



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 5 AUGUST 2015

Black Country Local Growth Deal - Walsall Waterfront: Lex Site Remediation

Project and Funding Approval

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To present the recommendations of the City Deal and Growth Deal Advisory Board and request that the Joint Committee approve the contracting and subsequent appropriate form of Agreement by the Accountable Body for the Growth Deal (Walsall Council) for the 'Walsall Waterfront Lex site remediation' 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 City Deal and Growth Deal Working Group and received Local Enterprise Partnership (LEP) Board endorsement on the 14th July 2015.

2. RECOMMENDATIONS

- 2.2 That the Joint Committee grants approval for Walsall Council as the Accountable Body for the Growth Deal to proceed to an appropriate form of internal Agreement to the grant value of £415,000 to deliver the Local Growth Fund (LGF) elements of the 'Walsall Waterfront Lex site remediation' project - with delivery to commence in the 2015/16 financial year.

3. REPORT DETAIL

- 3.1 Walsall Council acquired the Lex site from the Homes and Communities Agency (HCA) in January 2015 in order to secure its redevelopment as the final phase of the Walsall Waterfront project. The site has been vacant for around 10 years and is subject to ground contamination due to previous industrial uses. The remediation of the site will create greater certainty and reduce risk for any developer interest.

Walsall Waterfront has already been identified as one of the projects to be delivered as part of the additional £24m expansion to its Growth Deal that the LEP agreed earlier this year with Government, to be invested in the Black Country between 2016 and 2021.

Walsall Council is currently working with a serious occupier interest in the site and it will be important to ensure that remediation costs do not impact on the viability of the project. The nature of this interest, however, involves a development programme that would require early site remediation to commence in 2015/16 and a re-profiling, therefore, of the LGF already identified for this project post-2016.

- 3.2 **Project Description:** To complete site remediation works, which are required to de-risk the site in order to facilitate the delivery of a commercial mixed use development supporting local economic growth and creating jobs. The remediation of the Lex site would create 2.2 acres of readily available development land, the delivery of which would effectively complete the redevelopment of the Waterfront area
- 3.3 **Start date:** The first phase of Securing planning consent for site remediation works, including consultancy fees for design and contract management will commence in Q3 of 2015/16 with the site remediation works commencing in 2016/17.
- 3.4 **Headline Outputs Include:** 0.89 Hectares of Remediated Land. The intervention will unlock capacity for further delivery of outputs including: 6,920sqm Commercial Floor Space, 190 New Jobs, 600 Jobs Safeguarded, 3 Business Assists
- 3.5 **Funding Profile:** Total Project Investment - £717k, LGF requested - £415k, Match Funding - £302k applicants own funds. £100k is profiled to spend in 2015/16 with the remaining £315k profiled for 2016/17.

4. FINANCIAL IMPLICATIONS

- 4.1 The costs associated with this project will be covered by allocations from government associated with LGF 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

- 5.1 Walsall Council, acting as Accountable Body for the Growth Deal, will ensure that appropriate internal arrangements will be put in place so that all relevant Central Government Growth Deal funding conditions will be adhered to by the Council (as recipient of such funding) for this project and that in all other respects, this project and its use of the funding will be compliant with all relevant EU, Central Government and Council legislation, rules, regulations and guidance.
- 5.2 However, it is inappropriate for the Council, as Accountable Body, to enter into a grant agreement with itself, so alternative internal arrangements will be used.

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 Consultation with the relevant Council Portfolio Holder has taken place, along with internal consultation with legal services and finance in accordance with the Joint Committee Protocols.
- 8.2 Consultation will occur through the planning process.

Background Papers

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

The Black Country Strategic Economic Plan (SEP)

Attachments

Walsall Waterfront Outline Business Case

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