed track and 290m for the Loop Extension providing a total of 2273m. The project is requesting a change to reduce the output figure to the completed length which is now lower than originally anticipated. A comprehensive report has been provided by the VLR project team, for members to review, that details the costs of the test track element of the wider VLR scheme.

The final stages of completion have been impacted by the lack of supply and heightened demand for materials across the construction industry. This shortage and supply / demand issue has caused a delay to the final milestones being achieved and additional time is required to deliver the test track in its entirety. The balance of funding not yet drawn down, will be transferred by means of a change control to the Growing Places Fund.

BCR does not change for this project as the outputs delivered are not captured by the BC LEP's standard BCR calculation.

Project SRO

Helen Martin
Dudley MBC

3.10 Elite Centre for Manufacturing Skills (ECMS)

The Elite Centre for Manufacturing Skills (ECMS) project was approved by the BC LEP in October 2015, whereby the University of Wolverhampton was the recipient of an £8.5m grant and the lead development partner in a partnership with the Confederation of British Metal forming, the Cast Metals Federation, the Institute of Cast Metals Engineers, Dudley College and Thomas Dudley Ltd.

The ECMS Hub development involved the restoration of an existing 140-year-old building on the University of Wolverhampton's new Springfield Campus in Wolverhampton creating 800sqm of space for training and demonstrations. This has now been completed and the Hub is fully operational. The two spokes are in Dudley and West Bromwich. The 'Foundry and Forging' Spoke located in Dudley is a new purpose-built training block of approx. 950sqm located adjacent to a foundry on the Thomas Dudley Ltd site in Dudley Port, with access to their industrial facilities and required the demolition of an existing building. This has been completed and the Spoke have been operational for some time.

The second Spoke in West Bromwich was to be based at the National Metal forming Centre (NMC) and was to house equipment for Toolmaking and metal forming. This would involve extending and adapting their existing building to create an additional 200sqm training facility. There is additional equipment at

Dudley College to strengthen the ECMS offer. During the early project delivery stages, unforeseen issues were encountered onsite, which resulted in two additional funding requests being approved by the LEP board. These requests were approved by the Joint Committee in 2017, on the basis that additional apprenticeships were to be provided by the project.

Due to ongoing State Aid issues with NMC venue, a change request was brought forward to remove the NMC venue and replace it with In-comm in Aldridge, Walsall. This change in scope was approved by the LEP in late 2018. Following on from the change in scope, equipment was installed at In-comm’s premises in Aldridge. Through further due diligence, as part of the grant variation process, issues with State Aid compliance were unable to be resolved. This has resulted in a reduction in grant funding and the final funding award is now as follows -

Funding Source	2016/17	2017/18	2018/19	2019/20	<u>TOTAL</u>
BC LEP funding	£1,751,940	£5,972,164	£773,832	-£941,717	<u>£7,556,219</u>

**This profile was approved as part of the Growth Deal year end programme changes for 2019-20 financial year.*

On this basis, that the final ECMS venue was not State Aid compliant, the project has requested that the below milestone be removed from their amended contract:

- Start training at IN-COMM training.

The project has also requested that their contracted match funding amount be adjusted in line with the reduction in grant funding that was approved in 2020. This reduction in match funding does not affect the investment provided by the University and in fact the University has over delivered on their match funding contributions. The reduction of match funding relates to the change of partners to the ECMS, over the course of the project. This is tabled below -

	2016/17	2017/18	2018/19
Match Funding (based on a grant of £8,546,400)			
Match Funding (based on a grant of £7,556,219)	£2,024,727.15	£732,330.14	£720,000

	2019/20	2020/21	Total	Intervention Rate
Match Funding (based on a grant of £8,546,400)			£4,450,000.00	65.76%
Match Funding (based on a grant of £7,556,219)	£37,427.97	£484,401.69	£3,998,886.95	65.39%

The project has been impacted by the Covid-19 pandemic and will require additional time to deliver all its contracted outputs. This is not seen as an issue, as the Growth Deal has an extension of up to March 2025 to deliver all Programme outcomes. The project is to be audited later in September by the LEP's Accountable Body. An update on the progress of outputs will be brought back to board members once the audit has been carried out.

