

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

On Wednesday 3 November 2021 at 10.30am

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

Streamed via a Live YouTube Link

MINUTES - PUBLIC

VOTING MEMBERS – In person

Councillor Patrick Harley, Dudley MBC
Councillor Maria Crompton, Sandwell MBC(sub)
Councillor Mike Bird, Walsall MBC (**Chair**)
Councillor Ian Brookfield, City of Wolverhampton

NON VOTING MEMBERS – via Teams

Lindsey Flynn, Black Country LEP (sub)

INVITED GUESTS – In person

Kevin O’Keefe, Dudley MBC
Dr Helen Paterson, Walsall Council
(**Secretary**)

INVITED GUESTS – via Teams

Kim Bromley-Derry, Sandwell MBC
Tim Johnson, City of Wolverhampton
Sarah Middleton, The Black Country Consortium Ltd
Lara Smith, The Black Country Consortium Ltd
Simon Neilson, Walsall MBC
Richard Lawrence, City of Wolverhampton
Helen Martin, Dudley MBC

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

1. Apologies

Councillor Rajbir Singh, Sandwell MBC
Tom Westley, Black Country LEP
Tony McGovern, Sandwell MBC
Stuart Everton, Black Country Director for Transport

2. Notes of Meeting held on 23 June 2021

Decision 21/0037

Councillor Bird moved approval of the minutes of the meeting on 23 June 2021 which was put to the vote by way of a roll-call of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the minutes of the meeting held on 23 June 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.**

Decision 21/0038

There were no private session reports.

6. **BLACK COUNTRY LOCAL GROWTH DEAL PROGRAMME – Approval of the 2020/21 Programme Changes - Capital Funding and amendments to the existing Grant Agreements for Ruskin Mill Land Trust - Glasshouse Development Phase 3: Advanced Manufacturing Training Centre; Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies – Test Track 1 Project; Elite Centre for Manufacturing Skills (ECMS)**

Lara Smith referred to the report previously circulated and explained that firstly they are seeking approval for the Financial year End position on the Local Growth Deal Programme with full details being available in the appendix to the report. Section 3.4 of the report summaries the changes that have been made (funding and Outputs). Lara highlighted that £4.5m for Department for Transport M6 Junction 10 project is still to be drawn down, but still consider the project to be financially viable.

Ruskin Mill Land Trust - Glasshouse Development Phase 3

Lara explained that Ruskin Mill Programme was complete some time ago. The project is over-delivering on some outputs which is great but this change request is for a reduction in learner assists numbers that were originally agreed in the Grant Agreement. The Project is still considered to be very good value for money and viable.

Advanced Manufacturing Training Centre

Lara explained that the Advanced Manufacturing Programme was complete a couple of years ago. The project is however unable to reach the jobs safeguarded target that was originally agreed in the Grant Agreement and this will need to be reduced. The Project is still considered to be very good value for money and viable.

Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies – Test Track 1 Project

Lara explained that the Very Light Rail project needs to reduce the distance (in km) of final test track now the project is on site. Does not actually impact on wider benefit of the project.

Elite Centre for Manufacturing Skills (ECMS)

Lara explained that the Elite Centre project is financially complete. This is a request for a change of scope and to tie up some outstanding elements. Milestones mentioned in the Grant Agreement will need to be removed and accurately reflect the match funding. The

project is progressing well now that previous Covid restrictions have been removed as these were causing delays.

Decision 21/0039

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

- 2.1 Approves the year end position of Growth Deal Projects, reflecting all changes to the Programme (Funding and Outputs) throughout the year as detailed in Appendix 1 of the report.
 - 2.2 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Glasshouse Development Phase 3 Grant Agreement with Ruskin Mill Land Trust**, in relation to the project outputs as set out in paragraph 3.7.
 - 2.3 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Advanced Manufacturing Training Centre Grant Agreement with Incomm**, in relation to the project outputs as set out in paragraph 3.8.
 - 2.4 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies – Test Track 1 Grant Agreement with Dudley Council** in relation to the project outputs as set out in paragraph 3.9.
 - 2.5 Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the Elite Centre for Manufacturing Skills (ECMS) Grant Agreement with the University of Wolverhampton** in relation to match funding as set out in paragraph 3.10.
 - 2.6 Notes that the Sandwell Metropolitan Borough Council as a contracting body on the Growing Priority Sectors project, is working towards novating the Grant Agreement with Harco Engineering Limited to Roach Precision Engineering Limited to complete the Growth Fund funded elements of the project in relation to the delivery of the project outputs.
7. **GROWING PLACES FUND – Hub to Home Transport Innovation Centre and Test Track Project: Very Light Rail and Autonomous Technologies - Amendments to the existing Grant Agreements for (i) National Innovation Centre Project and (ii) Test Track 1 Project**

Lara Smith referred to the report previously circulated and explained that both projects were originally awarded Local Growth Deal funding with a lot of restrictions attached to the funding. Both projects have been impacted by delays due to Covid-19 restrictions. It is necessary therefore due to these restrictions on the funding to remove a proportion of the Local Growth Fund and replace it with Growing Places Fund. The (i) National Innovation Centre Project is

due to complete early next year and the (ii) Test Track 1 Project is due to complete at the end of this month.

Councillor Brookfield, Councillor Bird and Councillor Harley were pleased to see the flexibility and innovative ways the grant funding was being allocated and then reallocated where needed following the recent Covid-19 problems. Shows that the Black Country Teams are monitoring projects and working to secure the best outcomes for businesses.

Decision 21/0040

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

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

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

Report of the Heads of Regeneration Working Group
to the Black Country Executive Joint Committee
on 27 April 2022

Black Country Executive Joint Committee Collaboration Agreement
Amendments

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee authorises entering into the Deed of Variation to record changes to the 2014 Black Country Executive Joint Committee Collaboration Agreement arising from the amended and current Black Country Executive Joint Committee governance, and to note the removal of the Joint Committee Advisory Board and transfer of some of its responsibilities to the Black Country Heads of Regeneration Working Group, taking responsibility for briefing respective Cabinet Portfolio Holders. The aim is to simplify the governance arrangement and reduce timeframes for project approvals.
- 1.2 This recommendation was approved by:
- Walsall Council Cabinet on 20 October 2021;
 - Dudley Council Cabinet on 28 October 2021;
 - Sandwell Council Cabinet on 3 November 2021;
 - Black Country Local Enterprise Partnership Board on 22 November 2021;
 - Wolverhampton City Council on 23 February 2022.
- 1.3 To request that the Working Group recommends to the Joint Committee, once agreed by all Parties, that all approved changes are recorded by a Deed of Variation.

2. RECOMMENDATIONS

That the Black Country Joint Committee:

- 2.1 Approves 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.

3. REPORT DETAIL

3.1 The Collaboration Agreement was approved by the Joint Committee on the 7 May 2014 and set out the governance and operational arrangements for the City Deal and Growth Deal programmes, including collaboration, governance, project approval, management and audit, and claw back arrangements. The Collaboration Agreement was subsequently entered into by the four Black Country Councils and the Black Country Consortium Ltd. ('BCC') (who collectively for the purposes of this report shall be referred to as the 'Parties').

3.2 The Collaboration Agreement has since been updated following Joint Committee approvals on:

- (i) 7 September 2016 to incorporate all funding opportunities administered by or resulting from the West Midlands Combined Authority;
- (ii) 12 February 2020 to incorporate all current and future funding opportunities secured or operated by or through the Black Country Local Enterprise Partnership (BC LEP);
- (iii) 9 December 2020 via a Supplemental Deed of Variation to add the governance and processes in relation to the Black Country Enterprise Zones.

3.3 On 5 November 2020, the Association of Black Country Authorities (ABCA) Chief Executives considered and endorsed proposals for streamlining the Black Country Executive Joint Committee (BCJC) governance arrangements and processes, the option of removing Joint Committee Advisory Board approval stage and increasing the number of BCJC meetings. This was followed by ABCA Leaders (9 December 2020) and Joint Committee Advisory Board (1 February 2021) endorsements. Subsequently this was followed by Walsall Council Cabinet (20 October 2021), Dudley Council Cabinet (28 October 2021), Sandwell Council Cabinet (3 November 2021) and BCLEP Board (22 November 2021) endorsements. Wolverhampton City Council Cabinet is due to consider it.

3.4 The removal of the Joint Committee Advisory Board results in Heads of Regeneration Working Group holding the responsibility for consultation on all reports requiring recommendation to BCJC, including with the Cabinet Portfolio Holders. To ensure continuous visibility and transparency Heads of Regeneration now brief their Regeneration Cabinet Portfolio Holder on all of the reports, from

across the Black Country, which require Heads of Regeneration Working Group endorsement.

