



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

## BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

On Wednesday 27 April 2022 at 10.30am

To be held at Walsall Council House and via a Teams Virtual Meeting  
and Webcast

### MINUTES – PUBLIC (Draft)

#### **MEMBERS - In person**

Dudley MBC - Councillor Patrick Harley (Voting)  
Sandwell MBC - Councillor Bob Piper (Voting sub), Kim Bromley-Derry  
Walsall MBC - Councillor Adrian Andrew (Voting sub), Dr Helen Paterson (**Secretary**)  
City of Wolverhampton Council - Councillor Ian Brookfield (**Chair**), (Voting), Tim Johnson

#### **ATTENDEES – via Teams**

Black Country LEP – Tom Westley  
The Black Country Consortium Ltd – Sarah Middleton and Lara Smith  
Dudley MBC - Kevin O’Keefe  
City of Wolverhampton Council - Tim Johnson and Richard Lawrence  
Sandwell MBC - Tony McGovern  
Walsall MBC - Simon Neilson

Councillor Brookfield welcomed everyone to the hybrid meeting with voting members being present in Walsall Council Chamber with appropriate social distancing requirements in place and non-voting members joining the discussions online via the use of Microsoft Teams.

Councillor Brookfield then asked each participant to confirm that they could see and hear proceedings. Councillor Brookfield confirmed that the meeting was quorate and welcomed any members of the public viewing the meeting online.

#### 1. **Apologies**

Councillor Mike Bird, Walsall Council  
Councillor Kerrie Carmichael, Sandwell Council  
Dudley MBC - Helen Martin

#### 2. **Notes of Meeting held on 03 November 2021**

##### **Decision 22/0001**

Councillor Brookfield moved approval of the minutes of the meeting on 03 November 2021 which was seconded by Councillor Harley. The motion was subsequently declared carried and it was Resolved that the minutes of the meeting held on 03 November 2021 be confirmed as a true record.

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

None.

4. **Declarations of Interest**

None.

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

None.

6. **Black Country Executive Joint Committee Collaboration Agreement Amendments.**

Lara Smith referred to the report previously circulated and explained that contained in the report are a number of changes that have been made over the last few months and they now have been brought together in one report for final approval by the BCJC. The changes where necessary have been approved by all 4 Black Country Local Authority Cabinets and the Black Country LEP Board. The changes have been made to improve processes by streamlining where appropriate and also updating the Joint Collaboration Agreement. Section 3.9 of the report details all of the changes.

**Decision 22/0002**

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

2.1 Approve proposed amendments, as highlighted in light blue, to the Collaboration Agreement covering the removal of the Advisory Board and revised Black Country Executive Joint Committee governance, and Governance Principles: Enterprise Zones, included as Appendix A to this report.

2.2 Note that once agreed, all approved changes are recorded by a Deed of Variation.

7. **Land and Property Investment Fund**  
**Globe House, Walsall – Grant Agreement Approval**

Lara Smith referred to the report previously circulated and explained that they have been working with the applicant for some time to bring this project forward. West Midlands Combined Authority (WMCA) are also providing funding for this project and this was approved by their Investment Board. This is a very strategic site in Walsall Town Centre and will deliver 35 residential units. WMCA has asked for 20% (7) of the units to be let as affordable housing. The applicant hopes to commence work on site at the end of August beginning of September.

Councillor Brookfield feels it is right that these strategic sites are brought forward and local authorities should support them. Pleased that they have an element of affordable housing.

Councillor Andrew advised that Walsall are very supportive of this site that will provide housing where it is needed and was confident that Leaders of each Council are knowledgeable of what is needed within their Town Centres.

### **Decision 22/0003**

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

Approve the Accountable Body for the Land and Property Investment Fund (Walsall Council) to **enter into a grant agreement with Globe Asset Management Limited, to the value of £627,519** to deliver the Land and Property Investment (LPIF) funded elements of the Globe House, Walsall project, with delivery to commence in the 2022/23 financial year.

### **8. Local Growth Fund Individual Project Changes for (i) Hatherton Street Phase 2; (ii) i9 (Block 9) Wolverhampton - Amendment to the existing Grant Agreements**

Lara Smith referred to the report previously circulated and explained details to project changes:

Hatherton Street Walsall was completed June 2020. Overall cost saving on the Project and therefore grant funding element was reduced last year and now seeking to reduce match funding. Final unit on the site was sold last year and the Project is now in output monitoring stage.

i9 project completed successfully and will have the Government Departments of BEIS and DLUP located there. West Midlands Pension Fund also moving into the building. Seeking approval to reduce the jobs output and also to add additional output.

Councillor Brookfield advised that they do expect the growth in jobs to continue.

### **Decision 22/0004**

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

2.1 Approve the Accountable Body for the Growth Deal (Walsall Council) to **amend the grant agreement with Jessup Brothers Limited, to reflect the reduction in match funding of £506,056 and re-profiled outputs** as set out in paragraphs 3.4 and 3.5 respectively for Hatherton Street Phase 2 Project.

2.2 Approve the Accountable Body for the Growth Deal (Walsall Council) to **amend the grant agreement with Ion Projects Limited, to reflect the change in indirect outputs** as set out in paragraph 3.10 for i9 (Block 9) Wolverhampton Project.

9. **Land and Property Investment Fund**  
**Individual Project Change for Sandwell Housing GAP Funding Phase 1 –**  
**Amendment to the existing Grant Agreement**

Lara Smith referred to the report previously circulated and explained that the project had experienced delays due to the Covid-19 pandemic but is now progressing well on site. The report seeks to update spend profile for grant and match funding and update the Outputs taking into account the move in timescales on remediation and procurement contract.

**Decision 22/0005**

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

Approve the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to **amending the existing Grant Agreement with Sandwell MBC**, to deliver the Land and Property Investment (LPIF) funded elements of the **Sandwell Housing Gap Funding – Phase 1 project** with delivery to continue in the 2021/22 financial year.

Note that change request relates to a change in the grant funding profile.

Meeting closed.

**REPORT OF THE SECRETARY**  
**TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**  
**ON WEDNESDAY 27 JULY 2022**

**TIMETABLE OF MEETINGS 2022/23**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>Yes</b>

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## 1. PURPOSE OF REPORT

- 1.1 The report sets out the timetable of meetings for the municipal year 2022/23 and the Forward Plan publication dates for 2022/23.

## 2. RECOMMENDATIONS

The Black Country Executive Joint Committee is requested to:

- 2.1 Approve the timetable of meetings for 2022/23 as set out in **Appendix A** of the report.
- 2.2 Approve the Forward Plan Publication dates for 2022/23 as set out in **Appendix B** of the report

## 3.0 REPORT DETAIL

### 3.1 Timetable 2022/23

The draft timetable which is recommended for approval is attached as Appendix A. Leaders and Chief Executives offices have been consulted in its preparation.

### 3.2 Forward Plan Publication dates 2022/23

The forward plan sets out decisions that are termed as “key decisions” at least 28 calendar days before they are due to be taken by the Black Country Executive Joint Committee. Preparation of the Forward Plan helps the Black Country Executive Joint Committee to programme its work. The purpose of the Forward Plan is to give plenty of notice and an opportunity for consultation on the issues to be discussed. The Plan is updated each month with the period of the plan being rolled forward by one month and republished. The plan is available for public inspection from Walsall Council’s website [https://go.walsall.gov.uk/bcjc\\_forward\\_plan](https://go.walsall.gov.uk/bcjc_forward_plan)

The Forward Plan Publication dates are attached at Appendix B.

## 3. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

## 4. LEGAL IMPLICATIONS

There are no legal implications associated with this report.

**5. RISK MANAGEMENT**

There are no Risk implications associated with this report.

**6. EQUALITY IMPLICATIONS**

There are no Equality implications associated with this report.

**8. CONSULTATION**

Chief Executives and Leaders from the four Black Country authorities have been consulted during the preparation of this report.

**Back Ground papers**

None.

**Attachments**

**Appendix A – Timetable of Meetings 2022/23**

**Appendix B - Forward Plan Publication dates 2022/23**

**Contact Officer & Author**

**Dr Helen Paterson**, Chief Executive of Walsall Council and  
Secretary to the Black Country Executive Joint Committee  
Walsall Council  
Email: chiefexecutive@walsall.gov.uk

## MEETING SCHEDULE 2022/23

**CHAIRPERSON –**

**VICE CHAIRPERSON –**

<b>DATE</b>	<b>TIME</b>	<b>VENUE (Subject to Change)</b>
Wed 27 July 22022	11:00am Public	Walsall Council and via Teams digital platform
Wed 7 September 2022	11:00am Public	Walsall Council and via Teams digital platform
Wed 19 October 2022	11:00am Public	Walsall Council and via Teams digital platform
Wed 1 February 2023	11:00am Public	Walsall Council and via Teams digital platform
Wed 19 April 2023	11:00am Public	Walsall Council and via Teams digital platform
Wed 26 July 2023	11:00am Public	Walsall Council and via Teams digital platform

## **FORWARD PLAN PUBLICATION DATES**

### **August 2022 – August 2023**

September 2022 – December 2022 published on	01 August 2022
October 2022 – January 2023 published on	05 September 2022
November 2022 – February 2023 published on	03 October 2022
December 2022 – March 2023 published on	07 November 2022
January 2023 – April 2023 published on	05 December 2022
February 2023 – May 2023 published on	09 January 2023
March 2023 – June 2023 published on	06 February 2023
April 2023 – July 2023 published on	06 March 2023
May 2023 – August 2023 published on	03 April 2023
June 2023 – September 2023 published on	08 May 2023
July 2023 – October 2023 published on	05 June 2023
August 2023 – November 2023 published on	03 July 2023
September 2023 – December 2023 published on	07 August 2023



**REPORT OF THE HEADS OF REGENERATION WORKING GROUP**

**TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

**ON 29 JULY 2022**

**GROWING PLACES FUND**  
**Black Country Digital Strategy**  
**Amendment to Grant Agreement**

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**Key Decision: Yes**

**Forward Plan: Yes**

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**1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Joint Committee approves the additional funding request for the Black Country Digital Strategy Project, from the Growing Places Fund Programme.
- 1.2 This funding request was endorsed by the LEP Funding Sub Group on the 3 March 2022, approved by the LEP Board on the 21 March 2022, and endorsed by the Working Group via email on 25 May 2022.

**2. RECOMMENDATIONS**

That the Black Country Joint Committee:

Approves the Accountable Body (Walsall Council) to proceed to **amending the Grant Agreement with the Black Country Consortium Ltd, to increase its funding allocation by £60,000 in 2022/23** to further develop the Black Country Digital Strategy, funded from the Growing Places revenue budget.