The project's BCR calculation of 8.65 is not impacted by this change as the changes to the match funding and intervention rate is minimal.

Project SRO

Rebecca Macdonald
University of Wolverhampton

Project SSRO

Richard Lawrence
Regeneration Director
City of Wolverhampton Council

3.11 Growing Priority Sectors

The Covid-19 pandemic continues to have an impact on a few the Growing Priority Sector funded companies, which has led to legal entity changes for one of the grant applicants. Sandwell Metropolitan Borough Council have therefore commenced discussions with Roach Precision Engineering Limited around the novation of the Harco Engineering Limited Grant Agreement in relation to the delivery of the project's 7 jobs created and 1 apprenticeship outputs.

4. BENEFIT COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-Cost Ratios (BCRs) are utilised in capital budgeting to analyse the overall value for money of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed is 1.5 and would be considered 'good value for money' should this threshold be exceeded. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project.
- 4.2 Where relevant, the BCR calculation has been captured and detailed for the requested project changes.

5. FINANCIAL IMPLICATIONS

The costs associated with this development work and the delivery of projects that form part of the Local Growth Deal are covered by allocations from Government associated with this Programme, including the remaining Growing Places budgets used to over-programme Local Growth Deal.

6. LEGAL IMPLICATIONS

The appropriate grant agreements are in place for all projects that are the subject matter of this report and will be varied by the Accountable Body (Walsall Council) to incorporate the changes requested in this report, and 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.

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 Government and set into place by the LEP Board and the Joint Committee.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

Legal and Finance Officers at Dudley, City of Wolverhampton and Walsall Councils have been consulted as part of the development of this report.

Background papers

- September 2021 GD Funding Sub Group paper;
- Individual Project Change Requests;
- VLR Test Track Lengths Cost Report.

Attachments

- I. Appendix 1 - Growth Deal Project Outputs and Grant Allocations (v3).