- 3.5 Increase of BCJC meeting frequency ensures that key time-critical projects can receive approvals as required, reducing any delays. However, if there are no items on the BCJC Forward Plan, meetings will be cancelled.
- 3.6 The revised process is compliant with requirements set out within the National and Local Assurance Frameworks, following individual project assessments and spend recommendations by the BC LEP.
- 3.7 BCJC approved and adopted the current governance arrangements at its meeting on 17 February 2021. The BCJC Constitution and Protocols and the BC LEP Local Assurance Framework have been updated to reflect these changes and were approved by the BCJC at its Annual General Meeting on 23 June 2021.
- 3.8 The Parties have and continue to use the governance and operational arrangements as set out within the Collaboration Agreement to successfully deliver the programmes.
- 3.9 It is therefore proposed that the Joint Committee recommends that the Parties approve the following amendments and enter into a Deed of Variation:
 - 3.9.1 References to the Joint Committee Advisory Board removed from the Collaboration Agreement and its Schedules, and references to the Heads of Regeneration Working Group updated throughout Collaboration Agreement and its Schedules to reflect transferred responsibilities from the Joint Committee Advisory Board (Definitions, Clause 2 – Collaboration, Clause 4 - Project Approval, Clause 5 - Project Management , Clause 9 – Documentation, Clause 16- Publicity and Public Relations, Clause 18 - Priority of documents; removed Joint Committee Advisory Board Constitution, previously included as Schedule 1).
 - 3.9.2 Clauses updated as follows:
 - Reference to four Councils are now replaced by 'Black Country Local Authorities';
 - Heads of Regeneration Working Group are now referred to as 'HoR Working Group';
 - Funding agreement between the SAB and any Party to this Agreement defined as 'Grant Agreement' (definition added);
 - Clause 2 (Collaboration) list of material variations (clause 2.8) are removed and instead referenced within the BC LEP Assurance Framework, Appendix 25; clause 2.10 with programmes list removed;

- Clause 5 (Project Management) updated to reflect the Governance Principles for the Enterprise Zones;
- Clause 15 (Variation) amended to remove the prescribed frequency requirement to vary the Collaboration Agreement;
- Clause 23 on data protection – updated to reflect changes in Law post United Kingdom exit from European Union.

3.9.3 Schedules appended as follows:

- SCHEDULE 1 - Constitution and Functions of the Heads of Regeneration Working Group (as agreed/adopted by the members of the Heads of Regeneration Working Group and appended to the BC LEP Assurance Framework, approved by BCJC on 23 June 2021);
- SCHEDULE 2 – BC LEP Initial Proposal and Full Business Case Templates (as agreed by the BC LEP Board and appended to the BC LEP Assurance Framework, approved by BCJC on 23 June 2021);
- SCHEDULE 3 - Black Country Executive Joint Committee (Constitution, Functions, Report template as agreed by BCJC on 23 June 2021);
- SCHEDULE 4 - Decision and oversight Flow Chart (updated to reflect Joint Committee Advisory Board removal, approved by BCJC on 17 February 2021);
- SCHEDULE 5 - Supplemental Deed - Governance Principles: Enterprise Zones (approved by BCJC on 9 December 2020), note this is currently undergoing a separate review with Parties to the agreement.

3.10 Once the above changes are agreed by all Parties, then the approved amendments will be recorded in a Deed of Variation.

4. BENEFIT COST RATIO (VALUE FOR MONEY)

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

4.2 BCR calculation is not relevant for this recommendation.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report at the time of drafting. All costs associated with the delivery of the Single Accountable Body functions by Walsall Council and the Project Management Office at BCC Ltd., including making amendments to the Collaboration Agreement and Assurance Framework, are covered from 'top-slicing' of the grants managed, or from the interest generated from funding held, or a mixture of both, as agreed by the BC LEP and the BCJC.

6. LEGAL IMPLICATIONS

- 6.1 Under the Local Government Act 1972 and Local Government Act 2000 as amended by the Localism Act 2012 and regulations issued by the Secretary of State, the Council's Executive has the power to setup an Executive Joint Committee.
- 6.2 An Executive Joint Committee is effectively an extension of Cabinet, making decisions on behalf of Cabinet where it has delegated authority to do so. Delegation does not prevent Cabinet from choosing to excise the powers instead of the Executive Joint Committee, nor withdrawing at any time the delegation for a specific matter or item or in its entirety.
- 6.3 If the Joint Committee approves this report's recommendation, the Parties will record and bring into effect the proposed changes to the Collaboration Agreement by entering into a Deed of Variation. The Single Accountable Body team will prepare the Deed of Variation and will arrange for its execution and completion by the Parties, with the assistance of Legal Services.
- 6.4 Delegated Executive functions will at all times remain within the power of the original Delegating Cabinet/Executive to exercise.

7. RISK MANAGEMENT

- 7.1 The risk that the amendments to the Black Country Assurance Framework and the BCJC governance do not comply with National Government requirements has been mitigated by a review by BCC Ltd and the Single Accountable Body team to ensure that the governance is still robust and consistent with the requirements of the National Growth Assurance Framework, published by the Ministry of Housing, Communities and Local Government in January 2019.

- 7.2 There is a risk that removal of the Joint Committee Advisory Board results in reduced engagement with Portfolio Holders. However, the new process requires each council's voting member at the Heads of Regeneration Working Group to brief Cabinet Portfolio Holders on all reports. This will ensure Cabinet Portfolio Holders are properly consulted and have oversight of all project and programme funding recommendations.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

Legal and Finance officers from all signatory organisations of the original agreement being; Dudley Council, Sandwell Council, Wolverhampton City Council and the Black Country Consortium have been consulted with. Legal and Finance Officers at Walsall Council have been consulted as part of the development of this report.

Background papers

None.

Attachments

Appendix A – Collaboration Agreement with proposed amendments highlighted in light blue.

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DATE: 7 MAY 2014



Walsall Council

- (1) WALSALL METROPOLITAN BOROUGH COUNCIL**
- (2) DUDLEY METROPOLITAN BOROUGH COUNCIL**
- (3) SANDWELL METROPOLITAN BOROUGH COUNCIL**
- (4) WOLVERHAMPTON CITY COUNCIL**
- and-**
- (5) BLACK COUNTRY CONSORTIUM LIMITED**

COLLABORATION AGREEMENT

**in relation to the Black Country Executive Joint Committee for the funds
secured by the Black Country Local Enterprise Partnership**

**(Incorporating the variations approved
by the Black Country Executive Joint Committee on 7 September 2016, 12
February 2020, 9 December 2020 and 27 April 2022)**

**Walsall Council
Civic Centre
Darwall Street
Walsall, WS1 1T**

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THIS AGREEMENT is made on the 7 of May 2014

BETWEEN:

- (1) **WALSALL METROPOLITAN BOROUGH COUNCIL** of Civic Centre, Darwall Street, Walsall, WS1 1TP ("**Walsall**");
- (2) **THE BOROUGH COUNCIL OF DUDLEY** of The Council House, Priory Road, Dudley, West Midlands, DY1 1HF ("**Dudley**");
- (3) **THE BOROUGH COUNCIL OF SANDWELL** of Freeth Street, PO Box 2374, Oldbury, B69 3DE ("**Sandwell**");
- (4) **WOLVERHAMPTON CITY COUNCIL** of Civic Centre, St Peter's Square, Wolverhampton, WV1 1RG ("**Wolverhampton**"); and
- (5) **BLACK COUNTRY CONSORTIUM LIMITED** (Company Registration number 05159791) whose registered office is at The Deckhouse, Waterfront West, Dudley Road, Brierly Hill, DY5 1LW ("**BCC**") (each being a "**Party**" together being "**the Parties**").

WHEREAS:

- (A) The Parties have agreed to collaborate to administer the allocation by central Government of funding (together "the Deal"), secured by the Black Country Local

Enterprise Partnership, across the Black Country area, which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton.

- (B) The Executives of each Party have agreed to establish a Joint Executive Committee, the Constitution, and Terms of Reference of which are set out at Schedule 3 pursuant to Section 101(5) of the Local Government Act 1972 and regulations issued under Section 9EB of the Local Government Act 2000. The decision dates respectively being Walsall Cabinet 11 September 2013, Dudley Cabinet 30 October 2013, Sandwell Cabinet 13 November 2013, Wolverhampton Cabinet 4 December 2013.
- (C) The Parties are empowered under Section 1 of the Localism Act 2011 to "do anything that individuals generally may do" and BCC, as a company limited by guarantee, may carry out general public administration activities and will help to facilitate the Deal.
- (D) The purpose of this Collaboration Agreement is to set out a framework for joint working between the Parties to enable delivery of the Deal.
- (E) This Agreement has been varied by each of the four Black Country Local Authorities, following Black Country Joint Committee approvals as follows:
 - (i) 7 September 2016 to incorporate all funding opportunities administered by or resulting from the West Midlands Combined Authority.
 - (ii) 12 February 2020 to incorporate all current and future funding opportunities secured or operated by or through the Black Country Local Enterprise Partnership (BC LEP).
 - (iii) 9 December 2020 via a Supplemental Deed of Variation to add the governance and processes in relation to the Black Country Enterprise Zones.

1. Definitions

1.1. Interpretation

In this Agreement the following words and expressions have the following meanings:

Assurance Framework means the National Assurance Framework as issued by central Government together with the Black Country Local Assurance Framework, which sets out how this is to be applied and adhered to by all Parties.

Authority means one of the four Black Country Local Authorities signatories to this Agreement, comprising of the Metropolitan Borough Councils of Dudley, Sandwell and Walsall and Wolverhampton City Council.

Business Case means the business case which sets out a Project proposal in the format as set out in Schedule 2 and which is ultimately approved by the Joint Committee to enable Project commencement.

Combined Authority means the West Midlands Combined Authority and/ or subsequent amended or replacement and its successors.

Data Protection Legislation means the GDPR, the Data Protection Act 2018 and all relevant codes of practice and directives regarding the processing of confidential, personal and/or special category data.

Deal means City Deal and / or Growth Deal, Land and Property Investment Fund (LPIF) and / or any subsequent amended or replacement for them as determined by central Government and/ or funding provided by the Combined Authority, generated through any Black Country Enterprise Zone/s and/or any funding secured by the Black Country Local Enterprise Partnership (BC LEP) requiring an accountable body.

End Date means the date specified in any grant or funding agreement by which the agreed activity must have been completed by, and when any claw-back provision may be exercised.

Enterprise Zone means those areas specified as such locally or externally and falling within the Black Country Local Enterprise Partnerships area.

Force Majeure means any circumstances beyond the reasonable control of any Party (including, without limitation, any strike, lock-out or other form of industrial action).