**3. REPORT DETAIL**

- 3.1 In April 2021, the Black Country LEP (BC LEP) approved the Black Country Digital Strategy project, to the value of £60,000. The main objective of this project was to update and publish the new Digital Strategy for the Black Country. Further to this piece of work, several projects and digital initiatives have been identified and facilitated, which require further support. An additional funding request has been submitted, for a further £60,000 to carry on supporting these digital activities, with the rationale for this request detailed within this report.

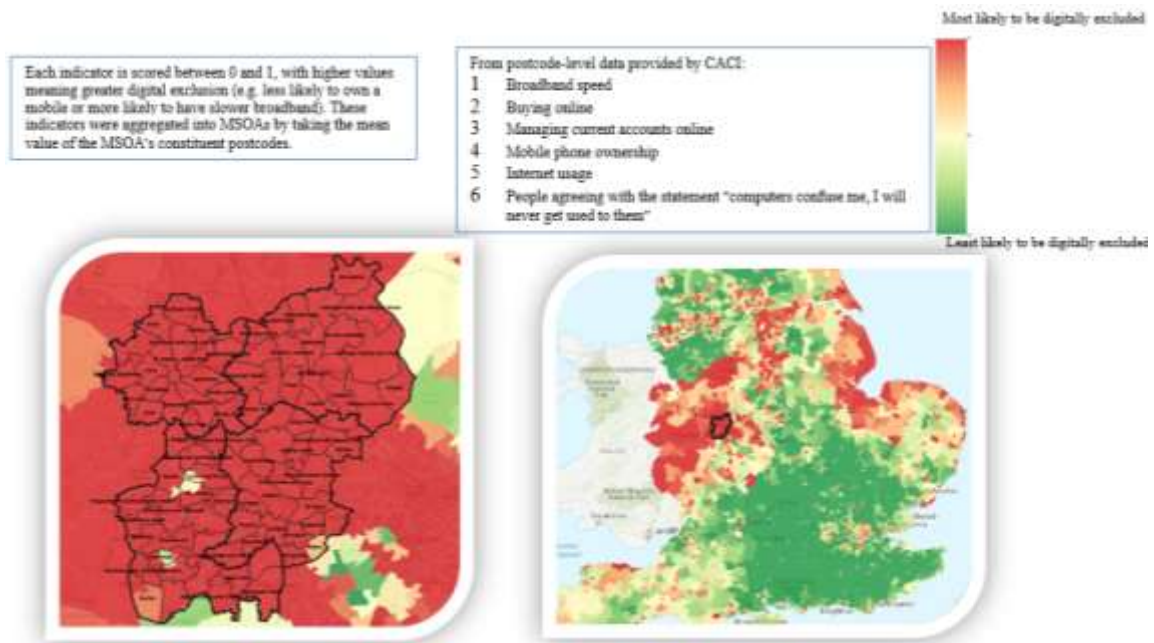
3.2 In recent years, digital activity across the Black Country has grown at an incredible pace. With 5G already available in many parts of the region, and with Full Fibre having replaced Superfast Broadband as the new standard across the region. The Black Country is in a relatively strong position, due to the hard work from partners, and previous projects – including the BDUK Superfast Broadband project, which helped improve Superfast Broadband coverage in the Black Country from 91.3% to an impressive 99.6% coverage. Not only did this provide valuable connectivity for many of our communities, but it also generated a generous gainshare element which provided funding back into the region for digital Infrastructure activities.

3.3 This request for renewed funding is for staff resources to support the following additional activities:

Themes	Activity
Digital Inclusion	<ul style="list-style-type: none"> <li>- Mapping Digital Exclusion Areas</li> <li>- Bringing together support in the Black Country</li> <li>- Working with regional partners to target Digital Exclusion and increase inclusion.</li> <li>- Development of a Black Country Digital Inclusion Plan</li> </ul>
Cyber Security S	<ul style="list-style-type: none"> <li>- Work with local, regional, and National stakeholders to ensure the BC benefits from Cyber Security initiatives.</li> <li>- Identify funding opportunities the regional could apply for.</li> <li>- Promote Cyber Skills training initiatives in the region.</li> <li>- Development of a Black Country Cyber Skills Strategy</li> </ul>
Project Gigabyte	<ul style="list-style-type: none"> <li>- Develop Black Country Full Fibre Intervention area map.</li> <li>- Work with BDUK senior team to identify potential Giga-Hubs.</li> <li>- Promote Gigabyte Voucher Scheme – lobby to make it open to all.</li> <li>- Work with BDUK for Project Gigabyte roll out in the BC.</li> <li>- Work with private sector and facilitate meetings with BC Local Authorities.</li> <li>- Set up a task group with Highways, Legal teams, and Digital officers and the private sector</li> </ul>

Themes	Activity
	(Openreach) on the private sector deployment plans in the BC.
Connected Place Agenda	- Ensure BC participation in this newly developing area.

- 3.4 **Digital Inclusion** - Despite the progress in improved connectivity in recent years, stark challenges remain in the Black Country, which have been exacerbated over the last 22 months by the COVID-19 pandemic. The pandemic has shown digital inclusion to be one of the most pressing issues of our time. The rapid digitization of work means that those who are offline or using the internet in very limited ways will struggle to find employment or progress in their current role. A collective effort is needed to level up the region and ensure that everyone can benefit from our rapid digital transformation.
- 3.5 Digital inclusion affects people from all ages. Almost 50% of those who are digitally excluded are under the age of 65 and many younger people are excluded because they cannot afford the necessary: kit, the broadband, or sufficient private and secure data to meet their needs.
- 3.6 It is clear, that what is required is a coalition of funding partners from both Government and the private sector, that will build the confidence of those who are digitally excluded as well as providing kit and data / broadband access to people who can't afford it. As a result, focus and attention will need to be given to the issue of Digital Inclusion in the Black Country. Many initiatives have started taking place; however, these will need to be captured and brought under a Black Country Digital Inclusion Plan.
- 3.7 Partnership working is ongoing with the West Midlands Digital Inclusion forum – strategic activities that can address and increase Digital Inclusion in the Black Country will be identified, and an action plan formulated.



- 3.8 **Cyber Security Skills** - the pandemic has fundamentally changed the way we work, and also the risks we face online - namely cybercrime. During the pandemic - accelerated growth in cybercrime activity in the UK was intensified. A recent report indicated that 30bn data records were stolen in 2020 — which is more than in the previous 15 years put together! As the world advances, so too must organisations' cyber security awareness and solutions. According to the Government's latest 2021 Cyber Sectoral Analysis report, the UK's cybersecurity has now expanded to be worth £8.9 billion. The need for cyber security products and services has never been greater and the UK has seen significant growth in firms offering solutions that drive up cyber resilience in public and private sector organizations.
- 3.9 To highlight the importance of the West Midland Cyber Security sector – the Government recently chose to hold the launch of its National Cyber Strategy 2022 in Birmingham. This was an indorsement of the growing importance of the cyber security sector in the West Midlands, and also of the opportunity it presents to the region. As a result, we are keen that the opportunity that the cyber security sector presents to the Black Country is identified and maximized. Efforts will be made to engage with Government officials for the region, and to provide briefings to Black Country Digital Partners around the Government National Cyber Security Strategy and cyber security skills training promotion. A Black Country Cyber Skills Strategy will also be produced.
- 3.10 **Project Gigabyte** - Full Fibre deployment – this agenda has accelerated in recent months, with the Black Country recently hosting presentations from key network operators. The Black Country Consortium team has also facilitated key meetings with network operators which has led to fibre deployment plans being upgraded and

extended as a result. This needs to continue, and facilitation of meetings with all Black Country Local Authorities will be made.

- 3.11 As Project Gigabyte deployment develops across the UK, the consortium is working closely with DCMS to ensure that we identify eligible buildings and eligible rural postcodes across the Black Country that will benefit from the:
- Giga-Hubs
  - Project Gigabyte
  - Gigabyte Broadband Voucher Scheme
- 3.12 BCC Ltd will continue to work with DCMS to push that the scheme is extended to also include urban areas. In addition, the team also work closely with the main private sector organization who are deploying Full Fibre – to help them in maximizing their coverage plans across the Black Country. This will be accomplished by sharing vital information on regeneration activities taking place across the Black Country – which may provide opportunities for the private sector to accelerate their deployment and to reconsider areas which they may have discounted. A Task Group will be set up, which will focus on bringing together Highways colleagues, Legal colleagues, and the Digital leads from across the 4 Black Country authorities, so to be able to communicate with the private sector at one platform which will ensure a consistent approach with them, and essentially accelerate the deployment plans for our region.
- 3.13 Connected Places Agenda – This new agenda continues to gain momentum in the UK, we are keen for the Black Country to be acknowledged and represented in this agenda, so that when opportunities arise to showcase examples of Connected Places activity – the Black Country will be able to showcase examples from across the region and be able to access opportunities which may arise from this agenda. As the recent Levelling Up paper has indicated, there will be regional activity around the development of a West Midlands Smart City Region Programme. This will complement the Connected Places Agenda – and so we are keen to ensure the Black Country is able to influence activities as they develop.
- 3.14 In summary this ongoing revenue support will cover the continued costs of current and the above proposed activities, across the Black Country in 2022/23.

## **4. BENEFITS 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 A BCR calculation is not required for this project, as this is revenue funding.

## **5. FINANCIAL IMPLICATIONS**

This funding will be provided from the revenue allocation of the Growing Places Fund, as this project is revenue activity led.

## **6. LEGAL IMPLICATIONS**

An existing grant agreement is in place and will be varied by the Accountable Body to reflect the additional funding.

## **7. RISK MANAGEMENT**

Risk will be managed through the on-going monitoring of the project and its 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 Walsall Council have been consulted as part of the development of this report.

## **Background papers**

- I. Black Country Digital Strategy Funding Sub Group Paper March 2022.

**Attachments**

None.

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**REPORT OF THE HEADS OF REGENERATION WORKING GROUP  
TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE  
ON 27 JULY 2022**

**GROWING PLACES FUND  
DUDLEY ZOO VISITOR AND EDUCATION CENTRE DEVELOPMENT PHASE  
PROJECT (SEPPL153)  
Gant Agreement Approval**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>Yes</b>

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## **1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Joint Committee approves of the Dudley Zoo Visitor and Education Centre Development Phase Project from within the Growing Places Fund Programme.
- 1.2 This project approval was endorsed by the LEP Funding Sub Group on the 5 May 2022, approved by the LEP Board on the 16 May 2022 and endorsed by the Working Group via email on 27 June 2022.