Report Author

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GROWTH DEAL PROJECTS		Outputs					Expenditure								
Projects		Jobs	Apprentices hips	Houses	BA	LA	Comm Floor space (Sqm)	15/16	16/17	17/18	18/19	19/20	20/21	21/22	TOTAL
LGF															
Accessing Growth - Bilston Urban Village	Reported							726,627	2,168,661						2,895,288
Accessing Growth - Junction & Highway Improvements (Canal Side)	Reported							630,000							630,000
Accessing Growth - J10 Resilience Package	Reported							94,519	1,235,176						1,329,695
Accessing Growth - Coach Station	Reported							387,673	90,000						477,673
Accessing Growth - Wednesbury to Brierley Hill Metro	Reported								400,000	130,000	100,000				630,000
Accessing Growth -Compton Park Improved Connectivity	Reported							149,352							149,352
Accessing Growth - Springfield Campus InterChange Connectivity	Reported								600,000						600,000
Accessing Growth - A454 Willenhall Road	Reported								158,800	26,517					185,317
Accessing Growth - A449 Stafford Road	Reported								101,011	13,336					114,347
Accessing Growth - A459 Dudley Rd/Coombs Rd Halesowen	Reported								259,291	280,709					540,000
Accessing Growth -Pinfold Bridge, Wednesfield Road	Reported								674,568						674,568
Accessing Growth - Himley Road	Reported									78,500					78,500
Accessing Growth - Salters Road	Reported									768,340	618,604				1,386,944
Accessing Growth M6 J10	Reported									218,835					218,835
Accessing Growth - Westlink Development	Reported									54,461	100,539				155,000
Accessing Growth - Springfield Campus Ph 2	Reported										396,863	135,432			532,295
Accessing Growth - City North & East Gateway - Major Scheme Dev	Reported									200,000	214,510	5,489			419,999
Accessing Growth - Walsall Economic Growth & Infrastructure Package	Reported										912,652	3,695			916,347
Accessing Growth - Unallocated	Reported											0			0
Advance Science, Engineering & Technology Centre	Reported	20	530		160	965	4067.3	1,059,000							1,059,000
Bilston Urban Village	Reported	22		498			771	2,750,000	2,087,599						4,837,599
Dudley Advance Construction (CABTech)	Reported	315	725		1170	2,600	200	2,028,108	5,851,892						7,880,000
Elite Centre Feasibility Study	Reported							170,000							170,000
Elite Centre for Manufacturing Skills	Reported	67	412		365	0			1,751,940	5,972,164	773,832	-941,717			7,556,219
FAB Kit Programme	Reported	8	685		267	1,336	60	316,088							316,088
Goscote Lane Corridor Development Programme	Reported		12	741	0	0		1,700,000	2,808,000	4,312,000					8,820,000
Growing Priority Sectors	Reported	800	45		48	14	5796	1,493,383	1,335,344	1,669,415	3,155,352	530,163			8,183,657
Growing the City Centre Cultural and Business Event Offer	Reported	67	13		85	1,500		1,876,699	2,301,021	1,234,681					5,412,401
M6 Junction 10 LGF & Dft funds	Reported							650,000	350,000	120,000	0	5,062,348	23,467,652		29,650,000
	Change							650,000	350,000	120,000	0	5,062,348	19,022,255	4,445,397	29,650,000
Major Transport Scheme	Reported										690,409		6,929,591		7,620,000
Managing Short Trips	Reported							2,430,009	3,860,836						6,290,845
Science, Technology & Prototyping Centre	Reported	122						1,296,594	3,583,406						4,880,000
Wolverhampton InterChange - Commercial Gateway Phase 2 (LGF)	Reported	219					5631.85	4,500,000		3,500,000					8,000,000
Woods Lane	Reported			0	1			548,991	2,528,718	984,621	268,341	13,115			4,343,786
Ruskin Mill Glasshouse Phase 3	Reported	12	0		15	201	274	160,026							160,026
	Change	12	0		15	174	274	160,026							160,026
Walsall Waterfront	Reported							31,638	100,771	14,965					147,374
Dudley Town Centre - Buildings & Sites Improvements Programme	Reported	1		67	9		330	169,558	285,442						455,000