Funding Agreement means any Deal funding agreement or funding secured by the Black Country Local Enterprise Partnership (BC LEP) and related documents to be entered into between the Single Accountable Body and central Government.

GDPR as means the General Data Protection Regulation, (Regulation (EU) 2016/679).

Governance Structure means the decision making structure for the Joint Committee as set out in the constitution of the Joint Committee, and this Collaboration Agreement.

Grant Agreement means any Programme or Project funding agreement and related documents to be entered into between the Single Accountable Body and a Party of this Agreement.

HoR Working Group (Heads of Regeneration Working Group) means the body which comprises of the relevant Directors of each of the Authorities, the constitution for which is set out in Schedule 1.

Intellectual Property Rights means all patents, trademarks, copyright, moral rights, rights to prevent passing off, rights in designs, know-how and all other intellectual or industrial property rights, in each case whether registered or unregistered and including applications or rights to apply for them and together with all extensions and renewals of them, and in each and every case all rights or forms of protection having equivalent or similar effect anywhere in the world.

Joint Committee means the Joint Committee that has been established as a legally formed body of the Cabinets of Walsall, Dudley, Sandwell and Wolverhampton and is known as the "Black Country Executive Joint Committee" and which will carry out its decision making in accordance with the Governance Structure approved by each Party.

Joint Executive Committee Terms of Reference and Constitution means the Terms and Reference and Constitution as set out in Schedule 3 which has been approved by the Executive of each Black Country Local Authority.

Lead Authority means the Local Authority allocated by the Joint Committee to be the Lead authority for delivery of a particular Project.

Material Change in Circumstances means a change that does or is likely to significantly affect or impact upon delivery of the Programme or any Projects under it which necessitates a change in any decision made by the Joint Committee or if such circumstances were known at the time of the Joint Committee decision it would have potentially influenced the Joint Committee to make different decision than the one that was made originally.

Monitoring Procedures means the Programme monitoring procedures, Programme audits and any other reporting, monitoring or audit processes required by a central Government department in relation to the Programme.

Objectives and Outputs means the successful delivery and completion of all Projects and/or initiatives as agreed by the Joint Committee together with such other objectives and outputs as are adopted by the Parties from time to time in accordance with this Agreement.

Programme means the operational element of the individual programme within the Deal, secured by the Black Country Local Enterprise Partnership, from central Government for the Black Country area, which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton, including any individual Projects and/or funding streams.

Programme Manager means an officer appointed by Walsall Council to fulfil the roles and duties of the Programme Manager as detailed in this Agreement.

Project means an individual Project or initiative within the overall Deal that is subject to an application to the Joint Committee for funding to be allocated to it pursuant to the Programme.

Single Accountable Body means the Local Authority appointed by the Black Country Local Enterprise Partnership (BC LEP) and the Joint Committee to act in this role to manage on their behalf all funds forming part of the Deal with central Government, the West Midlands Combined Authority or any funding secured.

Third Party means any organisation which is not a Party to this Agreement.

1.2 In this Agreement:

- 1.2.1 The clause headings do not affect its interpretation,
- 1.2.2 Words in the singular shall include the plural and vice versa,
- 1.2.3 Unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Agreement, and references in a Schedule to a paragraph are to a paragraph of that Schedule,
- 1.2.4 References to any statute or statutory provision include references to:
- 1.2.5 All Acts of Parliament and all other legislation having legal effect in the United Kingdom,
- 1.2.6 Any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute,
- 1.2.7 A person includes a natural person, corporate or unincorporated body or organisation and their successors and permitted assigns,
- 1.2.8 Including means including, without limitation,
- 1.2.9 If any provision is held to be illegal, invalid or unenforceable that provision shall be struck out and the legality, validity and enforceability of the remainder of the Agreement is to be unaffected.

2. Collaboration

- 2.1 The Parties agree to work in a spirit of mutual co-operation to fulfil their agreed roles and responsibilities to achieve the Objectives and Outputs, and to put in resources to the extent set out in this Agreement.
- 2.2 Each Party, which is an Authority, has agreed to form a Joint Committee, which will undertake the functions as set out in the Joint Committee Terms of Reference and Constitution as set out in Schedule 3.
- 2.3 Walsall, as secretary to the Joint Committee, will publish in accordance with its own constitution all agendas, reports, Forward Plan and minutes of the Joint Committee and will distribute all agendas, reports, and minutes of the Joint Committee to the Authority Parties within such timescales that will allow the Authority Parties to comply with their statutory Access to Information requirements. Walsall as secretary

will maintain the Forward Plan of the Joint Committee and submit the plan to all Parties in a timely manner.

2.4 The Authority Parties have agreed the principles of how the Joint Committee will operate which is set out in the Governance Structure. Walsall will provide copies of all agendas, reports, and minutes to all Authority Parties as soon as they become available for publication in accordance with any legislative requirements.

2.5 Each Party shall:

2.5.1 Carry out the tasks and contribute sufficient resources and facilities to ensure that the Programme objectives are met and commitments under this Agreement are met,

2.5.2 Co-operate with each other and do such acts, matters and things as may be necessary or desirable to implement the decisions of the Parties and in order to complete the Programme,

2.5.3 Keep the other Parties fully informed of the progress of and of any matters relevant to the Programme and make available to the other Party all relevant information, data, reports and opinions in relation to the Programme,

2.5.4 Immediately notify the other Parties in writing if there is an unexpected problem which are likely to cause a material delay to achievement of any of the objectives of the Programme, or any particular stage of the Programme, or any material increase in the costs of the Programme, or if any Party becomes aware of the action of any third party, which threatens to affect adversely the progress of the Programme, or the reasonable expectations of either Party hereunder.

2.6 The direction of the Programme shall be vested in the Joint Committee, which shall be advised by the HoR Working Group, which shall carry out its role in accordance with its Constitution and Functions.

2.7 The planning, and overall management of the Programme, including initial appraisal of Project proposals shall be vested in the HoR Working Group. The Constitution and Functions of the HoR Working Group are set out in Schedule 1. Without prejudice to the generality of the foregoing, the matters set out in Schedule 1 shall only be agreed by the HoR Working Group.

2.8 The final decision making on Project Approval, including material changes to approved Projects, shall be vested in the Black Country Executive Joint Committee. Material changes are variations to a Project that change the nature, outcome or

objectives of a Project, for the avoidance of doubt material variations are outlined in the Black County Local Assurance Framework, Appendix 25.

- 2.9 Where a Material Change in Circumstances occurs after a Project has been approved by the Joint Committee, the Joint Committee must be advised of that Material Change in Circumstances as soon as practicable, after the Lead Authority for a Project becomes aware of the Material Change in Circumstances.

3. Appointment to Roles

- 3.1 Following instructions received from central Government in 2019, the Black County Local Enterprise Partnership (BC LEP) is required to appoint a Single Accountable Body, effective from February 2020. The Joint Committee will be required to approve the appointment of one of the Authorities into the role of the Single Accountably Body.
- 3.2 Working with or to the Single Accountable Body, it may be required to appoint a Lead Authority to deliver agreed projects and/or activities. This appointment will require approval by both the Black County Local Enterprise Partnership (BC LEP) and the Joint Committee.
- 3.3 Where the Single Accountably Body and Lead Authority are one and the same, the respective duties of those roles, as defined in this Agreement, agreed by the Joint Committee, or otherwise set out in a Joint Committee approved Project Business Case, shall be concurrent.
- 3.4 The Joint Committee will, with the agreement of the Single Accountable Body, decide how the Single Accountable Body will recover the costs associated with the implementation of the Projects. Except as specifically agreed between the Parties, the cost of all officer time and resources necessary to perform the role of Single Accountable Body shall be met from the funding available and not from the budgets of the Parties to this Agreement.

4. Project Approval

- 4.1 Project proposals shall be worked up by the Parties to this Agreement, for the avoidance of doubt, any Project proposal put forward by the Parties can be a Project proposal initiated by a third Party. Where such a Project proposal is initiated by a third Party the Project proposer must detail the third Party who intuited the Project proposal.
- 4.2 The process for Project proposals shall be:
- 4.3 All project proposals will follow / meet the requirements of the central Government National Assurance Framework, as articulated through the Black Country Local

Assurance Framework. As the Government amends or places additional duties or responsibilities, these will be reflected in the Local Assurance Framework and must be adhered to by all parties to this Agreement.

- 4.4 Project proposals and Business cases will be submitted in accordance with the Black Country Local Assurance Framework as part of the decision making process and governance arrangements.
- 4.5 Each Project will have a designated (Sponsoring) Senior Project Officer and a proposed Lead Authority for preparing and for approval and submission of the Business Case to the Joint Committee. HoR Working Group will ensure that the Programme and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration and that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant officers (including legal and finance) in their respective authorities.
- 4.6 Where agreement of the HoR Working Group is given for the submission of Business Case in a form of a project report to the Joint Committee, BCC shall present the Business Case to the Joint Committee for approval. This will be in the format agreed by the Joint Committee and where required presentation of the report shall be supported by the relevant Head of Regeneration/Senior Responsible Officer from the Local Authority. For the avoidance of doubt, the final decision on the status of any Project is at the point of Project approval by the Joint Committee.
- 4.7 The above stages enable the appropriate approval bodies to approve or reject a project to move to the next stage in the lifecycle. All projects within the cycle will move through the same Project Lifecycle and Stage Gates as outlined in the Black Country Local Assurance Framework, leading up to final Project approval by the Joint Committee.

5. Project Management

- 5.1 When appointed Single Accountable Body or Lead Authority, the relevant Authority will assign a member of staff to the role of Project Manager and provide sufficient support to officers to ensure delivery of the Programme and the Projects.
- 5.2 The Lead Authority shall be responsible for writing and submitting updates and progress reports jointly with BCC as set out in the Business Case and in any event as requested by the HoR Working Group and Joint Committee. For the avoidance of doubt, the Lead Authority for any Project will send its relevant Executive Director or his representative to all meetings at which the Projects for which they are Lead Authority are being considered.