## **2. RECOMMENDATIONS**

That the Black Country Executive Joint Committee:

- 2.1 Approves the Accountable Body for the Black Country Growing Places Fund (Walsall Council) to proceed to **enter into a Grant Agreement with the Dudley and West Midlands Zoological Society Ltd for £65,000**, to deliver the Growing Places Fund (GPF), funded elements of the Dudley Zoo Visitor and Education Centre Development Phase project with delivery to commence in the 2022/23 financial year.
- 2.2 This project is to be funded from the Growing Places Fund revenue budget that has been allocated to pipeline activity.

## **3. REPORT DETAIL**

- 3.1 Dudley Zoo and Castle (DZC) is situated at the edge of the town centre and in the castle gate area of the Dudley Borough. It has been open to the public since
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1937 and with the inclusion of the castle grounds, it spans 40 acres. In 2019 DZC published the 'Castle Hill Vision' Phase Two document, which set out their strategic ambition to place innovation and sustainability at the heart of wider developments. However, none of this plan was able to be actioned due to the Covid-19 pandemic and as result of this pandemic the Visitor economy was one of the hardest impacted.

3.2 The focus of Phase Two vision will continue to be achieved through investment in the existing assets, but the following aims will be contextualised within Covid recovery of the zoo:

- Increase in the number of visitors to Castle Hill
- Increase appeal to and participation of wider demographic groups
- Improve the tourism offer to meet current and future visitors' expectations and is sufficiently flexible to adapt
- Create sustainable tourism offer that supports the delivery of the Castle Hill Vision, Phase 2
- Contextualises the heritage of the site within Castle Hill, the surrounding area and regionally
- Scope needs to be innovative, exemplary, and economically and environmentally sustainable

3.3 Within the Visitor and Education Centre proposal the Zoo is seeking to create a purpose-built amenity to maximise the potential presented by the combination of a Zoo, Castle, and underground mine-workings. Moving forward it is vital for DZC to update and improve their teaching facilities and specifically to create immersive adaptable learning environments that includes lecture facilities, a theatre, and toilets. It is also an aspiration to create a direct access route from this facility into an abandoned limestone Cavern Mine sited within the adjacent hillside. The creation of a multipurpose facility will enable the Zoo to re-establish the number of education sessions back to pre-Covid-19 levels of which almost 17,000 school pupils achieved in 2019, with the capacity to increase teaching sessions to over 25,000 within the following three years.

3.4 The new siting will provide enormous potential for out of hours use to generate an alternative revenue stream and further increase teaching and lecture capacity. Creating direct access into the Stores Cavern Mine will provide further links with the Black Country Geopark and support the Dudley Museum to promote the geological and cultural heritage. The future capital phase of this project will see the demolition of several old, unsightly underutilised buildings to construction and Visitor and Education Centre.

3.5 The Zoo is requesting £65,000 from the BC LEP which will enable them to complete the development works required, this will inform the Full Business Case and bring the project to the next stage whereby further capital funding could be accessed. The funding breakdown is tabled below -

<b>Funding Source</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Total</b>
BC LEP GPF	£65,000	£0	£65,000
Applicant's own funds (DZC)	£15,000	£0	£15,000
	<b>£80,000</b>	<b>£0</b>	<b>£80,000</b>

- 3.6 At this stage outputs are speculative and will be detailed as the project is progressed through the relevant RIBA stages. It can be expected that 1,300 Sqm of new commercial and education floorspace to be delivered as well as three new jobs.
- 3.7 The BCC PMO have sought out advice from the BC LEP's independent appraisers and a detailed assessment would in this case not provide any additional information to this project, it would be a strategic decision for the LEP to decide to invest in development funding for DZC. Two key items to focus on are Subsidy Aid and procurement. The project is below the threshold for Subsidy Aid and the Zoo have recently conducted a detailed procurement process.
- 3.8 The PMO are recommending to board members to support the project and to allocate the £65,000 requested, from the Growing Places Fund revenue budget. As this is revenue funding, there may be the usual conditions attached to the contract, should members approve this funding. As part of their due diligence process, the Accountable Body may include appropriate security and any clawback conditions for the grant.

#### **4. BENEFITS 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 BCR calculation not applicable for development funding.

#### **Project SRO**

Derek Grove  
Dudley Zoo and Castle

**Project SSRO**  
Helen Martin  
Dudley Council

**5. FINANCIAL IMPLICATIONS**

All the costs associated with this proposal form part of the existing Growing Places Programme (revenue budget).

**6. LEGAL IMPLICATIONS**

A grant agreement will be drafted and tailored with this applicant including all conditions and terms passed onto the LEP by Government, and any other conditions that may arise from the Accountable Body's due diligence process. The grant agreement will also ensure compliance with the Black Country Assurance Framework.

**7. RISK MANAGEMENT**

Risk will be managed through the on-going monitoring of this project 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.

**4. EQUALITY IMPLICATIONS**

None at the time of drafting.

**5. CONSULTATION**

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

**Background papers**

- Dudley Zoo Visitor and Education Centre FSG paper;

- Dudley Zoo Visitor and Education Centre Initial Proposal.

### **Attachments**

None.

### **Report Author**

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### **Contact Officer**

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**REPORT OF THE HEADS OF REGENERATION WORKING GROUP**  
**TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**  
**ON 27 JULY 2022**

**GROWING PLACES FUND**  
**AND**  
**LAND AND PROPERTY INVESTMENT FUND**  
**SPRING ROAD WOLVERHAMPTON (SEPPL152)**

**Grant Agreement Approval**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>Yes</b>

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**1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Joint Committee approves the Spring Road Wolverhampton Project from within the Growing Places Fund Programme & the approval of the balance of funding required for this project from the Land and Property Investment Fund programme.
- 1.2 This project approval was endorsed by the LEP Funding Sub Group on the 5 May 2022, approved by the LEP Board on the 16 May 2022, and endorsed by the Working Group via email on 27 June 2022.

**2. RECOMMENDATIONS**

That the Black Country Joint Committee:

- 2.1 Approves the Accountable Body for the Black Country Growing Places Fund (Walsall Council) to proceed to **enter into a Grant Agreement with KMN Investments Limited for £1,196,154**, to deliver the Growing Places Fund (GPF), funded elements of the Spring Road Wolverhampton project with delivery to commence in the 2022/23 financial year.
- 2.2 Approves the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to **enter into a Grant Agreement with KMN Investments Limited for £1,029,378**, to deliver the Land and Property Investment Fund (LPIF), funded elements of the Spring Road Wolverhampton project with delivery to commence in the 2022/23 financial year.

### 3. REPORT DETAIL

- 3.1 KMN Investments Ltd, submitted a Full Business Case seeking grant funding from the Black Country LEP (BC LEP), to deliver a proposed 7,730 sqm new employment development for leasehold occupation by Drywall Steel Sections Ltd (DSS Ltd) in a single 3,700 sqm building (as Phase 1 of the development), with parallel delivery of fifteen starter units for occupation by local businesses (as Phase 2 of the development) completed by Summer 2023. Grant funding has been sought based on the viability gap facing the applicant (as developer /investor and owner of Drywall Steel Sections, the proposed principal tenant in the subject development) based on a submitted development appraisal.
- 3.2 The site is part of what used to be the wider Rolls Royce estate, specifically its sports facilities, so whilst green in nature, it does constitute previously developed land in need of regeneration. A former bowling green was located upon the northern section; however, it has been disused for many years with the rest of the plot having previously been playing surfaces, though unused as such for a considerable amount of time. The site does not have any trees that are subject to Tree Preservation Orders (TPOs), although the development will include new tree planting and wildlife buffers to the western boundaries.
- 3.3 The project has a good strategic fit with BC LEP and City of Wolverhampton Council strategic aims with the proposed development will be constructed to a BREAAAM 'Very Good' specification, based upon the relocation of an expanding company that provides steel fabrications in the construction of palletised Modern Methods of Construction (MMC) residential and commercial buildings, plus the provision of new starter units for local businesses and the release of outdated accommodation in Sandwell for potential residential development.
- 3.4 The applicant (together with the family-owned company Arnwood Investments Group Ltd) have full ownership and control of the subject site. Full Planning consent for the proposed development is reported to have been determined by delegated authority as there were no objections; the Section 106 Agreement is being signed by the applicant, allowing the City Council to publish the Decision Notice by early April 2022.
- 3.5 The project has secured approval from Frontier Development Capital (FDC) to provide a loan facility up to £7.59m, through the West Midlands Combined Authority (WMCA) loan investment programmes. The PMO are recommending that the unallocated funds in Growing Places, £1,196,154 be awarded to this project, and the balance of the funding gap come from the Land & Property Investment fund. The funding breakdown is tabled below

Funding Source	2022-23	2023-24	Total
BC LEP GPF	£470,622	£725,532	£1,196,154
BC LEP LPIF	£1,029,378	£0	£1,029,378
Frontier Development Capital Loan (WMCA)	£7,590,000	£0	£7,590,000
Applicants' own funds	£681,380	£886,277	£1,567,657
	<b>£9,771,380</b>	<b>£1,611,809</b>	<b>£11,383,189</b>

Anticipated outputs to be delivered:

Output	Target
Land Remediated (Ha)	1.76
New commercial floorspace (sqm)	7,730
Jobs created	126
Jobs safeguarded	25
Apprenticeships	10
Temporary Construction Jobs	110

3.6 As funding is to be provided by both the WMCA and the BC LEP, the outputs will need to be shared and accounted for carefully to avoid any double counting. It is proposed that the BC LEP capture the land remediated, apprenticeships and 50% of the jobs created and safeguarded. The WMCA will seek to capture the commercial floorspace and 50% of the jobs created and jobs safeguarded. This is considered a reasonable approach by the PMO as the BC LEP funding will address constraints onsite, to enable to project to address common and complex land issues in the Black Country.

#### 4. BENEFITS 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 The BCR for this project is:  
4.90 > 1.5

#### Project SRO

Mayank Gupta

Drywall Steel Sections

**Project SSRO**

Zareena Ahmed-Shere

City of Wolverhampton Council

**5. FINANCIAL IMPLICATIONS**

- 5.1 All the costs associated with this proposal form part of the Growing Places 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 29<sup>th</sup> October 2014.
- 5.2 As funding is also sought from a BC LEP WMCA funded programme, all financial conditions of that programme will be applied to this project in addition to the above in 5.1.
- 5.3 Any grant award approval is an approval of up to this maximum figure recommended in section 3 of this report and is to be drawn down as agreed with the Accountable Body and on eligible expenditure.

**6. LEGAL IMPLICATIONS**

- 6.1 The appropriate Grant Agreement will be put in place and will be utilised 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.
- 6.2 Any contract for grant funding would require satisfactory subsidy aid evidence and security provided by the applicant.

