



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

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

23 NOVEMBER 2016

Black Country Local Growth Deal – GOSCOTE LANE CORRIDOR HOUSING SCHEME

Approval to Amend the existing Grant Agreement – Change Request

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Joint Committee approve proceeding to amend the existing Grant Agreement for the Goscote Lane Corridor project from within the Local Growth Fund (LGF) Programme - with delivery to commence in the 2016/17 financial year.
- 1.2 This project was approved by the LEP Board at the 19th September 2016 Board meeting (ref 116/16/8 LEP Board minutes), endorsed at the Working Group on 7th October 2016 and the Advisory Board via email on the 11th November 2016.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the existing Grant Agreement with whg** to deliver the Local Growth Fund (LGF) funded elements of the Goscote Lane Corridor project. The change for which approval is requested is the **transfer of a proportion of the grant funding from future years' allocations of £2,382,000 into 2016/17.**
- 2.2 That the Joint Committee approves that the LGF award be approved subject to re-profiling the remaining years of LGF support within the overall £8.8m budget. This re-profiling is contained within **Attachment 1** (Change Request).

3. REPORT DETAIL

- 3.1 A summary of the request for amending the existing Grant Agreement with whg by the Accountable Body for the Growth Deal (Walsall Council) is below.

Acceleration of the existing Goscote Lane Housing scheme bringing forward £2,382,000 into 2016/17

- 3.2 The scheme has already delivered 222 housing units to the rental and market sectors with high levels of rapid take up and the success of the first two phases, also supported by LGF in 2015/16, which then led to the acceleration of commencement of Phase 3 Construction into 2016/17, a year earlier than originally predicted.
- 3.3 WHG is confident that it will have incurred sufficient costs in Phase 3 to justify a claim of £2.382m in 2016/17 that would be consistent with the intervention rate detailed in its Grant Award contract.
- 3.4 This appears to be an opportunity to support the accelerated delivery of Housing Units on an already established site. A revised delivery profile of housing units has been provided by whg Phase 3 contractor and included below:

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
ORIGINAL							
Housing unit starts	441	0	300	0	0	0	741
Housing units completed	172	129	140	90	120	90	741
REVISED							
Housing unit starts	441	0	300	0	0	0	741
Housing units completed	172	129	166	124	100	50	741

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and will be covered by allocations from government associated with this programme. This includes the use of any interest accrued by the Accountable Body to cover costs associated with the delivery of Accountable Body functions, as approved by its (Walsall Council) Cabinet on the 29th October 2014.
- 4.2 The security against this Grant is a Charge Over a Bank Account Deed (held with Walsall Council as Accountable Body), for which the 'Deposit' whg must maintain covers 'all monies' given by this grant and the 'Secured Liabilities' are all present and future liabilities arising from this LGF grant. Therefore, the proposed advance will be covered by the existing charge and the Accountable Body will need to ensure that whg

deposit sufficient funds within it, pursuant to the formula at clause 5.9.1 of the Grant Agreement.

5. LEGAL IMPLICATIONS

- 5.1 The existing Grant Agreement for this project will be varied by consent to record the Recommendations within this report.

6. RISK MANAGEMENT

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

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 Legal and Financial services at Walsall MBC have been consulted and given an opportunity to view this report.

Back Ground papers

Local Growth Fund Project Approval Recommendation – Goscote Lane Corridor Housing Scheme – *Joint Committee Report, 3rd December 2014*

Attachments:

- Appendix 1 – Copy of the Change Request Proposal from Walsall and WHG
Appendix 2 – Charge Over a Bank Account Deed

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