- 5.3 The Parties set up a HoR Working Group in accordance with Schedule 1 and the role of the HoR Working Group is as set out in Schedule 1. Notwithstanding, anything contained within this Agreement and the Schedules, the Parties role at the HoR Working Group will be to have overall operational responsibility for the implementation of the Programme and all of its elements.
- 5.4 The Governance Principles for the Enterprise Zones, Schedule 5, sets out the principles and a framework for managing and monitoring the Black Country Enterprise Zone Programme, including: the process for the collection, distribution and monitoring of the business rates and business rates surpluses; collaborative working between the Local Authorities, including joint working on the Financial Model and roles and responsibilities; prioritisation of costs to be funded from business rates; and principles of borrowing and payback.
- 5.5 Unless agreed otherwise with central Government and subject to at all times compliance with UK procurement law requirements, all procurement of goods, works and/or services needed for or in the delivery of Projects shall be procured in accordance with the Lead Authorities constitution and in particular contract and/or procurement rules.
- 5.6 The Parties roles and responsibilities in relation to the Programme's, the Joint Committee and/or the HoR Working Group as set out in this Agreement shall be carried out by personnel of the Parties and no charge shall be made to the Programme in respect of costs except for where costs have been agreed to claimed by a Party either as part of an approved Business Case and/or by the Joint Committee at any time.
- 5.7 The Single Accountable Body Programme Manager will be responsible for arranging the HoR Working Group meetings, their agenda, minuting decisions, and will be responsible for providing written updates to HoR Working Group and Joint Committee on the progress of specific Programme tasks and Projects as appropriate.
- 5.8 The Parties agree that they shall ensure officers attend Programme/ Project meetings, as appropriate, as set out in the Black Country Local Assurance Framework to enable management of the Programme, projects and the Deal effectively.

6. Project Audit and Claw-back

- 6.1 Each Party shall be responsible for ensuring compliance with all financial requirements imposed under any grant terms imposed by central Government for any element of the Programme or Project for which they are the Lead Authority.

- 6.2 At all times each Party will be responsible for ensuring that adequate audit arrangements are in place for any element of the Programme or Project for which they are the Lead Authority including providing free and unfettered access to all information and documentation in relation to the Programme and/or Project for which they are the Lead Authority.
- 6.3 Each Party agrees to give the Single Accountable Body and Lead Authority unrestricted and unfettered access to all information and documentation in relation to any element of the Programme and/or Project for which they are the Lead Authority, including providing copies of any such information and/or documentation free of charge.
- 6.4 In the event of any irregularity of any expenditure declared by any, the auditor of a Party or the Single Accountable Body's auditor, that Party shall be liable in respect of such irregularity and shall be required to repay to the Single Accountable Body any amounts unduly paid.
- 6.5 Subject to Clause 6.4, and unless agreed otherwise by the Joint Committee, the Parties agree that in the event that any monies are clawed back from the Single Accountable Body by central Government as the Single Accountable Body pursuant to any Funding Agreement, then all of the Parties will:
- 6.5.1 Take all reasonable steps to mitigate the amount of monies clawed back from the Single Accountable Body; and
 - 6.5.2 Where there is an administrative irregularity by the Single Accountable Body or Lead Authority declared by an auditor of a Party and accepted by the Joint Committee, the Parties shall meet the costs of the claw-back in the same proportion to the programme funding that has been expended within their administrative area.
 - 6.5.3 Where fault is proven or accepted, the Party / Parties concerned will be responsible for meeting all costs associated with the claw-back and / or costs incurred by the Single Accountable Body.

7. General Obligations

- 7.1 The Parties agree that they will be bound by the terms of any funds secured by the Black Country Local Enterprise Partnership Funding Agreement(s) entered into by the Single Accountable Body or Lead Authority as if they had entered into the agreement in so far as the actions of a Party causes or Leads to a breach of the Funding Agreement by the Single Accountable Body or Lead Authority.

- 7.2 The Parties agree that they shall be required to comply directly with the terms of any Grant Agreement if they are a recipient of any funding derived from the Funding Agreement.
- 7.3 The Parties agree to assist, co-operate and comply with the Monitoring Procedures and will work together to resolve or rectify any errors or irregularities identified during the Monitoring Procedures or otherwise.
- 7.4 Each Party shall be liable for any cost implications or irregularities or errors attributable primarily to it and identified during any Monitoring Procedures.
- 7.5 Each Party indemnifies the others against all claims, liabilities, costs, expenses, damages or losses suffered by the others arising out of the negligence, default or breach by such Party of this Agreement or the Grant Agreement, and each Party shall be responsible for maintaining sufficient insurance where available in respect of such liabilities under this Agreement.
- 7.6 Each Party shall at all times take all reasonable steps to minimise and mitigate any loss for which the relevant Party is entitled to bring a claim against another pursuant to this Agreement.

7A. Rights of the Single Accountable Body

7A.1 Where the Single Accountable Body enters into a grant agreement with a Third Party, the Single Accountable Body will require formal security in the form of a legal charge, mortgage, performance bond or similar as it considers fit and prudent.

7A.2 Where a Lead Authority either

- (a) enters into a Grant Agreement with the Single Accountable Body, or
- (b) agrees in writing to indemnify a Third Party project due to their inability to meet security requirements as per 7A.1,

the Lead Authority agrees to indemnify the Single Accountable Body against all claims, liabilities, costs, expenses, damages or losses suffered by the Single Accountable Body arising out of the negligence, default or breach by either the Lead Authority or the Third Party in respect of the Grant Agreement.

7A.3 such an indemnity shall, for the avoidance of doubt, apply where:

- 7A.3.1. the Lead Authority or the Third Party indemnified by the Lead Authority has failed to repay all or any of the grant funding upon demand within fourteen days of being requested by the Single Accountable Body to make such repayment, in circumstances including (but not limited to) a

breach of the grant agreement;

- 7A.3.2 where there has otherwise been a claw-back (or demand for claw-back) made by central Government to the Single Accountable Body in respect of all or any part of the grant funding.
- 7A.4 Where any grant for capital expenditure is time limited, the Lead Authority will make any such payment (as set out in clauses 7.A.2 and 7A.3.) if they or the Third Party have failed to demonstrate and evidence by the End Date of such grant that it is highly probable that a Fixed Asset will be delivered and meets Accounting Standards for Capitalisation. The minimum evidence requirements to avoid repayment pursuant to this clause would be a full business case, approved by all the funders of the Project, including the evidence of any required match funding.
- 7A.5 The Lead Authority understands and agrees that the Single Accountable Body will be entitled to satisfy any such sums demanded from them or Third Parties under clause 7A by offsetting the amount of such sums against any payments due whatsoever from the Single Accountable Body to the Lead Authority.
- 7A.6 Where any grant is in excess of a monetary threshold (*to be advised by the Single Accountable Body*) clauses 7.A2 to 7.A5 will be set out in a Side letter to be signed by the Section 151 Officer and Chief Executive of the other Party to confirm that they understand the obligations of this Agreement. Such a Side letter will be appended as a Schedule to any grant agreement to which this Clause applies.

7B National Local Growth Assurance Framework, the Black Country Local Assurance Framework and the Section 151 Officer

- 7B.1 All parties to this agreement agree to adhere in full to all elements of the Government's National Local Growth Assurance Framework, as administered by the Ministry of Housing Communities and Local Government that apply to the Black Country Local Enterprise Partnership.
- 7B.2 The requirements of the National Local Growth Assurance Framework have been taken as the basis of and have been articulated within the Black Country Local Assurance Framework. All parties to this agreement will at all times comply with the requirements, processes and procedures as set out within the Black Country Local Assurance Framework, together with all / any amendments subsequently approved by the Black Country Local Enterprise Partnership.
- 7B.3 The Local Authority appointed as the Local Enterprise Partnership's Single Accountable Body will ensure that their Section 151 Officer understands, and delivers / ensures the delivery of the roles and principles as set out within the

Chartered Institute of Public Finance & Accountancy (CIPFA), Principles for Section 151 Officer in accountable bodies working with local enterprise partnerships document, including any future revisions or adaptations.

7B.4 All parties to this agreement will ensure that they fully understand what's expected of them in relation to meeting these Section 151 Officer requirements, and will work collaboratively with the appointed Single Accountable Body to achieve them.

7B.5 The receipt of funding from the Black Country Local Enterprise Partnership requires full compliance with the National Local Growth Assurance Framework, the Black Country Local Assurance Framework and the requirements of the Single Accountable Bodies Section 151 Officer, failure to meet these requirements will place all funding, approved and planned at risk of being placed on hold or being withdrawn or reclaimed by the LEP.

8. Scrutiny of Joint Committee decisions

8.1 As and when required, by an Overview and Scrutiny Committee or Board or an Audit Committee of any Party, the member of the Joint Committee for the Authority, whose Overview and Scrutiny Committee or Board or Audit Committee has instigated an investigation, shall take the lead responsibility for accounting for the activities of the Joint Committee to the Overview and Scrutiny Committee or Board or Audit Committee, and shall attend such meetings of those committees of its Authority as necessary.

8.2 The Parties shall liaise and co-operate at all times with the Authority whose Overview and Scrutiny Committee or Audit Committee have made requests for information and/or reports and use all reasonable endeavours to assist that Authority in responding to such requests, but for the avoidance of doubt, no Party, its officers or members shall be required to attend the Overview and Scrutiny Committee or Board or an Audit Committee of any other Party.

