



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

22 June 2016

DELEGATED AUTHORITY DECISION FOR NOTING

Black Country Local Growth Deal – CHALLENGE BLOCK **Local Growth Fund Pipeline Development Fund Grant Agreement**

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 £240k, and whereby delivery is to commence in the 2015/16 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 Agreement **to the value of £41,000** to deliver the Local Growth Fund (LGF) elements of the De-Risking the Challenge Block LGF Pipeline Fund project - with delivery to commence in the 2016/17 financial year. Approval of this approach was achieved at the February 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 April would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.
- 2.3 That the Joint Committee notes that the Challenge Block Pipeline Development Project will be underwritten by Walsall Council.

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 In July 2015, the LEP Board endorsed a proposal by the Programme Management Office to utilise £2m of LGF capital grant allocation to invest in dedicated resources alongside private sector secondment opportunities to facilitate and accelerate pipeline generation through a creative alliance of knowledge and skills through the LGF Pipeline Development Fund.
- 3.3 For 2016/17, the LEP Board have endorsed a proposal for Pipeline Development bids to access competitive LGF funding. These bids are subject to technical evaluation and assessment by independent technical consultants and the Black Country Place Group and require endorsement by the Working Group.
- 3.4 Provided below is a summary of the 'De-risking the Challenge Block' project following approval under delegated authority:

De-Risking the Challenge Block, Walsall MBC, £41,000 of Pipeline Development Funding in 2016/17

This bid was for £41,000 of LGF Pipeline Development funding to progress intrusive site investigation works on those areas of the site clear of buildings, desktop investigations in respect of the remainder and site security works. The overall site provides a major town centre development opportunity located in a prominent position and suitable for a range/mix of uses which could include offices, convenience/bulky goods retail, community hub and multi-storey car park. The project appraisal process concluded that there was evidently



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potential for the site to contribute significantly to SEP growth in terms of delivery of employment space and new jobs.

Potential outputs include remediation of up to 1.17 hectares of land for employment use.

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.
- 4.3 The Challenge Block Pipeline Development Project will be underwritten by Walsall Council.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements are being prepared by the Accountable Body (Walsall Council) following the exercising of Delegated Authority and will 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.



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- 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*

The Black Country Strategic Economic Plan (SEP)

Attachments

De-risking the Challenge Block – Initial Proposal

Request for Use of Delegated Authority – Challenge Block

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