

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**Wednesday 8 March 2017, 12.00pm****Sandwell Metropolitan Borough Council,
The Council House, Committee Room 1****DRAFT MINUTES****VOTING MEMBERS**

Councillor Steve Eling, Sandwell MBC
Councillor Sean Coughlan, Walsall MBC (Chair)
Councillor Bilson, Wolverhampton CC (sub)

NON VOTING MEMBERS**IN ATTENDANCE**

Sarah Norman, Dudley MBC
Jan Britton, Sandwell MBC
Paul Sheehan, Walsall MBC (Secretary)
Keith Ireland, Wolverhampton CC
Sarah Middleton, The Black Country Consortium Ltd

INVITED GUESTS

Paul Mountford, Sandwell MBC (sub)
Mark Lavender, Walsall MBC (sub)
Jim Cunningham, Dudley MBC (sub)

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1. **Apologies**
Councillor Roger Lawrence, Wolverhampton CC
Stewart Towe, BC LEP Board
Cllr Pete Lowe, Dudley MBC

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2. **Notes of Previous Meeting held on 25 January 2017**

17/0013

It was resolved that:

the notes of the meeting held on 25 January 2017 were agreed as a true record.

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3. **Matters Arising from the notes of the previous meeting.**
None.

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4. **Declarations of Interest**
None.

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5. **Local Government (Access to Information) Act, 1985 (as amended):** To agree that the public be excluded from the private session during consideration of the agenda items indicated for the reasons shown on the agenda.

There are no items to be considered in private session.

6. Black Country Local Growth Deal - Growing Priority Sectors Individual Project Decision - Keytracker Ltd Project - Approval to move to contracting

Paul Mountford presented the report to the Committee. Paul advised that a request for £50,000 for a £170,000 project to extend existing premises with a new production area. In summary, Keytracker Ltd are requesting:

- Maximum grant of £50,000 to help implement a £170,000 project at an intervention rate of 29.4%;
- Leverage £120,000 of Private Sector Funding; and
- To create 6 new jobs by March 2022 at £8,300 per job and an average salary of £21,000 per annum.

17/0014 It was resolved that the BCJC:

approves Sandwell MBC to move to contracting with Keytracker Limited for £50,000, from the Growing Priority Sectors programme of works totalling £6.5m to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors Keytracker Limited project - with delivery to commence in the 2017/18 financial year.

7. Black Country Local Growth Deal – Growing Priority Sectors Individual Project Decision – Hawthorne Trading Company Project – Approval to move to contracting

Paul Mountford presented the report to the Committee. Paul advised that a request for £300,000 for a £1,866,000 project to fund the purchase of new premises. In summary, the Hawthorn Trading Company are requesting:

- Maximum grant of £300,000 to help implement a £1,866,000 project at an intervention rate of 16%;
- Leverage £1,566,000 of Private Sector Funding; and
- To create 39 new jobs by March 2022 at £7,292 per job and an average salary of £21.9k per annum.

17/0015 It was resolved that the BCJC:

approves Sandwell Council to move to contracting with Hawthorn Trading Company for £300,000, from the Growing Priority Sectors programme of works totalling £6.5m to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors Hawthorn Trading Company project - with delivery to commence in the 2017/18 financial year.

8. Black Country Local Growth Deal – A4101 Pensnett Improvement Scheme – Change Request – Approval to Amend the Existing Grant Agreement

Jim Cunningham presented the report to the Committee. Jim advised that the A4101 is a main road and a key link in the West Midlands transportation network with approximately 30,000 vehicles using the High Street every day and subsequently suffers from traffic congestion and vehicle delays. The improvement scheme will tackle the existing pinch point by regulating conflicting vehicle movements through the introduction of new signalised junctions and by providing increased capacity by widening the High Street to two lanes in each direction on the approach to the new

traffic lights. These improvements will enhance the efficiency of the transport network on this key link for all users.

This Change Request is to bring forwards £959,000 of the 2017/18 allocation of grant into 2016/17 with the aim of ensuring full utilisation of the BC LEP's allocation of grant in 2016/17.

The Q4 review with the Dudley Team managing the delivery of A4101 Pensnett Road Improvement Scheme has identified the inclusion of output targets in their Contract Award. This related to the delivery of 5 Apprenticeships resulting from the scheme which will not now be delivered.

17/0016 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley MBC for £3,800,000 to reflect an amended Grant Allocation of £2,059,000 in 2016/17 to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of A4101 Pensnett Road Improvement Scheme. This change relates to a transfer of funding of £959,000 into 2016/17 from 2017/18.
- 2.2 note that there will be no change to the overall LGF intervention rate for this project and indeed the overall value of grant (£3,800,000).
- 2.3 approves for the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley Council to reflect the removal of outputs relating to the delivery of 5 apprenticeships as part of the scheme.

9. Black Country Local Growth Deal – Dudley Brownfield Land, Phase 1 – Change Request – Approval to Amend the Existing Grant Agreement

Jim Cunningham presented the report to the Committee. Jim advised that Dudley has a large number of vacant brownfield sites that are suitable for housing redevelopment but not economically viable due to previous use and subsequent land remediation costs.

Processes required to render the land viable for development include the treatment of contamination and mined ground; site preparation costs including service diversions and re-grading of levels; and the removal of redundant structures and buildings.

This project supports the remediation of 6.88 hectares of land across nine sites within the ownership of Dudley MBC. The sites will then be developed throughout the period from 2016/17 to 2020/21 to deliver residential units.

17/0017 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley MBC for £2,846,204 to reflect an amended Grant allocation of £750,000 in 2016/17. This is a transfer of funding of £213,000 from 2017/18 into 2016/17.
- 2.2 notes that there will be no change to the overall LGF intervention rate for this project and indeed the overall value of grant (£2,846,204).

10. **Black Country Local Growth Deal – Growing the City Centre Cultural and Business Events Offer – Change Request – Approval to Amend the Existing Grant Agreement**

Karen Jones presented the report to the Committee. Karen advised that request to bring forward £534,561 of the 2017/18 allocation for the Growing the City Centre Cultural and Business Events Offer (Civic Halls) project into 2016/17. The amended grant allocation for 2016/17 will be £3,134,561.

To request an amended overall Grant allocation of £5,011,260 - a reduction in overall funding of £1,988,740.

17/0018 It was resolved that the BCJC:

- 2.1 approve the Accountable Body for the Growth Deal (Walsall Council) to amend the existing Grant Agreement with City Of Wolverhampton Council for the Growing the City Centre Cultural and Business Events Offer (Civic Halls) project to reflect an amended Grant Award of £5,011,260 and an amended allocation of £3,134,561 in 2016/17 - this is a transfer of funding of £534,561 from 2017/18, and a reduction in overall funding of £1,988,740.
- 2.2 note the change in approach from project to programme management by the City of Wolverhampton Council and the BC LEP in relation to the Council's Growth Deal projects (Regeneration of Bilston, Growing the City Centre Cultural and Business Events Offer and Wolverhampton Interchange).
- 2.3 note that there will be no change to the amount of LGF funding awarded or to the overall LGF intervention rate to Wolverhampton City Council's programme of projects (which includes the Growing the City Centre Cultural and Business Events Offer and Regeneration of Bilston projects).
- 2.4 note that the Business Cases and Outputs for each project have not changed.

11. **Black Country Local Growth Deal – Regeneration of Bilston – Change Request – Approval to Amend the Existing Grant Agreement**

Karen Jones presented the report to the Committee. Karen advised that the request was to amend the existing Grant allocation to the Regeneration of Bilston - Bilston Urban Village project to £5,238,740, an increase to the overall funding allocation of £1,988,740.

17/0019 It was resolved that the BCJC:

- 2.1 approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with City of Wolverhampton Council for the Regeneration of Bilston – Bilston Urban Village project to reflect an amended Grant award of £5,238,740 - an increase in the overall funding of £1,988,740.
- 2.2 note the change in approach from project to programme management by the City of Wolverhampton Council and the BC LEP in relation to the Council's Growth Deal

projects (Regeneration of Bilston, Growing the City Centre Cultural and Business Events Offer and Wolverhampton Interchange).

2.3 note that there will be no change to the amount of LGF funding awarded or to the overall LGF intervention rate to Wolverhampton City Council's programme of projects (which includes the Growing the City Centre Cultural and Business Events Offer and Regeneration of Bilston projects).

2.4 note that the Business Cases and Outputs for each project have not changed.

12. **Black Country Local Growth Deal – A4123 Development Works, Development Funding – Change Request – Approval to Amend the Existing Grant Agreement**

Stuart Everton presented the report to the Committee. Stuart advised that the A4123 is a key corridor of movement through the Black Country from M5 J2 into Wolverhampton City Centre. The corridor links a number of key housing and employment sites that will come forward over the next 5-10 years. The route is currently at capacity in a number of locations and not fit for the future purpose. The aim of this development funding is to begin development work of a major scheme business case for the A4123 with the aim of bidding at a wider Combined Authority or national level for funding to eventually construct the scheme. Similar work is currently underway on the A454 and A449.

17/0020 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the existing Grant Agreement with City of Wolverhampton Council to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the A4123 Development Works – Development Funding scheme. The change for which approval is requested is the transfer of grant funding allocated in 2016/17 of £120,000 into 2017/18.
- 2.2 notes this development funding is underwritten by City of Wolverhampton Council.

13. **Black Country Local Growth Deal – Wolverhampton to Willenhall Metro Extension, Development Funding, Wolverhampton - Grant Agreement Approval**

Stuart Everton presented the report to the Committee. Stuart advised that this work seeks to undertake a development study to look at extending the metro system from Wolverhampton Train station out towards New Cross Hospital and then Willenhall. The study will also explore options to extend the metro system further into Wolverhampton City Centre to connect the South and Westside developments.

17/0021 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with City of Wolverhampton Council for £150,000 of pre-allocated Local Growth Fund (LTB) funding (originally allocated to the Aldridge Station Scheme) to deliver the Wolverhampton to Willenhall Metro Extension transport project (Development Funding) – with delivery to commence in the 2017/18 financial year.

2.2 This development funding to be underwritten by City of Wolverhampton Council.

14. **Black Country Local Growth Deal – Wolverhampton to Willenhall Metro Extension, Development Funding, Walsall - Grant Agreement Approval**

Stuart Everton presented the report to the Committee. Stuart advised that this work seeks to undertake design and business case development work for the extension of the Metro system from Wolverhampton Station out towards New Cross Hospital and then Willenhall. The work will also identify options to extend the Metro system further into Wolverhampton City Centre to connect the South and Westside developments.

17/0022 It was resolved that the BCJC:

2.1 That the Joint Committee approves the Accountable Body for the Growth Deal (Walsall Council) to move to an appropriate form of internal Agreement for £50,000 of Pre-allocated Local Growth Fund (LTB) funding (originally allocated to the Aldridge Station scheme) to deliver the Wolverhampton to Willenhall Metro Extension transport project (Development Funding) – with delivery to commence in the 2017/18 financial year.

2.2 This development funding is to be underwritten by Walsall Council.

15. **Black Country Local Growth Deal – Airfield Drive, Aldridge – Change Request – Approval to Amend the Existing Grant Agreement**

Mark Lavender presented the report to the Committee. Mark advised that this investment will deliver industrial employment space to address the local shortage of new, speculative, industrial accommodation developments. The provision of good quality industrial accommodation will improve the Black Country's business competitiveness by providing accommodation that is available for businesses to lease and facilities for new businesses to occupy either through relocation or inward investment.

The Quarter 4 review meeting undertaken by the Programme Management Office with Trebor Developments, leading on the Airfield Drive Project, has confirmed that qualifying spend on the project will not begin until June 2017. Originally the project requested £66,823 be available to claim in 2016/17 from the overall Grant award of £370,993. This is no longer feasible for the applicant to achieve and they have requested the funding be transferred into 2017/18.

17/0023 It was resolved that the BCJC:

approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the existing Grant Agreement with Kay Properties Limited to deliver the Local Growth Fund (LGF) funded elements of the Airfield Drive, Aldridge project. The change for which approval is requested is the transfer of grant funding allocated in 2016/17 of £66,823 into 2017/18.

16. **Black Country Local Growth Deal – Goscote Lane Corridor, Walsall – Change Request – Approval to Amend the Existing Grant Agreement**

Mark Lavender presented the report to the Committee. Mark advised that this scheme is comprised of three related vacant brownfield sites, totalling 21 hectares, within the Goscote Lane Corridor regeneration area in Blakenall, Walsall. The sites were previously developed for residential uses, predominantly semi-detached social housing, but were subject to a large-scale demolition programme pre-2008 by WHG. This occurred as a result of the 'Decent Homes' assessment and identification of the area 'failing' in the Black Country and Telford Housing Market Renewal Area.

This investment will deliver new housing and supporting environmental and infrastructure improvements that are essential to transforming the long-standing reputation issues associated with the area, and changing the market perceptions.

17/0024 It was resolved that the BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amend the existing Grant Agreement with WHG for £8,820,000 to reflect an amended grant allocation of £2,808,000 in 2016/17. This is a transfer of funding of £426,000 from 2017/18 to 2016/17.
- 2.2 note that there will be no change to the overall LGF intervention rate for this project and indeed the overall value of grant.

17. Delegated Authority - Black Country Local Growth Deal – Bourne Street, Coseley – Site Investigation – Grant Agreement Approval for Noting

Mark Lavender presented the report to the Committee. Mark advised that the initial proposal to develop Bourne Street was made by Ideal Estates Ltd and approved by the LEP Board in July 2016. The applicant later changed to Real Homes One Limited who are now keen to progress a Planning Application with a view to completing the remediation of currently toxic land and delivering c.100 homes on the site.

This project stalled due to failure to secure planning consent. The original application was not secured due to uncertainty as to site conditions. The Site Investigation (SI) proposed will go some way to addressing the issues raised which are not considered to be insurmountable. The works to be undertaken as part of the SI will enable the completion of an intensive ground investigation and the development of a land remediation strategy, enabling a successful planning application for c.100 properties.

Around £750,000 of additional funding may be required to subsequently remediate the site by way of loan or grant, dependent on the results obtained.

LEP Board approval was achieved 19/09/2016. The applicant has agreed to a clawback arrangement with the Council for this funding, and will repay the funding if no asset is delivered on the Site by March 2021.

17/0025 It was resolved that the BCJC:

- 2.1 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 the Accountable Body for the Growth Deal (Walsall Council) to proceed to Grant Agreement to the value of £63,600 with Real Homes One Limited to deliver the Local Growth Fund (LGF) elements

of the Bourne Street Coseley Site Investigation project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 19th September 2016 LEP Board meeting.

- 2.2 Notes 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 January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.
- 2.3 note that the Bourne Street Coseley Site Investigation project will be underwritten by a clawback arrangement with the applicant.

18. **Delegated Authority - Black Country Local Growth Deal – Dudley Town Centre Sites and Buildings Improvement Programme – Amending the Existing Grant Agreement Approval for Noting**

Mark Lavender presented the report to the Committee. Mark advised that the Dudley Building and Sites Improvement Programme Phase 1 is proceeding to time and budget and will complete in March 2017. The opportunity has arisen to fund additional project works within the programme. Dudley Council therefore wishes to request an additional £30,000 of funds to support the improvement of 172 High Street in Dudley which is a conference and banqueting suite.

The owners wish to enhance the building and have obtained planning approval for the reinstatement of the shopfront and windows, which will open up the blank elevation and bring new floorspace into use. The project will be completed by March 2017 and a Business Assist output will be secured along with Private Sector leverage of £15,000.

17/0026 It was resolved that the BCJC:

- 2.1 note 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 the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with Dudley Council to reflect an increased grant value of £30,000 to deliver the Local Growth Fund (LGF) elements of the Dudley Town Centre Sites and Building Improvement Programme, with delivery to commence in the 2016/17 financial year. Approval of this change was achieved at the 24th October 2016 LEP Board meeting.
- 2.2 Note 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 January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.

19. **Delegated Authority - Black Country Local Growth Deal – Growing Priority Sectors Individual Project Decisions –Approval to move to Contracting for Noting**

Mark Lavender presented the report to the Committee. Mark advised on the following projects:

Chiriquí Adhesives and Sealants Limited - £80,000 of Growing Priority sectors in

2016/17 is a request for £80,000 of LGF grant support for a £602,000 project to enable creation of an additional plant on the company's existing site to produce a new sealing system. The project involves the creation of an additional plant on the company's existing site to produce a new sealing system in conjunction with Ceracon, based in Germany.

There is no ownership of shares in this joint venture between Ceracon and Chiriquí, but there is a contract in place. Essentially, the project has been developed over the last five years, with two Ceracon employees seconded to Chiriquí to develop the product and its market. As a result there hasn't been any procurement by Ceracon of a partner or licensee – it's been more of a collaborative approach using the expertise and facilities of both parties. There is no capacity to produce the sealing system without the purchase and installation of new machinery and necessary upgrades to the existing building.

Once completed, Chiriquí forecast £3m of additional product sales over the next three years mainly to the automotive sector.

SEMCO External Framing Solutions Ltd £131,172 in 2016/17

Is a request for £131,172 for a £661,223 project to fund the expansion of the production capacity of a fabrication business which will allow new products to be brought to the market place.

- To leverage £530,061 of Private Sector Funding
- To create 20 new jobs by March 2022
- Project start date Nov 2016.

Growing Priority Sectors – Midland Tool & Design Ltd £100,000 in 2016/17 is a request for £100,000 for a £340,000 project to fund the purchase and fit-out of new premises to allow the manufacturer of prototype motor core packs to expand into the manufacture of complete wound motor assemblies in response to customer demand.

- Leverage £240,000 of Private Sector Funding
- Create 10 new jobs by March 2018
- Project start date Nov 2016.

Growing Priority Sectors – Ash & Lacy Building Systems Ltd £55,000 in 2016/17 is a request for £55,000 for a £550,000 project to fund the installation of a new Polyester Powder Coating (PPC) facility.

- Leverage £495,000 of Private Sector Funding
- Create 5 new jobs by March 2022
- Project start date Nov 2016.

17/0027 It was resolved that the BCJC:

- 2.1 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 **Sandwell Council to move to contracting with Chiriquí Adhesives and Sealant Limited (Walsall) to the value of £80,000** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors Chiriquí Adhesives and Sealant project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 19th September 2016 LEP Board meeting.

ITEM 2

- 2.2 Notes 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 November would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.
- 2.3 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 **Sandwell Council to move to contracting with SEMCO External Framing Solutions to the value of £131,172** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors SEMCO External Framing Solutions project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 24th October 2016 LEP Board meeting.
- 2.4 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 **Sandwell Council to move to contracting with Midland Tool and Design Limited to the value of £100,000** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors Midland Tool and Design Limited project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 24th October 2016 LEP Board meeting.
- 2.5 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 **Sandwell Council to move to contracting with Ash and Lacy Building Systems to the value of £55,000** - from the Growing Priority Sectors programme of works totalling £6.5m - to deliver the Local Growth Fund (LGF) elements of the Growing Priority Sectors Ash and Lacy Building Systems project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 24th October 2016 LEP Board meeting.
- 2.6 Notes the need to use delegated authority was identified as these projects were time critical and waiting for approval by the Black Country Joint Committee in January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.

20. **Delegated Authority - Black Country Local Growth Deal – Shidas Lagoon, Oldbury – Site Investigation – Grant Agreement Approval for Noting**

Mark Lavender presented the report to the Committee. Mark advised that the opportunity is the speculative development of c10,500m² of industrial development in Oldbury that could support over 200 jobs. This grant is required to provide certainty as to site conditions and related costs associated with remediation.

LEP Board approval was achieved on 18th July 2016 following email endorsement in June 2016. The delay in project approval since LEP Board endorsement in June 2016 is due to the Due Diligence process issues which have now been resolved with the applicant. These were around the security for this Grant – as the applicant was unwilling to enter into a clawback arrangement, a legal charge has now been agreed with the landowner.

17/0028 It was resolved that the BCJC:

- 2.1 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 the Accountable Body for the Growth Deal (Walsall Council) to proceed to Grant Agreement to the value of £81,719 with Stoford Properties Limited to deliver the Local Growth Fund (LGF) elements of the Shidas Lagoon, Oldbury Site Investigation project, with delivery to commence in the 2016/17 financial year. Approval of this project was achieved at the 18th July 2016 LEP Board meeting, following endorsement by email in June 2016.
 - 2.2 notes 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 January would have impacted on deliverability and was not suitable for approval using existing Special Urgency or General Exemption mechanisms.
 - 2.3 notes that the Shidas Lagoon Site Investigation project will be underwritten by a legal charge over the site.
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Date of future meetings

- Wednesday 19 April 2017, 12.00pm at Wolverhampton City Council
- Wednesday 28 June 2017, 12.00pm at Walsall Council
- Wednesday 13 September 2017, 12.00pm at Dudley Council
- Wednesday 22 November 2017, 12.00pm at Wolverhampton City Council



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

19 APRIL 2017

Black Country Local Growth Deal
DUDLEY BUS STATION, DEVELOPMENT FUNDING

Grant Agreement Approval

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves for the Accountable Body to enter into a Grant Agreement with Transport for West Midlands (TfWM) for the Dudley Bus Station project replacing the decision of the BCJC on 23 November 2016.
- 1.2 To request a revised profiling of the Grant Allocation.
- 1.3 This report was endorsed by the LEP Funding Sub-Group and the LEP Board on 20th March 2017 (ref: 23/17b). This report was endorsed by the Working Group on the 14th March 2017 and again following the LEP Board on the 27th March 2017. The report was then endorsed by Advisory Board at the meeting on 3rd April 2017.

2. RECOMMENDATIONS

The BCJC :

- 2.1 approves for the Accountable Body for the Growth Deal (Walsall Council) to proceed to Grant Agreement with **Transport for West Midlands (TfWM) to transfer £200,000 of LGF/LTB funding** (originally allocated to the Aldridge Station scheme) to support delivery of the Dudley Bus Station Redevelopment transport scheme development funding. This decision replaces that of the BCJC on 23 November 2016 (Minutes 16/0055) where the Grantee was incorrectly named as Dudley Council.

- 2.2 approves a revised profile for the grant award, allocating £170,000 in 2016/17 and £30,000 in 2017/18, within the original grant allocation of £200,000.
- 2.3 notes and accepts the proposal from TfWM to underwrite this grant award through the appropriate Grant Agreement to be issued by the Accountable Body.