9. Documentation

The HoR Working Group will produce the initial drafts of the standard documentation for the Programme for approval by the Joint Committee, and will ensure that the Programme and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration and that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant specialist officers (including finance and legal) in their respective authorities.

10. Confidentiality

- 10.1 Each Party shall use all reasonable endeavours to keep in strict confidence, and shall bind all its employees and agents to keep in strict confidence, all commercial and technical information in whatever form acquired by it (whether directly or indirectly) concerning another Party in consequence of this Agreement (hereinafter called Confidential Information). No Party shall save, as hereinafter provided, use or disclose any such Confidential Information other than for the purposes of the Programme or as expressly permitted by this Agreement. The foregoing restriction shall not apply to:
- 10.2 Information which at the time of disclosure is generally available to the public,
- 10.3 Information which the Parties obliged to release under the provisions of the Freedom of Information Act 2000,
- 10.4 Information which after disclosure becomes generally available to the public through no fault of the receiving Party,
- 10.5 Information which the receiving Party can show was in its possession prior to the disclosure and which was not acquired directly or indirectly from the other Party, and
- 10.6 Information which the receiving Party can show was received by it after the time of disclosure from any Party without any obligation of confidentiality and which was not acquired directly or indirectly from the other Party,
- 10.7 The confidentiality obligations set out in this clause shall survive for a period of five (5) years after the termination of the Programme,
- 10.8 Each Party shall impose the same confidentiality obligations set out in this clause 9 upon its affiliates, consultants and other third parties who are in association with it and may have access to any Confidential Information during the term of this Agreement.

11. Intellectual Property

The Parties agree that all Intellectual Property Rights relating to the Programme shall, unless otherwise agreed in writing, belong to the Parties jointly, and that the Parties will use all reasonable endeavours to ensure that each receive appropriate rights to any Intellectual Property Rights created during and relating to the Programme.

12. Warranties

- 12.1 Each Party warrants to the other Parties that:

- 12.2 It has the necessary right and authority to enter into this Agreement,
- 12.3 The signatories hereto for and on behalf of that Party are authorised and fully empowered to execute this Agreement on that Party's behalf.

13. Force Majeure

- 13.1 If any Party is affected by Force Majeure it shall forthwith notify the other Parties of the nature and extent thereof.
- 13.2 No Party shall be deemed to be in breach of this Agreement, or otherwise be liable to the other, by reason of any delay in performance, or the non-performance, of any of its obligations hereunder, to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other Parties, and the time for performance of that obligation shall be extended accordingly.
- 13.3 If the Force Majeure in question prevails for a continuous period in excess of three months, the Parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

14. Duration and termination

- 14.1 The provisions of this Agreement shall come into force on the Commencement Date and, subject to the provisions of clause 14.2, shall continue in force until the completion of the Programme(s) objective and outputs within the Deal.
- 14.2 A Party may only withdraw from this Agreement by three month's written notice to the others Parties and the Joint Committee if the Party has not received funding or the benefit of funding under the Deal within their administrative area and/or the Programme and or the Deal is terminated.
- 14.3 In the event of any one or more Party giving notice to terminate this Agreement then the Joint Committee shall meet within one month of the service of any such notice of termination for the purposes of preparing an implementation plan for the termination. The Parties shall each act reasonably in co-operating with each other to facilitate the termination and the Party giving notice of termination (or if there is more than one such Party then each of them in equal shares) shall bear all costs arising out of or in connection with such termination and shall indemnify the remaining Parties against all costs and expenses incurred or to be incurred by them arising out of or in connection with that termination
- 14.4 No relaxation, forbearance, delay or indulgence by any Party in enforcing any of the terms of this Agreement or the granting of time by any Party to any other shall

prejudice, affect or restrict the rights and powers of that Party in relation to the other, nor shall any waiver by any Party of a breach of this Agreement be considered as a waiver of any subsequent breach of the same or any other provision.

- 14.5 The rights to terminate or withdraw from this Agreement given by this clause 14 shall not prejudice any other right or remedy of any Party in respect of the breach concerned (if any) or any other breach.

15. Variation

The Joint Committee shall from time to time review the operation of this Agreement and implementation of the Programme(s) and or the Deal. The Joint Committee shall make proposals to the Parties for any changes which seem to the Joint Committee to be reasonable and appropriate in the circumstances which shall be dealt with by a Deed of Variation appended to this Agreement.

16. Publicity and Public Relations

The Parties shall co-operate and consult with each other in respect of any matter involving public relations in so far as reasonably practicable having regard to the nature and urgency of the issue involved. The Parties acting through the Joint Committee may agree protocols for the handling of public relations from time to time.

17. Disputes

- 17.1 If any dispute arises between the Parties arising out of the provisions of this Agreement, the Parties shall endeavour to resolve the dispute by agreement as quickly as possible, but if the dispute has not been resolved within ten (10) Working Days, then either Party may request the others to participate in a meeting of their Chief Executives. The Parties in dispute shall exchange statements at least three (3) clear Working Days prior to the date of the meeting, setting out their respective views of the disputed issues. If the Chief Executives do agree a strategy for the resolution of the dispute, the Parties shall then liaise in good faith to arrange and implement the strategy for resolution within ten (10) Working Days of the meeting.
- 17.2 If notwithstanding any steps taken by the Parties pursuant to clause 17.1, the dispute between them remains unresolved then at the request of any Party it shall be referred (in the absence of any express provision to the contrary) to an Independent Person appointed jointly by the Parties.
- 17.3 The Independent Person is to have at least 10 years relevant post qualification experience and his/her identity shall be agreed between the Parties.

- 17.4 If the Parties cannot agree on the Independent Person's identity, the Independent Person is to be appointed at the request of any of the Parties by the president or chairman for the time being of whichever of the following bodies is most appropriate having regard to the nature of the dispute:
- 17.5 The Royal Institution of Chartered Surveyors;
- 17.6 The Institute of Chartered Accountants in England and Wales; or
- 17.7 The Law Society of England and Wales.
- 17.8 The Independent Person is to act as arbitrator in accordance with the Arbitration Act 1996 and the costs of the arbitration shall be payable by the Parties in the proportions determined by the Independent Person unless agreed otherwise the default position being as determined under the Arbitration Act 1996.
- 17.9 Where costs of the Independent Person remain unpaid by the Party liable to pay them pursuant to this clause, the other Parties or any of them may discharge those costs and recover the sum so paid from the defaulting Party as a debt on written demand.

18. Priority of documents

- 18.1 In the event of any inconsistencies between the terms of this Agreement and its Schedules the Parties are the following order of priority of documents:
- 18.1.1 This Agreement;
- 18.1.2 The Constitution and Terms of Reference of the Black Country Executive Joint Committee;
- 18.1.3 The Constitution and Functions of the HoR Working Group.

19. Complaints

In the event of a complaint about a Project being received, the Lead Authority for that Project will manage the complaint and shall report regularly as necessary upon the complaint and in any event at the conclusion of the complaint.

20. Local authority powers

Nothing in this Agreement shall prejudice or affect any of the statutory rights powers obligations and duties for the time being vested in the Parties.

21. Notices and service

- 21.1 Any notice or other information required or authorised by this Agreement to be given by any Party to the other Parties shall be given by:
- 21.2 Delivering the same by hand,
- 21.3 Sending the same by pre-paid registered post, or
- 21.4 Sending the same by facsimile transmission,
- 21.5 To the other Party or Parties at the address given at the beginning of this Agreement or such other address as has been notified to the Parties in writing.
- 21.6 Any notice or information sent by post in the manner provided by clause 21.1, which is not returned to the sender as undelivered, shall be deemed to have been given on the second day after the envelope containing it was posted, and proof that the envelope containing any such notice or information was properly addressed, pre-paid, registered and posted, and that it has not been returned to the sender, shall be sufficient evidence that the notice or information has been duly given.
- 21.7 Any notice or information sent by facsimile transmission shall be deemed to have been duly given on the date of transmission, provided that a confirming copy is sent to the other Party or Parties at the appropriate address within.

22. Freedom of Information

- 22.1 The Parties acknowledges that they are subject to the requirements of the code of practice on access to Government information, the Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations ("EIR") and shall assist and cooperate with each other to enable the Parties to comply with their information disclosure obligations.
- 22.2 The Parties shall provide all necessary assistance as reasonably requested by the other Parties to enable the other Parties to respond to any requests for information that falls under the FOIA or EIR and is related to the Project ("Request for Information") within the time for compliance set out in section 10 of the FOIA or regulation 5 of the EIR.
- 22.3 The Party who received the initial Request for Information shall be responsible for responding to the initial request and determining in its absolute discretion and notwithstanding any other provision in this Agreement or any other agreement whether any information is exempt from disclosure in accordance with the

provisions of the code of practice on access to Government information, FOIA or the EIR.

- 22.4 The Parties shall ensure that all information produced in the course of this Agreement is retained for disclosure and shall permit the other Parties to inspect such records as requested from time to time.

23. Data Protection Legislation

With respect to the parties' rights and obligations under this Agreement, the Parties agree to each comply with the obligations imposed on them by the Data Protection Legislation and to ensure that Personal Data (as defined in the Data Protection Legislation) is processed only in accordance with their own policies on data protection, information security and retention of personal data to comply with their obligations under the Data Protection Legislation.

24. Equality Act 2010

The Parties agree to each comply with the obligations imposed on them by the Equality Act 2010.

25. General

- 25.1 This Agreement is personal to each of the Parties and no Party may assign, mortgage, charge or (except as otherwise provided in this Agreement) license any of its rights hereunder, or sub-contract or otherwise delegate any of its obligations hereunder, except with the written consent of all the other Parties.
- 25.2 Nothing in this Agreement shall create or be deemed to create a partnership or the relationship of principal and agent, between the Parties.
- 25.3 The Parties will act in good faith towards each other in relation to the Deal and in achieving the Objectives and Outputs of the Programme and in complying with this Agreement and the Funding Agreement.
- 25.4 If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.
- 25.5 This Agreement, the Funding Agreement and the documents referred to in it, constitutes the entire agreement and understanding of the Parties and supersedes any previous agreement between the Parties relating to the subject matter of this Agreement.