**7. RISK MANAGEMENT**

Risk will be managed through the on-going monitoring of this project 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**

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None at the time of drafting.

## 9. CONSULTATION

Legal and Finance officers at City of Wolverhampton Council have been consulted as part of the development of this report.

### Background papers

- May 2022 Funding Sub Group Paper GPF Report v1.0;
- Spring Road Wolverhampton Full Business Case;
- Thomas Lister Spring Road Due Diligence Assessment.

### Attachments

None.

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**REPORT OF THE HEADS OF REGENERATION WORKING GROUP**

**TO BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

**ON 27 JULY 2022**

**GROWING PLACES FUND**

**APPROVAL OF THE 2021/22 PROGRAMME YEAR END POSITION**

**AND INDIVIDUAL PROJECT CHANGES**

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**Key Decision:** Yes

**Forward Plan:** Yes

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**1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Joint Committee approves of the expenditure for the Growing Places Fund (GPF) projects, in line with 2021/22 year-end project claims and proposed change requests.
- 1.2 These change requests were endorsed by the LEP Funding Sub Group on the 5 May 2022, approved by the LEP Board on the 16 May 2022 and endorsed by the Working Group via email on 27 June 2022.

**2. RECOMMENDATIONS**

That the Black Country Joint Committee:

- 2.1 Approves the 2021/22 position of the Growing Places Fund Programme, reflecting all changes to the programme and its approved projects throughout the recent financial year, and to maximise the 2021/22 Growing Places Fund allocated expenditure.
- 2.2 Approves the Accountable Body for the Growing Places Fund (Walsall Council) to proceed to **amending the Grant Agreement with Dudley Council to reprofile the grant funding**, to deliver the Growing Places Fund (GPF) funded elements of the **Very Light Rail Test Track project** with delivery to continue in the 2022/23 financial year.
- 2.3 Approves the Accountable Body for the Growing Places Fund (Walsall Council) to proceed to **amending the Grant Agreement with Dudley Council to reprofile the grant funding**, to deliver the Growing Places Fund (GPF) funded

elements of **the Very Light Rail National Innovation Centre** project with delivery to continue in the 2022/23 financial year.

### 3. REPORT DETAIL

- 3.1 In February 2012, £9.8 million was awarded to the Black Country LEP (BC LEP) from DCLG and the Department for Transport with a further tranche of £4.7 million provided in March 2012. The fund is available for investment in Capital projects, including Land, property, and infrastructure, where the investment will unlock economic growth and create jobs locally within the Black Country.
- 3.2 Funding through the Growing Places Fund was fully subscribed and closed to new applications in November 2013. An updated review of this programme and due to receipt of loan and interest payments has meant that funding is now available for re-investment/further capital funding. The fund was reopened to applicants as of July 2015. As part of the LEP review in 2018, Strengthening LEP's White paper, this programme was transferred from Sandwell Council to Walsall Council as the LEP's Single Accountable Body (SAB).
- 3.3 In the final year of the Local Growth Fund (LGF), the Growing Places Fund spare capacity was approved to be utilised as overprogramming for the LGF programme, to ensure that the programme achieved its financial target in March 2021. Part of this overprogramming included support for the following projects:
- Additional Funding Request of £88,676.25 for the project YMCA Cleveland Road in 2021
  - Award the VLR Test Track Project £758,413.59 of GPF funding
  - A funding swap for the VLR National Innovation Centre to ensure the Getting Building Fund (GBF) and LGF programmes were maximised
- 3.4 The YMCA Cleveland Road project is now physically complete and delivering its remaining contracting outputs, it has spent and claimed the additional funding of £88,676.25. Due to ongoing power supply issues onsite, the VLR Test Track project has only managed to claim £660,212 of its 2020/21 allocation with a balance of £98,202 left to draw down. A change request has been submitted to the PMO to slip the unclaimed balance into the 2022/23 financial year.
- 3.5 The opening date for the VLR National Innovation Centre is currently forecast for September 2022. The project has secured funding from various LEP programmes and has drawn on its GBF and LGF allocations in full. An updated profile of their GPF monies in captured in section 3.6.

3.6 An updated profile of the programme is tabled below, including any freedoms and flexibilities exercised:

Funding Element	Claimed up to 2020-21	2021-22	2022-23 forecast
Growing Places Grant	£8,674,698	£0	£0
Growth Deal Overprogramming	£1,617,217	£0	£0
Growing Places Very Light Rail Test Track incl. GBF funding switch	£0	£341,171	£98,202
National Brownfield Institute (GBF swap)	£0	£319,040	£0
Growing Places Very Light Rail Innovation Centre incl. approved GBF funding switch	£0	£840,491	£197,106
YMCA additional funding	£0	£88,676	£0
PMO and SAB management Costs (includes legal and technical costs) *	£0	£257,854	£576,146
<b><u>TOTAL Funding Committed</u></b>	<b><u>£10,291,915</u></b>	<b><u>£1,847,232</u></b>	<b><u>£871,454</u></b>
Growing Places unallocated Funds**	£0	£0	£1,196,154

*\*Management costs to be reprofiled into future years (2023/24+) to enable monitoring and closedown with any forecast underspends added to unallocated funds*

*\*\*The unallocated Growing Places Funds are available to the BC LEP for future project reinvestment. (Earmarked for Spring Road at this time)*

3.7 Only one project is still repaying back its loan which is the Canal River Trust which following approval at the November 2020 Funding Sub Group meeting repayment has been suspended until March 2022 and a revised repayment end date of September 2025.

Funding Element	Claimed up to 2021-22	Loan Repayment to date
Growing Places Loan	£5,159,377	£2,367,812*

*\*Loan repayments to be updated following the approval of the payment holiday for the CRT project due to covid-19.*

#### **4. BENEFITS 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. For transport related schemes, the main metric considered for the BCR is reduced transport journeys, any transport schemes seeking LEP funding will require a BCR higher than 2 to demonstrate high VfM. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project – this is considered as part of the project assessment against the Black Country Strategic Economic Plan and associated frameworks.

#### **5. FINANCIAL IMPLICATIONS**

The appropriate Grant Agreements for Growing Places Fund are in place and will be varied by the Accountable Body (Walsall Council) to capture changes as set out in this report, as necessary.

#### **6. LEGAL IMPLICATIONS**

Grant Agreements are in place for all Getting Building projects and will be varied by the Accountable Body (Walsall Council) to capture changes as set out in this report, as necessary.

#### **7. RISK MANAGEMENT**

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

#### **8. EQUALITY IMPLICATIONS**

None at the time of drafting.

## 9. CONSULTATION

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

### Background papers

- March 2022 GPF Funding Sub Group paper;
- Very Light Rail National Innovation Centre Change Request;
- Very Light Rail Test Track Change Request.

### Attachments

None.

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**REPORT OF THE HEADS OF REGENERATION WORKING GROUP  
TO BLACK COUNTRY EXECUTIVE JOINT COMMITTEE  
ON 27 JULY 2022**

**LAND AND PROPERTY INVESTMENT FUND  
PROGRAMME APPROVAL OF THE 2021/22 PROGRAMME POSITION  
AND INDIVIDUAL PROJECT CHANGES**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>Yes</b>

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## 1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee (BCJC) approves the expenditure and output profiles for the Land and Property Investment Fund (LPIF) projects in line with 2021/22 year-end project claims and proposed change requests.
- 1.2 This request was endorsed by the LEP Funding Sub Group on the 5 May 2022, approved by the LEP Board on the 16 May 2022 and endorsed by the Working Group via email on 27 June 2022.

## 2. RECOMMENDATIONS

That the Black Country Joint Committee:

- 2.1 Approves the 2021/22 position of the Land and Property Investment Fund Projects, reflecting all changes to the Land and Property Investment Fund Programme and its approved projects (Funding and Outputs) throughout the 2021/22 financial year.
- 2.2 Approves the individual change requests for projects (detailed in paragraph 3.6) that have exceeded the 10% threshold as set out in the Black Country Assurance Framework as follows:
- 2.2.1 Approves the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to **amending the funding profile as stated within the grant agreement with Walsall Council**, to deliver the Land and Property Investment Fund funded elements of the **Phoenix 10 project** with delivery to continue in the 2022/23 financial year.
- 2.2.2 Approves the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to **amending the funding profile as**
-

**stated within the grant agreement with Wolverhampton City Council**, to deliver the Land and Property Investment Fund funded elements of the **i54 Western Extension project** with delivery to continue in the 2022/23 financial year.

- 2.2.3 Approves for the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to **amending the grant profile and removing some contracted milestones as stated within grant agreement with Sandwell Council**, to deliver the Land and Property Investment Fund funded elements of the **Sandwell Housing Gap Funding project** with delivery to continue in the 2022/23 financial year. This is detailed in paragraph 3.6.

### 3. REPORT DETAIL

- 3.1 In 2017, the West Midlands Combined Authority (WMCA) Board agreed to allocate £53.04 million from the overall £200 million Land Remediation Fund to the Black Country Local Enterprise Partnership (BC LEP) to deliver a set of specific agreed outputs as follows:
- 1,800 new jobs;
  - 1,150 new homes;
  - 126,000 sq. m. commercial floor space;
  - 46 hectares of land remediated.
- 3.2 Delegated authority was awarded to the BC LEP to manage the £53.04 million fund using an established governance process, in accordance with the BC LEP's Assurance Framework, which is derived from and is compliant with the Government's National Assurance Framework.
- 3.3 In January 2021 the WMCA Board approved to extend the LPIF programme, from March 2021 until March 2025, to allow the projects to carry on delivering through to completion. This programme extension will allow the Programme Management Office (PMO) and the BC LEP's Single Accountable Body (SAB) to continue processing the financial claims and monitor the outputs, still to be delivered. It has been agreed that the PMO and the SAB can continue monitoring the programme in 2025/26, if required.
- 3.4 Following the closure of the 2021/22 financial year, several change requests have been submitted for BC LEP and BCJC approval. These include slippage of funding into 2022/23, and in some cases a reduction in overall funding amount due to project cost savings, see Attachment 1.



- 3.5 The 2021/22 financial year has seen encouraging progress made on several the projects within the programme:
- Phoenix 10 is formally on site and make good progress with the 2-year remediation programme;
  - The i54 platform works are complete with a potential 2 occupiers for the Western Extension;
  - Sandwell Housing GAP Funding is progressing well with the remediation of King Street and Stanhope Road;
  - The Resonance (Music Institute) facility based at the Waterfront, Brierley Hill continues to enrol new learners, in its second year of operation.
- 3.6 The report details the current position of all LPIF projects, reflecting all changes to the programme some of which have been considered and approved by the BC LEP Board and BCJC throughout the year. Projects that require independent review due to exceeding the 10% or >£300,000 threshold are listed in the table below, included in Attachment 1 and have change requests that can be provided for further scrutiny if required.

