

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

Key Decision: YES**Forward Plan: YES**

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approve that Walsall Council act in the role of Managing Authority for the Black Country City Deal.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee approves the appointment of Walsall Council to act as the City Deal Managing Authority, to co-ordinate the activities of the individual (4) Accountable Bodies for 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 (Growth Hub)** 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** 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 Black Country City Deal attracts three funding streams: £3.1m from the **Regional Growth Fund** (Growth Hub), up to £20m through the **Public Works Loan Board** fund (Black Country Investment Fund) and £2.8m through the **Housing, Jobs and Prosperity ('Working Together') Pilot**. Each funding stream will be managed directly through the respective Accountable Body, a capacity in which Walsall has previously received approval to act for the Housing pilot. The City Deal does not therefore need an Accountable Body to act in the role of funding recipient; however it does need a Managing Authority to draw the four elements of the Deal together, monitor overall progress and impact, and collate information to support reporting to Cities Policy Team.
- 3.4 Walsall Council offered to act as Accountable Body for the Growth Deal on behalf of the LEP and this offer was accepted. In order to ensure consistency and synergy across both the City and Growth Deal programmes, it is recommended that Walsall Council act as Managing Authority for the City Deal. Walsall Council was approved to act in this capacity at its Cabinet meeting on 29th October.
- 3.5 This report asks for the Joint Committee to accept this offer.

4. FINANCIAL IMPLICATIONS

- 4.1 The Joint Committee previously agreed that Growth Deal funds were to be held in such a way by Walsall Council as to attract the highest possible interest, in order to support a programme management function. Subsequently Walsall Council's Cabinet have approved the use of any interest earned through the holding of City Deal funding for use to cover the costs associated with this role.
- 4.2 Although the City Deal does not attract funds which could be used for a similar purpose (as these are managed by the Accountable Body for each element of the Deal) oversight of the City Deal would be funded through the Growth Deal programme management budget.

5. LEGAL IMPLICATIONS

- 5.1 Walsall MBC will seek the appropriate legal advice and input as part of the development and delivery of this role, including assessing fully the implications of the City Deal 'Red Book'.

6. RISK MANAGEMENT

- 6.1 The City Deal will be subject to Walsall Council's risk management process, and this will form part of a range of programme management interventions designed to suitably manage and capture progress, issues, change and impact.

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 of all City Deal projects, 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

Black Country Growth Deal Accountable Body Recommendation – Report to Joint Committee 17th September 2014

PWLB Housing Fund Accountable Body Request – Report to Joint Committee 17th September 2014

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