- 25.6 All of the Parties acknowledge and agree that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether Party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this clause shall, however, operate limit or exclude any liability for fraud.
- 25.7 All payments by any Party pursuant to this Agreement are exclusive of any applicable Value Added Tax (VAT), except where expressed to the contrary, and if any such VAT is payable, the Party in question shall be additionally liable for such tax, which shall accordingly be shown on the relevant VAT invoice.
- 25.8 No variation to this Agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by and on behalf of all of the Parties.
- 25.9 Every Party shall from time to time do all such acts and execute all such documents as may be reasonably necessary in order to give effect to the provisions of this Agreement.
- 25.10 The Parties shall bear their own costs of and incidental to the preparation, execution and implementation of this Agreement.
- 25.11 The Parties do not intend that any of this Agreement should be enforceable pursuant to the Contracts (rights of Third Parties) Act 1999 by any person who is not a Party to this Agreement.
- 25.12 This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

SIGNED by or on behalf of the Parties on the date which first appears in this Agreement.

SCHEDULE 1 Constitution and Functions of the Heads of Regeneration Working Group

The Black Country Heads of Regeneration Working Group (HoR Working Group) will oversee the delivery of the programme making key recommendations to the Black Country Executive Joint Committee (BCJC)

CONSTITUTION

1. The HoR Working Group shall comprise of:

Decision making (voting) membership:

- ☐ 4 Relevant Directors¹ (or their nominated proxy).

Adviser/support membership (none decisions making members):

- ☐ Joint Committee Programme Manager;
- ☐ BC Transport Director;
- ☐ Single Accountable Body Officers;
- ☐ BCC Ltd Officers;
- ☐ BC LEP representatives;
- ☐ Regeneration Managers;
- ☐ Other officers as appropriate.

2. The HoR Working Group shall at its Annual Meeting (AGM, held in line with the start of municipal year) elect a Chair from among its voting members. In the event of the Chair being absent from the meeting, the HoR Working Group shall elect a Chair from amongst the voting members present for that meeting. Only a full voting member is entitled to be elected as a Chair of the Group.
3. The voting members can nominate an alternate member (nominated proxy) to attend on their behalf, who will for that meeting be considered a voting member, but may not chair the Group.

¹ Directors of Regeneration, Environment/Housing (CWC); Director of Regeneration & Enterprise (DMBC); (Interim) Director Regeneration and Growth (SMBC); Executive Director Economy, Environment and Communities (WMBC).

4. Two voting members shall constitute a quorum.
5. All questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the Group.
6. The HoR Working Group shall meet as agreed at AGM and set the forthcoming year's timetable of meetings.
7. A meeting of the HoR Working Group may also be convened by the Chair within 14 days of the receipt of a requisition of voting member of the group. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting. However, in cases of genuine urgency a meeting may be convened at any time by the Chair, upon 5 working days of notice to all members of the Group.
8. Should urgent items occur that require immediate decisions, the Chair may through the appropriate mediums (phone, email, etc.) contact the voting members and agree a decision, which must be confirmed in writing by each voting members contacted as soon as possible and discussed at the next scheduled meeting date.
9. The HoR Working Group shall from time to time appoint such sub-Working Groups to consider and deal with any of the functions of the Group as may be thought desirable. Membership of which is determined by the HoR Working Group.
10. The HoR Working Group Secretary shall be Walsall Council, and all meetings of the Group shall take place at Walsall Council, unless agreed otherwise by the Chair.
11. The role of the Secretary shall include:
 - i. Preparing the agenda and submitting reports prepared by the Black Country Consortium Ltd Programme Management Office (BCC Ltd PMO) either of the Black Country Local Authorities' or other bodies to the Group and minutes of the meetings.

- ii. Arrangements for recommendations from the Group, including supporting reports and Consultation Sheets, to the BCJC.
12. Members of the HoR Working Group or sub- Groups that are representatives appointed by a Black Country Local Authority must comply with their own Council's Code of Conduct.
13. Members of the HoR Working Group or sub- Groups with Conflicts of Interest must comply with the following rules:
- a. A conflict-of-interest arises where any decision potentially gives direct commercial or financial payment or benefits to:
 - a. you,
 - b. a close member of your family,
 - c. an organisation that you are either:
 - i. are employed by or hold office with or
 - ii. in which you own more than 10% of the issued share capital
 - b. a conflict-of-interest as set out in situations above does not arise in relation to any business regarding allocation of funding streams or Projects to be allocated to or benefit the area of any of the four Black Country Local Authorities.
 - c. Upon a conflict-of-interest arising:
 - i. in the case of a voting member that member must declare an interest and not vote, but may remain in the room to make representations;
 - ii. in the case of non-voting members that member must declare an interest but may remain in the room to make representations.
14. Gifts and Hospitality policy for elected members attending the group meeting will be the same as that of their own Black Country Local Authority. For non-elected voting members, they should declare any gifts or hospitality that has a value over £25,

which may be seen as related to their role on the HoR Working Group and or any specific scheme, Project or funding stream.

15. The HoR may invite external visitors to attend meetings; this can be for an individual meeting to make, for example, a presentation, or for a number of meetings against a theme of work commissioned, etc. Visitors can take part in the debates associated with the agenda items for which they are invited, but not for the remainder of the meeting, unless invited to do so by the Chair. Visitors can not take part in any voting and must declare any Conflicts of Interest on joining the meeting.

FUNCTIONS

Functions of the Heads of Regeneration Working Group:

1. To manage the Programme(s) on an operational basis.
2. To manage promotion of the Programme(s).
3. To lead the Consultation on the funding proposals and projects recommendations with their own Council's Portfolio Holder for Regeneration.
4. To ensure alignment between decision making on all funds secured by the BC LEP and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration with the LEPs. Ensuring that business views are taken on board and that LEP growth plans are reflected in strategic priorities.
5. To act as a strategic advisory body; reviewing and recommending objectives for strategic investment across the Black Country in relation to all funds secured by the BC LEP including:
 - a. Providing a coherent single position on the major strategic issues for the funds secured by the BC LEP;
 - b. Formulating proposals for allocation of spending;
 - c. Formulating proposals for major priorities;
 - d. Considering and agreeing recommendations made by BC LEP;
 - e. Recommending Lead and/or Single Accountable Body status for a body or organisation;
 - f. Referring final recommendations from the HoR Working Group as to items a) to e) above to the BCJC for formal approval.
6. To agree the timeline for delivery of the implementation of the Programme(s), monitor progress and ensure that the key milestones are achieved.
7. Review and approval of reports with supporting Project Business Cases/Initial Proposals as necessary and provide recommendations to the BCJC in the form of a report.

8. To devise, oversee, manage and monitor the Programme(s) and elements of it generally and specifically review and evaluate on a regular basis ongoing individual Projects progression and delivery against the Business Case for the Project, including any key miles stones, financial spend and compliance with any central Government/ WMCA grant terms.
9. To identify and manage risk for the Programme(s) and individual Projects.
10. To ensure appropriate financial management is in place and complies with any government grant terms, EU (Withdrawal) Act 2018 and UK law, and accounting good practice.
11. To receive from Lead Authorities as appropriate detailed updates on Projects in accordance with the timescales set out in the Business case or otherwise as necessary, and Provide written updates along with appropriate recommendations on the progress of the specific Projects as necessary.
12. To advise the BCJC in relation to all funds secured by the BC LEP, i.e. capital expenditure programmes and potential programs, and ensuring policy and programmes are delivered effectively through partners.
13. Executive Directors will ensure that the Project Register on Verto is undertaken by officers, in their respective authorities, setting out Project details including, Project Authority, Project Authority Project Lead officer, Project Objectives, funding amount, Key dates, specific tasks/targets that need to be delivered to ensure Project success, Project key risks and mitigation measures in place, any relevant cut of date for funding spend and latest Project position.
14. Executive Directors will ensure that the Project Register is kept fully up-to-date by officers, in their respective authorities, who are responsible for leading on the Projects for which their Authority is the Lead Authority.
15. Executive Directors will ensure that the programme(s) and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration via consultation process and ensure that any concerns, feedback or queries are raised and if possible resolved at the HoR Working Group meeting.
16. Executive Directors will ensure that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant officers (including legal and finance) in their respective authorities.