3. REPORT DETAIL

- 3.1 The Dudley Bus Station project is a major strategic infrastructure project for Dudley town centre that will increase the operational capacity and improve the safety of the bus station facilities. The proposed redevelopment will provide improved access to public transport for residents, visitors and businesses within the town. It forms the first phase in the construction of a multi-modal transport interchange that will include a stop for the Midland Metro, the preferred alignment of which is adjacent to the site.
- 3.2 The redevelopment of Dudley bus station will maintain the existing stand capacity in advance of the construction of the Wednesbury to Brierley Hill Metro extension scheme. This relies on the plans for the Metro, Petersfield development, traffic flow changes and redevelopment of the bus station being effectively coordinated and designed in conjunction with each other, resulting in delays in progressing these preliminary designs.
- 3.3 The original bid utilised £200,000 of LGF/LTB funding, which formed part of £1.1m initially allocated to the Aldridge Station scheme, that was later transferred to scheme development funding, due to an anticipated underspend of the Aldridge Station project in 2016/17.
- 3.4 The bid approved by the Joint Committee on the 23rd November 2016, (ref: 16/0055 BCJC minutes), granted £200,000 for Dudley Council and a Grant Agreement was in the process of being drafted by the Accountable Body. A subsequent request to change the grant recipient to TfWM supported by Dudley Council has now been received by the Accountable Body, Walsall Council.
- 3.5 As a result, discussions have taken place leading to a variety of profiles being proposed and approved by the LEP Board and the Joint Committee as follows:

The original financial profile was:

	2016/17	2017/18	Total
Original	£200,000		£200,000

Further revised and subsequently approved by the LEP Board on the 23rd January 2017 as follows:

	2016/17	2017/18	Total
Revision 1	£100,000	£100,000	£200,000

A final proposed profile supplied by TfWM, and endorsed by the LEP Board on the 20th March 2017, as follows:

	2016/17	2017/18	Total
Revision 2	£170,000	£30,000	£200,000

- 3.6 These changes and delays mean that a request to the Joint Committee is now being progressed to approve a 2016/17 funding change outside of that financial year, but will fall within the spending period for the claim for 2016/17, which runs through to July 2017.
- 3.7 This resulted in the Forward Plan published on the 6th March 2017 requesting approval for: the Accountable Body for the Growth Deal (Walsall Council) to proceed to Grant Agreement for £100,000 with TfWM to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the Dudley Bus Station project. This was an error and the report request has been revised to £200,000.
- 3.8 The table below details the approval history so far;

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	13/06/2016	19/01/2017
LEP Board	18/07/2016	23/01/2017
Working Group	07/10/2016	27/03/2017
Advisory Board	11/11/2016 (via email)	03/04/2017
Joint Committee	23/11/2016	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and will be met through 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

- 5.1 The appropriate Grant Agreements are in place and 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. An appropriate grant agreement will need to be entered into between the Accountable Body (Walsall Council) and Transport for West Midlands (TfWM) as the transport arm of the West Midlands Combined Authority (WMCA).

6. RISK MANAGEMENT

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 Legal and financial services at Dudley Council and TfWM have been consulted as part of the development of this report.

Background papers

- Dudley Bus Station Redevelopment – *Joint Committee Report 23rd November 2016*

Attachments

None

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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

19 APRIL 2017

Black Country Local Growth Deal
ACCESSING GROWTH PROGRAMME, B4176 HIMLEY ROAD/BULL STREET, GORNAL –
JUNCTION IMPROVEMENT

Grant Agreement Approval

Key Decision: **Yes**

Forward Plan: **Yes**

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approve the contracting and subsequent award of Grant Agreement for the Accessing Growth B4176 Himley Road/Bull Street, Gornal – Junction Improvements project from within the Local Growth Fund (LGF) Programme - with delivery to commence in the 2017/18 financial year.
- 1.2 This project was endorsed by the LEP Funding Sub-Group and the LEP Board on 20th March 2017 (ref 23/17b), by the Working Group via email on 24th March 2017 and by the Advisory Board at the meeting on 3rd April 2017.

2. RECOMMENDATIONS

- 2.1 The BCJC approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with **Dudley Council for £90,000** to deliver the Local Growth Fund (LGF) funded elements of the Accessing Growth B4176 Himley Road/Bull Street, Gornal – Junction Improvements project - with delivery to commence in the 2017/18 financial year.

3. REPORT DETAIL

- 3.1 A summary of the request for approval, contracting and subsequent award of Grant Agreement by the Accountable Body for the Local Growth Deal (Walsall Council) is below.

Accessing Growth B4176 Himley Road/Bull Street, Gornal – Junction Improvements, £90,000 in 2017/18

- 3.2 One of the main highway accesses to Pensnett Trading Estate from the north is via the B4176 Himley Road/Bull Street traffic signal junction, which suffers from significant queuing and delays, particularly at peak times, and therefore acts as a barrier to growth and constrains access.
- 3.3 The proposal to improve the junction involves upgrading the existing traffic signal installation and providing improved detection, via the introduction of Scoot/Mova technology to improve efficiency and reduce delays. This will also improve access and journey times to Pensnett Trading Estate from the surrounding local and strategic highway network.
- 3.4 The proposal will also improve safety and journey times to the Estate by public transport. Furthermore, the junction improvement will support the introduction of an additional 756 dwellings in the locality between now and 2026 by improving access to housing sites off Cinder Road, Tansey Green Road and Stallings Lane.

4. FINANCIAL IMPLICATIONS

- 4.1 The estimated total project cost is £150,000 with 40% (£60,000) of this to be met from Dudley Metropolitan Borough Council's Integrated Transport Block Allocation and Section 106 developer contributions. The remaining 60% (£90,000) is requested through the Accessing Growth Programme, part of the Local Growth Fund (LGF).
- 4.2 All the LGF costs associated with this proposal form part of the LGF programme and 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

- 5.1 The appropriate Grant Agreements are in place and 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.
- 5.2 Dudley Council carries out its functions to provide, improve and maintain highways under Sections 24, 41 and 62 of the Highways Act 1980 and exercises traffic regulatory powers under Section 1 of the Road Traffic Regulation Act 1984.

6. RISK MANAGEMENT

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.
- 6.2 The main risk associated with the delivery of the project is the failure to secure the Local Growth Fund contribution.

7. EQUALITY IMPLICATIONS

- 7.1 The scheme proposals comply with Dudley Council's Equality and Diversity Policy and also seek to introduce measures to assist vulnerable road users.

8. CONSULTATION

- 8.1 Initial consultation has been carried out with the Cabinet Member for Environmental Services. Further detailed consultation with ward members, frontagers and other key stakeholders will be carried out if funding is approved.
- 8.2 Legal and financial services at Dudley MBC have been consulted in the development of this report.

Background papers

- Accessing Growth B4176 Himley Road/Bull Street, Gornal – Junction Improvements Initial Proposal

Attachments

None.

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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

19 APRIL 2017

Black Country Local Growth Deal
CHANCES GLASSWORKS

Grant Agreement Approval

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves the Accountable Body to proceed to Grant Agreement to deliver the Chances Glassworks Site Assembly project. This decision replaces that of the BCJC on 25 November 2015.
- 1.2 To request a revised profile of the Grant Allocation.
- 1.3 The recommendations were endorsed by the LEP Funding Sub Group on 8th February 2017, the LEP Board via email on 13th February 2017, the Working Group on 14th March 2017, the LEP Funding Sub Group on 20 March 2017, the LEP Board on 27th March 2017, and by the Advisory Board on the 3rd April 2017.

2. RECOMMENDATIONS

The BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with **Sandwell Council for £660,000** to deliver the Local Growth Fund (LGF) funded elements of the Chances Glassworks Site Assembly project - with delivery to commence in the 2017/18 financial year. **This decision replaces that of the BCJC on 25 November 2015 (Minutes 15/0063) where the Grantee was Chances Glassworks Heritage Trust Ltd (CGWHT).**
- 2.2 approves a revised profile for the grant from 2015/16 to 2017/18 financial year.

- 2.3 The project will be underwritten by Sandwell Council.

3. REPORT DETAIL

- 3.1 A summary of the request for endorsement, contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) is below.

Chances Glassworks Site Assembly, £660,000 in 2017/18

- 3.2 On 19 October 2015 the Black Country Local Enterprise Partnership (BC LEP) approved an in principle grant award of £660,000 to CGWHT (decision 118/115c) to assist with the site assembly of the Chance Proper Glassworks site, Smethwick. It is anticipated that the grant award will provide a catalyst to bring forward the major regeneration of the site and the decision was subsequently approved by the Black Country Executive Joint Committee on 25 November 2015 (decision 15/0063).
- 3.3 In March 2016 Walsall Council, as the Accountable Body for the Local Growth Fund (LGF), commissioned an independent valuation of the proposed 4.23 acre development site by Lambert Smith Hampton (LSH) as part of the grant award due diligence process. The report concluded that the site had a value of £200,000 based on a 2 acres plot of land only (£100,000 acre). The canalside buildings which covered some 2.3 acres were deemed to have a nil value.
- 3.4 Previously CGWHT had commissioned Colliers International to provide a valuation on behalf of their bank (Unity Trust Bank Plc) which valued the 4.23 acre site at £250,000 per acre (£1,057,500 total) less £456,500 which is the estimated cost of emergency works to the listed buildings (canal side buildings) giving an estimated market value of £601,000.
- 3.5 With a £401,000 difference in the two valuations CGWHT have for the last 18 months sought various bodies to underwrite the difference. Recent discussions between CGWHT and Sandwell Council have resulted in the Council agreeing to act as the applicant for the full £660,000 grant award on behalf of CGWHT.
- 3.6 If approved this will provide CGWHT with the comfort required to commence formal negotiations with the current owners to acquire the remaining lease interest and to provide the catalyst to bring forward the wider regeneration of the site.
- 3.7 It is anticipated that future funding requests from CGWHT will be submitted to BC LEP for additional Growth Deal funding to support Phases 2 and 3 of the regeneration plans.

3.8 Strategic Fit

Entirely enclosed within Sandwell Council's Galton Valley Conservation Area, the glassworks site is a scheduled monument on the Historic England's 'At Risk Register' with seven Grade two listed buildings and a series of protected tunnels, with the site covering

some 2.2 Hectares (5.4 acres). A major regeneration scheme, it has the potential to unlock over 20,000 m2 of development space for business, work/live accommodation and leisure.

- 3.9 The table below details the approval history for both the original scheme and this replacement approval.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	N/A	08/02/2017 & 20/03/2017
LEP Board	19/10/2015	13/02/2017 & 20/03/2017
Working Group	Via Email 29/10/2015	27/03/2017
Advisory Board	09/11/2015	03/04/2017
Joint Committee	25/11/2015	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and 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 Please see Recommendations, 2.2 regarding underwriting.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements are in place and 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

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

7.1 None at the time of drafting.

8. CONSULTATION

8.1 Legal and finance colleagues at Sandwell Council have been consulted as part of the development of this report as reflected in the completed consultation sheet.

Background papers

- Letter of Request for Funding Extension from Chances Glass 01/02/2017
- Chances Glassworks Heritage Trust - Site Assembly Project – *Joint Committee Report 25th November 2015*

Attachments

None.

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REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

19 APRIL 2017

**Black Country Local Growth Deal
GROWING PRIORITY SECTORS INDIVIDUAL PROJECT DECISION –
CHICKEN JOES LIMITED**

Grant Agreement Approval

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves the movement to contracting and subsequent award of Grant Agreement for Chicken Joes Limited Company project, part of Growing Priority Sectors, from within the Local Growth Fund (LGF) Programme - with delivery to commence in the 2017/18 financial year.
- 1.2 This project was endorsed by the LEP Funding Sub Group on 8th February 2017. It was then endorsed by the LEP Board via email on 13th February 2017. It was endorsed by Working Group at the meeting on 14th March 2017 and Advisory Board at the meeting on the 3rd April 2017.

2. RECOMMENDATIONS

The BCJC approves Sandwell MBC to move to contracting with **Chicken Joes Limited for £158,000, from the Growing Priority Sectors programme of works** totalling £6.5m, to deliver the Local Growth Fund (LGF) funded elements of the Growing Priority Sectors Chicken Joes project - with delivery to commence in the 2017/18 financial year.

3. REPORT DETAIL

- 3.1 A summary of the request for endorsement to move to contracting by Sandwell Council is below.

Chicken Joes Limited, £158,000 in 2017/18

- 3.2 A request for £158,000 for a £790,000 project to build on the company's already significant investment in staff and facilities at its Walsall manufacturing site; to fund the purchase of new machinery necessary to expand the business to meet increasing demand and to bring new products to market.
- 3.3 Over the last five years Chicken Joes Limited has successfully invested in R&D and process innovation which has resulted in an added value chicken product portfolio leading to double digit employment growth. After a business/project assessment it has been established that the business and employment growth is being increasingly constrained by the company's capital equipment and systems. The project will create at least twenty high skilled jobs.
- 3.4 The Production facility requires growth and efficiencies which will lead to improved margins to implement the following project chosen by the Strategic Team:
1. Focus on "The Great British" range (Advertising and Product Range development required). This is a market lead innovation that shows substantial high growth potential especially in Schools and Universities.
 2. Create a British Red Tractor Product which is also Halal. This currently does not exist, though there is incredible demand, Chicken Joes Limited would have a potential national dominance.
 3. Focus on Popems and skewers as both are innovative Halal products with potential to become British Red Tractor and market analysis shows huge growth potential. There is scope to bring about greater production efficiency and volumes.
- 3.5 If the funding is awarded the investment will take place at Chicken Joes Limited (Empire Industrial Estate – Walsall). An agreed project plan will be used to deliver this project which will result in high skilled employees including technical staff, marketing & sales and production staff.
- 3.6 In summary the Chicken Joes Limited are requesting:
- Maximum grant of £158,000 to help implement a £790,000 project at an intervention rate of 20%;
 - Leverage £632,000 of Private Sector Funding;

- Create 24 new jobs by March 2022 at £6,583 per job and an average salary of £25,000 per annum.

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and 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

- 5.1 The appropriate Grant Agreements are in place and 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

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 Colleagues from Sandwell Council's Finance and Legal Services were consulted as part of the report to review any financial and state aid implications.

Background papers

- Growing Priority Sectors Sub-Board paper, February 2017 (this can be provided upon request).

Attachments

None

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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

19 APRIL 2017

Black Country Local Growth Deal ACCESSING GROWTH PROGRAMME – A454 CITY EAST GATEWAY & A449 CITY NORTH GATEWAY - CHANGE REQUEST

Approval to Amend Existing Grant Agreement

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request the Black Country Executive Joint Committee (BCJC) approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with the City of Wolverhampton Council to deliver the Local Growth Fund (LGF) funded elements of the Accessing Growth - A454 City East Gateway & A449 City North Gateway project.
- 1.2 This Change Request was endorsed by the Funding Sub Group on 8th February 2017, the LEP Board via email approval on 13th February 2017, the Working Group on 14th March 2017 and the Advisory Board on 3rd April 2017.
- 1.3 See section 3.4 in Report Detail for full approval history.

2. RECOMMENDATIONS

The BCJC approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing Grant Agreement with the City of Wolverhampton Council to deliver the Local Growth Fund (LGF) funded elements of the Accessing Growth - A454 City East Gateway & A449 City North Gateway scheme. The change for which approval is requested is the transfer of grant funding allocated in 2016/17 of £40,000 into 2017/18.

3. REPORT DETAIL

- 3.1 A summary of the Change Request for the Accessing Growth – A454 City East Gateway & A449 City North Gateway is below:

Accessing Growth - A454 City East Gateway & A449 City North Gateway, £300,000 (£260,000 in 2016/17 and £40,000 in 2017/18)

- 3.2 Early modelling work has revealed issues with Prism 4.6 model and Temprow 7 forecasts around Wolverhampton specifically. Meetings have been held with WMCA and an acceptable way forward has been established allowing compliant assessment with minimum programme delay. However, there will be a minor delay to the programme completing in current financial year. Circa £40,000 of works are anticipated to slip into 2017/18.
- 3.3 The Black Country Transport Director requests approval to amend the grant agreement.
- 3.4 The table below details the approval history for both the original scheme and for this latest Change Request.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	18/02/2016	08/02/2017
LEP Board	16/05/2016	13/02/2017 via email
Working Group	26/05/2016	14/03/2017
Advisory Board	10/06/2016 via email	03/04/2017
Joint Committee	22/06/2016	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and 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

- 5.1 The appropriate Grant Agreements are in place and 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

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at time of drafting.

8. CONSULTATION

- 8.1 The recommendation within the report has been generated through consultation with the LEP Programme Management Office and in agreement with The Black Country Director of Transport and Director – Place at City of Wolverhampton Council. Legal and Finance Colleagues at City of Wolverhampton Council have also been consulted.
- 8.2 There are no changes to the project deliverables other than the spend profile, and there has been no wider consultation undertaken.

Background papers

- Accessing Growth - A454 City East Gateway & A449 City North Gateway – Project Change Request (14/02/2017)
- Accessing Growth Major Scheme Development 2016/17 City East Gateway – A454 (Black Country Route) Willenhall Road Corridor – Walsall to Wolverhampton – *Joint Committee Report 22nd June 2016*
- Accessing Growth Major Scheme Development 2016/17 – City North Gateway – A449 Stafford Road Corridor, Wolverhampton to i54 – *Joint Committee Report 22nd June 2016*

Attachments

None.

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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

19 APRIL 2017

Black Country Local Growth Deal

WEST COAST MAINLINE HS2 STUDY, SANDWELL - DEVELOPMENT FUNDING

Grant Agreement Approval

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves contracting and subsequent award of Grant Agreement for the West Coast Mainline HS2 Study transport project (development funding) from within the Pre-allocated Local Growth Fund (LTB) Programme - with delivery to commence in the 2017/18 financial year.
- 1.2 This change forms part of £970,000 of Transport Development funding being transferred from 2016/17 into 2017/18 as a direct result of many known difficulties affecting the progress of certain Transport schemes throughout 2016/17.
- 1.3 This project was originally approved by the LEP Funding Sub Group on the 13th June 2016, and the LEP Board at the 18 July 2016 Board meeting (ref: 98/16 LEP Board minutes). Since then a Change Request to transfer the funding from 2016/17 into 2017/18 was presented to and endorsed by the LEP Funding Sub Group on 19th January 2017, and the LEP Board at the 23rd January 2017 meeting (ref: 9/17b LEP Board minutes). The Working Group endorsed this report on 14th March 2017 and the Advisory Board endorsed on the 3rd April 2017.
- 1.4 See section 3.3 in Report Detail for full approval history.

2. RECOMMENDATIONS

The BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with **Sandwell Council for £40,000 of Pre-allocated Local Growth Fund (LTB) funding** (originally allocated to the Aldridge Station scheme) to deliver the West Coast Mainline HS2 Study transport project (development funding) – with delivery to commence in the 2017/18 financial year.
- 2.2 This development funding to be underwritten by Sandwell Council.

3. REPORT DETAIL

- 3.1 A summary of the request for endorsement, contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) is below.

West Coast Mainline HS2 Study, Sandwell – Development funding of £40,000 in 2017/18

- 3.2 This work seeks to evaluate all of the stations situated within the Black Country on the West Coast Mainline/Stour Valley (i.e. Wolverhampton Line) and Chase Line north of Walsall to determine which stations have the potential for wider development. The study will assess the need for redevelopment, the possibility of becoming interchanges with other modes of transport such as metro and the identification of potential barriers to delivery. The study will predominantly focus on the Dudley Port and Sandwell & Dudley Stations in the first instance.
- 3.3 The table below details the approval history for both the original scheme and this latest Change Request to move funding into the 2017/18 financial year.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	13/06/2016	19/01/2017
LEP Board	18/07/2016	23/01/2017
Working Group	N/A	14/03/2017
Advisory Board	N/A	03/04/2017
Joint Committee	N/A	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and 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 Please see Recommendations, 2.2 regarding underwriting.

5. LEGAL IMPLICATIONS

5.1 The appropriate Grant Agreements are in place and 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

6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

7.1 None at the time of drafting.

8. CONSULTATION

8.1 The report has been prepared in consultation with Sandwell MBC Strategic Finance (including the section 151 officer) and Legal Services.

Background papers

None.

Attachments

None.

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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

19 APRIL 2017

Black Country Local Growth Deal WEST COAST MAINLINE HS2 STUDY, WALSALL - DEVELOPMENT FUNDING

Grant Agreement Approval

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves contracting and subsequent award of Agreement for the West Coast Mainline HS2 Study transport project (development funding), from within the Pre-allocated Local Growth Fund (LTB) Programme - with delivery to commence in the 2017/18 financial year.
- 1.2 This change forms part of £970,000 of Transport Development funding being transferred from 2016/17 into 2017/18 as a direct result of many known difficulties affecting the progress of certain Transport schemes throughout 2016/17.
- 1.3 This project was originally approved by the LEP Funding Sub Group on 13th June 2016, and the LEP Board at the 18 July 2016 Board meeting (ref: 98/16 LEP Board minutes). Since then a Change Request to transfer the funding from 2016/17 into 2017/18 was presented to and endorsed by the LEP Funding Sub Group on 19th January 2017, and the LEP Board at the 23rd January 2017 meeting (ref: 9/17b LEP Board minutes). The Working Group endorsed the report on 14th March 2017 and the Advisory Board endorsed on the 3rd April 2017.
- 1.4 See section 3.3 in Report Detail for full approval history.

2. RECOMMENDATIONS

The BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to an **appropriate form of internal Agreement with Walsall Council for £40,000** of Pre-allocated Local Growth Fund (LTB) funding (originally allocated to the Aldridge Station scheme) to deliver the West Coast Mainline HS2 Study transport project (development funding) – with delivery to commence in the 2017/18 financial year.
- 2.2 This development funding to be underwritten by Walsall Council.

3. REPORT DETAIL

- 3.1 A summary of the request for endorsement, contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) is below.

West Coast Mainline HS2 Study, Walsall – Development funding of £40,000 in 2017/18

- 3.2 This work seeks to evaluate all of the stations situated within the Black Country on the West Coast Mainline, Stour Valley and Chase Line to determine which stations have the potential for wider development. The study will assess the need redevelopment, the possibility of becoming interchanges with other modes of transport such as metro and the identification of potential barriers to delivery. The study will predominantly focus on the Dudley Port and Sandwell & Dudley Stations in the first instance.
- 3.3 The table below details the approval history for both the original scheme as well as for this latest Change Request to move the funding into the 2017/18 financial year.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	13/06/2016	19/01/2017
LEP Board	18/07/2016	23/01/2017
Working Group	N/A	14/03/2017
Advisory Board	N/A	03/04/2017
Joint Committee	N/A	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and will be covered by allocations from Government associated with this programme.
- 4.2 As the grant is for development funding and is potentially abortive if the project does not go ahead, there is a risk that this expenditure may not meet the conditions for capitalisation

under International Accounting Standard 16 and therefore becomes ineligible for Local Growth Fund.

- 4.3 Walsall Council will underwrite spend via the existing provisions in the Collaboration Agreement, as this falls under Walsall's geographical area. This would be a revenue cost to Walsall Council.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements will be put in place by the Accountable Body (Walsall Council), 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.
- 5.2 There are no further Legal comments at this time.

6. RISK MANAGEMENT

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 The Black Country Director of Transport has been consulted on this report.
- 8.2 Officers within Walsall Council's Finance and Legal teams have been consulted on the relevant sections of the report.

Background papers

None.

Attachments

None.

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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

19 APRIL 2017

Black Country Local Growth Deal
ALDRIDGE LINE & MILL LANE BRIDGE “GRIP 3” STUDIES - DEVELOPMENT FUNDING
CHANGE REQUEST

Approval to Amend Existing Agreement

Key Decision: **Yes**

Forward Plan: **Yes**

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing form of appropriate Agreement with Walsall Council to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study transport project (development funding).
- 1.2 This Change Request was endorsed by the LEP Funding Sub-Group on 8th February 2017, the LEP Board via email on 13th February 2017, the Working Group and Advisory Board via email on the 6th April.
- 1.3 See section 3.4 in Report Detail for full approval history.

2. RECOMMENDATIONS

The BCJC approves for the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the existing form of appropriate Agreement with Walsall Council** to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study transport project (development funding). **The change for which approval is requested is the transfer of the full grant funding allocated in 2016/17 of £120,000 into 2017/18.**

3. REPORT DETAIL

- 3.1 A summary of the request for amending the existing Agreement with Walsall Council is below.

Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study, £120,000 in 2017/18

- 3.2 The commissioning of the work has been delayed as this is a highly specialised type of study which will require close working with TfWM and Network Rail to ensure the study produced delivers the necessary requirements set out by Network Rail's GRIP Level approvals process. Engagement with TfWM and Network Rail has taken longer than initially anticipated. Commissioning of the study will occur in March 2017, with the commission starting in April 2017. It is anticipated that the entire £120k allocation will now be spent in 2017/18.
- 3.3 The Black Country Transport Director requests approval to amend the grant agreement.
- 3.4 The table below details the approval history for both the original scheme and this latest Change Request.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	13/06/2016	08/02/2017
LEP Board	18/07/2016	13/02/2017 via email
Working Group	07/10/2016	14/03/2017 & 06/04/2017 via email
Advisory Board	11/11/2016	06/04/2017 via email
Joint Committee	23/11/2016	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and will be covered by allocations from Government associated with this programme.
- 4.2 As the grant is for development funding and is potentially abortive if the project does not go ahead, there is a risk that this expenditure may not meet the conditions for capitalisation under International Accounting Standard 16 and therefore becomes ineligible for Local Growth Fund.
- 4.3 Walsall Council will underwrite spend via the existing provisions in the Collaboration Agreement, as this falls under Walsall's geographical area. This would be a revenue cost to Walsall Council.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreement is in place and 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

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 The Black Country Director of Transport and officers within Walsall Council's Finance and Legal team have been consulted.

Background papers

- Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study – *Joint Committee Report 23rd November 2016*

Attachments

None.

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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

19 APRIL 2017

Black Country Local Growth Deal

M6 JUNCTION 10 - CHANGE REQUEST

Approval to Amend Existing Agreement

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing form of appropriate Agreement with Walsall Council to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the M6 Junction 10 project.
- 1.2 This Change Request was endorsed by the LEP Funding Sub-Group and LEP Board on 20th March 2017 (ref: 23/17b), the Working Group and Advisory Board via email on the 6th April 2017.
- 1.3 See section 3.6 in Report Detail for full approval history.

2. RECOMMENDATIONS

The BCJC approve the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the existing Agreement with Walsall Council** to deliver the Pre-allocated Local Growth Fund (LTB) funded elements of the M6 Junction 10 project. **The change for which approval is requested is the transfer of LTB funding of £200,000 from 2018/19 into 2017/18.**

3. REPORT DETAIL

3.1 A summary of the request is below.

M6 Junction 10 (LTB), £300,000 (£100,000 in 2015/16 and £200,000 in 2017/18)

3.2 The DfT retained scheme for M6 Junction 10 reconstruction has a total allocation of £29,950,000 – split £29,650,000 against LGF and £300,000 against LTB.

The LTB funding was originally profiled as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Original Profile	£100,000			£200,000		£300,000

3.3 The project owners (Walsall Council) are seeking approval to bring forward £200,000 of the LTB allocation from 2018/19 into 2017/18 to align with development timelines. The Construction period remains as forecast between 2018/19 – 2019-20.

3.4 The revised LTB funding profile is as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Revised Profile	£100,000		200,000			£300,000

3.5 This would make the overall LGF/LTB funding profile for the project as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
LGF	£650,000	£350,000	£120,000	£14,260,000	£14,270,000	£29,650,000
LTB	£100,000		£200,000			£300,000

3.6 The table below details the approval history for both the original scheme as well as for this latest Change Request.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	n/a	20/03/2017
LEP Board	July 2014	20/03/2017
Working Group	09/01/2015	06/04/2017 via email
Advisory Board	02/02/2015	06/04/2017 via email
Joint Committee	18/02/2015	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and 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

- 5.1 The appropriate Grant Agreement is in place and 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

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 The report is prepared in consultation with and the Black Country Director of Transport and Walsall Council officers from Finance and Legal.

Background papers

- M6 Junction 10 Improvement Programme – *Joint Committee Report 18th February 2015*

Attachments

None.

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REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD
TO
BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON
19 APRIL 2017
Black Country Local Growth Deal
FORMER WILLENHALL SEVERN TRENT WORKS (SITE INVESTIGATION)
Grant Agreement Approval

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approve the award of a grant to Midland Land Portfolio Limited for the Former Willenhall Severn Trent Works Site Investigation from within the Local Growth Fund (LGF) Programme - with delivery to commence in the 2017/18 financial year.
- 1.2 This project was endorsed by the LEP Funding Sub Group and the LEP Board on 20th March 2017 (ref: 23/17b), Working Group via email on 24th March 2017 and the Advisory Board on 3rd April 2017.

2. RECOMMENDATIONS

BCJC approves:

- 2.1 the Accountable Body for the Growth Deal (Walsall Council) to enter into a Grant Agreement with **Midland Land Portfolio Limited for £139,757** to deliver the Local Growth Fund (LGF) funded elements of the Former Willenhall Severn Trent Works Site Investigation - with delivery to commence in the 2017/18 financial year.
- 2.2 The form of underwriting to be a clawback arrangement with the bidder Midlands Land Portfolio.

3. REPORT DETAIL

- 3.1 A summary of the request for approval for the award of Grant Agreement by the Accountable Body for the Local Growth Deal (Walsall Council) is below.

Former Willenhall Severn Trent Works Site Investigation, £139,757 in 2017/18

- 3.2 The application was submitted by Midland Land Portfolio Limited ('MLP') for funding totalling £154,000, required for site investigation works only. Funding for remediation/demolition may be the subject of a future bid by MLP.
- 3.3 The Council own land required to provide an acceptable access solution to service that land in the ownership of MLP (a subsidiary of Severn Trent Water plc which is responsible for Severn Trent's surplus assets) and forming the main element of this application. The site is proposed to provide employment development (industrial).
- 3.4 Two areas of land form the basis of this application:
- I. The main body of the former sewage works comprising an area of approximately 8.5 hectares (21 acres) is owned by MLP (the applicant); and
 - II. Additional land required to establish a direct access from the Black Country Route comprising a total area of approximately 3.5 hectares (8.64 acres) owned by Walsall Council, although only about 1 hectare of this land is likely to be needed to create the access. Funding for the creation of this access has previously been included in the LGF Access to Growth programme.

Delivery of the site will require collaboration between MLP and the Council.

- 3.5 The ability to actively promote the site to the market is currently constrained through issues of access and unknown ground conditions. This application demonstrates an ability for MLP and the Council to work together to facilitate delivery and the purpose of the proposed site investigations is to better understand constraints. The Council will review the site investigation relating to its land and use it to inform future access proposals but will not seek to rely on the information gained from any of the site investigations which are the subject matter of this report.
- 3.6 Thomas Lister Ltd (consultants engaged by the LEP) have assessed the application and advised that total cost of eligible site investigation works is £139,757 (certain items were deemed ineligible and therefore cannot be funded). This cost covers:
- Topographical Survey, Buried Services Surveys, Preliminary Ecological Appraisal, Bat Activity Survey, Bird Survey, Newts Survey, Invertebrates Survey, Badgers Sett Survey, Reptile Survey, Water Vole/Otter Survey, Acoustic Survey, Air Quality Survey, Ground Investigation Engineers Fee, Ground Investigation Surveys to both the main development site and access road land, CCTV and Drainage, Highways Initial Assessment, Bridge Survey.

- 3.7 It is recommended that MLP be offered up to the maximum sum of £139,757 in the form of Site Investigation funding, subject to the following;
- I. In the event that the initial ecological survey recommends that the additional specified surveys¹ are required, then quotations are to be provided for review in advance of instructing consultants. (¹For the avoidance of doubt these specified surveys are: Bat Activity Survey, Bird Survey, Newts Survey, Invertebrates Survey, Badger Survey, Reptile Survey and Water Vole/Otter Survey).
 - II. Funding for any identified survey will be at the maximum individual identified sum². Any shortfall in funds needed to complete individual surveys are required to be met by MLP in full. Any cost savings arising are non transferable. (²the estimated cost for each of individual survey was set out in an Appendix to MLP's Initial Proposal submission).

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and will be covered by allocations from Central Government to the Black Country LGF programme. As the grant is for a site investigation and is potentially abortive if the project does not go ahead, there is a risk that this expenditure may not meet the conditions for capitalisation under International Accounting Standard 16 and therefore becomes ineligible for Local Growth Fund.
- 4.2 Grant will be clawed back from MLP if they are unable to realise a capital asset at the end of the grant programme and the costs therefore become abortive. Due to an element of the works being completed on land owned by Walsall Council, work will be undertaken at the due diligence stage to identify the amounts of grant that would be subject to clawback. In the event that amounts cannot be successfully clawed back from MLP through the grant agreement, then Walsall Council will underwrite spend via the existing provisions in the 7 May 2014 Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal, as this falls under Walsall's geographical area. Amounts that cannot be recovered from the applicant, plus costs attributable to Walsall Council's land, will be a revenue cost to Walsall Council.
- 4.3 It has previously been agreed by the LEP and Joint Committee that a funding award can be 'written off' as Growth Deal investment if the site investigations identify that the costs to remediate are in excess of reasonable market assumptions that render a development project wholly unviable. Such an assessment would be carried out by an appropriately qualified property specialist and a recommendation formed to the LEP and Joint Committee at the appropriate time. In these circumstances, Walsall Council would repay these abortive costs to the Growth Deal from a revenue budget (due to costs being abortive) via the existing provisions in the Collaboration Agreement.

5. LEGAL IMPLICATIONS

- 5.1 Walsall Council will enter into a grant agreement with MLP in the form used for Black Country LGF grants which will include all conditions passed onto the LEP by Central Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Central Government or approved by the LEP Board or the Joint Committee.
- 5.2 Walsall Council will make it a condition of grant to MLP that as part of the grant's outcomes, MLP will make all site investigations available for Walsall Council's inspection.

6. RISK MANAGEMENT

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

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 Walsall Council officers from Legal and Finance have been consulted on this report.

Background papers

- Former Willenhall ST Works Site Investigation Initial Proposal
- Former Willenhall ST Works Site Investigation Thomas Lister Initial Assessment

Attachments

None

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REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

19 APRIL 2017

**Black Country Local Growth Deal
WALSALL WATERFRONT - CHANGE REQUEST**

Approval to Amend Existing Agreement

Key Decision: Yes

Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the existing form of Agreement with Walsall Council (Grantee) to deliver the Local Growth Fund (LGF) funded elements of the Walsall Waterfront project.
- 1.2 This Change Request was endorsed by the LEP Funding Sub Group on 8th February 2017, the LEP Board via email on the 13th February 2017, the Working Group on 14th March 2017 and Advisory Board on the 3rd April 2017.
- 1.3 See section 3.5 in Report Detail for full approval history.

2. RECOMMENDATIONS

The BCJC:

- 2.1 approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the existing form of Agreement with Walsall Council (Grantee)** to deliver the Local Growth Fund (LGF) funded elements of the Walsall Waterfront project. The Changes for which approval are requested are:
 - 2.1.1 The removal of indirect outputs relating to the delivery of 190 Jobs Created, 300 Jobs Safeguarded, 30 Housing Units and 3 Business Assists, and to contract against delivery of 0.89 ha of remediated land only;

2.1.2 An amended Grant Allocation of £142,175 in 2016/17. This is a reduction in the overall grant allocation of £241,187.

3. REPORT DETAIL

3.1 A summary of the request for the Accountable Body (Walsall Council) to amend the existing form of appropriate Agreement with Walsall Council (Grantee) to deliver the Local Growth Fund (LGF) funded elements of the Walsall Waterfront project is below.

Walsall Waterfront – amended overall grant allocation of £173,813 (£31,638 in 2015/16 and £142,175 in 2016/17)

3.2 The original £415,000 Walsall Waterfront scheme has undergone a range of refinements over the last 12 months, particularly following the appointment of a technical advisor and additional site investigation works. A refined remediation solution for the site will now be delivered and practically complete (committed) within 2016/17; with the tendered costs for the remediation works received and now in contract being less than originally anticipated. In addition, the outputs as originally contracted were based on a particular scheme for an occupier that the Grantee was working with at that time; this interest has since fallen away. Whilst the scope of the project has not changed (i.e. site remediation works to subsequently enable redevelopment), it is acknowledged that outputs relating to the future development of the site (jobs, floorspace and homes etc) are indirect outputs of the remediation works rather than direct and that these figures will be further refined as a development is progressed.

3.3 Output targets proposed for the scheme are amended as follows:

Core Outputs - contracted		
	Original	Revised
Jobs	190	0
Jobs Safeguarded	300	0
Area of land reclaimed (ha)	0	0.89
Housing Uses	30	0
Business Assists (non-financial)	3	0
Indirect Outputs – not contracted		
Commercial floorspace sqm	6920	6920
Area of land reclaimed ha	0.89	0
Jobs	0	190
Jobs Safeguarded	0	300
Housing Uses	0	30
Business Assists (non-financial)	0	3

3.4 Based on the justification outlined in paragraph 3.2, the Grantee therefore requests approval to claim £142,175 during 2016/17 with no carry forward into future years, and the revision of Output targets as shown in the table above.

- 3.5 The table below details the approval history for both the original Agreement as well as for this latest Change Request.

	Original	Change Request
Group / Board / Committee	Date of Approval	Date of Approval
Funding Sub Group	N/A	08/02/2017
LEP Board	14/07/2015	13/02/2017
Working Group	13/07/2015	14/03/2017
Advisory Board	22/07/2015	03/04/2017
Joint Committee	05/08/2015	

4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and 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

- 5.1 An appropriate form of Grant Agreement exists for LGF projects and the terms of this utilised by the Accountable Body (Walsall Council), which 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.
- 5.2 The original grant offer for the Walsall Waterfront project was made by letter from the Accountable Body to the Grantee whereby the offer letter captured the usual Growth Deal grant terms at Schedule 8. Under clause 8 of the grant terms, changes to the project require prior written consent of the Accountable Body.

6. RISK MANAGEMENT

- 6.1 Risk is being managed through the on-going monitoring 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 and the Joint Committee.

7. EQUALITY IMPLICATIONS

7.1 There are no equality issues arising from this report.

8. CONSULTATION

8.1 The proposal has been through consultation with the Programme Management Office and Accountable Body as part of the project Q4 review.

8.2 Legal Services and Finance colleagues at Walsall Council have been consulted as part of the development of this report as reflected in the completed consultation sheet. No consultation was undertaken with Legal Services in regards to the background papers or any other engagement regarding this project except for this report.

8.3 Any proposed development resulting from the site remediation will be subject to a planning application which will need to follow the statutory process with the Local Planning Authority and at that time the proposals will be subject to public and statutory consultation; no consultation of this nature has therefore taken place to date.

Background papers

- *Joint Committee Report 5th August 2015* – BC Local Growth Deal Project Approval Recommendation – Walsall Waterfront: Lex Site Remediation
- Walsall Waterfront Change Request - 1st February 2017

Attachments

None.

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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

19 APRIL 2017

Black Country Local Growth Deal
CHANGES TO DELEGATIONS FROM THE JOINT COMMITTEE TO THE CHAIR OF THE
WORKING GROUP

Key Decision: **Yes**

Forward Plan: **Yes**

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approve changes to the delegations from the Joint Committee to the Chair of the Working Group.
- 1.2 These changes were endorsed by the Working Group on 14th March 2017, the LEP Funding Sub-Group and the LEP Board on the 20th March 2017 (ref: 23/17b) and the Advisory Board via email on 6th April 2017.

2. RECOMMENDATIONS

- 2.1 The BCJC approves the following changes to the Delegated Authority from the Joint Committee to the Chair of the Working Group:
- An increase in the authority delegated to approve changes in grant allocation at year end only from 10% to 15%;
 - A financial limit on individual change requests of £300,000 in addition to the existing limit of 10% of the total project value;
 - That changes of between 0 and 5% are considered to be re-forecasting and do not need to be reported to the LEP Board or the Joint Committee until the final report on changes to the programme is presented to the Joint Committee in June each year.

- 2.2 note the changes, outlined at section 3.4 of this report, to the consultees with whom the Chair of the Working Group will consult on changes (except those at year end).

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. £3.71m in 2016/17).

- 3.2 The proposal outlined below will help address the issues of managing Change Control which have not been fully addressed by the current delegations by:

- Increasing the ability of the PMO to manage project change and slippage, by having a higher overall tolerance and individual project tolerance.
- Prevent a delay to paying projects at year end by increasing Delegated Authority limits at year end only;
- Adding clarity to the existing delegations by introducing a financial limit to individual change requests;
- Reduce the consultation with stakeholders in line with the level of risk, and provide an appropriate level of consultation/paperwork for changes, as opposed to new projects which may require more information/consultation.

- 3.3 The following changes are proposed to the Delegated Authority from the Joint Committee to the Chair of the Working Group:

- An increase in the authority delegated to approve changes in grant allocation at year end only from 10% to 15% - 'year-end' being defined as those claims received in April, May and June each year but relating to spend incurred or committed in the previous financial year;
- A financial limit on individual change requests of £300,000 in addition to the existing limit of 10% of the total project value;

- That changes of between 0 and 5% are considered to be re-forecasting and do not need to be reported to the LEP Board or the Joint Committee until the final report on changes to the programme is presented to the Joint Committee in June each year.
- 3.4 It is also proposed that the consultation process for changes is amended to reduce the number of consultees, in line with the lower level of risk associated with the approval of changes as opposed to the approval of new projects. For changes of up to 10% approved under Delegated Authority throughout the year, the Chair of the Working Group will be required to consult with the Section 151 Officer at the Accountable Body and the Chief Executive of the Black Country Consortium only. For changes at year end, the existing consultation process will continue as a reflection of the higher financial value of the changes being considered. A full change control process has been developed by the PMO and the Accountable Body and is available on request.
- 3.5 It must be noted that these measures can only allocate the resources available and approved by Government, so must remain within the values approved both overall for the LGF programme and those set as annual allocations. These delegations allow the effective management of the LGF programme on an annual basis to ensure that we meet our agreed targets and spend the allocations granted by government. It also allows should we be granted any additional resources, the ability to take these up quickly. All changes approved through these delegations will be reported back to the next available Joint Committee meeting by the Executive Director for the Economy and Environment within Walsall Council.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no additional costs associated with the recommendations in this report.
- 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. There is significant financial risk associated with not having these delegations in place and this may include project stalling, loss of funding and/or reputational damage.

5. LEGAL IMPLICATIONS

- 5.1 Management of funding is subject to any directly imposed conditions set by the government and proper accounting practices. No conditions have been set by the government, but the Government could still consider acceptable accounting practices have not been followed and as such Accountable Body Officers will need to continue to liaise with Civil Servants as and when appropriate to reduce any risk of clawback by government.

6. RISK MANAGEMENT

- 6.1 Without these measures there is a significant risk that a lack of flexibility will undermine our ability to deliver a successful Growth Deal Programme in terms of both spend and outcomes that meet those expected by Government, resulting in a loss of income and outcomes that benefits local people and businesses.
- 6.2 Risk will be managed through the continuation of the consultation process for each Delegated Authority decision required, to ensure that appropriate stakeholders are consulted on any request for the Chair to utilise his delegated authority.
- 6.3 Mechanisms are in place to ensure that for all delegated authority requests agreed processes are followed and the limits of the delegations are adhered to and reported on.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

8. CONSULTATION

- 8.1 The Chair of the Working Group sought endorsement from the Working Group to the proposed changes to the delegations.
- 8.2 Legal and financial services at the Accountable Body for the Growth Deal (Walsall Council) have been consulted in the development of this report.

Background papers

- Delegation of Authority to the Chair of the City Deal and Growth Deal Working Group – *Joint Committee Report 17 June 2015*
- The Change Control process – March 2017

Background papers are available on request.

Attachments

None.

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**REPORT OF THE CHAIR OF THE CITY DEAL AND GROWTH DEAL WORKING GROUP****TO****BLACK COUNTRY EXECUTIVE JOINT COMMITTEE****ON****19 APRIL 2017****DELEGATED AUTHORITY DECISION FOR NOTING****Black Country Local Growth Deal – Bull Street Site Investigation****Change Request Approval for Noting**

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 £371k, and whereby delivery is to commence in the 2016/17 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 Management Office. The delegation also allows changes of up to 10% of the value of total in-year value of the grant.
- 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 out changes to a scheme which has been approved by the Executive Director under his delegated authority.

2. RECOMMENDATIONS

The Black Country Executive Joint Committee:

- 2.1 note 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 the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending the existing Grant Agreement with Sandwell Council to reflect a reduced grant award of £34,761** to deliver the Local Growth Fund (LGF) elements of the Bull Street Site Investigation project, with delivery to commence in the 2016/17 financial year.

2.2 That the Joint Committee note that the Change Request approved under delegated authority also includes the following:

- A change in scope to enable further ecological surveys to better inform the Full Business Case;
- A transfer of £2,761 from 2016/17 into 2017/18 to enable the seasonal ecological surveys to be completed in May 2017.

2.3 Approval of this change by the LEP Board was achieved on 13th February 2017. The need to use delegated authority was identified as the approval of the change was time-critical to enable full utilisation of grant in 2016/17.

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. £3.71m).

3.2 Provided below is a summary of the change request for the Additional Engineering Equipment project, following approval under delegated authority:

Bull Street Site Investigation – a reduction in overall grant allocation and a transfer of funding into 2017/18

Sandwell Council were allocated £59,000 to conduct site investigations at Bull Street. The tendered costs for the all site investigation works came in at c£32,000 – a including Phase I Ecology Survey at £3,205 - creating an estimated under-spend of c£27,000.

The Phase I Ecology Survey is complete and recommends that further surveys, which can only be conducted during March/April/May (seasonal), are completed to inform the Site Investigation. The quote to extend the surveys is £2,761 - this would result in a revised Grant Award of £34,761.

LEP Board approval for the original scheme was achieved in September 2016 however, as outlined above, as a result of initial work undertaken the total funding required is now £34,761. Further ecological studies to better inform the full Business Case are required, which will need a transfer of £2,761 from 2016/17 into 2017/18 to enable the seasonal ecological surveys to be completed in May 2017.

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.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements have been prepared by the Accountable Body (Walsall Council) following the exercising of Delegated Authority 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

- 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.

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

Attachment 1 – Bull Street Site Investigation - Request for Use of Delegated Authority

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**REPORT OF THE CHAIR OF THE CITY DEAL AND GROWTH DEAL WORKING GROUP****TO****BLACK COUNTRY EXECUTIVE JOINT COMMITTEE****ON****19 APRIL 2017****DELEGATED AUTHORITY DECISION FOR NOTING****Black Country Local Growth Deal - Walsall College Additional Engineering Equipment****Change Request Approval for Noting**

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 £371k, and whereby delivery is to commence in the 2016/17 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 Management Office. The delegation also allows changes of up to 10% of the value of total in-year value of the grant.
- 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 out changes to a scheme which has been approved by the Executive Director under his delegated authority.

2. RECOMMENDATIONS

The Black Country Executive Joint Committee:

- 2.1 note 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 the Accountable Body for the Growth Deal (Walsall Council) to

proceed to **amending the existing Grant Agreement with Walsall College to reflect an increased grant award of £149,250** to deliver the Local Growth Fund (LGF) elements of the Additional Engineering Equipment project, with delivery to commence in the 2016/17 financial year. Approval of this change was achieved under the authority delegated to the SEP Delivery Director from the BC LEP Board.

- 2.2 The need to use delegated authority was identified as the change was for a very small increase in grant award.

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 to bring forward new smaller projects up to 10% total value of in year grant (i.e. £3.71m).

- 3.2 Provided below is a summary of the change request for the Additional Engineering Equipment project, following approval under delegated authority:

Walsall College Additional Engineering Equipment - an additional £250 in 2016/17

The purchase of new equipment will provide facilities that the College previously lacked within its Engineering and Construction Department, enabling the college to provide further high specification facilities to service the gap between supply and demand for engineering, plastering and plumbing skills for the benefit of young people, unemployed adults and employers in Walsall and the wider Black Country.

The investment will unlock barriers for people to access the training they need and allow the College to address the current skills deficiencies, succession planning and recruitment challenges faced by engineering, construction and maintenance employers. This investment will provide a solution to both the initial training requirements for school leavers as well as unemployed and existing workforce including apprenticeships.

Due to a rounding error, the total LGF funding (2016/17) approved was £149,000 but should have been £149,250. As the change is for £250 only, Delegated Authority approval was sought to enable the project to claim the 2016/17 allocation by 31/03/2017.