Project Name	Reason for Change
i54 Western Extension	Project underspend of £1.78m on the LPIF funds and a reduction of £11.4m Match Funding to reflect the overall project cost savings. Re-profile of remaining LPIF grant detailed in Change Request
Phoenix 10	Accelerated expenditure in 2021/22 therefore spend profile has been revised.
Sandwell Housing Gap Funding	<p>Due to procurement changes, some milestones have changed and will need to be amended. These changes include the removal of '<u>Advertised for Tender (Construction)</u>' Milestone and amendment of '<u>Advertise for Tender (Remediation)</u>' to '<u>Advertise for Tender (Single Design &amp; Build Contract)</u>'</p> <p>The project's final grant claim for 2021/22 has been reduced to £221,590 and forecast for 2022/23 has been increased to £797,718, this is captured in attachment 1.</p>

- 3.7 The year-end financial position for LPIF is tabled below:

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
83,700.54	7,111,292.60	6,927,433.07	397,972.02	2,165,725.64	12,594,120.23	15,358,035.78	108,874.07	103,328.31	44,850,482.26

\* LPIF Year End Financial Position Table

Due to the withdrawal of Iron Park and underspend of i54 Western Extension, there remains an unallocated amount of £8,189,517 from £53m tranche of

funding. The PMO are exploring options of how this funding can be allocated to other strategic priorities, on the Black Country pipeline.

- 3.8 Output delivery to date has been slow, as the fund is primarily to bring derelict sites back into economic use, which takes considerable time to bring sites up to acceptable standards. Some of the projects require extensive land preparation works first, to deliver the final outcomes. Output progress to date is tabled below:

		Forecast by Year					Total Forecast	Actual to date	Target
		2017-2021	2021/22	2022/23	2023/24	2024/25			
OUTPUTS	Land Remediated (ha)	11.72	24.00	5.39	0.78	18.00	59.89	35.72	46.00
	Housing Units Completed	121.00	14.00	119.00	127.00	308.00	689.00	135.00	1,150.00
OUTCOMES	Jobs Created	15.00	0.00	5.00	754.50	2,435.00	3,209.50	15.00	1,800.00
	Construction Jobs	42.00	8.00	70.00	100.00	1,030.00	1,250.00	50.00	0.00
	Floorspace (sqm)	4,873	0	2,323	50,000	107,575	164,771	4,873.00	126,000
	Business Assists	0.00	0.00	2.00	0.00	7.00	9.00	0.00	0.00
	Learner Assists	32.00	196.00	768.00	1,400.00	2,334.00	4,730.00	228.00	0.00

- 3.9 Music Institute is now practically complete, however adverse effects due to Covid-19 has caused a slight delay to output achievements. A revised profile has been submitted to the BC LEP to extend the output achievements to March 2025.

#### 4. BENEFITS 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 Individual project BCR calculations are not impacted apart from the i54 Western extension. This has been revised from 27.25 to 42.31 taking into account the financial cost savings.

## 5. FINANCIAL IMPLICATIONS

The costs associated with this monitoring activity and the delivery of projects that form part of the Land and Property Investment Fund are covered by allocations from government associated with this programme.

## 6. LEGAL IMPLICATIONS

- 6.1 For existing projects where grant agreements are signed, these will be varied by the Accountable Body to capture changes as set out in this report, as necessary.
- 6.2 For unallocated projects, grant agreements will be drafted using the appropriate templates that exist for LPIF funds, and will include all conditions passed onto the BC 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 BC LEP Board or the BCJC.

## 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 BC LEP Board and the Joint Committee.

## 8. EQUALITY IMPLICATIONS

None at the time of drafting.

## 9. CONSULTATION

Legal and Finance officers at Sandwell Council, Walsall Council and City of Wolverhampton Council have been consulted as part of the development of this report.

### Background papers

- May 2022 LPIF Funding Sub Group paper;
- Individual Project Change Requests.

**Attachments**

- I. Attachment 1 – Revised LPIF Project Grant Allocations May 2022 v1.0

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LPIF PROJECTS		Expenditure									
Projects		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
<b>LPIF</b>											
Music Institute	Reported	0	3,862,750	3,296,801	0	0	0	0	0	0	7,159,551
Goscote Lane Residential	Reported	0	2,758,488	831,852	0	0	0	0	0	0	3,590,340
Tibbington Open Space (The Cracker) Site Investigation	Reported	0	0	22,371	0	0	0	0	0	0	22,371
Dudley Brownfield Land Phase 2	Reported	0	0	2,586,166	124,981	0	0	0	0	0	2,711,147
Narrowboat Way Site Investigation	Reported	0	0	0	0	0	0	0	0	0	0
Phoenix 10	Reported	0	0	0	24,757,631	2,003,367	0	0	0	0	26,760,998
	Change	0	0	0	121,263	1,141,798	11,145,565	14,352,372	0	0	26,760,998
i54 Western Extension	Reported	0	0	0	0	2,500,000	0	0	0	0	2,500,000
	Change	0	0	0	0	635,975	86,965	0	0	0	722,940
Sandwell Housing GAP Funding	Reported	0	0	0	0	1,300,000	380,294	0	0	0	1,680,294
	Change	0	0	0	0	221,590	797,718	660,985	0	0	1,680,294
Globe House	Reported	0	0	0	0	0	422,500	205,019	0	0	627,519
<b>CAPITALISATION OF RESOURCE</b>											
BCC PMgt	Reported	38,000	191,000	110,393	55,111	57,968	47,980	47,980	47,980	47,980	644,393
	Change	38,000	191,000	110,000	55,111	57,968	48,079	48,079	48,079	48,079	644,393
WCC PMgt	Reported	45,701	299,054	37,574	1,000	0	0	0	0	0	383,329
	Change	45,701	299,054	37,466	1,000	0	0	0	0	0	383,221
WMBC PMgt	Reported			42,777	124,389	124,782	87,520	87,520	87,520	87,520	642,027
	Change			42,777	95,617	108,396	93,293	91,581	60,795	55,250	547,708
<b>TOTAL</b>	<b>Reported</b>	<b>£83,701</b>	<b>£7,111,293</b>	<b>£6,927,934</b>	<b>£25,063,112</b>	<b>£5,986,117</b>	<b>£938,294</b>	<b>£340,519</b>	<b>£135,500</b>	<b>£135,500</b>	<b>£46,721,969</b>
<b>TOTAL</b>	<b>Change</b>	<b>£83,701</b>	<b>£7,111,293</b>	<b>£6,927,433</b>	<b>£397,972</b>	<b>£2,165,725.64</b>	<b>£12,594,120.23</b>	<b>£15,358,035.78</b>	<b>£108,874.07</b>	<b>£103,328.31</b>	<b>£44,850,482.26</b>

LPIF Commitment	
Current Forecast	
Unallocated Funds	

£53,040,000
£44,850,482
£8,189,517.74

KEY

**REPORT OF THE HEADS OF REGENERATION WORKING GROUP**

**TO BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

**ON 27 JULY 2022**

**BLACK COUNTRY ENTERPRISE ZONE**  
**APPROVAL OF THE 2021/22 PROGRAMME YEAR END POSITION**

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

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**1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves the outputs and expenditure for the Black Country Enterprise Zone (BCEZ) projects, in line with 2021/22 year-end project claims and proposed change requests.
- 1.2 These change requests were endorsed by the LEP Funding Sub Group on 5 May 2022, approved by the LEP Board on 16 May 2022 and endorsed by the Working Group via email on 27 June 2022.

**2. RECOMMENDATIONS**

That the Black Country Joint Committee:

Approves the Accountable Body for the Black Country Enterprise zone (Walsall Council) to proceed to amending the profile of the grant and match funding within the Grant Agreement with Cayborn Ltd, to deliver the Black Country Enterprise Zone funded elements of the Parallel 9-10 project with delivery to continue in the 2022/23 financial year.

There is also a change in the profile of output delivery for this project.

*Note that the financial position of the Black Country Enterprise Zone projects and development funding will be confirmed in August 2022 when the final claims will be processed and verified.*

**3. REPORT DETAIL**

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- 3.1 The BC EZ, led by the Black Country Local Enterprise Partnership Board (BC LEP), is at the heart of major markets - a wide range of sectors including advanced manufacturing, transport technologies, construction, environmental and business services. It offers exceptional opportunities in a region dedicated to maintaining commercial excellence and to becoming one of the leading business hubs in the UK. The Black Country has long pioneered innovative manufacturing processes and technologies, therefore investors will benefit from excellent collaborative R&D opportunities with our regional universities, centres of excellence and industry partners.
- 3.2 Following a call from Government in 2012, each of the four Black Country local authorities, being Dudley, Sandwell, Walsall and Wolverhampton (the 'local authorities') submitted an individual bid to become a part of the BC EZ. Only Walsall and Wolverhampton were successful and were established and agreed to form the BC EZ. A second further call from Government was announced in 2015, to which Dudley MBC put in a successful bid to establish their Enterprise Zone. The DY5, was formally agreed as part of a government announcement about the Midlands Engine Initiative on 27th January 2017.
- 3.3 There are several Black Country Projects that were successful in securing Enterprise Zone Funding. The i54 Wolverhampton site is now generating business rate surplus, after considering annual borrowing costs. Business rates are also being generated on Wolverhampton Business Park and the Lupus site, and within DY5.
- 3.4 Phoenix 10, which was the second agreed priority is now being grant funded by the Local Growth Deal and the Land & Property Investment Fund (combined total of £28,705,720), with £6,500,000 supported through the BC EZ. Modelling demonstrated that by grant funding Phoenix 10 rather than by borrowing, a higher surplus could be achieved for reinvestment into the Black Country, as the BC LEP would not have to fund borrowing costs associated with the BC EZ funding mechanism.
- 3.5 Further to the success of Phoenix 10, smaller Walsall Enterprise zone sites have come forward for development and investment. A £300,000 grant was awarded to the Boxpool site in 2020/21, and on the 22<sup>nd</sup> of March 2021 the BC LEP Board approved a grant award of £3,509,076 for the Parallel 9/10 site for use in 2021/22.
- 3.6 The Boxpool project has now spent and claimed the full amount allocated to them of £300,000.00. The Boxpool project had a target of 8 Learner Assists which were Indirect & Contracted to be achieved by March 2022. Unfortunately, the project has only been able to achieve 6 of these Learner Assists and therefore

have submitted a change request to rollover the remaining 2 Learner assists to the next financial year 2022/23 as per the table below:

Timescales	Learner Assists	
Date	Original Target	Revised Target
April 2020 – March 2021	0	0
April 2021 – March 2022	8	6
April 2022 – March 2023	3	5

**\*Boxpool Learner Assists Change Request**

- 3.7 Despite progressing well onsite, the Parallel 9/10 project has claimed only £265,266 to date and therefore has submitted a change request to slip £869,992 of their BC EZ allocation into 2022/23 which means the project will have £3,243,809 left to claim in the 2022/23 financial year as per the table below:

	Revised Funding Profile						Total
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Current	£0	£0	£0	£0	£1,135,259	£2,373,817	£3,509,076
Revised	£0	£0	£0	£0	£265,266.60	£3,243,809.40	£3,509,076
Variance	£0	£0	£0	£0	<b>-£869,992.40</b>	£869,992.40	£0

**\*Parallel 9/10 Funding profile Change Request**

- 3.8 In addition to the above changes to the Parallel 9-10 financial profile, the project is yet to start drawing down on their match funding of £6.5m loan from the West Midlands Combined Authority (WMCA) in 2021/22, this funding will be need to re-profiled into the 2022/23 financial year. With regards to outputs, the target of 2.67 Ha land remediated and the target of 198 new Jobs will be rolled forward to the 2022-23 financial year to align up with the delivery schedule and milestones.
- 3.9 For the past 2 years, the BC EZ has been funding development and capacity funding for each BC local authority - which is capped at £250,000 per financial year until March 2025. Guidance for how this funding is to be spent and claimed has been drafted and was approved by the BC LEP's Funding Sub Group (FSG) on the 1<sup>st</sup> of October 2020 and incorporated into the BC EZ Governance appendix to the BCJC Collaboration agreement. One key element of this guidance is that the development and capacity activity must relate to priority projects on the Black Country Pipeline and regular updates are to be brought back to the BC LEP FSG as with regards to pipeline activity progress. All BC local authorities have submitted their £250k claim for 2021-22 apart from Sandwell MBC, who have requested their £250k to be rolled forward to the next financial year. The BC LEP FSG have endorsed this request following Sandwell's presentation of their new regeneration strategy, which has the support of their cabinet.



#### **4. BENEFITS 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. For transport related schemes, the main metric considered for the BCR is reduced transport journeys, any transport schemes seeking BC LEP funding will require a BCR higher than 2 to demonstrate high VfM. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project – this is considered as part of the project assessment against the Black Country Strategic Economic Plan and associated frameworks.
- 4.2 The amended spend profiles will have no impact on the BCR calculated for the project.

#### **5. FINANCIAL IMPLICATIONS**

There are no specific financial implications as a result of the recommendations in this report, other than Walsall Council's borrowing requirements have also slipped as it was required to borrow for this grant as it falls within its geographical boundary. The BC EZ funding model and BCJC Collaboration Agreement requires that the BC local authorities borrow to fund schemes within their own geographical area, with borrowing costs being recovered over the life of the BC EZ (to 31 March 2038) through the business rates that are generated.

#### **6. LEGAL IMPLICATIONS**

- 6.1 The grant agreement for the Parallel 9 -10 project will be amended to reflect the changes to the financial profile and outputs detailed in this report.
- 6.2 The arrangement for BC EZ is that individual BC local authorities will enter into grant agreements with third party applicants, however the Collaboration Agreement between the four BC local authorities sets out the specific principles and governance arrangements of Enterprise Zones which must be adhered to.

#### **7. RISK MANAGEMENT**

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- 7.1 Walsall Council carry the risk of the borrowing not being recovered for the Parallel 9/10 project, should there be insufficient business rates to cover funding as set out in the prioritisation table in the BC EZ Governance appendix to the BCJC Collaboration Agreement. There is no guarantee that the BC EZ model will fund any shortfalls, and this would require additional approvals. Walsall Council manage this risk via its Grant Agreement with the applicant including appropriate provisions, and supporting security, in relation to delivery of outputs and business rates.
- 7.2 The overall risk in relation to BC EZ forecasting is managed through the on-going monitoring of BC EZ projects and their ability to deliver the required spending profiles and outcomes for the programme through the financial modelling across all BC local authorities.

## **8. EQUALITY IMPLICATIONS**

None at the time of drafting.

## **9. CONSULTATION**

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

### **Background papers**

- May 2022 EZ Funding Sub Group paper;
- Parallel 9-10 Change Request;
- Boxpool Change Request.

### **Attachments**

None.

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**REPORT OF THE HEADS OF REGENERATION WORKING GROUP**

**TO BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

**ON 27 JULY 2022**

**GETTING BUILDING FUND**

**APPROVAL OF THE 2021/22 PROGRAMME YEAR END POSITION**

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**Key Decision:** Yes

**Forward Plan:** Yes

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**1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Joint Committee (BCJC) approves the expenditure for the Getting Building Fund (GBF) projects, in line with 2021/22 year-end project claims and proposed change requests.
- 1.2 These change requests were endorsed by the LEP Funding Sub Group on the 5 May 2022, approved by the LEP Board on the 16 May 2022 and endorsed by the Working Group via email on 27 June 2022.

**2. RECOMMENDATIONS**

That the Black Country Joint Committee:

- 2.2 Approves the financial position (paragraph 3.7) of the Getting Building Fund Programme as of 31 March 2022, reflecting all changes to the programme and its approved projects throughout the year, and to maximise the 2021/22 Getting Building Fund allocated expenditure.
- 2.3 Approves for the Very Light Rail Test Track expenditure of £319,040 in 2021/22 (currently funded from Growing Places Fund) to be reallocated to the Getting Building Fund, to utilise unclaimed 2021/22 funding allocated to the National Brownfield Institute project. Note that this is subject to the West Midland Combined Authority's approval.

**3. REPORT DETAIL**

- 3.1 On the 10th of June 2020, a letter from the Secretary of State for Housing, Communities and Local Government, detailing the requirement for a submission
-

of specific projects to be considered for grant funding, from what is now known as the 'Getting Building Fund' (GBF). This fund is seen as one of many platforms to enable the Covid-19 recovery plan across the country and boost local economies. The criteria for projects to be considered successfully, was very clear and defined. Projects must be deemed Value for Money (VfM) with a strong Benefit Cost Ratio (BCR), 'Shovel Ready' with planning permission approved and able to deliver within an 18-month timescale. Projects must have been able to draw down awarded funds quickly and be able to start onsite by the Autumn of 2020.

- 3.2 The Black Country Projects that were successful was the Very Light Rail National Innovation Centre (VLRNIC) in Dudley and the National Brownfield Institute (NBI) on Springfield Campus in Wolverhampton. The funding profile at the start of the 2021-22 financial year was as follows –

Utilisation of Grant Funding	2020/21	2021/22	2022/23	Total
Very Light Rail Innovation Centre	£3,179,672.86	£8,558,276.14	£0	£11,737,949
Very Light Rail Test Track	£612,051	£0	£0	£612,051
National Brownfield Institute Phase 2	£5,985,477	£8,889,523	£0	£14,875,000
<b>TOTAL</b>	<b>£9,165,150.42</b>	<b>£17,447,799.14</b>	<b>£0</b>	<b>£27,225,000</b>

*\*The VLR Test track amount is the F&F utilised in the first year of the programme*

- 3.3 The GBF programme was awarded to the LEP's to administer, by the Ministry of Housing, Communities and Local Government (MHCLG) now known as DLUHC, but via the Combined Authorities where applicable. For the Black Country this meant the Black Country LEP (BC LEP) and its Single Accountable Body (SAB) are managing the funds, however the programme is in a back-to-back contract with the West Midlands Combined Authority (WMCA), who report to BEIS on the progress of the programme.
- 3.4 There is no option to make use of a contractual commitment period, as agreed for other programmes such as the Local Growth Deal, to provide additional time to claim spend incurred after the financial year was closed on the 31<sup>st</sup> of March 2022. This means that projects must spend to target or risk losing allocated funding. However, the WMCA were awarded freedoms and flexibilities by BEIS to help manage the programme and spent targets – and these in turn have also been awarded to the BC LEP. The BC LEP has previously utilised these in its other programmes to ensure that targets are achieved, and this does provide some flexibility to help ensure that financial targets are met, in absence of a contractual commitment period.
- 3.5 The VLR NIC started construction before the end of 2020 but unfortunately incurred some delay due to poor weather and site conditions. The current

forecast for the opening of the building is September 2022. The second year GBF funding allocation will be claimed in full by the project.

- 3.6 The NBI project has been successful since its start onsite in February 2021, and recently had a press release and photoshoot to celebrate the building handover to the University. The project was able to claim its full funding allocation for the first year of the programme however the project has experienced some delays in securing the equipment for the building, before the financial deadlines. Due to the ongoing global microchip shortage, equipment that was ordered in September 2021 some is still in transit and due to be installed at the facility in June 2022, although goods ordered prior to 31 March 2022 were permitted to be claimed (this was agreed as acceptable by BEIS).

However, the NBI project still recorded underspend in 2021/22 of £319,040. The BC LEP will be making use of the freedoms and flexibilities to the value of £319,040, by reallocating spend incurred on the Very Light Rail Test Track project (currently funded from Growing Places Fund) to the GBF, so that the full BC LEP allocation of £27m can be claimed for the programme. BEIS have confirmed to us that this is an acceptable approach but it is subject to agreement by the WMCA

- 3.7 The table below summarises the use of freedoms and flexibilities, totalling £931,091 over the life of the Getting Building Fund programme:

Utilisation of Grant Funding	2020/21	2021/22	2022/23	Total
Very Light Rail Innovation Centre	£3,179,672.86	£8,558,276.14	£0	£11,737,949
Very Light Rail Test Track	£812,051	£319,040	£0	£931,091
National Brownfield Institute Phase 2	£5,985,477	£8,570,483	£0	£14,555,960
<b>TOTAL</b>	<b>£9,165,150.42</b>	<b>£17,447,799.14</b>	<b>£0</b>	<b>£27,225,000</b>

\*Table above: GBF freedoms and flexibilities

#### 4. BENEFITS 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. For transport related schemes, the main metric considered for the

BCR is reduced transport journeys, any transport schemes seeking LEP funding will require a BCR higher than 2 to demonstrate high VfM. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project – this is considered as part of the project assessment against the Black Country Strategic Economic Plan and associated frameworks.

- 4.2 The recommendations in this report relates to changes of funding sources rather than project costs of forecasts, so there will not be a material impact on the BCRs. The underspend on NBI would have an immaterial but positive impact on the BCR.

