

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD**TO****BLACK COUNTRY EXECUTIVE JOINT COMMITTEE****ON****18 FEBRUARY 2015****BLACK COUNTRY CITY DEAL – GROWTH HUB**
APPOINTMENT OF ACCOUNTABLE BODY

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request approval from the Black Country Joint Committee for Wolverhampton City Council to act in the role of: Accountable Body for the City Deal Black Country Growth Hub (Business Support).

2. RECOMMENDATIONS

- 2.1 That the Joint Committee approves the appointment of Wolverhampton City Council to act as the Accountable Body for the delivery of the Growth Hub element of the City Deal programme

3. REPORT DETAIL

- 3.1 The Government has now entered into a City Deal with the Black Country, as reported to the Joint Committee in June 2014. Over its lifetime the Black Country Local Enterprise Partnership predict the City Deal will deliver:

- 80 hectares of brownfield land brought into manufacturing use within 4 years, with a further thirty sites for future development over ten years;
- The creation of 5,800 new manufacturing jobs within the first four years of the City Deal;
- An estimated £120m of private sector investment in high value manufacturing sites in the Black Country;
- At least 1,500 additional high value manufacturing apprenticeships and an investment of £18m from HVM employers in apprenticeships;
- The realisation of up to £13m of private sector investment in business support in the Black Country, creating or safeguarding up to 700 jobs;

- Intensive working with 2,800 long term unemployed social housing tenants, aiming to move at least 900 into employment, reducing welfare benefit costs by £1.1m and increasing wages by £19m.
- 3.2 At the heart of the **Black Country City Deal** is an ambitious proposal to maximise the growth of high value manufacturing by opening up key supply chain manufacturing sites across the Black Country, through the following:
- 3.2.1 Creation of the **Black Country Investment Fund** to stimulate the local commercial land market through the provision of finance to developers of key industrial sites. This fund will be created through the agreement of a **£20m Public Works Loan Board (PWLB)** project rate loan facility, with agreed flexibilities, and an investment of £10m from the four Black Country Local Authorities.
- 3.2.2 Delivery of at least **1,500 additional high value manufacturing apprenticeships** over five years. Local partners will work to increase the number of young people taking up apprenticeships in key engineering skills and support businesses to employ apprentices.
- 3.2.3 Creation of a **Black Country Business Support programme** that will: improve co-ordination of business support services across the Black Country; increase access and take up of national business support programmes; provide bespoke support to local businesses and act as a focal point for inward investment.
- 3.2.4 A **Housing, Jobs and Prosperity ('Working Together') Pilot project** to reduce welfare dependency and increase employment in two areas of high unemployment. This project learns from successful programmes in the USA and aligns with the Troubled Families and Help to Work programmes. It contains three core areas of work: providing intensive employment support services and repayable financial incentives to overcome costs associated with starting work.
- 3.3 The Joint Committee previously approved the following in relation to the City Deal:
- 3.3.1 In June 2014, that Walsall Council act as Accountable Body for the Housing, Jobs and Prosperity ('Working Together') Pilot programme.
- 3.4 This report asks the Joint Committee to approve **Wolverhampton City Council** as the Accountable Body for the **Growth Hub (Business Support)** element of the City Deal.
- 3.5 The aim of the **Black Country Growth Hub** aims to maximize economic growth by becoming the portal to all the business support services in the sub-region. It will coordinate and monitor the quality of all generic business support and offer a specialist package of support to HVM SME's, offering:
- A pool of expertise
 - Simplified access to support
 - Links to national and local programmes and coordinated partner budgets.
 - A package of specialist support for HVM SME's focused on innovating.

It will support SMEs to overcome capacity constraints and maximize the economic opportunities resulting from global growth, helping them to access new markets and competitive supply chain. Support will be led by the business, assisted through a broad partnership of local experts working to a shared objective – ‘To Grow the Black Country’.

3.6 In addition to the functions outlined at 3.2.3 above, the Growth Factory will deliver:

3.6.1 **generic business support** to all local businesses, acting as a ‘one-stop shop’ of support guidance and information;

3.6.2 **specialist business support** and improved engagement with SMEs through six tailored programmes:

- **Export Expert** - a specialist in the field to guide the business in the practicalities and provide the connection to the range of support that will facilitate an overseas relationship
- **Strategic Leadership** - improving the capacity of the senior managers/business leaders of SME manufacturers in the Black Country LEP
- **Sales and Marketing** - providing the guidance and skills to enable businesses to effectively utilise the sales routes to market that will raise awareness of their products and the profile of businesses
- **Pre-Investment Advice/Investment Readiness** - increasing success in securing external funding and private sector finance
- **Capital Grant** - increasing the level of capital investment that businesses can access to enable growth
- **Energy Efficiencies** - providing companies with a contribution to an energy efficiency audit and a further grant towards energy efficiency improvements.

4. FINANCIAL IMPLICATIONS

4.1 Lancaster University has awarded £3.1m to the Black Country to deliver the Growth Factory programme through to June 2015. This Regional Growth Fund allocation is managed and overseen by Lancaster University. Within the Black Country Growth Deal, the Department of Business, Skills and Innovation agreed to provide £400,000 of revenue funding to the LEP for Growth Hub business support coordination, through the Single Local Growth Fund. BIS stipulated this is ‘subject to the Growth Hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services’, and the Black Country Consortium are currently working with Wolverhampton City Council to ensure these conditions are met.

5. LEGAL IMPLICATIONS

None at the point of drafting.

6. RISK MANAGEMENT

- 6.1 A risk register will be developed and monitored by the Managing Authority of the Black Country City Deal.

7. EQUALITY IMPLICATIONS

- 7.1 The BC City Deal, in conjunction with the Growth Deal and EU Strategic Investment Framework proposals, will deliver an economic growth agenda which is pro-actively inclusive of disadvantaged communities. Equality Monitoring will form part of routine monitoring procedures for each City Deal project, overseen by the Managing Authority.

Back Ground papers

Black Country City Deal Agreement – Published June 2014
City Deal – Report to Joint Committee 20th June 2014

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