



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

Local Growth Fund – Black Country Growth Hub – Grant Agreement 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 in relation to approval for the Accountable Body for the Growth Deal (Walsall Council) to move to contracting and subsequent grant agreement with Wolverhampton City Council for the BC LEP Growth Hub Interim Funding 2015/16.

2. RECOMMENDATIONS

- 2.1 The Joint Committee grants approval for the Accountable Body (Walsall Council) for the Local Growth Fund to proceed to a Grant Agreement with Wolverhampton City Council to deliver the BC LEP Growth Hub interim Funding 2015-16.

3. REPORT DETAIL

- 3.1 The Black Country Growth Hub was established with funding (up to £3.1 million) from Regional Growth Fund (RGF) through the University of Lancaster as part of City Deal. The Growth Hub offers a one stop shop approach of business assistance across the Black Country, with packages of support available to local businesses. It aims to equip Black Country manufacturing SMEs with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.
- 3.2 The funding used to establish the Growth Hub together with its agreement comes to an end in June 2015. In preparation for this the Joint Committee approved Wolverhampton City Council to act as Accountable Body for the Growth Hub element

of the Black Country City Deal in February 2015, as additional interim funding was expected from government to continue this service.

- 3.3 The Department for Business, Innovation and Skills (BIS) made a subsequent offer of Interim Funding for the Growth Hub to BC LEP, which the LEP Board accepted. This funding is designed to cover the period between the end of the RGF funding (June 2015) and the start of the new European Programme, expected during early 2016.
- 3.4 It was anticipated that this interim funding would be paid directly to the Accountable Body for the Growth Hub (Wolverhampton City Council), however the additional £400,000 from the Department of Business Innovation and Skills (BIS) has been made available, but must be claimed from BIS through the Accountable Body (Walsall Council) for the Growth Deal, as set out within **Attachment 1** – Growth Hub offer letter from BIS to Walsall Council.
- 3.5 This now requires Joint Committee approval for Walsall Council to enter into the appropriate Grant Agreement with Wolverhampton City Council for the delivery of Black Country Growth Hub services through to March 2016, calling upon the funding approved by government through the appropriate claims process.
- 3.6 It is therefore proposed that the Black Country Growth Hub continues with Wolverhampton City Council acting as Accountable Body during the Interim Funding period (alongside the Black Country Growth Opportunities Local Delivery (GOLD) initiative), receiving payment for the appropriate services from Walsall Council as part of its wider role as Accountable Body for the Growth Deal.
- 3.7 It should be noted that the long term future of the Growth Hub post the interim funding period is being explored by officer. Subsequent report/s to the Joint Committee will present proposals for consideration for the longer term future of the Growth Hub.

4. FINANCIAL IMPLICATIONS

- 4.1 BC Growth Hub Interim Funding consists of £400,000 of revenue funding to be spent between July 2015 and March 2016 (the first quarter is funded through existing resources) in accordance with the funding profile in the table below. This funding will be drawn down via the Accountable Body for the Local Growth Fund (Walsall Council) and paid through the appropriate Grant Agreement to Wolverhampton City Council.
- 4.2 The following table sets out the current plans for utilising the approved £400k received from BIS.

Quarter	Items	Expenditure
2 (Jul-Sept 2015)	Growth Hub Management & Monitoring	£103,706.28
	(Inc. premises costs)	£12,434.00
	Growth Hub Marketing	£6,279.57
	Supply Chain Development Activity	
TOTAL ESTIMATED AMOUNT FOR QUARTER 2 £122,419.85		
3 (Oct – Dec 2015)	Growth Hub Management & Monitoring	£103,856.07

	(Inc. premises costs) Growth Hub Marketing Supply Chain Development Activity	£12,434.00 £20,000.00
TOTAL ESTIMATED AMOUNT FOR QUARTER 3 - £136,290.07		
4 (Jan – Mar 2016)	Growth Hub Management & Monitoring (Inc. premises costs) Annual Accountant’s Report Growth Hub Marketing Supply Chain Development Activity	£103,856.07 £5,000.00 £12,434.00 £20,000.00
TOTAL ESTIMATED AMOUNT FOR QUARTER 4 - £141,290.07		
TOTAL AMOUNT FOR 2015-16 PROGRAMME - £400,000.00		

4.3 Payments from BIS need to be claimed in accordance with the Growth Hub offer from BIS to Walsall Council, included as Attachment 1.

5 LEGAL IMPLICATIONS

5.1 The Accountable Body for the Growth Deal (Walsall Council) and Accountable Body for the Growth Hub (Wolverhampton City Council) are in the process of finalising a suitable Grant Agreement for the Growth Hub Interim Funding which will involve legal representation from both organisations.

6 RISK MANAGEMENT

6.1 The appropriate risk management processes from both organisations will be applied.

7 EQUALITY IMPLICATIONS

7.1 None at the time of drafting.

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*

Attachments

Attachment 1 – Growth Hub offer from BIS to Walsall Council

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