SCHEDULE 2 BC LEP Initial Proposal and Full Business Case Templates

To download a copy of the appendices, please, visit [Assurance Framework \(blackcountrylep.co.uk\)](https://blackcountrylep.co.uk)

[Initial proposal](#) template

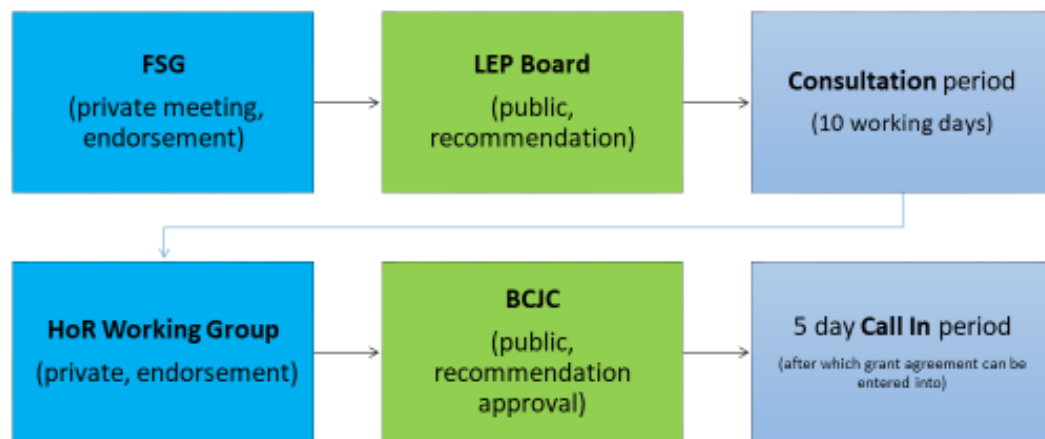
[Full Business Case](#) template

SCHEDULE 3 Black Country Executive Joint Committee

CONSTITUTION

To download a copy of the appendices, please, visit [Constitution and Protocols
\(walsall.gov.uk\)](https://www.walsall.gov.uk/constitution-and-protocols)

SCHEDULE 4 Decision and oversight Flow Chart



SCHEDULE 5 Supplemental Deed - Governance Principles: Enterprise Zones

[on-going separate review]

Report of the Heads of Regeneration Working Group
to the Black Country Executive Joint Committee
on 27 April 2022

Land and Property Investment Fund
Globe House, Walsall (SEPPL151)
Grant Agreement Approval

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approves the Globe House, Walsall, project to be funded from the Land and Property Investment Fund programme.
- 1.2 This request was endorsed by the Black Country Local Enterprise Partnership Funding Sub Group on the 6 January 2022, approved by the Black Country Local Enterprise Partnership Board on the 24 January 2022 and endorsed by the Working Group on the 17 February 2022.

2. RECOMMENDATIONS

That the Black Country Joint Committee:

Approves 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.

3. REPORT DETAIL

- 3.1 This proposed project includes a site comprising of a three-storey, Grade II Listed Victorian building (Globe House), together with ten car parking spaces on a site of approximately 0.12 hectares. The site is located within the Bridge Street conservation area of Walsall Town Centre, it is surrounded to the north and east by the Saddlers Shopping Centre, but it is in a prominent location in close proximity to the main pedestrianised retail area of Walsall.

- 3.2 The applicant, Globe Asset Management Limited, is a Walsall based company which holds, manages and develops residential and commercial property around the Black Country and Birmingham markets. Globe Asset Management Limited is part of a wider portfolio of companies which sit within the group known as Globe Property, which was established in 1991 and provides a property management service specialising in residential premises across the West Midlands. The company has owned the subject property for around 17 years, during which time the property was successfully converted from its former use of educational to office provision. The company has self-occupied a proportion of the building and leased out the remainder on short term tenancies.
- 3.3 The scheme relates to conversion of the existing office accommodation, into small residential apartments - 35 in total. It is understood that the Business Centre, originally operated with some reasonable degree of success, is currently occupied at around 34%, since 2019. The applicant first submitted a full business case for this conversion project back in 2019 but at the time of initial review, there were no Black Country Local Enterprise Partnership (BC LEP) funds available to support the development. The applicant has now approached both the West Midlands Combined Authority (WMCA) and the Black Country Consortium Ltd (BCC Ltd) Programme Management Office (PMO) seeking grant funding as the scheme cannot progress with some public sector assistance. After some extensive due diligence and collaboration, the WMCA and the PMO are looking to joint fund this project, towards the funding gap.
- 3.4 The funding breakdown is detailed below:

Funding Breakdown	2022/23	2023/24	2024/25	Total
LEP Funding	£422,500	£205,019	£0	£627,519
WMCA*	£392,243	£190,337	£0	£582,580
Applicants own funds**	£121,111	2,080,033	£0	£2,201,144
TOTAL	£935,854	£2,475,389	£0	£3,411,243

* Grant reduced following WMCA due diligence process

** Note figure revised following removal of previously included profit and borrowing costs

- 3.5 Planning consent for this development lapsed in March 2021 and the applicant has formally sought to renew it with Planning Committee consent received in July 2021, with only the execution of the Section 106 Agreement understood to be outstanding before the Decision Notice is published. Walsall Council has been incredibly supportive of the project and is keen to see this development come forward.

- 3.6 Thomas Lister, independent technical appraisers to the BC LEP, have worked through the detail of this proposed investment and have advised some conditionality should board members be minded approving this request. The thirty-five housing units will be counted as indirect outputs for the Land and Property Investment Fund (LPIF) programme as the WMCA will be counting these as direct for their contribution to the scheme. At least 20% of these new housing units will be marketed as affordable and social, to meet the requirement for the WMCA funding contribution.
- 3.7 Output delivery is detailed below:

Output	2021/22	2022/23	2023/24	TOTAL
Housing units started	0	35	0	35
Housing Units Completed	0	18	17	35

- 3.8 Following on from the recent successful bids for the Future High Streets Fund and the Stronger Towns Fund (£54m secured for Walsall Council), this Government funding provides complimentary investment to several locations around Walsall Town Centre, including the area around Globe House. The Council is developing a bid, the Bradford Place Interchange, which is a major intervention identified in the Walsall Town Centre Master Plan to relocate the bus station and create a new public realm square. Globe House fronts onto the Walsall Cenotaph which is proposed to become a new public square within the adopted Town Centre Masterplan, reflecting the importance of the historic assets within and around the square, and by removing buses and prioritising people enhance connectivity to the railway station. Globe House will form an important backdrop to this vision.
- 3.9 The security for the grant is yet to be agreed with the applicant and this should be a condition of any board approvals. The project will need to provide acceptable security to Walsall Council who will be acting in their capacity as the BC LEP's Accountable Body. The project will require the necessary approvals from the WMCA for their 50% grant contribution, for this project to proceed. It is understood that the WMCA are putting forward a recommendation at the next available board meeting, to satisfy their governance process.

4. BENEFITS COST RATIO (VALUE FOR MONEY)

Benefit-cost ratios (BCR's) are utilised in capital budgeting to analyse the overall value for money (VfM) 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 in order 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.

BCR/ Value for Money

Baseline BCR at time of project bid is 0.75.

A BCR less than 1.5 is considered poor value for money, however in this case given the strategic importance of the project as a key intervention in the Walsall Town Centre Master Plan and the provision of new high quality residential units and Town Centre living, the PMO are recommending support for this investment.

Project SRO, Raj Gill, Globe Property Ltd

Project SSRO, Philippa Venables, Walsall Council

5. FINANCIAL IMPLICATIONS

All the costs associated with this proposal form part of the Land and Property Investment Fund (LPIF) and will be covered by allocations from the West Midlands Combined Authority for this programme.

6. LEGAL IMPLICATIONS

The Accountable Body (Walsall Council) will use existing LPIF grant agreement templates which capture all terms, conditions, performance measures and sanctions as required by the West Midlands Combined Authority.

The grant agreement will also be tailored for the conditions set out in this report and in the Heads of Terms provided by Thomas Lister.

7. RISK MANAGEMENT

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

Committee. This monitoring framework is set out in the Black Country Assurance Framework.

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

- BC LEP Funding Sub Group LPIF Paper Globe House, Walsall;
- Globe House Thomas Lister due diligence report.

Attachments

None.

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Report of the Heads of Regeneration Working Group
to the Black Country Executive Joint Committee
on 27 April 2022

Local Growth Fund
Individual Project Changes for (i) Hatherton Street Phase 2;
(ii) i9 (Block 9) Wolverhampton
Amendments to the Existing Grant Agreements

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approves the change requests for the Hatherton Street Phase 2 and i9 (Block 9) Wolverhampton Growth Deal projects.
- 1.2 These change requests were endorsed by the Black Country Local Enterprise Partnership Funding Sub Group on the 4 November 2021, approved by the Black Country Local Enterprise Partnership Board on the 24 January 2022 and endorsed by the Working Group on the 17 February 2022

2. RECOMMENDATIONS

That the Black Country Joint Committee:

- 2.1 Approves 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 Approves 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.

3. REPORT DETAIL**Hatherton Street Phase 2 – reduction in match and reprofile of outputs**

- 3.1 The Hatherton Street site is based in Walsall, was partially delivered with Phase 1 of the scheme comprising of 1,850sqm office accommodation, which was completed for occupation by Jhoots Pharmacy Head Quarters in 2015. A revised planning permission was granted (subject to conditions) on 7th November 2018 for further office use (the proposed phase 2 project). Investment was required to address an identified financial viability gap for Phase 2 which will deliver 1526 sqm of high-quality office space in the Walsall Gigaport office corridor.
- 3.2 The applicant, Jessup Brothers Ltd, is a well-established developer having provided new build, refurbishment, and regeneration schemes for affordable and private housing as well as commercial and industrial projects on sites in the Midlands region. The company has a proven track record of working with a range of private and public sector partners over the past 30 years. Jessup Brothers Ltd proposes to deliver a speculative development, which forms the second/final phase of the scheme, the initial phase having been successfully delivered with funding assistance through the Growing Places Fund.
- 3.3 The project was approved by the Black Country Joint Committee in March 2019 and was awarded £799,819 of Growth Deal support. The project progressed well once onsite and was physically completed in June 2020. 5 of the 6 of the commercial units have now been sold with the final unit ready to be occupied.
- 3.4 Over the course of the project, cost savings were realised, and the grant award was reduced and approved by the board, in previous financial year end reports. As the cost of the scheme has reduced overall, the project is requesting a reduction to their match funding, this has no impact on the grant intervention rate, in line with the reduction in grant. The final approved Growth Deal grant was £599,823.93.