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.

5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements have been prepared by the Accountable Body (Walsall Council) following the exercising of Delegated Authority 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

- 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.
- 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

Attachment 1 – Walsall College Additional Engineering Equipment - Request for Use of Delegated Authority

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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

19 APRIL 2017

Black Country Local Growth Deal
UPDATED BLACK COUNTRY LEP ASSURANCE FRAMEWORK

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Executive Joint Committee (BCJC) approve the revised Black Country LEP Assurance Framework following the release of the revised National Assurance Framework published by Department for Local Communities and Government (DCLG) in November 2016.
- 1.2 The revised Black Country Assurance Framework was approved by the BC LEP Board and Section 151 Officer at the Accountable Body on 28th February 2017. This decision was endorsed by the Working Group on 14th March 2017, and the Advisory Board on 6th April 2017.

2. RECOMMENDATIONS

The BCJC:

- 2.1 approve the revised Black Country LEP Assurance Framework following the release of the revised National Assurance Framework published by Department for Local Communities and Government (DCLG) in November 2016.
- 2.2 note the updated BC LEP Assurance Framework (Attachment 1), and that the National Assurance Framework document has been revised to better reflect current policy and expectations of LEPs in relation to accountability, transparency and value for money.
- 2.3 note that the Section 151 Officer at each of the Black Country's Accountable Bodies and Chief Executive of the Black Country Consortium is required to write to the DCLG's Accounting Officer each February to confirm that the revised Assurance Framework has

been agreed, is being implemented and that it meets the revised standards set out in the LEP National Assurance Framework.

- 2.4 note the need for further briefings on the updated BC LEP Assurance Framework and its implications for each of the Accountable Bodies for the BC LEP's activities.
- 2.5 note that the LEP Assurance Framework is an evolving document and as such further revisions will be developed by the Accountable Body and the Black Country Consortium to ensure it meets latest standards and practices.

3. REPORT DETAIL

- 3.1 An updated National Assurance Framework has been published by Government (November 2016) in response to a report by the Committee of Public Accounts; which reflects "current policy and current expectations of LEPs in relation to accountability, transparency and value for money". It is important that the Black Country LEP Assurance Framework reflects the National Assurance Framework and it is complied with in all business conducted by the BC LEP and Joint Committee. The main pillars of the National Assurance Framework are openness and transparency, public/wider Private sector engagement in decision making and strategy setting, governance and accountability, financial management and value for money as well as good project management.
- 3.2 As per the guidance published, the "document sets out what Government expects Local Enterprise Partnerships to cover in their local assurance frameworks. The approach remains light touch, but the aim is to provide greater clarity and set out where expectations have increased from those of 2014 as Local Enterprise Partnerships continue to mature and their role and responsibilities develop. The focus remains on implementing practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and deliver value for money. The Local Enterprise Partnerships will continue to have considerable freedom to determine how to implement the practices and standards articulated in this national framework through their own local assurance frameworks."
- 3.3 The Programme Management Office and Accountable Body have been working collaboratively to assess the impact of required changes, following the release of the Table of Changes to the National Assurance Framework. The most notable change is the general direction towards "Must Do" from "Should Do". However, there was no concern raised that we could not implement the changes required. An update on the steps the Black Country were making in light of the updated National Assurance Framework was provided both to ABCA at their meeting on 3rd January 2017 and the LEP Board at their meeting on 23rd January 2017.
- 3.4 As a well-established LEP and partnership, the Black Country partners continually review how they operate and as a result, over time, a series of enhancements have been made to the Assurance Framework with a focus on ensuring transparency and public accountability as well as embedding best practice.

- 3.5 The actions of this on-going review and continuous improvement have resulted in the Black Country's national recognition as one of the leading Local Enterprise Partnerships in the country. This has also proven valuable with regards to recent scrutiny, where a robust and transparent response was provided.
- 3.6 The Black Country partners will continue to review and enhance our Assurance Framework in light of best practice and in response to national guidelines. A number of areas of future work have been identified, which will be completed early in the new financial year and include various work to strengthen and enhance our governance.
- 3.7 Work on the revision to the Black Country Assurance Framework has been completed collaboratively between the LEP, the Accountable Body and the Black Country officer Collaborative Working Group which includes Legal, Audit and Finance representation. Officers from various key groups will receive detailed briefings on the changes to the BC LEP Assurance Framework, to ensure the necessary implementation of the changes is understood by each of the Black Country partners and to facilitate appropriate sign off processes being developed and implemented at each of the BC LEP's Accountable Bodies.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications to consider. However, key within the National Assurance Framework is good standards of financial management. Finance Officers at the Accountable Body have been involved in and will continue to support development of the BC LEP's Local Assurance Framework to meet the latest standards.

5. LEGAL IMPLICATIONS

- 5.1 The revised Local Assurance Framework sets out the governance framework of the BC LEP and Joint Committee. Compliance with its provisions is a prerequisite of decision making and conduct of business, failure to comply could result in restrictions in further funding from the Government as well as the potential for claw back.
- 5.2 Legal officers at the Accountable Body have been involved in and will continue to support development of the Local Assurance Framework to meet the latest standards.

6. RISK MANAGEMENT

- 6.1 Risk will be managed through open dialogue between the DCLG, the BC LEP and the Accountable Body, in collaboration with other Black Country partners. The focus will remain on ensuring transparency and public accountability as well as embedding best practice.
- 6.2 The risk of the Black Country LEP's Assurance Framework falling short of national standards has been mitigated against by an extensive review of the national guidance

against our existing Framework, and this review has informed the updates to the revised Framework.

7. EQUALITY IMPLICATIONS

7.1 None at the time of drafting.

8. CONSULTATION

8.1 Work on the revision to the Black Country Assurance Framework has been completed collaboratively between the BC LEP, the Accountable Body and the Black Country officer Collaborative Working Group which includes Legal, Audit and Finance representation.

Background papers

- LEP National Assurance Framework
- Table of Substantive Changes to the LEP National Assurance Framework

Attachments

Attachment 1 – Updated BC LEP Assurance Framework

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BLACK COUNTRY LOCAL ENTERPRISE PARTNERSHIP

ASSURANCE FRAMEWORK

Version 8.1 – Revised March 2017

Any enquiries relating to the Framework should, in the first instance, be directed to: -

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SECTION 1

BC LEP Governance and Decision Making

1.1 Name

Black Country Local Enterprise Partnership (BC LEP).

1.2 Geography

The Black Country Local Enterprise Partnership (BC LEP) covers the geographical boundary of the Boroughs of Dudley, Sandwell, Walsall and the City of Wolverhampton, it covers 356 square kilometres and sits at the heart of England, forming the western part of the West Midlands Metropolitan Area, the largest conurbation outside London.

A map of the area can be found at Appendix 1.

1.3 BC LEP Governance

Roles and Responsibilities:

1.3.1 Black Country Local Enterprise Partnership (BC LEP) Structures

Details of the BC LEP structure are set out below:-

1.3.2 The Black Country Local Enterprise Partnership Board (Appendix 2)

The BC LEP Board provides the clear vision and strategic leadership to enable the delivery of the Black Country Strategic Economic Plan (SEP) and, using the resources under its direction and engaging with local business, local authorities, government and government agencies and other local stakeholders, provides a vehicle through which innovative funding/development mechanisms to drive major change and investment can be secured.

The roles and responsibilities of the Black Country Strategic Transport Board, which previously operated as a BC LEP Sub-Board, are now fully integrated into the main BC LEP Board.

Further details can be found at www.blackcountrylep.co.uk.

1.3.3 Membership

The BC LEP Board has been established since 2012 and currently comprises 13 members; a Private Sector Chairman, 6 Private Sector Members, including a Board Champion for SME Business, 1 representative from the social enterprise sector and one representative each of the higher and further education sectors.

The BC LEP Board also includes membership from all four of the Black Country Local Authorities, as all four Council Leaders are members. Local Authority Members may nominate a named alternate who should normally be a cabinet portfolio holder to act as their deputy in exceptional circumstances. The Black Country Joint Committee may nominate one of its voting members (a Leader of one of the local authorities) to attend the BC LEP Board acting on behalf of all four local authorities.

All BC LEP Board Members (except for Council Leaders) will normally serve for a period of two years renewable for one further term subject to the approval of the Board and subject to such performance review process as the Board may establish.

The Black Country LEP are committed to ensuring diverse representation on our Board. See Recruitment and Selection process for more details (Appendix 3).

Further details about each of our BC LEP Board members can be found at <http://www.blackcountrylep.co.uk/about-us/our-board>.

1.3.3.1 BC LEP – Authority Delegated to the BC LEP Chair, Chair of the BC LEP Funding Sub Group and the SEP Programme Delivery Director. BC LEP Board - Delegated Authority Change Control

The BC LEP has delegated authority to the SEP Delivery Director to:

- deploy a Change Control process with clearly stated range of Project Tolerances, at 10% maximum of the total value of in year grant, applied to in-flight projects, approved by LEP Board.

All decisions undertaken under this delegated authority are reported by the SEP Delivery Director to the next available Funding Sub Group Meeting. The Chair of the Funding Sub Group will then report the decision at the next available BC LEP Board meeting, which is then recorded in the minutes of that meeting (published on the BC LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings/>).

BC LEP Board - Delegated Authority Site Investigations

The BC LEP has delegated authority to the Chair of the LEP Board and the Chair of the BC LEP Funding Sub Group to:

- approve Site Investigation bids up to £150,000 against the Local Growth Deal fund

All decisions undertaken under this delegated authority are reported by the Chair of the Funding Sub Group to the next available BC LEP Board meeting, and are recorded in the minutes of that meeting (published on the BC LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings/>).

Theme Advisory Groups and LEP Board Sub - Groups

1.3.4

- 1.3.5 The BC LEP Board has established three Theme Advisory Groups to advise, make recommendations and co-ordinate activity and engagement on the direction and development in respect of each the three SEP themes; people, place and business. The BC LEP has also established a Funding Applications Sub Group.

More specifically the individual Groups will:-

- i) People Theme Advisory Group (including the role of Black Country Employment and Skills Board) (Appendix 4)

Act as the leading strategic support body to the BC LEP, providing a forum for the engagement of private sector employers and liaison with public sector employers to develop, formulate and co-ordinate policies and proposals relating to employability, education and skills that support the Black Country's strategic aim to grow its global supply chain with the world class skills it demands, to maximise the benefits of the region's location.

- ii) Business: Competitiveness and Enterprise Theme Advisory Group (Appendix 5)

Act as the leading strategic support body to the BC LEP providing a forum for the engagement of private sector employers, intermediaries and liaison with public sector agencies to develop, formulate and co-ordinate policies and proposals within the theme area and enabling businesses in our key sectors to grow and deliver our contribution to the implementation of the SEP through the development of our economic, social and physical infrastructure.

The Board provides the strategic oversight of the Black Country Growth Hub, making recommendations on the Growth Hub to the LEP Board and subsequently the Joint Committee.

iii) Place Making and Land Theme Advisory Group (Appendix 6)

Act as the leading strategic support body to the BC LEP providing a forum for the engagement of private sector investors and developers in liaison with public sector planning authorities to develop, inform and co-ordinate policies and proposals relating to the environment, green growth, brownfield land, land for housing, transport schemes and the development of the visitor economy that support the Black Country's strategic aim to grow its global supply chain with the world class locations it demands to maximise the benefits of the region's location.

iv) BC LEP Funding Applications Sub-Group (formerly Regional Growth Fund/Growing Places Sub-Group) (Appendix 7)

Consider and make recommendations to the BC LEP Board concerning applications for funding from the Black Country's Growth Deal, Regional Growth Fund, Growing Places and Public Works Loan Board Funding streams and monitor the overall effectiveness and use of the funds.

Other Project Steering Groups and Informal or Time-Limited Working Groups

1.3.6

i) City Deal Housing, Jobs and Prosperity Pilot Project Steering Group (Appendix 8)

Led by Accord Housing the Group co-ordinates the housing led Housing, Jobs and Prosperity Pilot Project, the overriding purpose of which is to ensure that social housing tenants get linked up with work initiatives and benefit from the economic growth which will come about as part of the wider Black Country City Deal. The Group reports to the BC LEP and the Joint Committee on the progress and performance of the Pilot.

i) Black Country Broadband Plan Project Board (Group) (Appendix 8)

The Group is responsible for reviewing and reporting to the LEP and Joint Committee on the supplier's detailed performance of the contract for the rollout of the Black Country Broadband Plan. The Group reports to the Cabinet of Sandwell Council, Accountable Body for the BC Broadband Project.

iii) Black Country Access to Finance Group (Appendix 8)

The role of the Group is to report and make recommendations to the BC LEP (via the Business Theme Group) on the business finance challenges and barriers facing the Black Country and engage with intermediaries and local business to make recommendations as to solutions to these issues. The Group does not make recommendations on funding.

iv) Black Country Growth Hub Strategic Board (Appendix 8)

Comprising members from the University of Wolverhampton and Black Country Chamber of Commerce; and relevant Strategic Directors from each of the four local authorities. . This

group will provide strategic leadership and direction for the Black Country Growth Hub to oversee the delivery of outputs and compliance with ERDF, BEIS and any other local and external funding requirements. The Group reports to the BC LEP via the Competitiveness Board and the Joint Committee on the performance of the Growth Hub.

v) Black Country Growth Hub Delivery Board (Appendix 8)

Comprising members from the University of Wolverhampton and Black Country Chamber of Commerce; and Heads of Service with responsibility for Economic and Business Development from each of the four local authorities; and Invest Black Country. This group will provide operational leadership and direction for the Black Country Growth Hub to ensure effective partnership that leads to added value in the support available to businesses in the Black Country. The Group reports to the Black Country Growth Hub Strategic Board.

vi) Foreign Direct Investment (FDI) Operations Group (Appendix 8)

The Group is chaired and managed by Invest Black Country (IBC). It comprises of representatives from the four Black Country local authorities, Department for International Trade and IBC. The group's function is to update on the activities and performance of IBC, review the pipeline of investment leads, capture local intelligence from each respective organisation and assist the development and delivery of IBC Service Plan 2016-2018. The Group provides co-ordination across partners to raise awareness of the Black Country as an investment destination, capture investment interest for the area, report on investment successes and assist indigenous foreign owned growth. The Group does not make recommendations on funding.

ix) Black Country Enterprise Zone Management Steering Group (Appendix 8)

The Group co-ordinates activity, to secure the successful delivery and impact through management, development and marketing of an integrated Enterprise Zone approach focussing on key priorities and enabling engagement. The Group reports and make recommendations to the BC LEP.

Further details can be found at <http://www.blackcountrylep.co.uk/business-growth/enterprise-zone/>

x) Black Country Environment Forum (Appendix 8)

The Group brings together agencies and stakeholders to discuss and make recommendations (via the Place Theme Group) on the steps necessary to facilitate and champion a step in change in the image and environmental quality of the Black Country to underpin social and economic transformation and help meet the challenges of growth making the most of the existing diversity of the Black Country's natural and built environment, particularly its canals, open spaces and industrial, architectural and geological heritage. The Group does not make recommendations on funding decisions.

xi) Black Country Green Growth Group (Appendix 8)

The Group aims to bring together interested agencies and stakeholders to develop a pipeline of projects and make recommendations on the development and delivery of the Green Growth Strategy that aims to establish the Black Country as leading centre for the manufacturing and deployment of key technologies and solutions underpinning the growing global low carbon economy with a particular focus in the energy, housing and transport

industries. The Group reports to the LEP and does not make recommendations on funding decisions.

xii) Visit THE Black Country Partnership

The Group engages with the tourism industry generally to ensure the widest participation and exchange of information and views to act as a voice and a 'champion' of tourism in the Region

xiii) City Deal Accountable Body Group

The Group includes the relevant Accountable Bodies for City Deal activities and is responsible for providing oversight of the City Deal, identifying potential areas of collaboration and cross working and for collating information to government on key aspects of the City Deal. The group meets twice per annum and reports to the Black Country Executive Joint Committee.

xii) Black Country LEP Innovation Fund Sub Board (Appendix 8)

This Sub Board will lead on the development of strategic priorities and associated objectives for the LEP's innovation agenda. The Group informs the work of the BC LEP's Business & Innovation, People and Place Pillar Boards and Sub-Groups for Growing Businesses, Access to Finance, Employment & Skills and Place in order to ensure that innovation priorities are reflected in their work.

xiii) Black Country Skills Factory Non Executive Management Board (Appendix 8)

The aim of the Skills Factory project is to address the current shortfall in skills in the Black Country LEP Transformational Sectors (Advanced Manufacturing, Transport Technologies, Building Technologies, Environmental Technologies & Business Services) and increase the pipeline of suitably skilled staff to support the Black Country exploit the growth in the these sectors. The Group reports to the BC LEP and does not make recommendations on funding.

1.3.7 Black Country Consortium Ltd

The Consortium is a company limited by guarantee (Incorporated Number 05159791) whose purpose is to champion the urban renaissance aspirations of the Black Country and more specifically to direct and support the delivery of the Strategic Economic Plan. The Consortium provides the secretariat to the BC LEP and the financial and legal framework within which the BC LEP operates. The four Black Country local authorities provide annual subscriptions as core funding to the business.

Further details concerning the activities of Black Country Consortium Ltd can be found at www.the-blackcountry.co.uk

1.3.8 SEP Programme Management Office (Appendix 9)

A dedicated, innovative and proactive SEP Programme Management Office (PMO) has been established within Black Country Consortium Ltd to support all aspects of SEP programme direction and management.

The PMO will be led by a SEP Delivery Director with responsibility for the timely delivery of an integrated economic growth delivery programme for the Black Country by providing project and programme management expertise to Team Black Country ensuring projects are selected, planned, managed and closed using the principles of best practice project management. A

key aspect of the role is to ensure resources are spent with regularity, propriety and provide for value for money.

The role will work in close collaboration with the Accountable Body and the BCC Ltd team who will provide strategic oversight, intelligence and advocacy to the SEP/Growth Deal programme management and additional capacity to the PMO through its Black Country European Policy Co-ordinator and the Black Country Economic Intelligence Unit. The role of the Joint Committee Programme Manager, and oversight of the Joint Committee Secretariat, remains with the Accountable Body and a summary of these responsibilities can be found at section 4.1.

The PMO will define a practical fit for purpose project management methodology based on best practice and deploy the Performance Management Information System (PMIS) – VERTO, a cloud based system designed specifically for the public sector that supports programme and project management best practice (Prince2, MSP, P30 etc.);

The PMO will provide training and mentoring to Project Managers, Sponsors and team members from Team Black Country to ensure that the project methodology and supporting PMIS is fully understood and used. The PMO will enable Team Black Country to establish and develop project management as a core competency. The terms of reference and structure for the PMO are set out in Appendix 9.

1.4 Accountable Bodies

Local Authority Accountable Body Status

- 1.4.1 Individual Accountable Bodies are responsible for ensuring that the BC LEP makes decisions in accordance with the BC LEP Assurance Framework. Democratic accountability for the decisions is provided through local authorities as detailed at section 1.3.3. Local Authorities act as Accountable Bodies for the various funds available to support the LEP's activities as follows:-

Sandwell MBC – Growing Places, Regional Growth Fund, Broadband Project Plan and Public Works Loan Board Fund (including both City Deal and Growth Deal elements).

- A Statement of Accounts is published on the Sandwell Council website:
http://www.sandwell.gov.uk/downloads/file/24115/statement_of_accounts_2015_-_2016. The funding received from Government is classed as Agency Services.

Walsall MBC – City Deal Housing, Jobs and Prosperity Pilot, EU Technical Assistance Team, Local Growth Fund (including the Growth Hub Growth Deal funding from July 2015) and LEP Core and Strategic Funds.

- A Statement of Accounts is published on the Walsall Council website:
http://cms.walsall.gov.uk/index/council_and_democracy/publications/soa.htm;

City of Wolverhampton Council – Enterprise Zones and Growth Hub City Deal (funding up to the end of June 2015 via Lancaster Contract. AIM funding up to December 2020.)

- A Statement of Accounts is published on the City of Wolverhampton Council website following the annual audit, currently completed by 30th September.

Dudley MBC – Youth Employment Initiative (YEI)

The Black Country Consortium are the Managing Agent for the HVM Apprenticeships programme (part of the Black Country's City Deal).

Each Authority acting in its role as Accountable Body for each of BC LEP's funding streams/areas of activity will be responsible for ensuring that the BC LEP Assurance Framework is being implemented and, along with the BC LEP Chair and Chief Executive of the Black Country Consortium, will need to provide confirmation of this to government via a signed letter submitted to the Section 151 Officer at Walsall Council. This information will be collated by Walsall Council, acting in its role as Accountable Body for the BC LEP Core and Strategic funds, and submitted to government each February.

The following officers will need to sign the LEP Assurance Framework document to confirm acceptance of the responsibilities above, this includes the following officers:

- The Chief Finance Officers for each of the Accountable Bodies listed above;
- The Chief Executive of the Black Country Consortium
- The BC LEP Chair
- The Section 151 Officer for the City Deal Housing Jobs and Prosperity Pilot, the Growth Deal and the BC LEP Core & Strategic Funds

A section on the responsibilities of Walsall Council as Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the LEP Core and Strategic Funds can be found at section 3.1.

1.5 Local Authority Partnership Working Across the BC LEP

Black Country Executive Joint Committee (Appendix 10) ("BCJC")

Establishment and Role

Established as an Executive Joint Committee by the Cabinets of Dudley MBC, Sandwell MBC, Walsall MBC and City of Wolverhampton Council under the Local Authorities (Arrangements for Discharge of Functions Regulations) (England) Regulations 2012 No 1019. The BCJC is underpinned and its functions supported by a Collaboration Agreement between the Council and Consortium (see below).

The BCJC acts as a strategic body in relation to the City Deal, Growth Deal and the Combined Authority's Land Remediation Fund, setting and reviewing objectives for strategic investment across the Black Country, providing a coherent single position on the major strategic issues, agreeing the allocation of spending and major priorities.

Governance and transparency

The BCJC is subject to the statutory access to information regime pursuant to Schedule 12A Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 No 2089. Notice of the time, place of meetings together with the business to be conducted and supporting reports are publically published in accordance with these regulations together with a Forward Plan of Key Decisions can be found at:

http://cms.walsall.gov.uk/index/council_and_democracy/black_country_joint_committee.htm

Walsall Council, as secretariat and program manager for the business of the BCJC and its sub groups, is the designated responsible body for compliance with all requests information

pursuant to the Freedom Of Information Act and Environmental Information Regulations. Further details can be found at:

http://cms.walsall.gov.uk/index/council_and_democracy/freedom_of_information.htm

The four Local Authorities Cabinets have delegated authority to the BCJC to exercise their Executive functions for City Deal, Growth Deal and the Combined Authority's Land Remediation Fund on their behalf. Therefore, when the Joint Committee approves a decision for City Deal, Growth Deals or the Combined Authority's Land Remediation Fund, it is acting, in effect, as Cabinet for each of the Local Authorities. Walsall Council, as Secretary to the Joint Committee and Advisory Board, reports to the Joint Committee, following which the Joint Committee may authorise signature by Council officers without having to go to individual Cabinets for authority to do so. Given this delegated authority, all four Local Authorities have amended their internal grant approval processes (e.g. approval to give out and receive grants) to reflect the arrangements relating to City Deal and Growth Deal Funds.

As a formally created and legally constituted Executive Joint Committee, the BCJC decisions are subject to each Council statutory Overview and Scrutiny processes, as detailed in section 3.2 (below).

The conduct of all meetings are undertaken in accordance with Walsall Council's constitution as the secretariat to the BCJC, which was adopted in accordance with the Secretary of State Statutory Guidance:- New Councils Constitutions: Guidance to English Authorities.

