



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

WEDNESDAY 17 JUNE 2015

Black Country Transformational GOLD - Accountable Body Approval

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

1.1 To present the recommendations of the Advisory Board of the Joint Committee to seek approval for Wolverhampton City Council to act in the role of Accountable Body for the Black Country Transformational Growth Opportunities Local Delivery (GOLD) Project on behalf of Black Country Councils and agreed partners, and in response to the March call for proposals from the European Regional Development Fund (ERDF) to coordinate and submit funding submissions as part the new 2014 – 2020 EU Programme.

2. RECOMMENDATIONS

2.1 The Joint Committee to grant approval for Wolverhampton City Council to act in the role of Accountable Body for the Black Country Transformational GOLD project on behalf of Black Country Councils and agreed partners and to coordinate and submit funding submissions as part the new 2014 – 2020 EU Programme.

3. REPORT DETAIL

3.1 The Black Country European Structural and Investment Fund (ESIF) Strategy outlined the Black Country's priorities for EU funding between 2014 and 2020. Although the signoff of the programme has been delayed by ongoing negotiations between the European Commission and Government, the Department for Communities and Local Government (DCLG) launched an initial call for outline proposals against the Small Medium Sized Enterprises (SME) competitiveness priority of European Regional Development Fund (ERDF) priorities in March 2015 with a deadline of 29 May 2015.

- 3.2 Black Country Growth Hub was initially funded by £3.1 million from Regional Growth Fund (RGF) through the University of Lancaster as part of City Deal until June 2015. The Growth Hub aimed to offer a one stop shop approach to business assistance across the Black Country with packages of support available to local businesses. It aimed to equip the Black Country's manufacturing SMEs with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.
- 3.3 An additional £400k from the Department of Business Innovation and Skills has been secured through Local Growth Fund to fund the ongoing co-ordination of the project until March 2016. An evaluation of the project is currently underway, learning from our experience to date, to inform the way forward.
- 3.4 An outline proposal for ERDF for Black Country Growth Hub, encompassing Invest Black Country, was submitted in response to the March call for outline proposals. Going forward, the key role for the Growth Hub is to respond to business demand and help drive business growth throughout the business lifecycle by:
- Supporting entrepreneurship and new business starts;
 - Helping existing businesses to grow and develop; and
 - Attracting new businesses to invest in the Black Country.
- 3.5 **Black Country Growth Opportunities Local Delivery (GOLD)** was funded by ERDF between 2013 and 2015 to provide small grant assistance to SMEs across the Black Country, helping them deliver business benefits and instigate investment decisions leading to more rapid business growth. By the end of February 2015, £800,000 worth of grants had been approved for 90 SMEs in the Black Country and over 100 potential new jobs created in the projects supported by GOLD. Analysis by the Black Country Consortium in January 2015 found that each £1 of GOLD funding levered generated £3.66 added value for the region.
- 3.6 The BC GOLD evaluation found that the grant scheme was welcomed by the business community and the partners involved, adding to the business support portfolio available and meeting a gap in the support package offer (BC GOLD Evaluation March 2015). The evaluation concluded that the partners should consider extending Black Country GOLD or seek to implement a replacement grants / business support package along similar principles.
- 3.7 Building on the success of BC GOLD and recommendations from the evaluation, an outline bid is being developed for BC Transformational GOLD, a 3 year ERDF project, offering capital and revenue business growth grants of up to £25,000 with mentoring support to help 180 Black Country SMEs in priority sectors achieve transformational change to fulfil their growth potential. BC Transformational GOLD will be a product of the Growth Hub, the single gateway for business support in the Black Country. It sits within the Access to Finance strategic intervention area of the BC ESIF.

4 FINANCIAL IMPLICATIONS

- 4.1 BC Growth Hub is bidding for £1.5 million of ERDF with a total project value of £3 million. Partners are committing cash and in kind resources as match funding to support the development of the Growth Hub. The scale of the ESIF bid, and therefore the size of the delivery team, depended on the level of resources partners are able to offer up as match. Collectively, the partnership can build up a team of matched resources in this way reflecting demand, expertise and resource. Wolverhampton City Council is contributing financial match towards delivering business relationship management (with expertise in the geographic area of Wolverhampton) as well as support for the strategic management of the Hub. A 3 year project bid would seek to secure long-term sustainability for the Hub alongside local and National business support programmes and projects, which would align their activity to the Hub as described above.
- 4.2 BC GOLD is seeking £2.5 million of ERDF matched with contributions from partners including Black Country Local Authorities with SME's matching grant with a variable intervention ranging from 10% to 50%. The total project value is £5 million, predominantly for capital and revenue grants for businesses.

5 LEGAL IMPLICATIONS

- 5.1 Should the outline application be successful, Wolverhampton City Council, as Accountable Body, would be invited to submit a full bid on behalf of the partnership and enter into a funding agreement outlining the conditions of the grant.

6 RISK MANAGEMENT

- 6.1 Wolverhampton City Council has substantial experience of managing ERDF projects on behalf of wider partnerships and will utilise its Risk Management processes and procedures.

7 EQUALITY IMPLICATIONS

- 7.1 ERDF projects must evidence positive equalities implications as part of the bidding process. An equality impact assessment was done for BC Growth Hub and BC Transformational GOLD at full bidding stage.

Background papers

Growth Hub Accountable Body Request – *Advisory Board Report 19th November 2014*
City Deal Progress Update - *Advisory Board Report 2nd February 2015*
City Deal Progress Update - *Advisory Board Report 7th April 2015*

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Black Country Transformational GOLD – Accountable Body Approval

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