GROWTH DEAL PROJECTS		Outputs					Expenditure								
		Jobs	Apprentices hips	Houses	BA	LA	Comm Floor space (Sgm)	15/16	16/17	17/18	18/19	19/20	20/21	21/22	TOTAL
City of Wolverhampton College Relocation - Development Funding	Reported						310,000								310,000
Walsall College - Improving Engineering Capacity & IT Academy	Reported		247			1,259	354,895								354,895
UoW Apprenticeship Hub	Reported		715				150,000	50,000							200,000
Music Institute Development Study	Reported						80,000	69,997							149,997
Very Light Rail Development Study	Reported						150,000	150,000							300,000
Airfield Drive	Reported					5119			370,993						370,993
Halesowen College - Access Centre for HE	Reported		10		0	515		700,000							700,000
Dudley College - Specialist Equipment for HVM Sector	Reported		215			0		104,400							104,400
Dudley Brownfield Land Ph 1	Reported			202				986,748	716,464	414,977	311,766				2,429,955
Pensnett Estate Extension Development	Reported					20061.5		1,477,368							1,477,368
Walsall College - Additional Engineering Equipment	Reported		200			365		149,250							149,250
Dudley College - Construction Apprenticeship Training Centre	Reported	0	200			415		507,247	92,753						600,000
VLR - Test Track and Innovation Centre - SEED funding	Reported							637,814	198,914						836,728
Managing Short Trips Tranche 2	Reported								2,024,655	2,161,122	653				4,186,429
203/204 Wolverhampton Street	Reported					342			145,947						145,947
City North Gateway Phase 1 M54 Jct 2 to Springfield Lane	Reported								2,319,080	1,031,920					3,351,000
Advanced Manufacturing Training Centre	Reported	19	390		70	1000	929								722,999
	Change	19	390		70	1250	929			722,999					722,999
Walsall College Digital, Constuction & Engineering Expansion	Reported		532			442			500,832	483,168					984,000
i9 (BLOCK 9) Wolverhampton	Reported					4436				0	755,280	3,242,387			3,997,667
Woods Lane Phase 2	Reported			105							1,570,621	127,379			1,698,000
Church Square Appartments	Reported			4						123,121					123,121
i54 Western Extension - Access Package (LTB & Accessing Growth)	Reported									230,373	4,269,627	500,000			5,000,000
Halesowen College - Business & Construction Management Centre	Reported		275		10	325				176,565	2,895,209	2,860,326			5,932,100
Hatherton Street Phase 2	Reported					1526					384,611	215,353			599,964
The Leather Industry	Reported	9								450,000					450,000
Phoenix 10	Reported									1,222,042	122,963	599,717			1,944,722
Home to Hub & Test Innovation Development funding	Reported									838,826	306,921	0	0		1,145,747
SOABE (School of Architech & Built Environment)	Reported	28	175		108	255	7981			1,168,947	1,431,165	919,888			3,520,000
Springfield Phase 1	Reported									3,056,044	0	1,363,956			4,420,000
National Brownfield Institute	Reported									0	0	464,814			464,814
Black Country Living Museum Forging Ahead Programme	Reported	58	19			308	12491				1,075,586	7,924,414			9,000,000
Birchley Island Development Scheme	Reported										592,556	511,696			1,104,252
	Change										592,556	471,699			1,064,254
VLR - Test Track	Reported											4,278,063			4,278,063
	Change											3,519,649			3,519,649
Sandwell Aquatics	Reported	24				15400					5,000,000	0			5,000,000
IT Digital Skills	Reported	5	1600		1250	180					68,163	0			68,163
YMCA	Reported	86	44		14	1662	756					1,029,676			1,029,676
	Change	86	44		14	1662	756					941,000			941,000
i54 Western Extension	Reported											2,500,000			2,500,000
Birchley Island Site Assembly	Reported											0			0
Very Light Rail - National Innovation Centre	Reported											650,000			650,000
	Change											224,453			224,453
Very Light Rail - National Innovation Centre	Reported											612,051			612,051
	Change											0			0
Sandwell Aquatics Infrastructure	Reported											588,200			588,200

