



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

25 NOVEMBER 2015

CHANCES GLASSWORKS HERITAGE TRUST – SITE ASSEMBLY PROJECT

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

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 Chances Glassworks Heritage Trust – Site Assembly Project 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, Advisory Board and received LEP Board endorsement on 19 October 2015.

2. RECOMMENDATIONS

That the Joint Committee grants approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with Chances Glassworks Heritage Trust Ltd to the value of £660k to deliver the Local Growth Fund (LGF) funded elements of the Site Assembly Project, with delivery to commence in the 2015/16 financial year.

3. REPORT DETAIL

- 3.1 The Joint Committee received and endorsed a report on 15 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 These Theme Boards are still being established, so 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 Chances Glassworks Heritage Trust – Site Assembly project has been through this process, the details of which were reported to the City Deal and Growth Deal Advisory Board on 9 November 2015. The funding is available within the LGF programme and delivery will commence during the 2016/17 period, this application is for £3.8m of grant support.
- 3.4 This project seeks to assemble a 9.5 acre site under whole ownership of Chances Glassworks Heritage Trust. This is the first phase of a 4 year development costing £23m.
- 3.5 The Trust has managed to negotiate surrender of remaining three leases, the Freehold for the whole site has been secured by the Trust and the owners of the 7 storey building and adjacent buildings have agreed to transfer their interest to enable the development of the whole site. This will enable the delivery of a major regeneration project that will unlock over 20,000 sqm of development space for business use, residential dwellings, and to provide leisure and recreational facilities. The project plans to include over 180 business units/facilities offering the potential to create well in excess of 64 jobs and assist over 160 businesses.
- 3.6 **Start date:** This is the first phase of a 4 year development. The project will start during the 2015/16 financial year, with site assembly planned by March 2016.
- 3.7 **Headline Outputs Include:** Assembly of 9.5 acre site for regeneration.
- 3.8 **Funding Profile:** Total Project Investment - £3.36m, LGF requested - £660k, Match Funding - £2.7m applicants own funds. The full amount is profiled to spend in 2015/16.
- 3.9 All projects moving into the grant award process undergo the Due Diligence process, for this projects the LEP Board highlighted key elements for particular examination by the Accountable Body as part of the process, but did not want to hold back its approval at this stage as these can be dealt with post Joint Committee approval, and prior to any contracted delivery being set into place.
- 3.10 The key elements highlighted by the LEP Board included:
- 3.10.1 Validate that acquisitions are in accordance with respective market values, and negotiations in respect of all three acquisitions have been concluded;
 - 3.10.2 Copy titles and leases must be provided together with red book compliant valuations in support of the sum sought,
 - 3.10.3 Security should be available by way of legal charge in relation to the investment sought, or on the value of the combined site; determine the preferred approach

4. FINANCIAL IMPLICATIONS

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.

5. LEGAL IMPLICATIONS

The Growth Deal has standard Grant Agreement templates in place which will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

6. RISK MANAGEMENT

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

7. EQUALITY IMPLICATIONS

None at the time of drafting.

Back Ground papers

Revised Process for Evaluation of Local Growth Fund bids

The Black Country Strategic Economic Plan (SEP)
Chances Glassworks Heritage Trust – Site Assembly Initial Proposal

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