A revised profile of the match funding is detailed below:

Applicants own funds (Private)	2019/20	2020/21	2021/22	Total
Current	£636,932.23	£1,391,068	£0	£2,029,000
Revised	£636,932.23	£878,424.15	£6,588.10	£1,521,944.48
Variance	£0	-£512,643.85	£6,588.10	-£506,055.75

- 3.5 The project is contracted to deliver a variety of commercial related indirect outputs, but as these are dependent on the units all being fully occupied, additional time

will be required to capture and audit these outputs. A reprofile approval is sought and the updated schedule is provided below:

OUTPUT	Original Target	Verified to date	2020/21	2021/22
Business Assists (Indirect) -	4	0	0	4
Businesses Created (Indirect)	1	0	0	1
Learner Assists (Indirect)	4	0	0	4
Apprenticeships Starts (Indirect)	2	6	0	0
Apprenticeships Achievements (Indirect)	2	0	0	2
Jobs Created (Indirect)	10	0	0	10
Jobs safeguarded (Indirect)	15	0	0	15
Commercial Floorspace Constructed sqm (Direct)	1526	1526	0	0

Current BCR	New proposed BCR
3.41 > 1.5	3.42 > 1.5

**A Benefit Cost Ratio (BCR) calculation of 1.5 or above is deemed good value for money*

Project SRO, Nigel Higgs, Jessup Brothers Ltd
Project SSRO, Philippa Venables, Walsall MBC

i9 (Block 9) Wolverhampton – Change in indirect outputs

- 3.6 The i9 site is located to the eastern side of Wolverhampton City Centre, within the Wolverhampton Interchange regeneration boundary. The i9 project will directly support the delivery of local, regional, and national economic strategies. Specifically, the delivery of i9 will create new high-quality employment land to meet the needs of new and expanding businesses.
- 3.7 The i9 project forms part of a wider project for Wolverhampton Interchange. The i9 development aims to build on the success of the adjoining i10 building which was completed in December 2015 and seeks to deliver a commercial development in a strategic employment area. The development presents one of the few new builds Grade 'A' developments in the city centre pipeline, providing new office and retail space.
- 3.8 The project approved by the Black Country Executive Joint Committee (BCJC) in September 2018 with additional funding awarded in April 2019. Unfortunately, by the time the project was onsite, and construction was underway, the Covid-19

pandemic struck. Construction has had to pause several times and ensure that ways of working were safe and Covid compliant. i9 was one of the last projects to claim its Growth Deal funding, at the end of the programme, overall grant support provided was £3,997,667.

3.9 The building has now been successfully completed with a recent launch event, well publicised in the media. One of the main occupiers of this building is expected to be the department for Business, Energy, and Industrial Strategy (BEIS), who are aiming to set up a Head office in the Black Country and attract local talent within the area.

3.10 Ion Project Ltd, as the applicant and deliverer of the scheme, contracted to several commercial outputs, which would be realised once the building was fully occupied. As the occupiers of the building were not known at the time of project approval, the project is now bringing forward a change request to finalise the expected 'Jobs created' outputs. The BEIS related jobs are anticipated to be new jobs to the Black Country, however the remaining floors in the building are to be taken by the pension services in Wolverhampton, which are considered jobs safeguarded. On this basis the 'Jobs created' target will need to be revised and a new output for 'Jobs Safeguarded' to be added to the project. Approval is subject to the project providing satisfactory output evidence required to the Black Country Local Enterprise Partnership (BC LEP) Accountable Body at future project audits. This is detailed below:

Output	Target	2019/20	2020/21	2021/22	Total
Land Remediated (Ha)	0.154	0.220	0	0	0.154
Commercial Floorspace (Sqm)	4,436	0	4,588.50	0	4,588.50
Temporary Construction Jobs	136	135	290	0	425
New Jobs Created	327*	0	0	250	250
Jobs Safeguarded**	250	0	0	250	250

**327 is the baseline target for jobs created to be revised to 250*

***new output to be captured*

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

Current BCR	New proposed BCR
6.56 > 1.5	5.01 > 1.5

**A Benefit Cost Ratio (BCR) calculation of 1.5 or above is deemed good value for money*

Project SRO, Chris Jones, Ion Projects Ltd

Project SSRO, Peter Taylor, City of Wolverhampton Council

4. BENEFIT COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-Cost Ratios (BCRs) are utilised in capital budgeting to analyse the overall value for money of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed is 1.5 and would be considered 'good value for money' should this threshold be exceeded. 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 Value for Money (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 Hatherton Street Phase 2 BCR will not significantly change if the recommendation is approved (original BCR of 3.41 and new proposed BCR of 3.42).
- 4.3 The i9 (Block 9) Wolverhampton BCR will reduce from 6.56 to 5.01 if this recommendation is approved, which would still be considered good value for money.

5. FINANCIAL IMPLICATIONS

There are no financial implications as a result of these recommendations, as they do not affect the Growth Deal grant payments which have all been claimed by the applicants.

6. LEGAL IMPLICATIONS

Grant agreements are already in place for both of these projects, and will be amended by the Accountable Body (Walsall Council), to record the changes set out in this report.

7. RISK MANAGEMENT

Risk of non- achievements of re-profiled outputs will be managed through the on-going monitoring of individual projects and their ability to deliver the required outcomes for the programme as required or agreed with West Midlands Combined

Authority and put into place by the BC LEP Board and Black Country Executive Joint Committee.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

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

Background papers

- Individual Project Change Requests;
- November 2021 BC LEP Funding Sub Group GD Report;
- December 2021 BC LEP Funding Sub Group GD Report.

Attachments

None.

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Report of the Heads of Regeneration Working Group
to the Black Country Executive Joint Committee
on 27 April 2022

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

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee approves the change request of the Sandwell Housing Gap Funding – Phase 1 project. This relates to a change to the timings of grant funding and match funding to be drawn down.
- 1.2 This change request was endorsed by the Black Country Local Enterprise Partnership (BC LEP) Funding Sub Group on the 4 November 2021, approved by the BC LEP Board on the 24 January 2022 and endorsed by the Working Group on the 17 February 2022.

2. RECOMMENDATIONS

That the Black Country Joint Committee:

Approves 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 Fund (LPIF) 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.

3. REPORT DETAIL

- 3.1 In March 2020, the BC LEP approved a project funding allocation for Sandwell Council, relating to two council owned sites, in support of their ambitious plans for new, excellent quality, low-cost housing within the region. The sites are located at Stanhope Road Smethwick and King Street Wednesbury, both of which are considered suitable for residential development, but which have remained vacant and under-utilised for a considerable number of years, due to site constraints and market failure through low values attainable. Sandwell MBC is a Local Authority with considerable experience in the delivery of site remediation projects, with the assistance of external grant funding

programmes. In addition, the council has recently delivered housing stock on several sites within the borough, including at Ladbury Road, Monmouth Drive, Gladstone Street and Hilton Road, to name but a few.

3.2 Stanhope Road, Smethwick

This site was partially occupied by a laundry business and there is the presence of a considerable amount of contaminated made ground. Due to the site topography, there is a requirement for significant retaining wall structures. The applicant proposes to construct 32 units comprising of 2-bedroom houses on the remediated site.

3.3 King Street Wednesbury

This site is located within an area of historic mining and untreated mineshafts, such that a considerable amount of remediation is required to facilitate redevelopment of the overall site. The applicant proposes to construct 5 new units of 2-bedroom houses on part of the site and a health facility in partnership with the NHS on the remainder of the remediated site – which is outside the scope of this project.

Site investigation reports, together with costs and valuation reports have been provided for each individual site. The order of costs and values identified have been verified as providing a reasonable representation based on the stage of design. These costs and values have been used to prepare summary development appraisals, which confirm that the sites do have significant viability gaps.

There were some delays in finalising the grant agreement, and the project brought forward a change request in January 2021 to update the profile. However, the project has encountered some further delays in 2021, whilst completing the procurement process for the remediation contractors. Further changes and updates to the schedule of funding and output delivery are required.

3.4 Sandwell Council are forecasting the following profile:

LPIF Grant award	2021/22	2022/23	2023/24	TOTAL
Current Profile	£234,268.50	£1,446,025.50	£0	£1,680,294
Revised Profile	£181,928	£837,381	£660,985	£1,680,294

The match funding for this project will be captured as follows:

Match funding	2021/22	2022/23	2023/24	TOTAL
Homes England	£584,085	£2,688,432	£2,122,646	£5,395,163

- 3.5 The delivery timescales for the outputs have changed slightly, captured in the below table:

Output	2020/21	2021/22	2022/23	2023/24	TOTAL
Land Remediated (Ha)	0.49	0.78	0	0	127
Revised profile	0	0.49	0.78	0	1.27
Housing units started	0	37	0	0	37
Revised profile	0	5	32	0	37
Housing units completed – No change	0	0	5	32	37

- 3.6 Sandwell Council have provided revised milestones to the Stanhope Road schedule, the contracted Advertise Tender (remediation) milestone has been subsided and is now going to form part of a single design and build contract. The BC LEP Programme Management Office (PMO) are pleased to report that whilst the project has incurred some delays, good progress is now being made. The land remediation for Kings Street has been completed and the tender process for the Stanhope Road site is nearing completion.
- 3.7 There is no change to the Benefit Cost Ratio (BCR) calculation for this project.
Project SRO - Tammy Stokes
 Service Manager Spatial Planning and Growth, Sandwell Council

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 Value for Money (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 costs associated with this development work and the delivery of projects that form part of the Land and Property Investment Fund are covered by allocations from government associated with this program.

6. LEGAL IMPLICATIONS

The appropriate Grant Agreement is in place and will be utilised by the Accountable Body (Walsall Council), and 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 LEP Board or the Joint Committee.

7. RISK MANAGEMENT

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

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

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

Background papers

- Sandwell Housing Gap Funding – Phase 1 Change Request
- December 2021 BC LEP Funding Sub Group LPIF Report

Attachments

None.

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