Democratic accountability

The membership of the BCJC comprises of the Leaders of the four Black Country Councils (voting members) together with the Chair of the Black Country Local Enterprise Partnership (non-voting member).

The BCJC will also be the place where any conflicts between the BC LEP and the Accountable Bodies for the Growth Deal, City Deal and Land Remediation Fund, such as inability to implement a BC LEP decision, can be resolved through the project approval mechanism and update mechanism as well as a dispute mechanism – these are as detailed within the BC Growth Deal and City Deal Collaboration Agreement.

Further details can be found at

http://cms.walsall.gov.uk/index/council_and_democracy/black_country_joint_committee.htm on the webpage for the Black Country Joint Committee secretariat.

BCJC - Delegated Authority

The Joint Committee has delegated authority to the Chair of the BCJC's Working Group within the following parameters:

- the delegation is 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 are
 - to deploy a Change Control process and
 - bring forward new smaller projects up to 10% total value of in year grant. All decisions undertaken under this delegated authority are reported by the Chair of the Working Group to the next available BCJC meeting, and are recorded in the public minutes of that meeting.

Any delegated Key Decision(s) to be taken by the Chair of the Working Group are recorded within the Forward Plan, and a record of the decision taken together with supporting report are recorded.

Again further details can be found at

http://cms.walsall.gov.uk/index/council_and_democracy/black_country_joint_committee.htm the webpage for the Black Country Joint Committee secretariat.

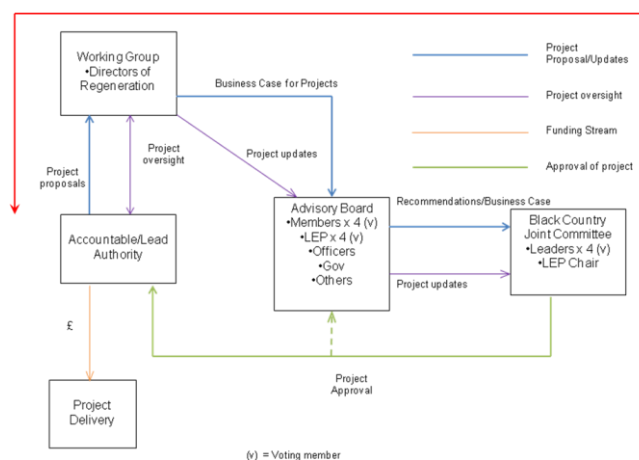
Collaborative working across the region - Collaboration Agreement (Appendix 13)

Underpinning the collaborative operation of BCJC is a Collaborative Agreement entered into by the four Black Country authorities and the Black Country Consortium as a secretariat to the LEP. This agreement establishes a framework for joint working in relation to the functions of the Joint Committee and across the region in the wider context of the Local Growth Fund, City Deal and Land Remediation Fund including the support and advice structure. This Agreement places equal responsibility on all four Black Country Local Authorities and the Black Country Consortium for the underwriting of the Joint Committee programme. The Agreement reflects the delegated authority from each of the four Local Authority Cabinets to the Joint Committee.

The Collaboration Agreement also includes the process for resolving any conflicts between the BC LEP and the Accountable Bodies for the Growth Deal, City Deal and Land Remediation Fund, for example when a BC LEP decision cannot be implemented.

The Agreement also sets out the BCJC support and advice structure as well decision making and oversight:

Collaboration Agreement



Black Country City Deal and Growth Deal Advisory Board (Appendix 11)

Established by the four Black Country local authority Cabinets and BC LEP, the Joint Committee Advisory Board acts as a strategic advisory body; reviewing, updating and recommending to the Joint Committee objectives for strategic investment across the Black Country in relation to the City Deal, Growth Deal and the Combined Authority's Land Remediation Fund.

The membership of the Advisory Board includes four private sector representatives nominated by the BC LEP Board. They are three BC LEP Board members and a private sector representative interested in transport. Other private sector BC LEP Board members act as nominees for the lead members and provide a pool of additional expertise on a rotational basis.

Further details can be found at www.blackcountrylep.co.uk/about-us.

Working Group (Appendix 12)

The overall role of this Group comprising the four Local Authority Heads of Regeneration, Black Country Consortium Chief Executive, Black Country Director of Transport and a Private Sector LEP Board Member is, with support from the Programme Management Office and the Joint Committee Programme Management Team, to devise, oversee, manage and monitor the City Deal, Growth Deal and the Combined Authority's Land Remediation Fund and review and evaluate on a regular basis ongoing individual project's progression and delivery against the business case for the project, including any key milestones, financial spend and compliance with any central Government grant terms, and report and make recommendations and provide updates to the Advisory Board as appropriate.

Further details can be found at Appendix 13 and at http://cms.walsall.gov.uk/index/council_and_democracy/black_country_joint_committee/bcjc_reports/bcjc_reports_7_may_2014.htm

1.6 'Team Black Country'

- 1.6.1 The establishment of 'Team Black Country' is an ongoing process reflecting the recognition that closer integration of the skills and resources of the Black Country Local Authorities can enhance the effectiveness and efficiency of SEP delivery. A culture of collaboration, reducing areas of duplication and aligning skill sets, offers the potential to achieve real efficiencies in the management and delivery of SEP programmes. Team Black Country recognises the shared issues and challenges across the Black Country and the benefits to be derived from a more responsive and agile resource management process to meet the variable needs across the Black Country and between programme areas. A range of key growth related activities can operate on a pan-Black Country basis and Team Black Country will provide the mechanism for more coordinated and efficient delivery of such activities.
- 1.6.2 A set of principles has been endorsed by the BC LEP Board as the framework for Team Black Country to guide cultural change and working practices amongst Black Country local authorities:-
1. It is in our joint interests to progress Team Black Country. It is the logical next step to closer collaboration in a time of austerity but also an opportunity for the Black Country LEP.
 2. We need a mindset which is Black Country first. We will all benefit when we work jointly for the Black Country's benefit.
 3. We need honesty, seniority and leadership from officers of the four local authorities.
 4. We must be prepared to use time, resources and people to help one another out, not just between the Local Authorities but also drawing in other public and, importantly, private sector and voluntary sector expertise.
 5. There will never be a precise correlation between what we put in and what we get out. That is fine.
 6. We will empower the SEP Programme Manager and agree to work positively with the Local Authorities. They will challenge each of us as they rightly should. They will be responsible for ensuring delivery of the Black Country Programme and we are choosing to employ them to assist us to make a step change in programme delivery and programme/pipeline development. We help their success and they help our own.
 7. When we are successful it is to all of our credit. It is likely a lot of that credit will be badged at the LEP's. It is in our interest for this to happen, for it is through LEPs that money is flowing and we are in a national competition for resources and attention. Political credit will always be secured too.

8. Team Black Country will operate with pace. It will be fluid and it will spot and take opportunities. Its processes will be as slick as possible and its governance diligent but proportionate.
9. Team Black Country will be positive for our officers and their future development. It gives us a chance to stretch and develop our own capability locally: a Black Country 'talent pool'.
10. A pooled approach to resourcing project development costs for pan-Black Country initiatives and to address strategic opportunities will support a more responsive approach to delivery.
11. Where any authority or partner, or their staff, are not working in accordance with our Team Black Country approach we will deal with it quickly and honestly. When we make decisions together we will stick to them. We will act as if bound by 'Cabinet collective responsibility'.

1.6.3 Black Country Transport Working

The Black Country Transport Officers Group has been established to provide technical and policy advice to the BC LEP, Joint Committee and Joint Advisory Board and to the West Midlands' Strategic Transport Officers Group on transport matters, co-ordinate technical views, option appraisals and strategic/background information in relation to individual schemes or higher level transport interventions and to develop, conduct initial appraisal and advise upon transport schemes. The Group comprises officers from the four local authorities, the Integrated Transport Authority, TfWM (previously Centro), Network Rail, Highways Agency and the Department for Transport by invitation.

The post of Black Country Director of Transport, responsible to the Managing Director of Wolverhampton City Council, has been established to focus on the development of well evidenced transport schemes that can be developed into a strong pipeline. This includes working with partners on scheme design & development, identifying funding sources and ensuring scheme delivery as part of the Strategic Economic Plan. In addition, the Director inputs into the Core Strategy Review and acts as a member of Team Black Country to put the Black Country in a strong position in any joint working and funding arrangements.

1.6.4 EU Funding Technical Assistance Team

Walsall Council acts as the Accountable Body for the European Union (EU) Technical Assistance Team on behalf of the Black Country. The role of the team of three officers includes programme monitoring, compliance and performance management, together with intervention design and management where action to get the programmes projects back on track is required. The Team also provides guidance for individuals and organisations through the European Regional Development Fund (ERDF) application processes to successful approval, successful project initiation, delivery and completion. The Team also supports the successful prosecution and completion of all ERDF projects and initiatives approved as part of the 2007 – 2014 Sustainable Urban Development (SUD) package for the Black Country.

This activity currently mainly relates to the 2007-14 ERDF Programme but the Team is also engaged in supporting the development of the 2014-20 Programme including the development of a pipeline of projects and guidance to support new governance arrangements, bidding agreements and Programme start up. The work of the BCTA team will continue throughout the new programme, and funding to support both ERDF and ESF work from DCLG is in place until December 2018, with match secured from the four Local Authorities and the LEP to support this future activity. Future continuation of the service beyond this date is dependant on negotiations on the UK's exit from the EU.

1.6.5 Collaborative Working Task Group

This time limited group brings together officers working on the development of BC LEP, Joint Committee and other collaborative structures and the administration and management of the various funding streams to ensure that there is a collective understanding of roles and purpose with the aim of working towards a seamless Black Country management of these areas of activity.

1.6.6 Invest Black Country

Invest Black Country (IBC) works to increase the numbers of Inward Investment opportunities successfully landed by the Black Country by developing and promoting the best possible propositions and taking these to the market place.

IBC delivery is achieved through team work, the three core staff (2.2FTE's) work with colleagues throughout the 4 Black Country Councils, the Black Country Local Enterprise Partnership (BC LEP) and their partners to co-ordinate investment proposition development, responding effectively to enquiries.

Key to success is maximising the benefits that can be drawn from the UKTI service, getting this right has resulted in many new investments landing in the Black Country.

IBC provides a single point of contact for companies looking to relocate and investors looking to develop in the Black Country, together with the capacity to actively target investment funds looking for long term investment opportunities.

Through IBC, the Black Country is able to direct the work of regional partnerships including: Drive West Midlands and the West Midlands Investment Forum, and is regularly represented at global shows through its partnership with Marketing Birmingham.

1.7 Cross LEP Working and Engagement

- 1.7.1 Black Country LEP recognises the importance and value in cross-LEP working, working closely with LEPs across the West Midlands to realise greater outcomes to economic issues and opportunities, we are also active participants in the work of the WMCA and Midlands Engine.

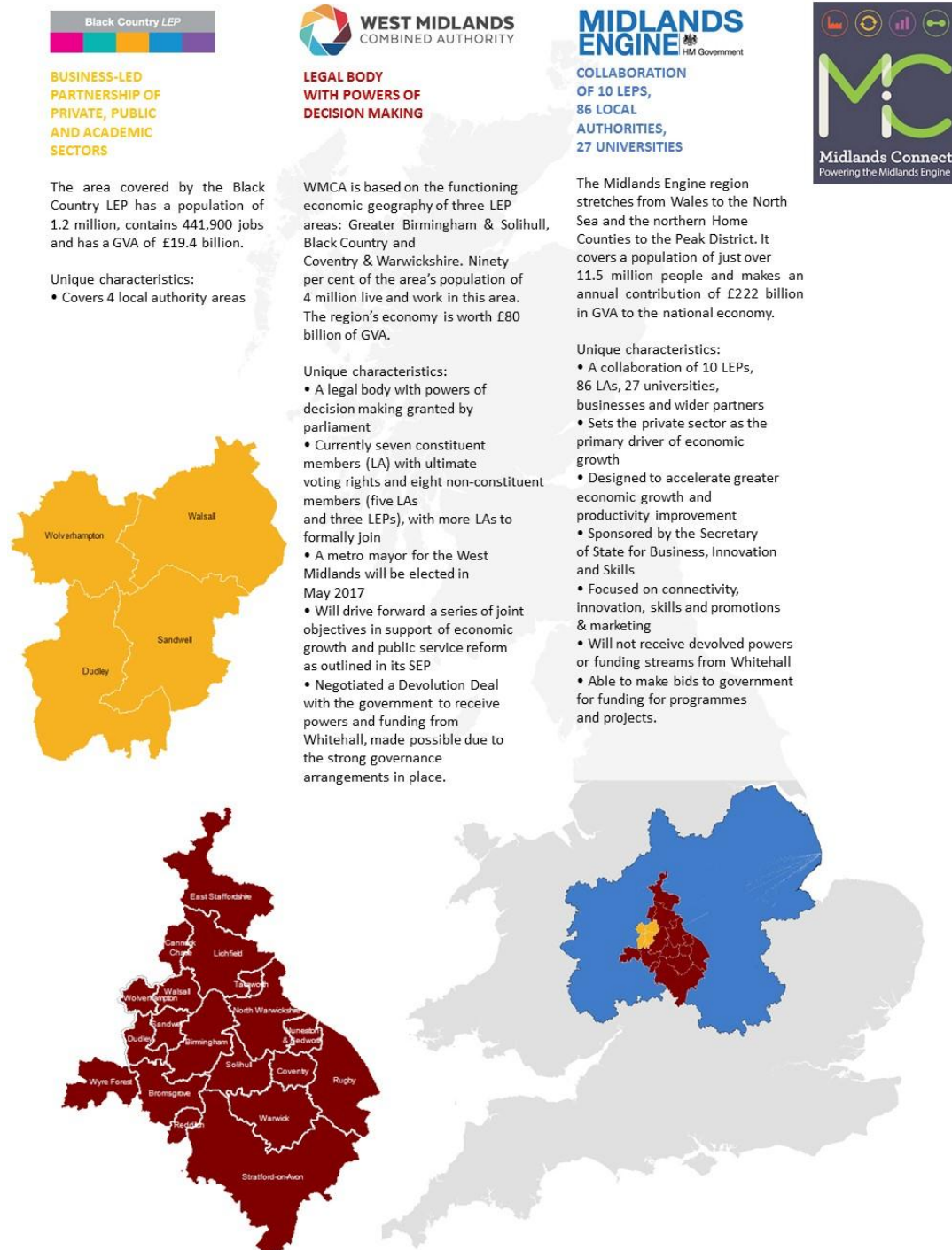
The BC LEP is a key partner with the West Midlands Combined Authority (WMCA), leading on the provision of economic intelligence, strategic leadership on the development of the Strategic Economic Plan for the WMCA and coordination of the emerging Monitoring and Evaluation Plan for the first devolution deal. BC LEP also provide the secretariat support for the WMCA SEP Board. The 3 LEPs work jointly on a range of matters including the commissioning of an innovation audit for the 3 LEP geography.

The strategic and policy context for activity at this level is provided by the family of SEPs comprising the WMCA SEP and the three LEPs' individual SEPs (covering Coventry and Warwickshire and Greater Birmingham and Solihull as well as the Black Country).

The Midlands Engine for Growth brings together ten LEPs, including the BC LEP, who together with their local authorities, universities, businesses and other partners have come together to respond to the Government's economic and productivity challenges. Partners have agreed to collaborate around promotion, innovation, access to finance – through the Midlands

Investment Fund in collaboration with the British Business Bank, skills and, through Midlands Connect, transport connectivity.

The diagram below shows the interrelationship of all these elements:



1.6.2 West Midlands LEP Chairmen

West Midlands LEP Chairmen meet approximately quarterly to discuss issues of common concern and to consider and develop areas of joint working. The meeting is supported by regular meetings of LEP Senior Officers.

Information on individual West Midland LEPs can be found via the following links:

Coventry and Warwickshire LEP: www.cwlep.com

Greater Birmingham and Solihull LEP: www.centreofenterprise.com

The Marches LEP: www.marcheslep.org.uk

Stoke and Staffordshire LEP: www.stokestaffslep.org.uk

Worcestershire LEP: www.wlep.co.uk

- 1.6.3 Cross-LEP groups also meet to focus on specific issues such as transport and finance. The cross-LEP statement on transport is set out at Appendix 14.

SECTION 2

Transparent Decision Making

2.1 Governance Overview

2.1.1 Governance Protocols

- a. The Secretariat to the BC LEP will be provided by Black Country Consortium Ltd.
- b. The BC LEP may establish such groups or committees as may be necessary to facilitate the conduct of its business. For the time being they will comprise the Sub-Groups and Theme Advisory Groups set out at paragraph 1.3.5 and the informal and time limited Groups set out at paragraph 1.3.6.
- c. The LEP Board is established in accordance with the Local Enterprise Partnership Framework National Assurance Framework and its proceedings will, as far as possible, be conducted in accordance with the requirements of this framework and with the relevant Consortium Articles of Association.
- d. The BC LEP Board may elect a local authority member and a private sector member to act as Deputy-Chairmen.
- e. The Chairman or in his absence the Deputy Chairmen, may call a meeting of the BC LEP Board at any time, giving not less than seven days' notice.
- f. Where an emergency meeting is called the notice period may be waived and the reason for doing so will be recorded in the minutes of the meeting.
- g. Notwithstanding the requirements of the Access to Information Rules (see paragraphs j and k) meetings will be attended by:
 - i. Board Members,
 - ii. the Black Country Consortium Chief Executive as head of the BC LEP Partnership Secretariat and such members of her staff that she requires to support her in this role,
 - iii. Local Authority Chief Executives;
 - iv. other observers by resolution of the BC LEP Board or at the request of the Chairman where expert input is required for a particular discussion item;
 - v. BEIS Regional Director or Liaison Officer.

Quorum

- h. No business will be transacted at a meeting of the BC LEP Board unless at least four Members of the Board are present (at least two of whom shall be private sector Members) and the Black Country Local Authorities are represented in line with section 1.3.3.

Voting and Decisions

- i. All decisions will be made with a consensus approach. If necessary a vote will be taken. Any decisions put to the vote shall be decided by a majority of the Members present and voting at that meeting. Voting shall be by such means as may be agreed by the Members present at a meeting provided that the Chairman or any Member may request a vote to be taken by a show of hands on any resolution or business before a meeting.

Access to Information Rules and Freedom of Information, etc. Requests

- j. Meetings of the BC LEP Board will, in addition to these protocols, comply with the Access to Information Rules set out at Appendix 15.
- k. Freedom of Information and Environmental Information Regulation requests will be dealt with via the Accountable Body for the LEP Core and Strategic Funds and the Growth Deal.

- I. If the BC LEP Board agrees at any time in the future to establish any Sub-Group with delegated powers in respect of any of its functions, the meetings of that Sub-Group will also comply with the Access to Information Rules.

Minutes

- m. Subject to the requirements of the Access to Information Rules, minutes of the BC LEP Board proceedings will be drawn up and kept electronically, as will all BC LEP Board papers. The minutes shall be submitted to the next meeting for approval as to their accuracy. The minutes as approved shall be signed by the Chairman of the meeting to which they are submitted and if so signed shall be received as conclusive evidence of the facts stated therein and the meeting had been duly convened and validly held. In addition, a decision notice will be published on the website within 2 working days of a meeting of the BC LEP Board, this notice will capture the outcomes of the meeting.
- n. The names of the Members present at a meeting shall be recorded in the minutes. If any officer or employee of the BC LEP Partnership, Black Country Consortium or any other organisation attends the meeting the name of that officer or employee shall be recorded as being in attendance.
- o. Minutes are available to the public on the BC LEP website:
<http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings>

Engagement Events

- p. The Board will hold periodic open events for discussion and engagement with the private sector and other stakeholders to monitor and discuss the progress of the BC LEP Partnership at such time and place as the BC LEP Board may from time to time determine.

Annual Review

- q. The BC LEP will publish an annual review document detailing its activities. This will be distributed to stakeholders and be available on the BC LEP website www.blackcountrylep.co.uk

2.1.2 Review of this document

These protocols will be reviewed annually and variations to the protocols will only be made after consultation with the LEP Board and the Section 151 Officer of the Accountable Body for the Growth Deal, City Deal Housing and Prosperity Pilot and the LEP Core and Strategic Funds.

2.1.3 Pecuniary Interests – Conduct of Board Business

All business of the BC LEP Partnership will be conducted in accordance with the Nolan principles of public life:-

a. Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

b. Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

c. Objectivity

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

d. Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

e. Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

f. Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

g. Leadership

Holders of public office should promote and support these principles by leadership and example.

2.2. Registration and Declaration of Interests

- 2.2.1 Members of the BC LEP Partnership Board must register their interests; elected members will have already undergone this procedure and their own local authority's register of interests will be sufficient except they will be asked if they need to make any additional declarations to reflect the application of the code across the LEP geography. A collated register of interests of all members of the LEP will be maintained and will be available on the LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/>. The registration of interests procedure for all other members of the Partnership Board will follow the Members' Code of Conduct set out in part 5 of Walsall MBC's Constitution and the relevant paragraphs are, set out as Appendix 16. Where the appendix refers to Walsall Council this will be taken as referring to the BC LEP and its geographic area.
- 2.2.2 Members must act in the interest of the whole Black Country LEP area and not in the interest of their sector or geographical area.
- 2.2.3 Completed registration of interest forms will be available on the BC LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/>
- 2.2.4 Following each LEP Board meeting an updated Register of interests will be published on the LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/>

2.3. Gifts and Hospitality

- 2.3.1 Gifts and hospitality policy for elected members will be the same as that of their own local authority. Copies of these will be available on the respective members own local authority website. A collated register will be updated and made available on the BC LEP website www.blackcountrylep.co.uk.
- 2.3.2 For all other BC LEP Board members, Walsall MBC's Code of Conduct will be used to declare any gifts or hospitality as set at Appendix 16.

2.4. Stakeholder Engagement

- 2.4.1 Bi-monthly newsletters will be distributed to stakeholders throughout the Black Country and wider West Midlands informing of current and planned BC LEP activity and how to get involved.
- 2.4.2 Regular social media updates concerning relevant activity will be provided via the LEP Twitter site @blackcountrylep.

- 2.4.3 A calendar of events will be developed and made available on the BC LEP website www.blackcountrylep.co.uk.
- 2.4.4 An on-going PR campaign will inform stakeholders of BC LEP activity.
- 2.4.5 Stakeholders will be able to contact the BC LEP via the contact form on the website at <http://www.blackcountrylep.co.uk/contact-us> or through social media @blackcountrylep
- 2.4.6 The BC LEP website carries a complete section around Government funding opportunities. Firstly, to advertise the various opportunities available to businesses and investors to set out clearly and succinctly the eligibility criteria, timeframes and processes with contacts for further information and secondly to promote the successful projects, there progress, relevance to the SEP priorities and completion on an ongoing basis. Project Case Studies are available here: <http://www.blackcountrylep.co.uk/about-us/plans-for-growth/growth-deal-case-studies/>
- 2.4.7 The BC LEP SEP sets out in detail the priorities for progress, the Programme Management Office produces regular dashboards on delivery and outputs. To encourage cross programme and project working the 3 strands of work, People, Business and Place each hold a Thematic Communications Plan that links each detailed piece of work to ensure information sharing and maximise the social value of investment at project and ground level as well against the SEP. The Strategic MarComms Plan which includes a Stakeholder Engagement Plan identifies key partners, events and opportunities where key partners and beneficiaries can get involved or require dedicated resource.

2.5. Arrangements for Developing Prioritising and Appraising and Approving Projects

The details of arrangements for the development, prioritisation and appraisal and approval of projects are set out at Section 4 of the Framework.

2.6. Social Value

The Black Country Performance Management Framework measures cover a wide range of economic and social measures. We will carry out a Social Return on Investment analysis on projects where appropriate and will undertake for our City Deal Housing, Jobs and Prosperity Pilot and Beactive Partnership Black Country in Motion Project.

