



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

REPORT OF THE CHAIR OF THE CITY DEAL AND GROWTH DEAL WORKING GROUP

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

23 November 2016

DELEGATED AUTHORITY DECISION FOR NOTING

Black Country Local Growth Deal - AIRFIELD DRIVE PROJECT

Grant Agreement Approval for Noting

Key Decision:	Yes
Forward Plan:	No

1. PURPOSE OF REPORT

- 1.1 The Executive Director for Economy and Environment (Walsall Council) has been awarded Delegated Authority under the Local Growth Deal Programme in order to approve, contract and subsequently award grant agreements by the Accountable Body (Walsall Council) for a series of smaller schemes where the total LGF investment (per scheme) does not exceed £371k, and whereby delivery is to commence in the 2016/17 financial year. This will enable an agile response to exploiting Investment in Regeneration opportunities for a series of smaller, low risk schemes that have been identified and recommended to proceed by the Programme Office.
- 1.2 The delegation is subject to consultation with the Chief Executive of the Black Country Consortium, the Accountable Body's Section 151 Officer, the Chair of the Joint Committee and the appropriate Working Group Member. This report sets a scheme which has been approved by the Executive Director to under his delegated authority.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee notes that the Executive Director for Economy and Environment within Walsall Council in his role of Chair of the City Deal and Growth Deal Working Group has used his Delegated Authority to approve for the Accountable Body (Walsall Council) to proceed to Grant Agreement **to the value of £370,993 with Kay Properties Limited** to deliver the Local Growth Fund (LGF) elements of the Airfield Drive project - with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 19th September 2016 LEP Board meeting.



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- 2.2 The need to use delegated authority was identified as the project was time critical and waiting for approval by the Black Country Joint Committee in November would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.

3. REPORT DETAIL

- 3.1 The Joint Committee approved on the 17th June 2015 the delegation of authority to the Executive Director for Economy and Environment within Walsall Council in his role as Chair of the City Deal and Growth Deal Working Group. It was agreed that the delegation would be in consultation with the Chief Executive of the Black Country Consortium, the Section 151 officer from the Accountable Body, the Head of Regeneration for the appropriate geographical area/s and the Chair of the Joint Committee. The delegations approved were:

3.1.1 to deploy a Change Control process and

3.1.2 bring forward new smaller projects up to 10% total value of in year grant (i.e. £2.4m).

- 3.2 Provided below is a summary of the 'Airfield Drive' project following approval under delegated authority:

Airfield Drive, Kay Properties Limited - £370,993 of Local Growth Deal Funding in 2016/17 & 2017/18

The proposed completed scheme is anticipated to contribute to SEP growth through remediation of 1.62ha of brownfield land and the delivery of 5,119 sq.m. employment space which will assist in supporting delivery of c. 100 new and 70 safeguarded, and potentially c. 8 learners assisted (4 apprenticeships and 4 other learners). In overall terms, the proposed grant funding of £370,993 is considered to provide "excellent" value for money and relates to a public sector leverage of 1:12.70.

The site is well located off the A454 approximately midway between Walsall and Aldridge, has the benefit of Outline Planning Consent (ref: BC 50157P-1997) and is identified within Walsall's draft Site Allocation Document as site ref: IN13.2.

The following clawback provisions are summarised as:

Upon disposal of the completed scheme or 3 years subsequent to Practical Completion, whichever is the earlier, the disposal price obtained (if freehold) or otherwise the market value of the scheme as assessed by an RICS Registered Valuer with a duty of care to WMBC shall be compared with the appraised market value (£4,710,800) and in the event that the achieved / assessed Market Value shall exceed the appraised market value, then 50% of the uplift in value shall be recoverable by WMBC, such clawback sum capped at the maximum sum (£370,993).



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4. FINANCIAL IMPLICATIONS

- 4.1 The costs associated with this development work and the delivery of projects that form part of the LGF 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 use of Delegated Authority by the Chair of the Working Group is designed to reduce potential underspend of LGF grant and provide an agile response to under-utilisation of grant.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements have been prepared by the Accountable Body (Walsall Council) following the exercising of Delegated Authority and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

6. RISK MANAGEMENT

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

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting

8. CONSULTATION

- 8.1 The LEP Board have approved this project for LGF allocation.
- 8.2 The Chair of the BCJC, Chief Executive at the Consortium, the appropriate Working Group member and the Section 151 Officer at the Accountable Body have all been consulted in line with the agreed process for use of delegated authority.

Background Papers

Delegation of Authority to the Chair of the City Deal and Growth Deal Working Group – *Joint Committee Paper 17th June 2015*



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The Black Country Strategic Economic Plan (SEP)

Attachments

Attachment 1 - Request for Use of Delegated Authority – Airfield Drive

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