GROWTH DEAL PROJECTS		Outputs					Expenditure								
		Jobs	Apprentices hips	Houses	BA	LA	Comm Floor space (Sgm)	15/16	16/17	17/18	18/19	19/20	20/21	21/22	TOTAL
SITE INVESTIGATION															
Popes Lane - Site Investigation	Reported							54,290							54,290
Pensett Estate Extension - Site Investigation	Reported							41,165							41,165
Parkrose industrial Estate - Site Investigation	Reported							53,994	19,170						73,164
Challenge Block - Site Investigation	Reported								0	21,092	19,908				41,000
Moxley Tip - Site Investigation	Reported								88,600	23,298					111,898
Shidas Lagoon - Site Investigation	Reported									990	77,528	38,201			116,719
Bourne Street - Site Investigation	Reported								63,565						63,565
Wharf Approach - Site Investigation	Reported										25,714				25,714
Bull Street - Site Investigation	Reported								34,761	0					34,761
Black Country Living Museum Forging Ahead Programme - Site Inv	Reported								20,148	3,821					23,969
Former Reedswood Golf Course - Site Investigation	Reported									9,330					9,330
Music Institute and Student Accommodation - Site investigation	Reported								32,579						32,579
City Learning Quarter - Site Investigation	Reported										120,000	0	322,500		442,500
Former Willenhall ST Works - Site Investigation	Reported									43,278	56,980				100,258
Springfield Campus Remediation - Site Investigation	Reported									83,195					83,195
University College Dudley	Reported										38,937	23,154			62,091
Sandwell Residential - Site investigation	Reported										44,808				44,808
Holloway Street, Gornal - Site investigation	Reported									43,235					43,235
Bilston Urban Village East - Site investigation	Reported										58,225				58,225
LTB															
M6 Junction 10	Reported							99,863		200,000					299,863
Wolverhampton InterChange - Commercial Gateway Phase 2	Reported							4,367,751	4,632,249						9,000,000
Birchley Island M5 J2	Reported							100,000							100,000
A4104 Pensnett High Street	Reported								2,348,432	1,451,569					3,800,001
A4123 Development Works	Reported								30,000	66,228	15,888	31,709			143,825
Dudley Bus Station	Reported								157,677	42,323					200,000
Mill Lane Bridge GRIP Study & Aldridge Line Aqueduct GRIP 3 Study	Reported									120,000	95,750	0	81,750		297,500
Wolverhampton to Willenhall Metro Extension - Dev funding	Reported									150,000	10,550				160,550
West Coast Mainline HS2 Study - Sandwell	Reported										40,000				40,000
West Coast Mainline HS2 Study - Walsall	Reported									40,000					40,000
A461 Corridor Improvements Phase 2 & 3	Reported									63,877	19,787				83,664
Bloxwich Mitigation Package	Reported									100,000					100,000
Birchley Island Transport Development Funding	Reported										150,000				150,000
Dudley Town Centre Infrastructure Improvements - Development Funding	Reported										62,948	87,052			150,000
Black Country Train Stations - Walsall	Reported										17,300	18,906	0		36,206
I54 Western Extension Transport Development Funding	Reported										63,213				63,213

GROWTH DEAL PROJECTS		Outputs					Expenditure								
Projects		Jobs	Apprentices hips	Houses	BA	LA	Comm Floor space (Sqm)	15/16	16/17	17/18	18/19	19/20	20/21	21/22	TOTAL
Sustainable Transport Scheme Development Funding	Reported										40,000				40,000
Transport Major Road Network	Reported											80,600	168,106		248,706
Ultra Low EV Transport Development Funding	Reported											25,320	104,356		129,676
	Change											25,320	104,680		130,000
CAPITALISATION OF RESOURCE															
LEP Programme Management	Reported							263,049	300,572	196,110	135,239	153,202	134,137		1,182,309
LA Programme Work & Development - Dudley	Reported							142,889	249,866	248,754					641,509
LA Programme Work & Development - Sandwell	Reported							25,364	5,707	6,500					37,571
Joint Committee Expenditure - Walsall	Reported							126,223	195,661	175,000	230,372	175,000	258,550		1,160,806
LA Programme Work & Development - Walsall	Reported							69,995	250,000	250,000					569,995
LA Programme Work & Development - Wolverhampton	Reported							179,215	250,000	250,000					679,215
Black Country Transport expenditure - Wolverhampton	Reported							213,042	214,715	250,000	100,000	100,000	100,000		977,757
Programme Technical Advice - Property	Reported								42,955	21,303	40,216	80,806	1,052		186,332
Programme Technical Advice - Legal	Reported									14,388	7,765	5,793	1,694		29,640
TOTAL	Reported	1,882	7,044	1,617	3,572	13,342	86,171.65	£29,950,000	£46,301,957	£31,384,296	£19,527,429	£24,106,465	£59,957,309	0	£211,227,456
TOTAL	Change	1,882	7,044	1,617	3,572	13,565	86,171.65	£29,950,000	£46,301,957	£31,384,296	£19,527,429	£24,106,465	£53,587,550	£4,445,397	£209,303,095
Growth Deal Commitment		6,384	2,536	3,200	8,984	39,244									
Variance to Contracted Outputs +Over/-Under		2,542	-919	372	4,581	46,928									

REPORT OF THE HEADS OF REGENERATION WORKING GROUP
TO
BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON
3 NOVEMBER 2021

GROWING PLACES FUND – PROGRAMME CHANGES

Key Decision: **Yes**
Forward Plan: **Yes**

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approves change request for the Growing Places Programme
- 1.2 This change request was endorsed by the LEP Funding Sub Group on the 2 September 2021 and approved by the LEP Board on the 20 September 2021. It was endorsed by the Working Group at its meeting on 14 October and concluded on 18 October 2021 via email business.