2.7 Availability of Information Online

Links to the Black Country LEP website are available on local authority websites and links to the Walsall Council Joint Executive Committee webpage are also available on the other local authority and Black Country LEP websites. The BC LEP Secretariat will undertake regular reviews to ensure this information is accurate, up to date and consistent.

SECTION 3

Accountable Decision Making

3.1. Status and Role of Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and BC LEP Core and BC LEP Strategic Funding

3.1.1 Walsall Council will be the Accountable Body for the Local Growth Fund (Growth Deal, City Deal Housing Jobs and Prosperity Pilot and LEP Core and LEP Strategic funding). As the Accountable Body Walsall Council will: -

- a) Hold the Local Growth Fund funding and make payments in accordance with the decisions made by the BC LEP and ratified by the Joint Committee and in accordance with Growth Deal conditions of Grant set by government. The Accountable Body for the Growth Deal may, on occasion, not comply with a BC LEP decision if it is not legally able to do so, or it cannot ensure a decision complies with the BC LEP Assurance Framework. Such conflicts would be dealt with via the Black Country Joint Committee and as described in the Growth Deal and City Deal Collaboration Agreement (clause 17);
- b) Account for these funds in such a way that they are separately identifiable from the accountable body's own funds and provide financial statements to the LEP as required. The use of resources is subject to the usual local authority checks and balances, in addition to undertaking a compliance function to assess the adherence of the BC LEP to the Framework, and this is captured in Grant Agreements for the City Deal and Growth Deal and for the BC LEP Core and Strategic Funding. A Statement of Accounts is published on the [Walsall Council website: http://cms.walsall.gov.uk/index/council_and_democracy/publications/soa.htm](http://cms.walsall.gov.uk/index/council_and_democracy/publications/soa.htm);
- c) Ensure that projects have in place and have agreed suitable arrangements for the management of the risks associated with the project activity to ensure that projects comply with legal requirements with regard to equalities, environmental, State Aid and other EU issues including public procurement and all other relevant legislation and guidance;
- d) The role of the Accountable Body is to put in place suitable arrangements for ensuring that grantees manage the risks associated with the BC LEP's Growth Deal activities. Through the Section 151 Officer the Accountable Body will put in place appropriate arrangements which reflect the approvals received from the BC LEP Board and the Joint Committee. The Accountable Body will complete a number of activities at the Pre Grant Award, Grant Award and Post Grant Award stages as outlined in the 'Local Growth Deal Programme - Roles and Responsibilities' document – see Appendix 17 – this includes responsibility for the decisions of BC LEP if subjected to legal or other challenge;
- e) Ensure that those in receipt of Growth Deal funds are obligated to comply with the BC LEP Assurance Framework by ensuring that the condition to comply with the BC LEP Assurance Framework are included in Growth Deal Grant Agreements – and providing reassurance to government that the BC LEP's Assurance Framework is, for the Growth Deal, being implemented and meets the standards set in the national framework, coordinating a return to government from all of the BC LEP's Accountable Bodies confirming this each February;
- f) Maintain the official record of Growth Deal decisions and proceedings as undertaken by the Joint Committee, and maintaining and verifying the audit trail for all projects through the approved Monitoring, Compliance and Audit Framework (Appendix 24);
- g) Respond to requests made by the Consortium Audit Committee for support, including dealing with all Freedom of Information requests received by BC LEP in line with the process at Appendix 15;
- h) Supply format for non-elected voting members to declare interests (elected voting members can utilise their own authority's procedure; and

- i) Supply access to all Joint Committee associated documents including decisions, minutes and reports. Documents will be available online via the BC LEP website www.blackcountrylep.co.uk.
- j) The Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds will utilise its own internal audit, accountancy and treasury management systems in the delivery of its role.
- k) Provide the Secretariat to the Working Group, Advisory Board and Joint Committee at the Pre Grant Award, Grant Award and Post Grant Award stages as outlined in the 'Local Growth Deal Programme - Roles and Responsibilities' document. The Joint Committee Programme Manager, with support from the Joint Committee Programme Management Officer(s) will:
 - Ensure the effective scheduling and calling of the meetings within the Joint Committee structures – including the Working Group, Advisory Board and Joint Committee Programme Management meetings;
 - Coordination of the Accountable Body Working Group, which includes the Section 151 officer and legal, finance and audit leads;
 - Hold the Local Growth Fund, Housing Jobs and Prosperity and BC LEP Core and Strategic funding and make payments in accordance with the decisions made by the BC LEP and ratified by the Joint Committee;
 - Monitor the agreed arrangements for the management of risks associated with the project activity and ensure that projects are appropriately managing the risks through the mechanisms within their Grant Agreement, assessing evidence where appropriate through agreed mechanisms;
 - Maintain the official record of Growth Deal decisions and proceedings as undertaken by the Joint Committee, and the audit trail for all projects;
 - Ensure that their agendas are set and that the meetings are accurately recorded, with minutes and decisions published where appropriate;
 - Ensure that the resultant action plans are produced and progress monitored
 - Work with the Joint Committee Secretary to ensure that all appropriate meeting schedules are both aligned and timely;
 - Working with the Programme Management Office (PMO) in the delivery of project outcomes and compliance with instructions, tasks and improvements:
 - Contractual monitoring, evidence verification and project audit – and the sharing of this information with the Programme Management Office through the Growth Deal Monitoring Database ;
 - Updating Grant Agreement schedules for multi-year projects, to incorporate approved changes as necessary.
 - Establishing and maintaining the required Accountable Body structures and arrangements as directed by the Joint Committee;
 - In consultation with the SEP Delivery Director, calling and chairing Programme Management Meetings, Forward Planning and drafting/coordinating reports on behalf of the Lead Authority for consideration at the appropriate group meetings;
 - Ensuring that project/report sponsors are informed and offered guidance with the preparation and submission of their reports;
 - Appointment and management of the Accountable Body part of the Growth Deal & City Deal Programme Management Team.

3.2. Audit and Scrutiny

- 3.2.1 Regular independent (external) audit and assurance checks will be commissioned and undertaken to verify that the BC LEP is operating effectively within the terms of its agreed assurance framework. The Section 151 Officer at the Accountable Body for the LEP Core/Strategic Funds and the Growth Deal will approve these audit and scrutiny arrangements. Details of these arrangements can be found at Appendix 26.
- 3.2.2 The Black Country Consortium's Audit Committee will report on the effectiveness of the BC LEP Secretariat's systems of governance, internal financial control and risk management in relation to all elements of BC LEP funding. The relevant Scrutiny Committee at Walsall Council, acting in its role as Accountable Body for the BC LEP's Growth Deal, City Deal (Housing and Prosperity Pilot) and LEP Core and Strategic Funds, will call in and scrutinise the work of the BCC Audit Committee as appropriate to ensure that it is effective and impartial. This will ensure that the highest standards of propriety in the use of public monies are maintained and proper accountability for the use of those monies. The LEP and the Consortium Audit Committee will be responsible for taking the necessary action to remedy any shortcomings identified within any such audit. In addition, each constituent Council, acting as Accountable Body for an individual BC LEP funding stream or activity, can within its own Scrutiny structure look at that aspect of BC LEP activity.
- 3.2.3 In relation to the Joint Committee each constituent Council, within its own Scrutiny structure may choose to look into the performance of the Land Remediation Fund, City Deal and Growth Deal and its impact on that Scrutiny Committee's Council, it can do and report under the normal structure to its Full Council and Cabinet on its findings. The findings will then be reported back to the next available Joint Committee as appropriate.
- 3.2.4 The provisions of paragraph 4.2.3 above will apply to the scrutiny of the LEP in relation to Land Remediation Fund, City Deal and Growth Deal as it applies to the Joint Committee.

3.3. Strategic Objectives and Purpose

- 3.3.1 The BC LEP will: -
- a) Ensure that value for money is achieved regarding the Local Growth Fund and LEP Core and Strategic funding;
 - b) Identify a prioritised list of projects within the available Growth Deal budget;
 - c) Make recommendations on individual project approval, investment decision making and release of funding, including scrutiny of individual scheme business cases¹ to the Black Country Joint Committee for ratification;
 - d) Monitor progress of scheme delivery and spend;
 - e) Actively manage the devolved budget and programme to respond to changes in circumstances (for example scheme slippage, scheme alteration or cost increases);
 - f) Engage government in dialogue to ensure resource is maximised and additional funding streams are coordinated;
 - g) Fully participate in the development of strategic cross boundary schemes; and
- 3.3.2 Terms of reference for the BC LEP are available at Appendix 2 and can be found on the BC LEP website www.blackcountrylep.co.uk

3.4 Working Arrangements and Meeting Frequency

¹ Guided by the Funding Sub Group, 3rd party technical expertise / assessment as required and from BCC PMO, with BCC Chief Executive will take responsibility for scrutinising business cases on behalf of the LEP.

- 3.4.1 Meetings of the BC LEP will be programmed to occur approximately monthly, with special meetings held as required. All of these meetings will be open to the public subject to the Access to Information Rules set at Appendix 15.
- 3.4.2 The BC LEP will develop a process for making urgent decisions between normal meetings and where special (exceptional) meetings cannot be convened within an acceptable timeframe. The agreed process for delegated decision making is at 1.3.1.1. Notice of any special meetings will appear on the LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings>.

3.5 Transparency and Local Engagement

- 3.5.1 Meeting papers and minutes, scheme business cases and evaluation reports, funding decision letters with funding levels and conditions indicated and regular programme updates on delivery and spend against budget will be published on the BC LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings> in accordance with Access to Information Rules (Appendix 15). A decision notice, capturing the outcomes of a meeting of the BC LEP Board, will be published online within 2 working days of a meeting.
- 3.5.2 The public and stakeholders will be able to provide input via the BC LEP websites contact form <http://www.blackcountrylep.co.uk/contact-us>. Stakeholders will be made aware of how to provide input by being informed via the BC LEP newsletter which is distributed to businesses throughout the Black Country, and through intermediaries such as the Chamber of Commerce.
- 3.5.3 The BC LEP will adhere to Local Government Transparency Code through Walsall Council as the Accountable Body to the LEP's Strategic and Core funding.
- 3.5.4 A statement detailing the process by which the BC LEP will make decisions on major investment, as well as the rationale, will be published online alongside other documentation. Details can be found at www.blackcountrylep.co.uk
- 3.5.5 FOI and EIR requests will be dealt with in the first instance by Walsall Council, whose officers will have access to all relevant documents.

3.6. Equality and Diversity

- 3.6.1 The Black Country LEP is committed to promoting equality and diversity. Together the BC LEP and the Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds will pay due regard to the Equality Act 2010 by tackling discrimination, harassment, intimidation and disadvantage when proportioning funding.

3.7. Complaints and Whistleblowing

- 3.7.1 Complaints from stakeholders and members of the public will be dealt with and resolved in accordance with the Black Country Consortium's Customer Care Charter and Complaints Procedure set at Appendix 18.
- 3.7.2 Whistleblowing allegations will be referred immediately to and investigated by the Internal Audit officers of the Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds. The whistleblowing procedure is included at Appendix 19 and further information can be found at: http://cms.walsall.gov.uk/index/council_and_democracy/whistle_blowing.htm

3.8. The Decision Making Process

- 3.8.1 The role and purpose of the Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds is set out at paragraph 4.1 above, the procedures and requirements of the Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds and Joint Committee are set out in the Growth Deal and City Deal Collaboration Agreement (Appendix 13) and the terms of reference at Appendices 9-11. The objectives and purpose of the BC LEP are set out at paragraph 3.4 above. Conflicts between the Joint Committee and the BC LEP in relation to the matters considered under the Framework will be dealt with in accordance with paragraph 17 of the Collaboration Agreement.

SECTION 4

Ensuring Value for Money. Prioritisation, appraisal, business case development and risk management

4.1 Black Country Consortium Limited Project Assurance

Black Country Consortium Limited (BCC) Ltd. will provide Project Assurance through the lifecycle on behalf of the BC LEP. This section sets out the project lifecycle process relating to projects submitted for inclusion as part of the SEP.

4.2 Project Lifecycle

All projects follow a lifecycle; from initial idea, through planning to implementation and finally closure. It is important that projects within the SEP Programme follow a consistent lifecycle model. The lifecycle is supported by key decision points; Stage Gates. Stage Gates enable the appropriate level of oversight, governance and monitoring of projects at key steps through their lifecycle journey. They enable the appropriate approval bodies to approve or reject a project to move to the next stage in the lifecycle.

Therefore BCC Programme Management Office has defined a lifecycle model consisting of Stage and Stage Gates. The approval process for each Stage Gate has also been defined to ensure total transparency of process for all stakeholders.

4.3 Principles

A number of principles have been defined that underpin the defined approach:

- a. Proposals are actively encouraged from all public, private and charity sector stakeholders. The process has therefore been made as simple as possible, balanced with appropriate governance and oversight as required by Central Government and the BC LEP to ensure the barrier to participating is as low as possible. For example, creating a lengthy initial application form may put off some possible proposers, particularly SMEs.
- b. Approval Stage Gates have been defined to ensure appropriate engagement by both funding approvers and technical subject matter experts. Given the diverse range of possible proposals it is important that technical subject matter experts are engaged to validate proposals where required.
- c. The complete end to end process must be fair and transparent. The BC LEP seeks impartial advice from its appointed consultants/advisers as follows:

All property / land bids, including site investigations, are subject to an independent professional technical assessment, the outcome of which is a robust due diligence evaluation report (structured around the five case model). A proposed Heads of Terms (HoT) set of conditions are developed by the Independent Adviser with the Applicant and the agreed HoT form part of the document set considered at the Approval stage.

In addition to the technical due diligence assessment outlined above, projects are also subject to a financial due diligence which is performed by the contracting Accountable Body.

The resulting reports and recommendations generated through the evaluation / due diligence processes will confirm the robustness of the FBC, and the Applicant, and inform the prioritisation to be carried out by the LEP Board, Joint Committee and various sub committees when considering the bid for Grant support.

See Section 4 'Project Lifecycle' for full details of the appraisal process.

- d. There are limited funds and resources and prioritisation will be undertaken by the BC LEP Board.
- e. We work with a sense of urgency and where appropriate time limits have been established within the approval process.

See section 4 'Project Lifecycle' for full details.

4.4 Stakeholders

Several entities, including Approval Panels and Approval Boards are engaged in the project lifecycle. These are defined below.

No	Panel / Board	Participants
1	BC LEP Board	As defined in separate documentation
2.	BC LEP Funding Sub Group	As defined in separate documentation
3.	Joint Committee Advisory Board	As defined in separate documentation
4.	Black Country Executive Joint Committee	As defined in separate documentation
5.	Working Group to the Joint Committee	Private Sector LEP Board Member, Local Authority Heads of Regeneration, Consortium Chief Executive, Black Country Director of Transport, Joint Committee Programme Manager and Team
6.	Accountable Body Project Group	Joint Committee Programme Management Team, Appropriate Officers within Walsall MBC
7.	Programme Management Office (PMO)	Delivery Director, Programme Management Office Analyst, Programme Coordinator
8.	Economic Intelligence Unit	Head of Economic Intelligence, Economic Spatial & Policy Analyst

4.5 Documents

A number of standard documents are required to support projects through the approval, delivery and closure lifecycle stages. These are defined below.

No	Document	Description & Purpose
1	Initial Proposal	A short "2 page" document that outlines the proposal against the five case model in high level terms enabling an initial evaluation and prioritisation with a weighting against strategic fit.
3	Full Business Case (FBC)	The Full Business Case is the detailed planning stage where the applicant will revisit and build on the information supplied in the Initial Proposal. The full business case will be used to inform prioritisation where there are overall programme affordability considerations. Only those projects that have been approved at the Initial Proposal stage will progress to the FBC.
4	Change Request	Once a project has been approved any change will be subject to a formal Change Request. The approval authority for the proposed Change Request depends on the scale and impact of the Change. The PMO provides guidance on the Change Control process for in-flight projects.
6	Project Status Report	The Project Manager will provide regular timely and accurate status reporting (fortnightly) to the PMO throughout the lifecycle of the project. .

No	Document	Description & Purpose
7	Project Closure Report	As part of submitting a project for approval to close the Project Manager will prepare a final Project Status Report. This acts as a mirror to the approved Full Business Case and compares the final status against the original baseline for schedule, cost, quality, Outputs and scope.
8.	Accountable Body Claims and Reporting Process	Projects will submit evidence of spend to date as part of the supporting evidence for Grant Claims. This will inform accurate projections of spend for the programme. Grant claims will be paid monthly or quarterly by agreement, and will also be supported by a detailed report on progress towards meeting contractual objectives and evidence of expenditure. All Grant claims will be evidenced by the Project documentation required by the Accountable Body to validate the claim and the Programme Management team at both the PMO and the Accountable Body will work together to include forecasting and actual information into dashboard reporting. The PMO will monitor and report overall Programme Cashflows to validate progress of delivery by each Project against Grant allocated. The Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds has put in place a Monitoring, Compliance and Audit Framework (Appendix 24) to ensure that all projects are in compliance with the conditions of Grant, the BC LEP Assurance Framework as it relates to the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP Core and Strategic Funds and have the required evidence and audit trail to support Project activity.
9.	Match Funding - monitoring	The PMO will require periodic Project Progress reports detailing the total investment in the project and information on other sources of investment. Projects will be asked by the Accountable Body to certify that the required % of non-LGF spend on the project has taken place. The Accountable Body and the BC LEP reserve the right to request evidence of match funding.

Templates for the Initial Proposal and Full Business Case are contained in Appendix 20.

4.6 The Five Case Model

- 4.6.1 HM Treasury standard for the development of a Business Case is based on the Five Case Model. Policies, strategies, programmes and projects will only achieve their spending objectives and deliver benefits if they have been scoped robustly and planned realistically from the outset and the associated risks taken into account.
- 4.6.2 The business case, both as a product and a process, provides decision makers, stakeholders and the public with a management tool for evidence based and transparent decision making and a framework for the delivery, management and performance monitoring of the resultant scheme.
- 4.6.3 The business case in support of a new policy, new strategy, new programme or new project must evidence:
 - a. That the intervention is supported by a compelling case for change that provides holistic fit with other parts of the organisation and public sector– the “**strategic case**”
 - b. That the intervention represent best public value – the “**economic case**”

- c. That the proposed Deal is attractive to the market place, can be procured and is commercially viable – the “**commercial case**”
- d. That the proposed spend is affordable – the “**financial case**”
- e. That what is required from all parties is achievable – the “**management case**”

4.7 Project Register

- 4.7.1 The PMO will maintain a Project Register. This is a list of all proposals, in-flight projects and closed projects. Proposals and projects will be ordered by their lifecycle stage and prioritised by the PMO based on the agreed prioritisation model.
- 4.7.2 Red / Amber / Green (RAG) Key Performance Indicators (KPIs) will be tracked for all in-flight projects and included on the Project Register.
- 4.7.3 The Verto MIS will be used as the project & portfolio management solution providing this Project Register.

4.8 Project Prioritisation

- 5.8.1 At all projects levels projects will be appraised on the following 3 areas:

Appraisal Criteria:
1. Strategic fit with SEP objectives
2. Value for Money - Benefit Cost Ratio & Leverage
3. Delivery timing and risk

These elements may be weighted at different stages of the project lifecycle. For example Strategic Case will be viewed as the priority at the Initial Proposal Stage.

- 4.8.2 There is no lower or upper financial limit for the projects to be put forward at this stage, however please note that only capital funding is available from the Local Growth Fund, (not revenue).
- 4.8.3 In relation to skills-related projects, the Skills Funding Agency in the past indicated that projects should contribute at least two thirds of the funding required. This benchmark is viewed by the BC LEP as a useful guideline.

4.9 Strategic Fit with SEP Objectives

- 4.9.1 The Black Country Strategic Economic Plan April 2014 is available via:
<http://theblackcountrylep.com/about-us/black-country-plans-for-growth/strategic-economic-plan>
- 4.9.2 The Plan sets out 3 primary objectives and 12 strategic programmes:

Strategic Programmes to Transform the Black Country Infrastructure and Environment - PLACE	Strategic Programmes to Raise Employability, Education and Skills -- PEOPLE	Strategic Programmes to Improve Black Country Competitiveness - BUSINESS
PI1. Employment sites and premises	P1. Skills for the supply chain	B1. Developing a Supply Chain fit to supply
PI2. Infrastructure to Support Growth	P2. Skills capital	B2. Exploiting global opportunities
PI3 Housing (including in town centres)	P3. Schools and college statutory education provision.	B3. Access to Finance.
PL4. Distinctive Urban Centres	P4. Securing and upskilling the Black Country residents and employees	

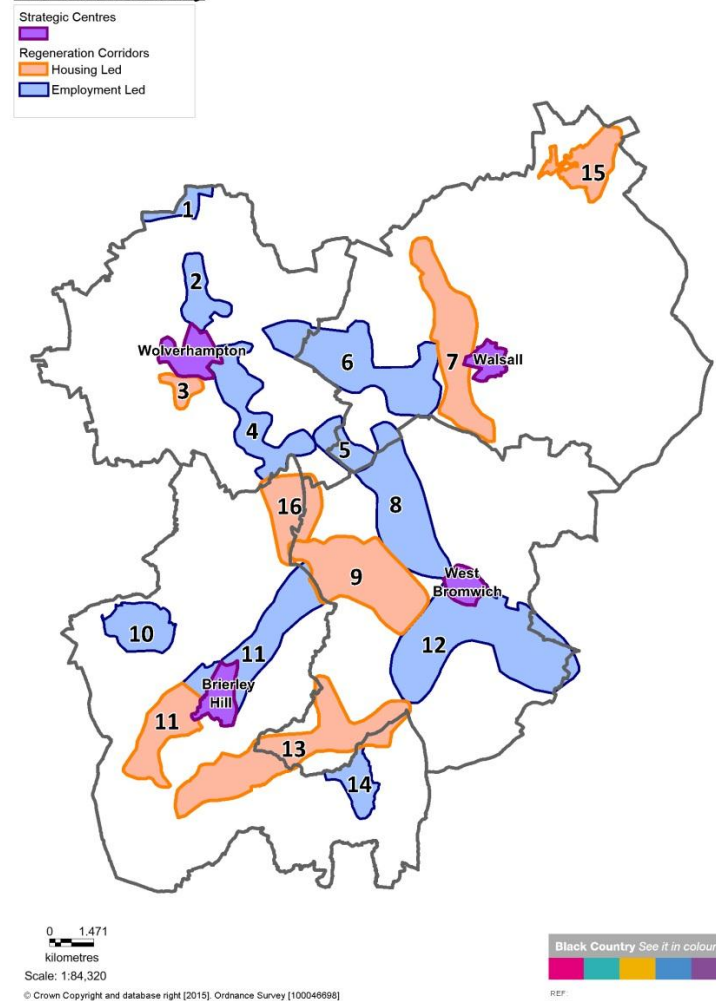
Strategic Programmes to Transform the Black Country Infrastructure and Environment - PLACE	Strategic Programmes to Raise Employability, Education and Skills -- PEOPLE	Strategic Programmes to Improve Black Country Competitiveness - BUSINESS
PL5. Overall quality environment and low carbon.		