## **5. FINANCIAL IMPLICATIONS**

The costs associated with the delivery of these projects form part of the Getting Building Fund and are covered by allocations via the WMCA from government associated with this programme.

## **6. LEGAL IMPLICATIONS**

Grant agreements are in place for all Getting Building Fund projects and will be varied by the Accountable Body to capture changes as set out in this report, as necessary.

## **7. RISK MANAGEMENT**

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

## **8. EQUALITY IMPLICATIONS**

None at the time of drafting.

## **9. CONSULTATION**

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

### **Background papers**

- May 2022 GBF Funding Sub Group paper;
- Individual project status reports.

### **Attachments**

None.

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

**ON 27 JULY 2022**

**GROWTH DEAL PROGRAMME**  
**APPROVAL OF THE 2021/22 PROGRAMME POSITION**  
**AND INDIVIDUAL PROJECT CHANGES**

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

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**1. PURPOSE OF REPORT**

- 1.1 To request that the Black Country Joint Committee (BCJC) approves the revised output profiles for the Growth Deal projects in line with 2021/22 year-end project claims and proposed change requests.
- 1.2 This request was endorsed by the LEP Funding Sub Group on 5 of May 2022, approved by the LEP Board on 16 of May 2022 and endorsed by the Working Group via email on 27 June 2022.

**2. RECOMMENDATIONS**

That the Black Country Joint Committee:

- 2.1 Approves the year end position of the 2021-22 monitoring position of the Growth Deal Projects, reflecting all changes to the programme and its approved projects throughout the year, this includes changes to outputs and match funding profiles.
- 2.2 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the contracted outputs within the Grant Agreement with Wolverhampton City Council**, to deliver the Local Growth Fund funded elements of the **Wolverhampton Interchange project** with delivery to continue in the 2022/23 financial year.

Note: this change of outputs relates to the removal of the 'Average Passenger Boarding (daily) – incremental' and 'Average Passenger Boarding (peak) – incremental (4 hours)' whilst amending the rental values from £15 per square foot to £161 per square metre.

### 3. REPORT DETAIL

- 3.1 The Local Growth Fund (LGF) was awarded to the Black Country Local Enterprise Partnership (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 2021/22 financial year and the progress made to date with regards to more focused monitoring.
- 3.2 Successful programme management by the Black Country Consortium's (BCC Ltd) PMO and LEP's Single Accountable Body (SAB) resulted in the programme achieving the overall spend target. The project expenditure and output profiles have been closely monitored by the PMO and the SAB over the course of the programme and this has informed the PMO's Growth Deal Dashboards as well as the SAB claims. In 2019 the BC LEP and the BCJC 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 brought in on target, as the Growth Deal was time limited to 31 March 2021 (for grant funding draw down), whereas the Growing Places Fund is not.
- 3.3 This report details the current position of all Growth Deal Projects, reflecting all changes to the Programme, some of which have been considered and approved by the BC LEP Board and BCJC throughout the year. The final financial position for BC LEP Board and BCJC approved projects is profiled below:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Total LGF Grant Award (LGF/LTB/M6 J10)	£29.95	£46.30	£31.38	£19.53	£24.10	£56.42	£0	£207.69
Utilisation of Grant Funding	£29.95	£46.30	£31.38	£19.53	£24.10	£53.58	£4.45	£209.30
<b>Variance</b>	£0.00	£0.00	£0.00	£0.00	£0.00	<b>-£2.84</b>	<b>£4.45</b>	<b>£1.61</b>

The variance of £1.61m is the over-programming amount that was picked up by the BC LEP's Growing Places Fund, as mentioned in section 3.2.

- 3.4 In April 2021 the programme was formally moved to monitoring status as the grant funding financial target was achieved, with the focus now shifting to capturing the remaining contracted outputs and match funding. Even though the programme is now in monitoring, there are several projects still in delivery. This includes transport projects such as M6 Junction 10 and the newly completed Wolverhampton Interchange. Included in the transport allocation for Growth Deal, was some Department for Transport (DfT) retained funding specifically for

the M6 Junction 10 project which has approval from DfT to carry on being drawn on by the project after programme financial closure. An updated profile of the M6 Junction 10 project is as follows:

Funding	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
GD & DfT	£650,000	£350,000	£120,000	£0	£5,062,348	£19,022,159	£3,424,678	£1,020,815	<b>£29,650,000</b>
GD Additional Funding	£0	£0	£0	£690,410	£0	£6,929,590	£0	£0	<b>£7,620,000</b>

- 3.5 The Wolverhampton Interchange Project has progressed significantly in recent months. The new state-of-the art Train Station was opened in Summer 2021. Works to deliver further commercial development were advanced with the completion of the new i9 office building in Autumn 2021. Work continues on the metro line extension which will terminate at the train station alongside improvements to cycle storage and delivery of a new plaza to mark the arrival into the city centre.
- 3.6 Since the original business case submission in 2015, the way Station Footfall data is recorded has changed therefore making it difficult to evidence some of the contracted outputs for the Wolverhampton Interchange project. It is proposed to remove the outputs 'Average Passenger Boarding (daily) – incremental' and 'Average Passenger Boarding (peak) – incremental (4 hours)' whilst obtaining the contracted output of Station Footfall itself.
- 3.7 Commercial Rental Values for the Wolverhampton Interchange project have far exceeded the original baseline value of £15 per square foot, however, there has been administrative errors when this output has been contracted and the project has been given a cumulative target where it should have been a fixed target of £161 per square metre. It is proposed that the target is revised to £161 per sqm and should not cumulate if it was to slip into future years. Further detail is provided within the individual change request submitted to the PMO and can be provided on request if required for further scrutiny.
- 3.8 As detailed in the report, the programme financially closed on March 31<sup>st</sup>, 2021, however in 2017, BEIS extended the programme for output delivery to March 2025. The programme activity is now very focused on capturing and verifying all remaining outputs and match funding. Several projects were affected by the impact of the Covid-19 pandemic, namely skills capital projects as many apprenticeships and courses were disrupted. Several change requests (under the threshold in the Assurance Framework) and re-profiling of output delivery schedules requests have been approved by the BC LEP's Funding Sub Group over the last 12 months.

3.9 The SAB have completed the most recent project audit visits and the current position of direct outputs verified and delivered to date is tabled below:

<b>Outputs</b>	<b>Jobs Created</b>	<b>Housing completed</b>	<b>Business Assists</b>	<b>Learner Assists</b>	<b>Commercial Floorspace</b>
<b>Target</b>	6,384	2,536	3,200	8,984	39,244
<b>Contracted Forecast Outputs (see attachment)</b>	11,178	1,861	3,063	18,750	90,259
<b>Actual to Date</b>	9,345	1,713	533	13,574	62,368

*\*Note that contracted Outputs includes both Direct and Indirect.*

*\*Note that all contracted Outputs are subject to validation by the Accountable Body*

*\*Note that the Jobs created includes apprenticeships*

*\*Note that the 2021-22 project audits have not been carried out as these are completed retrospectively for the recent financial year*

3.10 Although not exceeding the threshold, several projects have not achieved their outputs profiled for 2021/22 and have therefore re-profiled those outputs into future years. Business Assists are still proving difficult to achieve for some projects with the main reason being the strict definitions for evidence requirements. Further detail is provided within Attachment 1 and the projects are listed below:

<b>Project Name</b>	<b>Reason for Change</b>
Goscote Lane Corridor	Roll forward and Apprenticeship Starts and re-profile housing completions
Growing Priority Sectors	Roll forward Jobs Created and Apprenticeship Achievements
Wolverhampton Civic Halls & Grand Theatre	Roll forward of Jobs Created, Business Assists, Learner Assists, Apprenticeships, Land Remediated and Visitor Footfall
Bilston Urban Village	Roll forward of Housing Completions
Fab Kit – Fab Lab	Roll forward of Business Assists and re-profile of Learner Assists
Fab Kit – Incomm	Roll forward of Business Assists
Fab Kit – PTP	Roll forward of Business Assists
Advanced Science, Engineering & Technology	Roll forward of Business Assists
Dudley Advanced Construction Centre – CABTech	Roll forward of Jobs Created, Jobs Safeguarded Business Assists and Learner Assists
Elite Centre for Manufacturing Skills	Roll forward of Jobs Created, Learner Assists, Apprenticeships and Business Assists
UoW – Apprenticeship Hub	Roll forward of Apprenticeship Achievements
BCLM – Forging Ahead	Roll forward of Jobs Created, Commercial Floorspace, Learner Assists and Apprenticeships
Advanced Manufacturing Training Centre	Roll forward of Business Assists
YMCA – Cleveland Road	Roll forward of Business Assists, Learner Assists, Jobs Created and Apprenticeship Starts
School of Architecture & Built Environment	Roll forward of Jobs Created, Business Assists and Learner Assists
IT Digital Skills & Innovation	Roll forward of Business Assists, Learner Assists and Apprenticeships

#### **4. BENEFITS 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 Individual BCR calculations are not relevant for this paper, as the changes proposed do not affect the project's value for money.

## **5. FINANCIAL IMPLICATIONS**

The costs with this monitoring activity 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**

Grant agreements are in place for all Growth Deal projects and will be varied by the Accountable Body to capture the changes set out in this report as necessary.

## **7. RISK MANAGEMENT**

Risk is 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 BC LEP Board and the BCJC.

## **8. EQUALITY IMPLICATIONS**

None at the time of drafting.

## **9. CONSULTATION**

Legal and Finance officers at Walsall Council and City of Wolverhampton Council have been consulted as part of the development of this report.

### **Background papers**

- May 2022 GD Funding Sub Group paper;
- Individual Project Change Requests.

## Attachments

- I. Attachment 1 – Growth Deal Outputs by Project.

