

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD**TO****BLACK COUNTRY EXECUTIVE JOINT COMMITTEE****ON****18 FEBRUARY 2015****BLACK COUNTRY CITY DEAL – PUBLIC WORKS LOAN BOARD FUND**
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 Sandwell MBC to act in the role of: Accountable Body for the City Deal Public Works Loan Board (PWLB) Black Country Investment Fund.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee approves the appointment of **Sandwell MBC** in the role of Accountable Body for the **City Deal PWLB Black Country Investment Fund**.

3. REPORT DETAIL

- 3.1 The Government has now entered into a **City Deal** with the Black Country, as reported to the Advisory Board 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 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 Advisory Board to approve **Sandwell MBC** as the Accountable Body for the **PWLB Black Country Investment Fund** element of the City Deal.
- 3.5 The aim of the **Black Country Investment Fund** is to stimulate the local commercial land market through the provision of finance to developers of key industrial sites. The fund was created through agreement of a £20m PWLB project rate loan facility, with agreed flexibilities, and an investment of up to £10m from the four Black Country Local Authorities. The fund will deliver the following outputs and outcomes:
- Improved supply of high quality employment sites to support the growth of the High Value Manufacturing sector
 - The development of an initial portfolio of around 10 sites by 2018

- Creation of 5800 jobs and 80 hectares of brownfield land brought into productive use from the first 9 sites.
- Facilitation of £100m investment into sites and premises
- Improved opportunity to attract Foreign Direct Investment
- Improved engagement with landowners and developers.

4. FINANCIAL IMPLICATIONS

- 4.1 The PWLB Loan Board Fund has a value of up to £20m. Sandwell MBC has put in place a governance system which is based on the existing process used in the management of the Growing Places fund. Sandwell MBC are also managing the PWLB Housing Fund as part of the Growth Deal (approved in September 2014), and thus effective management processes are in place for a similar initiative.

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 Advisory Board 5th June 2014

PWLB Housing Fund Accountable Body Request – Report to Advisory Board 4th September 2014

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