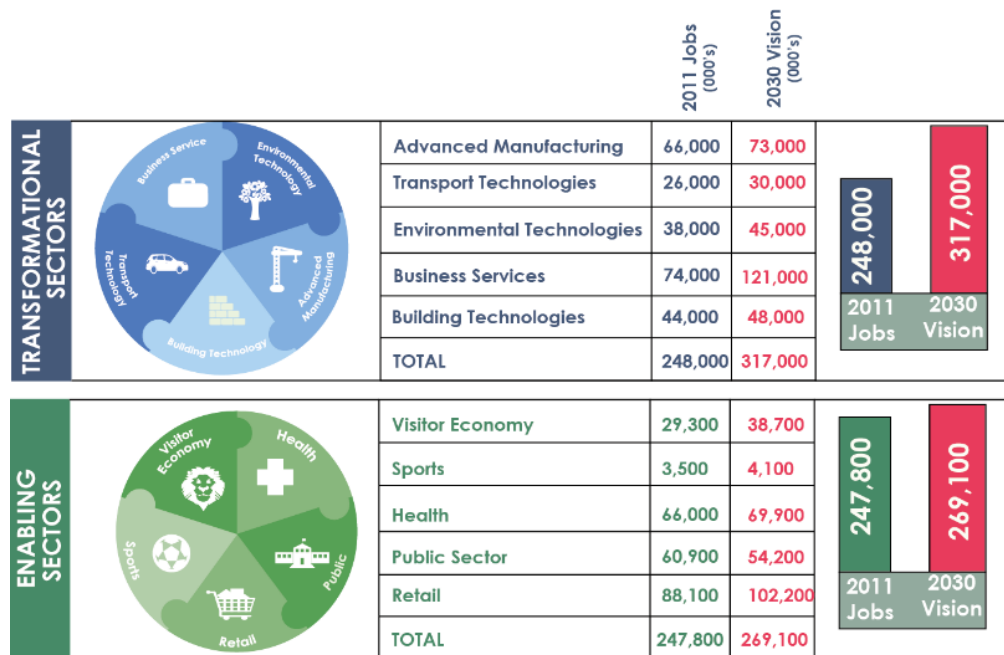
Projects will be assessed in terms of their strategic fit to these 12 programmes.

4.9.3 The **Black Country Performance Management Framework** provides a clear framework against which success can be measured. This is set out in Appendix 21.

4.9.4 The following table sets out our ambitions for our targets sectors and the map illustrates our growth network – 4 strategic centres and 16 corridor centres as set out in our Core Strategy

The Black Country





4.10 Value for Money

The BC LEP recognises the importance of having robust arrangements in place to ensure value for money and effective delivery.

4.10.1 Benefit Cost Ratio (BCR)

The BC LEP model, which will be deployed by the PMO, takes the outputs from projects and calculates the benefit cost ratio for employment, business creation, business assists, learners assists and housing outputs and combines them to calculate the GVA impact and a total project Benefit Cost Ratio based on the public sector ask. The full methodology is show in Appendix 22.

4.10.2 Appendix 23 sets out the value for money calculations for Transport projects.

4.10.3 Match funding/Leverage

Projects will be ranked according to the amount of funding requested as a proportion of investment levered from other sources – public and private.

4.10.4 The BCR and leverage ranking are combined and ranked in order to determine a ranking order.

4.10.5 From 2017/18 the Economic Intelligence Unit will complete an Economic Impact Assessment (EIA) on projects that meet the following conditions:

- Core Outputs, which include, Jobs, Housing, Business Assists and Leaner Assists, exceed 10% of the total outputs commissioned by Government.
- Total value of funding support exceeds £5m

4.10.6 The SEP Delivery Director (Paul Mellon) is responsible for ensuring value for money is achieved however it will be ultimately the BC LEP Board's decision.

4.10.7 The Chair of the BC LEP Funding Sub Group (Simon Eastwood) holds overall responsibility for the scrutiny of and recommendations of business cases, however it will be ultimately the BC LEP Board's decision. Further details of the role of the BC LEP Funding Sub Group in the appraisal process is in Section 4 Project Lifecycle.

4.11 Assessment Criteria

4.11.1 The Full Business Case (FBC) will be assessed against the following to ensure:

- there is a clear strategic alignment to the BC Strategic Economic Plan;
- that the project has undergone an options appraisal, including the implications of 'Do Nothing';
- it offers value for money (as outlined above) and;
- that the applicant has the appropriate commercial, financial and management arrangements to enable effective delivery. These elements will be tested through the FBC structure, centred around HM Treasury's five case model - the UK Government's best practise approach to planning spending proposals - as detailed in section 4.6.3.

4.12 Delivery Timing and Risk

4.12.1 Projects able to demonstrate the most certainty will be given the highest priority. In order to determine that certainty we will evaluate the mitigations proposed against each of the key risks.

4.13 Scoring Matrix

4.13.1 Proposals and projects at each stage of the lifecycle will be prioritised based on a simple scoring of 0 – 3, where 0 is the lowest score. Projects will be scored by the PMO using a clearly defined scoring model that defines the characteristic of a "0", "1", "2" and "3" against the Five Case Model elements of Strategic, Economic, Commercial, Financial, and Management.

4.14 Complaints Procedure

4.14.1 A transparent complaints procedure exists for stakeholders at all stages in the project lifecycle and is set out at Appendix 18. The complaints procedure has a number of steps enabling appropriate escalation:

- a. Informal
- b. Appeal to the Black Country Consortium Ltd Company Secretary
- c. Appeal to Black Country Consortium Ltd Board of Directors

4.15 Overall Risk Management

4.15.1 Black Country Consortium (BCC) Ltd Risk Register, which incorporates risks raised regarding the BC LEP, is reported to the Black Country Audit Committee on a quarterly basis. The minutes of this meeting are reported through to the BC LEP Board and, in due course, are made available in the public domain. The Risk Register is reviewed monthly senior management. The Chief Executive of BCC Ltd (Sarah Middleton) holds overall responsibility for identification and management of BC LEP wide risks.

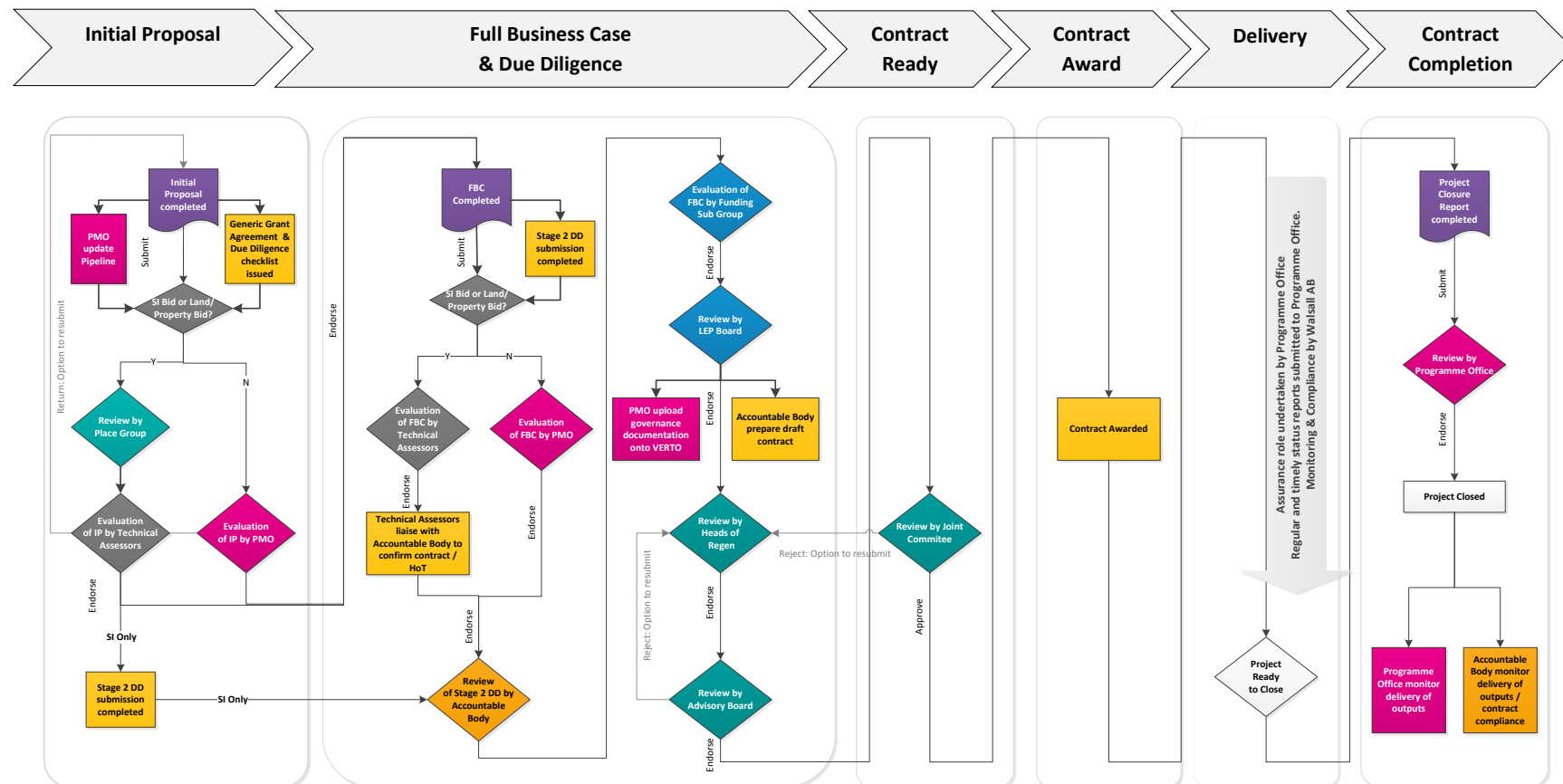
4.16 Project Lifecycle

The diagrams below are designed to provide assurance to Government on how the identified projects brought forward will be governed and managed through their lifecycle.

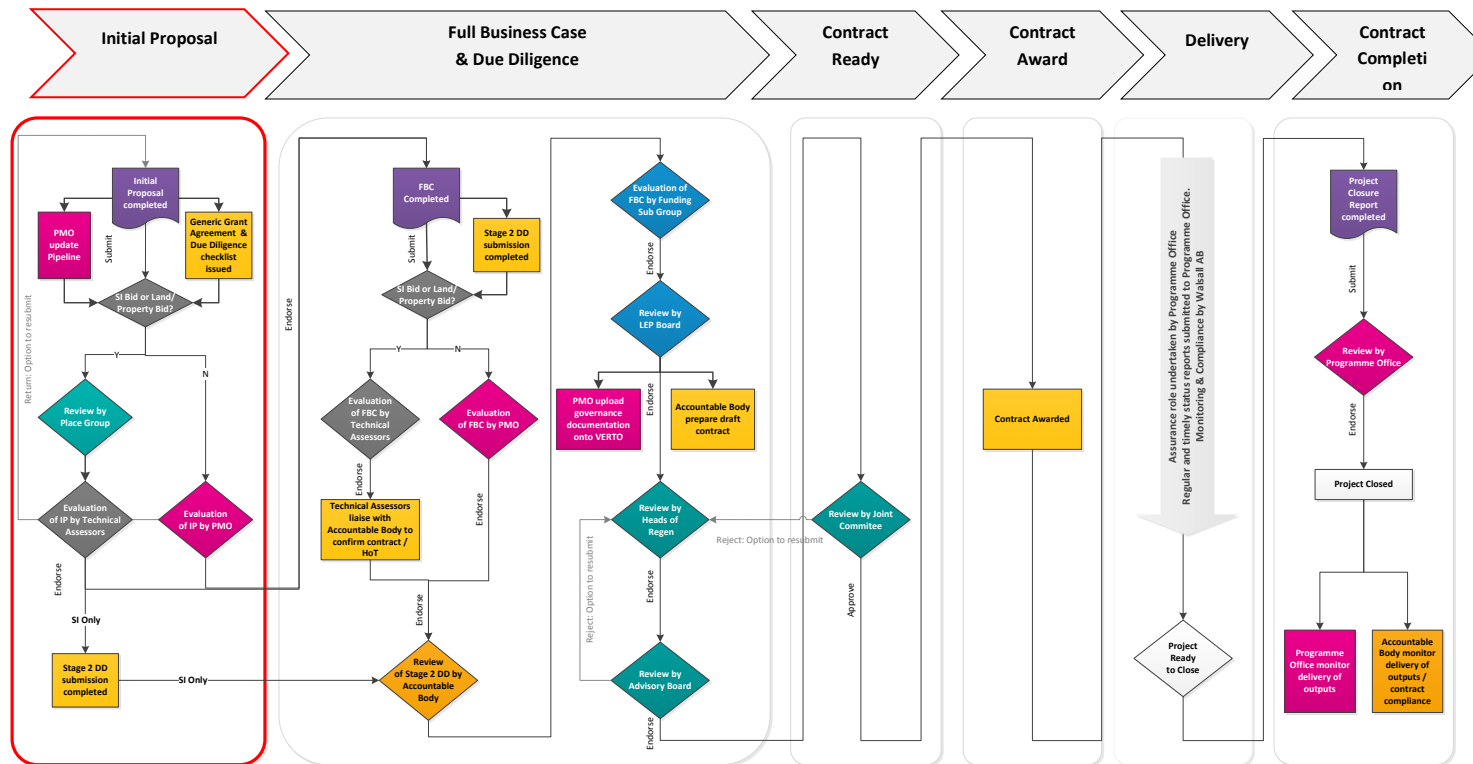
The following process will be applied to all funding streams deployed in the Black Country. Each project will be subject to a structured due diligence process. The requirements at each stage of project development will be articulated and made available to the applicant. The technical appraisal and due diligence assessment will be appropriate for the specific funding request.

*NB: Major Transport schemes will be subject to a separate appraisal, development and delivery process which is referenced in **Appendix 23 - 'Black Country Strategic Transport Guidance Notes'**.*

4.16.1 Overview



4.16.2 Initial Proposal Stage



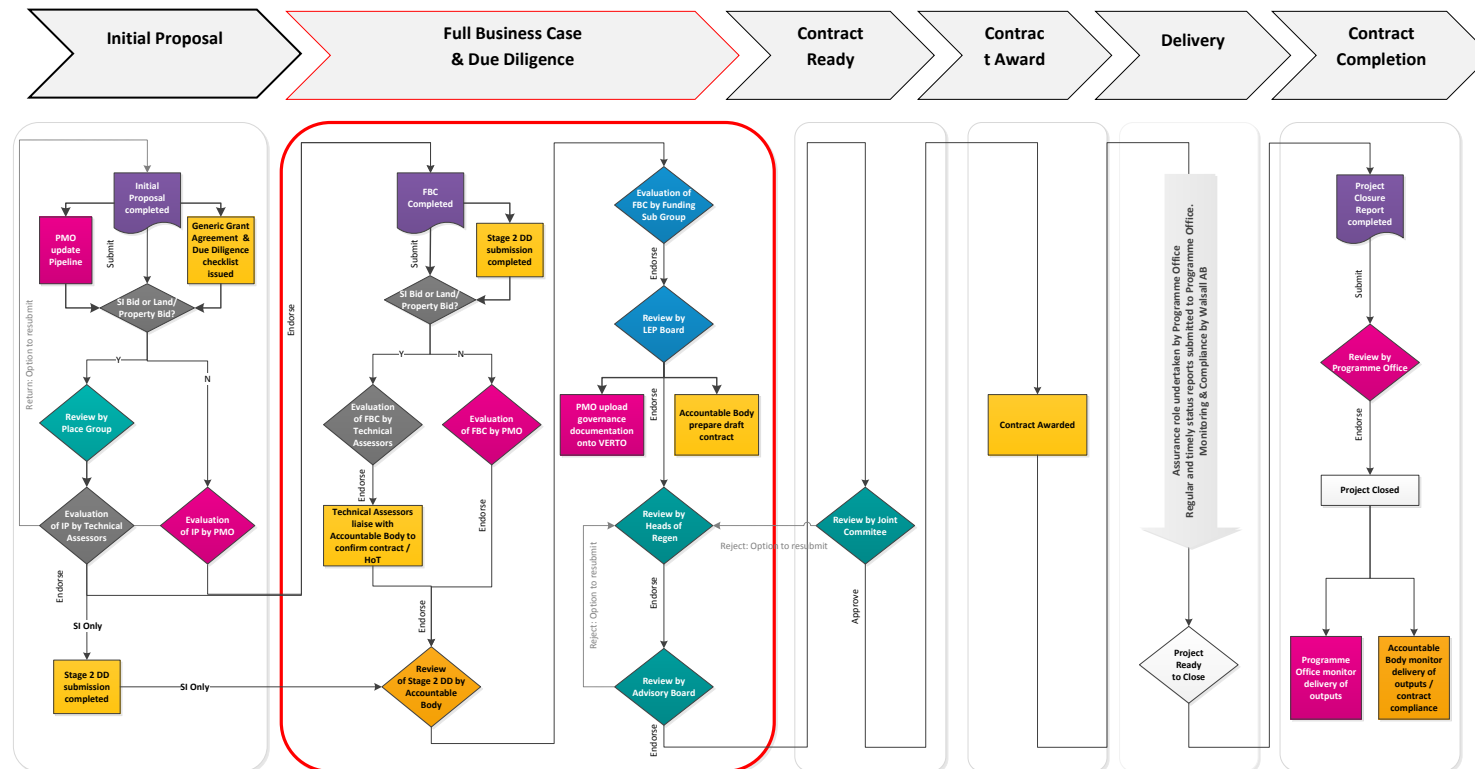
- Submissions are actively encouraged from any Black Country stakeholder, including public, private and third sector. To minimize the barrier to entry the first Initial Proposal form has been designed to be as simple as possible to complete but based around the Five Case Model for Business Cases as defined by HM Treasury. The purpose of the Initial Proposal is to provide a high level overview of the project, and the opportunities it presents and the risks it entails.
- Initial Proposals for Site Investigations or Property / Land projects will be submitted to property regeneration consultants for technical assessment. All other Initial Proposals will be submitted to the Programme Management Office (PMO) for evaluation; templates are available via the Black Country LEP website. Clear strategic alignment to the SEP is paramount. The PMO will be looking specifically; to match the proposal to the 3 strategic Themes and 12 SEP

Programmes; for which the Black Country LEP (BCLEP) Growth Objectives and Measures of Success will be addressed; and **how** the proposal will unlock the identified BCLEP Growth Objectives.

- c. The PMO will seek technical / expert guidance to validate demand as well as state aid compliance.
- d. Proposals will either be endorsed/recommended to proceed or returned. Proposals requiring 100% funding will automatically be returned. Those proposals that are returned are invited to resubmit. Guidance will be offered on the reasons for non-endorsement.
- e. Those proposals that are endorsed/recommended to proceed are invited to move to the Full Business Case & Due Diligence Stage and develop their Full Business Case (FBC). The project is added to the Black Country pipeline and included in the Dashboard Reports to the Working Group, Advisory Board as well as the LEP Board. In addition a copy of the bid, when land / property, will be shared with the BC Officer Place Group who will review the bid for strategic fit.
- f. Site Investigation proposals that are endorsed/recommended to proceed are also issued to the Officer Place Group for review of strategic fit.
- g. Low value machinery purchase bids of under £500,000 will only be required to submit an Initial Proposal, providing there are no structural property changes required to accommodate the new machinery. Whilst a Full Business Case will not be required, the applicant will be required to complete a number of additional schedules as requested by the PMO.
- h. Accessing Growth schemes will only be required to submit an Initial Proposal. Whilst a Full Business Case will not be required, the applicant will be required to complete a number of additional schedules as requested by the PMO.
- i. Initial Proposals will be appended with a copy of the Walsall Accountable Body Stage 2 Due Diligence checklist. Applicants will be required to declare that they have understood what is required of them by the Accountable Body before the application can proceed. A copy of the generic Grant Agreement will also be issued, as early visibility of the documentation will enable a more rapid turnaround at pre-contracting.

NB: Whilst Site Investigation bids will only complete the Initial Proposal document, all SI bids will be subject to endorsement by the Sponsoring Local Authority, Funding Sub Group, LEP Board, Heads of Regeneration, and Advisory Board before approval by the Black Country Joint Committee. Site Investigation bids will also be subject to technical appraisal and due diligence conducted by a third party agent.

4.16.3 Full Business Case & Due Diligence Stage

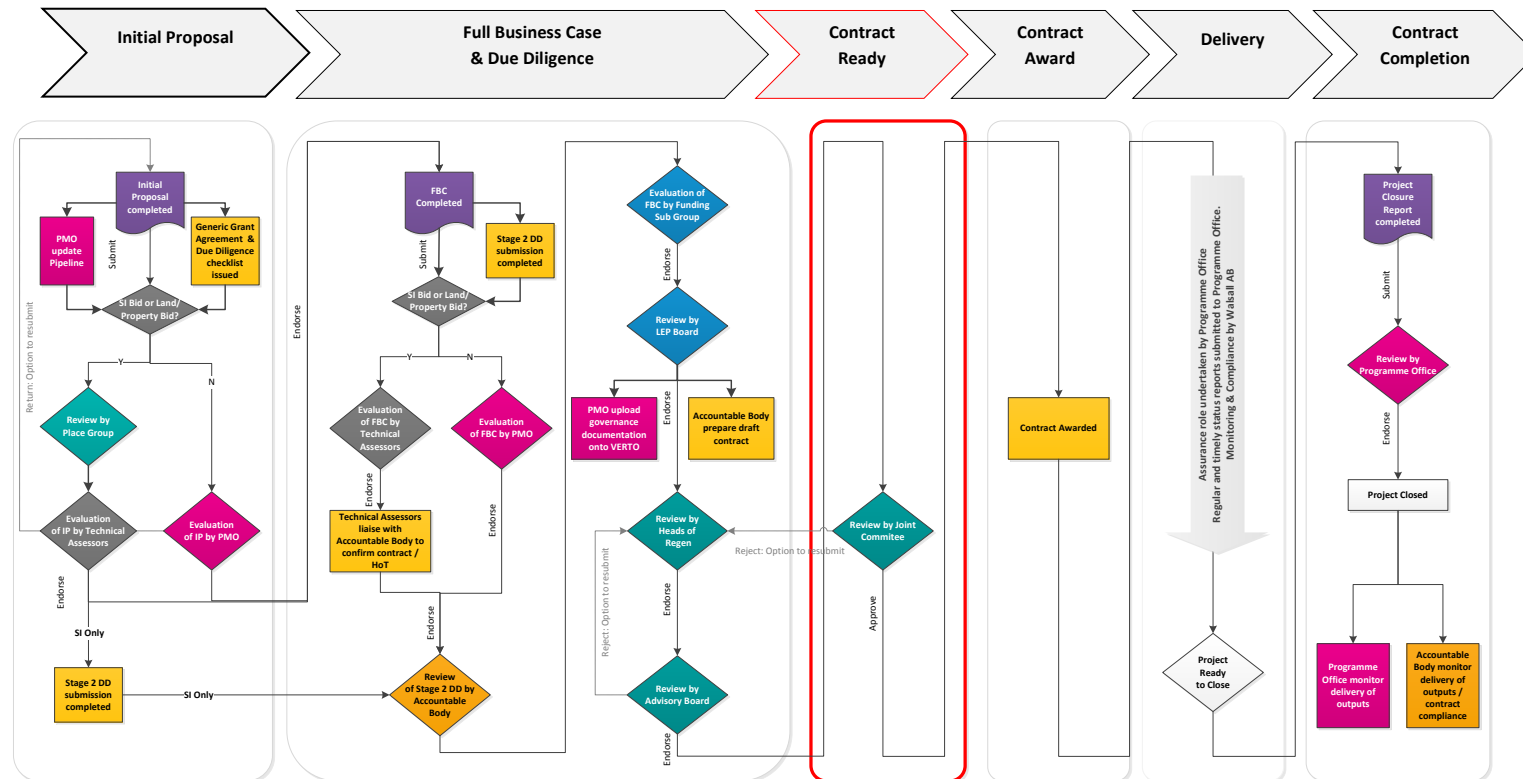


- a. The Full Business Case (FBC) is the detailed planning stage where the applicant will revisit and build on the information supplied in the Initial Proposal.
- b. At this stage the PMO instructs the applicant to commence Stage 2 due diligence, and informs the Accountable Body that they have done so, to enable the Accountable Body to provide the appropriate support and guidance from the earliest possible stage. It is made clear to the applicant by both the PMO and the Accountable Body that this does not equate to an approval of their project and all work done at this stage remains at the risk of the applicant.
- c. The PMO will provide helpful guidance information to those completing FBCs. This will include online support and include face to face workshops, depending on demand from applicants. The guidance will be on how to complete the documentation, not what to enter. Those providing guidance must be allowed to remain independent.