2. RECOMMENDATIONS

That the Black Country Joint Committee:

- 2.1 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the Grant Agreement with Dudley Council to deliver the Local Growth Fund (LGF) funded elements of the **Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies – National Innovation Centre project**. **£1,037,597** was previously allocated from LGF over programming but will now be **funded from the Growing Places Fund** to support the delivery into 2021/22 financial year.
- 2.2 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the Grant Agreement with Dudley Council to deliver the Local Growth Fund (LGF) funded elements of **Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies – Test Track 1 Project**. **£758,414** was previously allocated from LGF over programming but will now **be funded from the Growing Places Fund** to support the delivery into 2021/22 financial year.

This change request relates to a change in programme funding streams.

3. REPORT DETAIL

Very Light Rail National Innovation Centre

- 3.1 The Very Light Rail National Innovation Centre (VLRNIC) will be a unique Centre of Excellence for the development of VLR technologies. Its aim is to catalyse technology, supply chain and market development focused on stimulating a market for VLR vehicles and associated infrastructure which will lead to the growth of a new industrial manufacturing sector in the UK with significant export prospects. VLR is a disruptive technology and there are gaps (in technology maturity as well as testing and certification) that need to be addressed. The VLRNIC will focus on closing these gaps whilst developing VLR supply chain activities and market development.
- 3.2 The VLRNIC is located at Castle Hill in Dudley with construction currently onsite, and an official opening planned for late 2021. The VLRNIC will also include test track facilities for performance testing and vehicle certification, the first track to be open for business by the end of this year. A second track will be commissioned to test the Coventry Very Light Rail and funding is currently being sought for this element of the project.
- 3.3 The Innovation Centre element of the wider VLR scheme, was approved in late 2020, with most of the funding coming from the Getting Building Fund (GBF) and the balance of £650,00 from the Black Country LEP's Local Growth Deal programme. The construction of the Innovation Centre has progressed well to date, there has been some impact on the delivery schedule following the challenging weather conditions earlier in the year and the Covid-19 pandemic. The GBF funding has strict timescales and financial targets to be met, very similar to the constraints that were placed on the Growth Deal, which is now closed. To provide greater flexibility for the project to carry on delivering and drawing on required funds, a change request has been provided to change the make-up of funding required to deliver the VLRNIC.
- 3.4 This is tabled below:

Programme Funding	Previously Approved	Revised recommendation	Comment
BC LEP GBF	£11,737,950	£11,737,950	VLRNIC – part construction GBF funds previously approved
BC LEP GPF	0	£1,037,597	GPF funds to be approved
BC LEP LGF	£1,262,050	£224,453	Final Growth Deal position
EDRF	£5,550,000	£5,550,000	VLRNIC – part construction and revenue
TOTAL	£18,550,000	£18,550,000	

3.5 The reduction of GBF monies from £12,350,000 to £11,737,950 was approved at the June 2021 Black Country Joint Committee with the £612,051 reduction funded from the Growth Deal this has subsequently been removed from this programme as detail in the September Growth Deal Year-End changes. The £650,000 Growth deal funding has reduced to £224,453 and this has been covered in the September Growth Deal Year-end changes. The balance £425,527 required alongside of the £612,051 requires transferring to the Growing Places Fund, as this will provide greater flexibility for the project's delivery schedule. Members are requested to support this change of funding and new financial profile and are asked to note that this change does not reduce the overall BC LEP approved sum of £13,000,000, which is still required to deliver the innovation centre.

