



**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**

**16<sup>th</sup> September 2015**

### **BLACK COUNTRY LOCAL GROWTH DEAL - GRANT AGREEMENT APPROVAL - DUDLEY TOWN CENTRE BUILDINGS & SITES IMPROVEMENTS PROGRAMME**

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

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#### **1. PURPOSE OF REPORT**

- 1.1 To request that the Joint Committee approves move to contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) for the 'Dudley Town Centre - Buildings & Sites Improvements Programme' from within the Local Growth Fund (LGF) Programme. The project has been identified, evaluated and recommended to proceed by the Programme Office, endorsed by the Working Group, and received LEP Board endorsement on the 21st August 2015.

#### **2. RECOMMENDATIONS**

That the Joint Committee grants approval to the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with Dudley Metropolitan Council to the grant value of £425k to deliver the Local Growth Fund (LGF) elements of the 'Dudley Town Centre - Buildings & Sites Improvements Programme' with delivery to commence in the 2015/16 financial year.

#### **3. REPORT DETAIL**

- 3.1 The Joint Committee received and endorsed a report on the 15<sup>th</sup> June 2015 setting out the new processes to be adopted for the evaluation and approval of new projects entering the Local Growth Fund process. The LEP secretariat is currently in the transition stage from the old processes to the new arrangements as LEP Theme boards are established and membership recruited.
- 3.2 To ensure the secretariat is still able to meet the commitments of the programme, notably achievement of the spend targets for this 2015/16 financial year, it is continuing with

elements of the previous processes including drawing on the expert staff available to assess the proposed projects lifecycle the business case against the HM treasury 5 Case Model, resulting in proposals that can then move through the LEP Board and onto the Joint Committee for approval.

- 3.3 The Dudley Town Centre Buildings and Sites Improvement Programme has been through this process, the details of which are now set out for consideration by the Advisory Board. The funding is available within the LGF programme and delivery will commence during the 2015/16 period.
- 3.4 The application is for £425,000 of grant support and is separated into three phases.
- **Dudley Townscape Heritage Initiative** - Support towards the repair and improvement of historic buildings within Dudley town centre that would otherwise not be delivered by the private sector, (funding request £285,000). Projects are waiting to proceed. The funding will act as a bridge between the completion of the award winning Phase 1 Townscape Heritage Programme in July 2015 and the commencement of the Phase 2 programme in September 2016.
  - **Improvements to King Street Parade** - The improvement of dilapidated and vacant commercial properties at 30-37 King Street Parade. The properties are in poor repair and require substantial roof repairs, internal repairs and new shop fronts to bring them fully back into commercial use (funding request £100,000).
  - **Infrastructure Improvements** - Funding support to re-open a 10 space town centre car park at New Mill Street owned by the Council that has been closed due to a structurally unstable boundary wall (funding request £40,000).
- 3.5 Headline Outputs Include: 6 jobs created, 8 Business Assists, 13 Jobs Safeguarded, 0.1 ha of remediated land, 330 sqm of commercial / retail floor space.
- 3.6 Funding Profile: Total Project Investment - £720k, LGF requested - £425k an intervention rate of 59%, Match Funding - £295k (£130k Applicant's own funds + £165k Private Sector funds). £175k is profiled to spend in 2015/16 with £250k profiled to spend in 2016/17.
- 3.7 The projects will commence in 2015/16 and continue into the 2016/17 financial year. This reflects the need to secure planning and building regulations approvals for some of the heritage improvement projects.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The costs associated with these proposals 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 29<sup>th</sup> October 2014.
- 4.2 The applicant (Dudley Council) will utilise its processes and procedures to ensure that best value is achieved and that all EU State Aid rules and regulations are met by all those in receipt of LGF funding.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The appropriate Grant Agreements are in place and will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government,

together will 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 Stakeholder consultation has been undertaken during the development of the Dudley Area Action Plan and Dudley Area Development Framework.
- 8.2 Dudley Council's Townscape Heritage Programme Manager has engaged with property owners to understand their intentions for the buildings. Discussions are at an advanced stage and as a result, a number of the projects are waiting to proceed.
- 8.3 Private sector interest to lease the refurbished units at King Street has been received by Dudley Council's Property Team. There is demand for additional town centre car parking spaces and this has the subject of recent feedback from town centre businesses and shoppers.

**Back Ground papers**

*Revised Process for Evaluation of Local Growth Fund bids - Joint Committee Paper 17th June 2015*

*The Black Country Strategic Economic Plan (SEP)*

*Dudley Town Centre - Buildings and Sites Improvement Programme Business Case*

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