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Project/Name	Category	Sub Category	Metric	2015/16 Total												Grand Total
				2015/16 Total	2016/17 Total	2017/18 Total	2018/19 Total	2019/20 Total	2020/21 Total	2021/22 Total	2022/23 Total	2023/24 Total	2024/25 Total	2025/26 Total		
Doocote Lane Corridor	Housing	Housing units started	Direct & Contracted	Number	Target	511.00	323.00	119.00			78.00	21.00	58.00	57.00	54.00	141.00
			Number	Revenue	6.00	3.00	115.00			79.00	11.00	82.00	81.00	77.00	121.00	
			Number	Target	6.00	1.00	5.00			5.00	0.00	97.00	33.00	33.00	12.00	
Leamer Assist	Apprenticeship starts	Direct & Contracted	Number	Revenue	5.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.00
			Number	Target	402.00	42.00	60.00	21.00	211.00	48.00	250.00	148.00			800.00	
			Number	Revenue	5.00	41.00	65.00	21.00	211.00	46.00	250.00	158.00			95.00	
Glasgow Priority Sectors	Job	Jobs created	Direct & Contracted	Number	Target	5.00	3.00				5.40	0.00	25.00	21.00		67.00
			Number	Revenue	5.40	3.30				5.40	0.00	3.00	56.00	67.00		137.00
			Number	Target	48.00	7.00	1.00	40.00		0.00	24.00	13.00			85.00	
Leamer Assist	Number of individuals able to follow a course of learning as a result of capital investment (see Apprenticeships)	Direct & Contracted	Number	Revenue	48.00	7.00	1.00	40.00		0.00	0.00	37.00	63.00		151.00	
			Number	Target	848.00	134.00	238.00	213.00	137.00	126.00	307.00	325.00			1,500.00	
			Number	Revenue	948.00	134.00	238.00	213.00	137.00	126.00	0.00	352.00	352.00		1,500.00	
Leam & Commercial Property	Area of site reclaimed, (redeveloped or assembled (th) - HCE	Direct & Contracted	Number	Revenue	5.00					0.00	0.00	0.00	0.00		5.00	
			Number	Target	108,269.00			77,873.00	28,396.00	0.00	210,000.00	151,731.00			510,000.00	
			Number	Revenue	185,368.00			77,873.00	28,396.00	0.00	176,480.00	225,241.00			510,000.00	
Leamer Assist	Apprenticeship starts	Direct & Contracted	Number	Revenue	1.00	1.00				0.00	12.00	0.00			13.00	
			Number	Target	1.00	1.00				0.00	0.00	12.00			13.00	
			Number	Revenue	0.00					0.00	0.00	7.00			7.00	
Leamer Assist	Apprenticeship achievements	Direct & Contracted	Number	Revenue	0.00					0.00	0.00	13.00			13.00	
			Number	Target	354.00			59.00		37.00	258.00	144.00	0.00		488.00	
			Number	Revenue	354.00			59.00		37.00	258.00	115.00	38.00		488.00	
Wolverhampton Interchange	Job	Jobs created	Direct & Contracted	Number	Target	219.00	3.00	90.00	7.00		119.00	0.00	0.00		219.00	
			Number	Revenue	100.00	3.00	50.00	7.00		0.00	0.00	119.00			219.00	
			Number	Revenue	1,450.00	958.00	3,779.00			1,763.00	0.00	0.00			6,490.00	
Leam & Commercial Property	Commercial floorspace occupied (sqm)	Direct & Contracted	Number	Revenue	1,450.00	958.00	3,779.00			0.00	0.00	1,763.00	0.00		6,490.00	
			Number	Target	1,450.00	958.00	3,779.00			0.00	0.00	1,763.00	0.00		6,490.00	
			Number	Revenue	1,450.00	958.00	3,779.00			0.00	0.00	1,763.00	0.00		6,490.00	
Transport	Annual average daily and peak hour passenger boardings	Direct & Contracted	Number	Revenue	1,450.00	958.00	3,779.00			0.00	0.00	1,763.00	0.00		6,490.00	
			Number	Target	1,450.00	958.00	3,779.00			0.00	0.00	1,763.00	0.00		6,490.00	
			Number	Revenue	1,450.00	958.00	3,779.00			0.00	0.00	1,763.00	0.00		6,490.00	
Transport	Annual average daily and peak hour passenger boardings	Direct & Contracted	Number	Revenue	3,853.00					3,853.00	0.00				3,853.00	
			Number	Target	3,853.00					3,853.00	0.00				3,853.00	
			Number	Revenue	3,853.00					3,853.00	0.00				3,853.00	
Other	Commercial Rental Value (£ per sqm)	Direct & Contracted	Number	Revenue	181.00					92.70	92.70	181.00			346.40	
			Number	Target	181.00					92.70	92.70	181.00			346.40	
			Number	Revenue	181.00					92.70	92.70	181.00			346.40	
Fab Kit - Fab Lab (Sandwell Colliery)	Business Assist	Number of enterprises receiving non financial support	Direct & Contracted	Number	Target	27.00	1.00	6.00	8.00	11.00	1.00	0.00	0.00	5.00	5.00	42.00
			Number	Revenue	27.00	1.00	6.00	8.00	11.00	1.00	0.00	0.00	7.00	5.00	42.00	
			Number	Revenue	750.00	115.00	326.00	182.00	147.00	0.00	30.00	30.00	21.00		831.00	
Leamer Assist	Number of individuals able to follow a course of learning as a result of capital investment (see Apprenticeships)	Direct & Contracted	Number	Revenue	750.00	115.00	326.00	182.00	147.00	0.00	30.00	30.00	21.00		831.00	
			Number	Target	750.00	115.00	326.00	182.00	147.00	0.00	30.00	30.00	21.00		831.00	
			Number	Revenue	750.00	115.00	326.00	182.00	147.00	0.00	30.00	30.00	21.00		831.00	
Fab Kit - iComm	Business Assist	Number of enterprises receiving non financial support	Direct & Contracted	Number	Target	4.00		4.00				20.00	26.00		50.00	
			Number	Revenue	4.00		4.00				20.00	26.00		50.00		
			Number	Revenue	120.00	47.00	38.00	0.00	28.00	5.00	31.00	18.00	9.00		175.00	
Leamer Assist	Number of enterprises receiving non financial support	Direct & Contracted	Number	Revenue	120.00	47.00	38.00	0.00	28.00	5.00	31.00	18.00	9.00		175.00	
			Number	Target	120.00	47.00	38.00	0.00	28.00	5.00	31.00	18.00	9.00		175.00	
			Number	Revenue	120.00	47.00	38.00	0.00	28.00	5.00	31.00	18.00	9.00		175.00	
Advanced Science, Engineering & Technology	Business Assist	Number of enterprises receiving non financial support	Direct & Contracted	Number	Target	0.00						0.00	75.00	75.00		150.00
			Number	Revenue	0.00						0.00	39.47	113.33		150.00	
			Number	Revenue	0.00						0.00	39.47	113.33		150.00	
Daily Advanced Construction Centre	Job	Jobs created	Direct & Contracted	Number	Target	315.00		10.10	6.00	298.00	0.00	0.00			315.00	
			Number	Revenue	315.00		10.10	6.00	298.00	0.00	0.00				315.00	
			Number	Revenue	725.00		8.00	0.00	777.00	0.00	0.00				725.00	
Leamer Assist	Jobs safeguarded	Direct & Contracted	Number	Revenue	725.00		8.00	0.00	777.00	0.00	0.00				725.00	
			Number	Target	725.00		8.00	0.00	777.00	0.00	0.00				725.00	
			Number	Revenue	725.00		8.00	0.00	777.00	0.00	0.00				725.00	
Business Assist	Number of new enterprises receiving non financial support	Direct & Contracted	Number	Revenue	20.00					0.00	0.00	0.00	0.00		20.00	
			Number	Target	20.00					0.00	0.00	0.00	0.00		20.00	
			Number	Revenue	20.00					0.00	0.00	0.00	0.00		20.00	
Business Assist	Number of enterprises receiving non financial support	Direct & Contracted	Number	Revenue	1150.00		8.00		1144.00	0.00	0.00				1150.00	
			Number	Target	1150.00		8.00		1144.00	0.00	0.00				1150.00	
			Number	Revenue	1150.00		8.00		1144.00	0.00	0.00				1150.00	
Leamer Assist	Number of individuals able to follow a course of learning as a result of capital investment (see Apprenticeships)	Direct & Contracted	Number	Revenue	2600.00		21.00	124.00	215.00	2240.00	0.00	0.00			2600.00	
			Number	Target	2600.00		21.00	124.00	215.00	2240.00	0.00	0.00			2600.00	
			Number	Revenue	2600.00		21.00	124.00	215.00	1991.00	571.00	28.00			2600.00	
Leamer Assist	New build training learning space (sqm)	Direct & Contracted	Number	Revenue	4200.00		3360.00		802.00						4200.00	
			Number	Target	4200.00		3360.00		802.00						4200.00	
			Number	Revenue	4200.00		3360.00		802.00						4200.00	
Ella Centre for Manufacturing Skills (Blaik Scheme)	Leamer Assist	Number of individuals able to follow a course of learning as a result of capital investment (see Apprenticeships)	Direct & Contracted	Number	Target	228.00		85.00	94.00	89.00	281.00	0.00	0.00		306.00	
			Number	Revenue	228.00		85.00	94.00	89.00	281.00	0.00	0.00			306.00	
			Number	Revenue	549.00		9.00	232.00	252.00	285.00	0.00	95.00	0.00		413.00	
Leamer Assist	Apprenticeship starts	Direct & Contracted	Number	Revenue	549.00		9.00	232.00	252.00	285.00	0.00	95.00	0.00		413.00	
			Number	Target	549.00		9.00	232.00	252.00	285.00	0.00	95.00	0.00		413.00	
			Number	Revenue	549.00		9.00	232.00	252.00	285.00	0.00	95.00	0.00		413.00	
Job	Jobs created	Direct & Contracted	Number	Revenue	5.50	1.00	4.50	0.00	61.50	0.00	0.00				67.00	
			Number	Target	5.50	1.00	4.50	0.00	61.50	0.00	0.00				67.00	
			Number	Revenue	5.50	1.00	4.50	0.00	61.50	0.00	0.00				67.00	
Business Assist	Number of enterprises receiving non financial support	Direct & Contracted	Number	Revenue	11.00		1.00		8.00	384.00	0.00	0.00			385.00	
			Number	Target	11.00		1.00		8.00	400.00	0.00	0.00			385.00	
			Number	Revenue	11.00		1.00		8.00	400.00	0.00	0.00			385.00	
Leamer Assist	Apprenticeship achievements	Direct & Contracted	Number	Revenue	0.00		0.00		286.00	0.00	0.00				286.00	
			Number	Target	0.00		0.00		286.00	0.00	0.00				286.00	
			Number	Revenue	0.00		0.00		286.00	0.00	0.00				286.00	
University of Wolverhampton Academic Hub	Leamer Assist	Apprenticeship achievements	Direct & Contracted	Number	Target	68.00		0.00	24.00	35.00	200.00	0.00			288.00	
			Number	Revenue	68.00		0.00	24.00	35.00	200.00	0.00				288.00	
			Number	Revenue	68.00		0.00	24.00	35.00	200.00	0.00				288.00	
Black Country Living Museum - Forging Ahead (Main Scheme)	Job	Jobs created	Direct & Contracted	Number	Target	3.73			3.73	0.00	4.95	2.50	9.			