- d. Once submitted, the FBC will be evaluated by the PMO using a clearly defined scoring model that defines the characteristic of a “0”, “1”, “2” and “3” against the Five Case Model elements of Strategic, Economic, Commercial, Financial, and Management. The score generated will confirm the robustness of the FBC and inform the prioritisation to be carried out by the Funding Sub Group. Additionally, to support prioritisation, the PMO will deploy the LEP BCR model which takes the outputs from projects and calculates the benefit cost ratio for employment, business creation, business assists, learners assists and housing outputs and combines them to calculate the GVA impact and a total project Benefit Cost Ratio based on the public sector ask. The full methodology is shown in Appendix 22.
- e. Property / Land project bids will then be submitted to the property regeneration consultants for technical appraisal. The consultants will liaise directly with applicants to gather necessary additional information required to complete technical and cost appraisal. The consultants will also issue and agree a draft Heads of Terms (HoT) with the applicant. The HoT will also be subject to review and agreement by Walsall Accountable Body. The outcome of the appraisal will be a detailed Stage 1 Due Diligence Assessment Report and agreed HoT which will be submitted by the PMO to the Funding Sub Group for consideration / endorsement.
- f. During this stage the Accountable Body will also hold a pre-contracting workshop with the applicant and support the applicant through completion of their Stage 2 Due Diligence submission ahead of consideration by the BC LEP Board and, subsequently, the Joint Committee. All Local Authority sponsored bids put forward for Funding Sub Group endorsement (SI, Property/ Land or other identified Growth Deal priorities) will need to be accompanied by a letter of support from the sponsoring Head of Regeneration.
- g. The Funding Sub Group will consider an FBC and make a recommendation to proceed / not to proceed to the main LEP Board at the next available BC LEP Board meeting.
- h. The calendar of LEP Board meetings will be publicised to provide clear guidance as to the approval schedule. The Funding Sub Group will meet at an appropriate interval prior to the LEP Board to enable the submission of recommendations.
- i. The Funding Sub Group does not make a formal approve / reject decision but provides recommendations to the decision making entity; the LEP Board. The Funding Sub Group will focus on the strategic fit of each bid and their recommendations will be shared via meeting minutes presented by the Chair of the Funding Sub Group. Supplementary information for clarification may be requested by the Funding Sub Group.
- j. If all the supplementary information has been provided then the bid will be submitted to the LEP Board for approval.

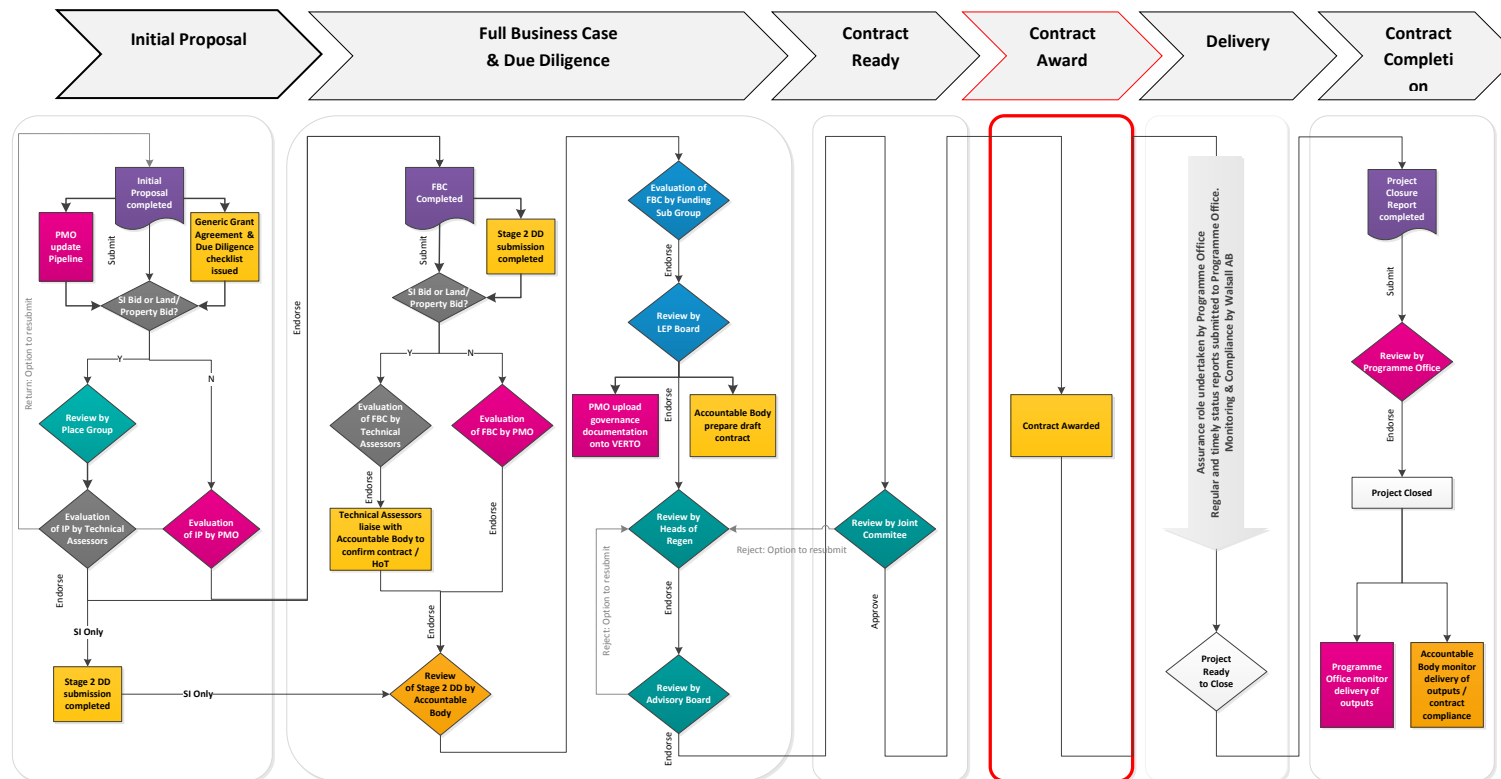
- k. Applicants are NOT able to update their FBC at any time whilst waiting for submission to the LEP Board without undertaking a formal Change Request. The Change Request will be reviewed by the SEP Delivery Director in the first instance. Depending on the scale/nature of the Change then the SEP Delivery Director may require the author to return to the Full Business Case & Due Diligence Stage.
- l. If the LEP Board reject a submitted FBC the applicant may be invited to revisit their FBC and resubmit.
- m. If the LEP Board feels the types of projects and benefits being submitted are unbalanced they will feed back their Needs. These Needs may trigger a re-prioritisation by the Funding Sub Group of waiting Business Cases. Needs may also be communicated back up the chain to those considering submitting an Initial Proposal. Additional marketing around these Needs may also be appropriate.
- n. Once the LEP Board approves a submitted FBC the applicant is informed by the PMO of the decision the next working day.
- o. The bid will then be subject to endorsement by the Heads of Regeneration Working Group and the Advisory Board. If both these decision making bodies endorse / make a recommendation to proceed, the bid will move to the Contract Ready Stage.
- p. Reports for the Heads of Regeneration Working Group will be drafted by the PMO to ensure that the appropriate level of detail, including any conditionality applied, is included. Advisory Board and Joint Committee reports will be completed by Local Authority Officers.

4.16.4 Contract Ready Stage



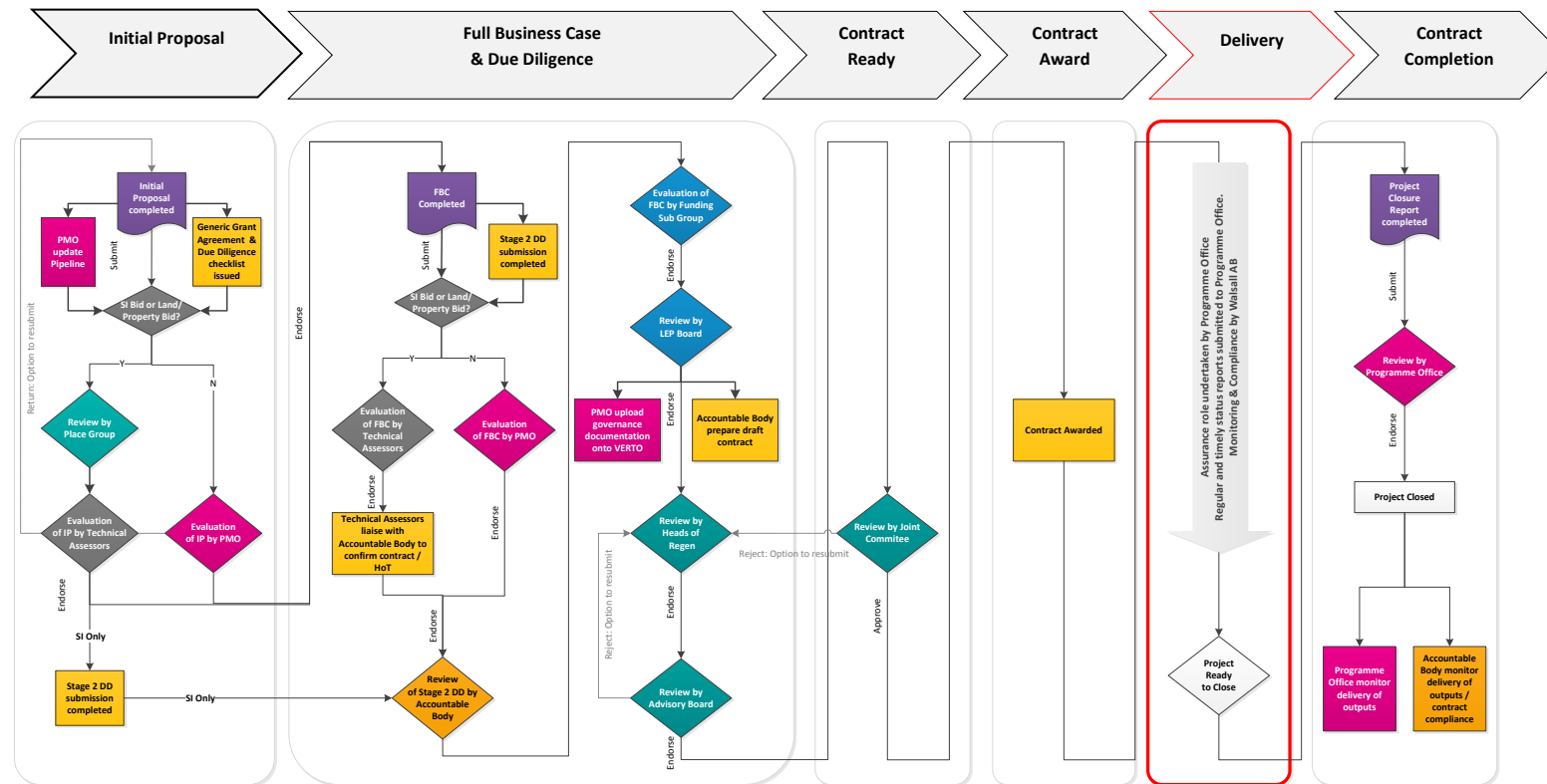
- The PMO will undertake Pre-Due Diligence checks on all FBCs and confirm sign off to the Accountable Body post LEP Board approval of the project. This will support the Accountable Body in completing the Stage 2 due diligence.
- During Stage 2 due diligence the Accountable Body will negotiate the details of the Grant Agreement with applicants, including the security or underwriting of the Grant via a Performance Bond, Legal Charge or other process for underwriting, negotiate the content of the Schedules and confirm Outputs.
- The Accountable Body will complete Stage 2 Due Diligence on all projects that have been approved by the LEP Board prior to submission to the Joint Committee.
- All projects at this stage will be submitted to the Joint Committee for review by the Joint Committee Secretariat.
- Those projects approved by the Joint Committee will move to the Contract Award Stage.

4.16.5 Contract Award Stage



- Agreement of the terms of and subsequent award of the grant agreement by the Accountable Body will be determined by the availability and allocation of funding. Some projects may therefore remain at “Approved Contract Ready Stage” until funding is provided.
- Once funding is provided a contract can be awarded and project delivery will commence.
- Detailed contract/grant conditions will be drawn up by the Accountable Body for each successful bid as part of the Contract Award stage following both Stage 1 and Stage 2 due diligence, and pre-award negotiations. Standard Grant Conditions are available on the LEP website: <http://www.blackcountrylep.co.uk/business-growth/funding-opportunities/apply-for-growth-deal-funding/>

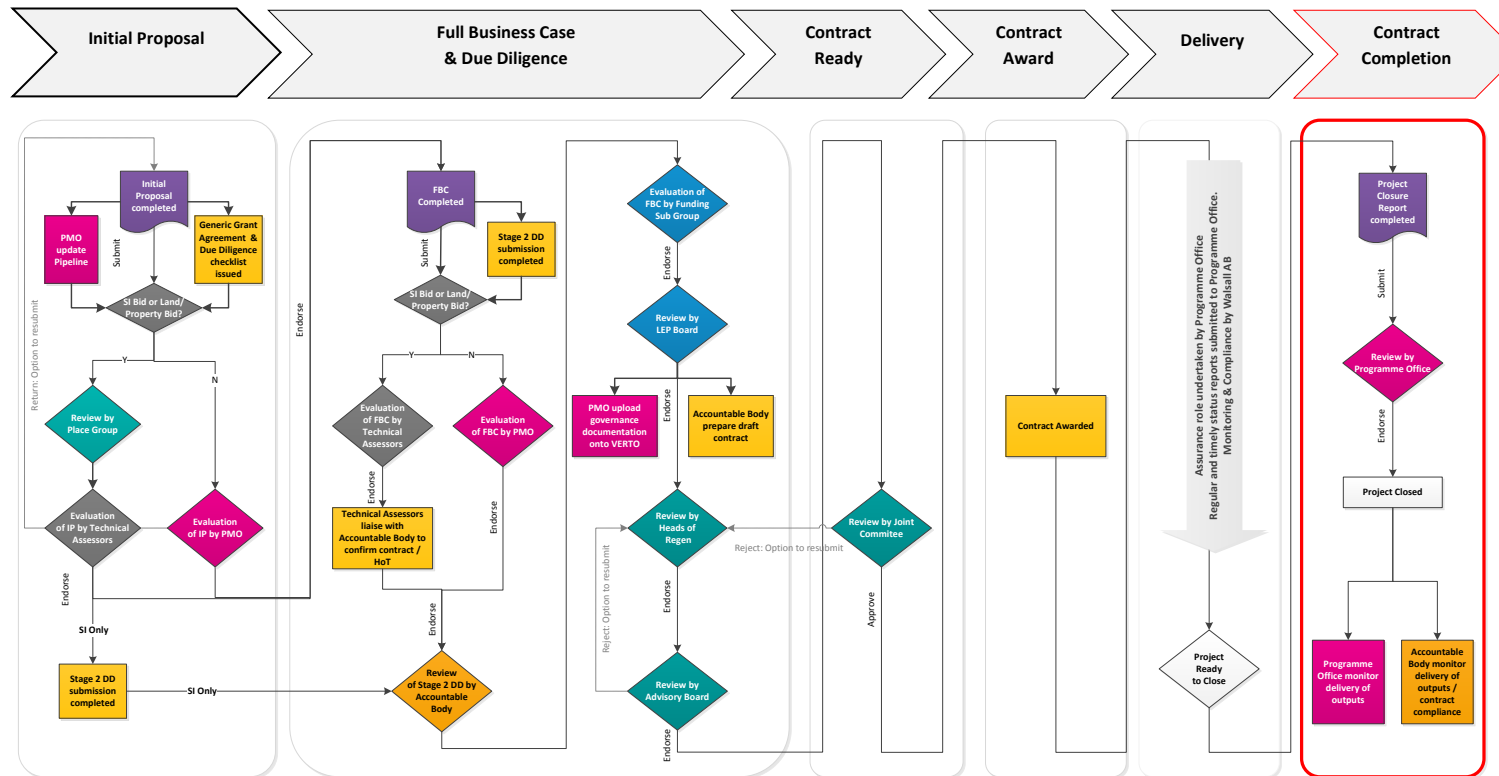
4.16.6 Delivery



- The project is now in Delivery and continues to be subject to monitoring and change control by the PMO, as well as ongoing contractual monitoring and compliance by the Accountable Body. The Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and the BC LEP and Strategic Funding has developed a Monitoring, Compliance and Audit Framework which details how ongoing monitoring of contract delivery will take place. Applicants are asked to confirm they will adhere to this at the Initial Proposal stage. The MCAV Framework is available at Appendix 24 of this LEP Assurance Framework'
- The identified Project Manager must provide timely and accurate status information to the PMO using the Project Status Report (PSR) via an online Project Management Information System (PMIS) called Verto. Any identified possible deviation away from the contracted schedules must be highlighted as early as possible via the PSR. This monitoring is supported by the reporting against agreed deliverables to the Accountable Body which forms the grant claims process.

- c. Any request to change from the agreed baseline scope, cashflow, timescales and outputs (outside of the agreed tolerances) must be managed through submission of a formal Change Request from the Project Manager into the PMO. The Change Control process can be viewed as an appendix to this document (Appendix 25).
- d. Minor changes to forecast cashflows (i.e. within agreed tolerances) must be notified immediately via the PSR but will not require a Change Request proposal.
- e. The PMO will provide the Assurance function to the LEP Board and may undertake detailed assessments and analysis of in-flight projects at any time.
- f. The PMO will provide timely and accurate Dashboard reporting to the LEP Board, the Joint Committee and any other appropriate stakeholders on the performance of in-flight projects. Copies of the monthly Dashboards will also be available via the BC LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings/>.

4.16.7 Contract Completion



- On completion of the agreed scope of work the project must be formally closed.
- A final PSR to close out the project will be submitted to the PMO who will then inform the LEP Board via the monthly dashboard reports.
- The PMO will continue to monitor outputs as required to support the original approved Full Business Case until outputs begin to stabilise.
- The Accountable Body will continue to monitor outputs as required until stabilised or above the contracted level of outputs captured in the Grant Agreement contract.

4.17 Contract Claims Process

4.17.1 Projects will need clear guidance for recovering the Grant aided element of their expenditure throughout the Grant year.

Specific process guidance will be needed to ensure compliance with year-end cut off procedures deployed by Walsall Council as the Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and BC LEP Strategic and Core funds.

*NB: Details of the Accountable Body for the Growth Deal, City Deal Housing Jobs and Prosperity Pilot and BC LEP Strategic and Core funds Contract Claims Process is referenced in **Appendix 17 – ‘Local Growth Deal Roles and Responsibilities’**.*

4.18. Evaluation

The BC LEP Board and partners are clear on what we need to achieve in order to deliver economic growth for the Black Country. We have a long-established, politically endorsed Performance Management Framework in place against which we monitor our progress in relation to the targets established by the Black Country Strategy. The **Performance Management Framework** sets out our clear ambitions for the area. It provides a comprehensive knowledge base over the period of the programme so that the initiatives and interventions can be tracked and aligned. As this knowledge base grows and builds, this will create a legacy that can inform emerging strategies and initiatives to ensure future policy is informed by a robust knowledge base drawn from the real life expertise of the partners and participants to this project.

For each of the 12 SEP Programmes we are clear on the current baseline position and the scale of impact required in order to achieve our long term targets. These are monitored and reported to the BC LEP Board via the BC Economic Intelligence Unit. The evaluation and overall impact of all activity is critical for the BC LEP Board.

4.18.1 Evaluation of the Growth Deal

It is a requirement by BEIS that LEPs produce evaluation plans for their growth deal allocations. These Plans are owned by the LEP and are in response to the challenge that has been set by the Public Accounts Committee to progress the quality of evaluation of local growth interventions.

The growth deal as a whole will be evaluated and assessed in terms of the economic impact on the Black Country in the context of the Black Country Performance Management Framework and the SEP utilising Outcomes and Impact Evaluation techniques.

A series of selection criteria have been developed, through which the BC LEP will determine the shortlist of projects to be evaluated:

Criteria	Description
Timing	<i>Projects on which work will begin during 2015/16 will be prioritised.</i>
Importance to LEP/Relevance to SEP	<i>Projects should contribute to meeting the needs of the LEP, providing data and intelligence that are of practical use and have a clear relation to themes set out in the SEP.</i>
Project Innovation	<i>Projects involving or supporting innovative activities should be selected, where possible. On this criterion, highly innovative projects with smaller budgets will be prioritised over larger, more standard schemes, in order to facilitate learning and capture best practice.</i>
Size	<i>Projects must be large enough for impact to be measured and should receive proportionate evaluations - larger public investments justify fuller evaluation. The suggested size ranges are: <£5 million= small, <£50 million = medium, £50 million and above = Large.</i>
Availability of Evidence	<i>Priority should be given to projects in areas with weak existing evidence bases.</i>
Evaluation Cost	<i>Projects should be prioritised where evaluation costs will not be unreasonably high and where the best value for money can be achieved with the evaluation.</i>
Technical Feasibility (1) Practicality	<i>Projects should be prioritised where a basic level of evaluation evidence can be obtained, using a reasonable amount of resource.</i>
Technical Feasibility (2) Robustness	<i>Projects should be selected, if possible, where robust evaluation is feasible. Projects should be judged based on their score on the Maryland Scale (1-5), with 1 being "Poor" and 5 indicating "Gold Standard". Gold standard is unlikely to be practicable for Growth Deal projects</i>
Data Collection	<i>Projects must avoid relying only on self-reported outcomes for impact assessment, cross-referencing wherever possible to Government statistics. Self-reported outcomes include data provided through beneficiary surveys, stakeholder consultations and other primary research methods, which are considered less robust than Government data, although this may not be available at the required level of detail.</i>

In all cases evaluation should be proportionate and selective; taking into consideration the scale, value and scope of an intervention.

Growth deal Project sponsors are required to work with the BC LEP to outline the most appropriate evaluation approach e.g. Process evaluation, Theory based evaluation, Outcomes evaluation or Impact evaluation for their project and provide the BC LEP with evaluation reports as agreed. Each type of evaluation question applied to a specific level of coverage serves a slightly different audience but in general the uses of evaluation can be characterised as:

- Demonstrating growth deal delivery and value for money (particularly important for programmes that may later seek additional funding);

- Learning lessons about what works, either to create desired impact on outcomes or to ensure **efficient delivery of outputs**;
- Providing the evidence base to influence future decentralisation policy.

Selected project evaluations will be submitted to the BC LEP Board and will be available on the LEP website.

SECTION 5

5.1 Signatories

In signing this document, the undersigned confirm that their organisation will work in accordance with the requirements of this Assurance Framework, and that in the delivery of their role they will ensure the BC LEP Assurance Framework is adhered to.

Name	Representing	Position	Signature	Date
James Walsh	Accountable Body – Walsall Metropolitan Borough Council	Section 151 Officer		
Stewart Towe	Black Country LEP	Chair of the Board		
Sarah Middleton	Black Country LEP/Black Country Consortium Ltd	Chief Executive		
	Dudley Council	Chief Finance Officer		
Darren Carter	Sandwell Council	Chief Finance Officer		
Mark Taylor	City of Wolverhampton Council	Chief Finance Officer		