Project SRO

Helen Martin
Regeneration Director
Dudley Council

Very Light Rail Test Track

3.6 Very Light Rail (VLR) is a class of rail guided vehicles and associated track infrastructure that is significantly lighter weight than traditional 'heavy rail' or 'light rail'. Lighter vehicles require less energy to be propelled, cause less damage to the supporting track, and can be supported by less substantial bridges and sub-structures. Much of the technology developed in the automotive sector can be carried across to the vehicles including body structures, propulsion, batteries, control systems and autonomous control. The technology has applications on rural branch lines as well as urban tramways. VLR technologies offer pathways to low-cost rail.

3.7 Whilst the project has progressed well so far to date however a delay in the final completion of test track 1 and loop extension project has been identified, which will push back the completion and final spend date to the end of November 2021. Some of the delay is the result of the Covid-19 pandemic and Brexit. The delays in delivery of key equipment for the Loop Extension are wholly down to supply chain issues as these parts are arriving from several countries in mainland

Europe. Regarding the 'S&C Turnout' which came from Poland, but is now in the UK having a process called 'encapsulation' undertaken:

- The supplier delayed our order of 1 Turnout, to cope with a large order of 50 for a company in Tel Aviv.
- There was a significant delay in the design due to Stagg being affected by COVID.
- COVID has also had a similar effect on the 'Points' assembly which is being manufactured in Czech Republic.
- In addition, a week has been lost from the programme due to a delay in the contractor securing concrete and ballast from their usual UK supply chain (this is part of a patchy effect currently happening in the UK).

This has resulted in the Turnout and points not expected to be completed until the end of July and installed a few weeks later.

3.8 The above issues have had an impact on the project's ability to draw down the allocated Growth Deal funding, as the Growth Deal programme completed in March 2021, with contractual commitments running until June 2021. A change request has been submitted to support the project moving forward, this has included a swap of funding from the Growth Deal to the Growing Places Fund, to allow the project further flexibility. The new proposed funding break down has been captured in table 1 above. In addition to these financial changes, there are three project milestones where the final delivery dates will also require updating from July to November 2021.

3.9 A breakdown of the VLR Test Track 1 (with the loop extension) is detailed below:

Programme Funding	Previously Approved	Revised recommendation	Comment
BC LEP GBF	£612,051	£612,051	GBF approved June 2021 BCJC
BC LEP GPF		£758,414	GPF funds to be approved for continued delivery
BC LEP LGF	£4,278,063	£3,519,649	Final Growth Deal position
TOTAL	£4,890,114	£4,890,114	

Project SRO

Helen Martin
Regeneration Director
Dudley Council

4. BENEFIT COST RATIO (VALUE FOR MONEY)

Benefit-Cost Ratios (BCRs) are utilised in capital budgeting to analyse the overall value for money of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed is 1.5 and would be considered 'good value for money' should this threshold be exceeded. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project.

*There is no change to the BCR for the Very Light Rail National Innovation Centre project as outputs are not affected.

*BCR does change for the Very Light Rail Test Track project as the outputs delivered are not captured by the BC LEP's standard BCR calculation.

5. FINANCIAL IMPLICATIONS

All the costs associated with this proposal form part of the LGF Programme and will be covered by allocations from the government with this programme. This includes 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 29th October 2014.

6. LEGAL IMPLICATIONS

The appropriate grant agreements are in place and will be varied by the Accountable Body (Walsall Council), and 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.

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 LEP Board and Black Country Joint Committee.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

Legal and Finance Officers at Dudley Council have been consulted as part of the development of this report.

Background papers

- VLR National Innovation Centre Change Request;
- VLR Test Track Change Request;
- VLR Test Track DMBC Report – Spend Slippage 2021;
- September 2021 Funding Sub Group GPF Report v1.3.

Attachments

- I. None.

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