



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 – 17th September 2014

BLACK COUNTRY GROWTH DEAL

PUBLIC WORKS LOAN BOARD FUNDING (PWLB) STRATEGIC HOUSING INFRASTRUCTURE INVESTMENT FUND – APPOINTMENT OF ACCOUNTABLE BODY

Key Decision: Yes
Forward Plan: Yes

1. PURPOSE OF REPORT

- 1.1.1 To recommend that the Black Country Joint Committee accept the offer from Sandwell Council to act in the role of Accountable Body for the Growth Deal PWLB Strategic Housing Infrastructure Investment Fund.

2. RECOMMENDATIONS

That the Joint Committee:

- 2.1 Approves the appointment of Sandwell Council as: Accountable Body for the Growth Deal PWLB Strategic Housing Infrastructure Investment Fund.

3. REPORT DETAIL

- 3.1.1 The Black Country Growth Deal, published on 7 July 2014, was successful in securing £138.7m from the Government's Local Growth Fund to support economic growth in the area – with £25.8m of new funding confirmed for 2015/16 and £77.6m for 2016/17 to 2021.

- 3.1.2 This includes:

- as part of the Government's ongoing commitment to the Black Country LEP a provisional award of a further £12.7m of funding for projects starting in 2016 and beyond;
- and £22.6m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

- 3.1.3 This substantial investment from Government will bring forward at least £220m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £358.7m for the Black Country LEP.
- 3.1.4 By 2021, this Deal will create at least 4,000 jobs and allow at least 1,000 homes to be built.
- 3.1.5 As part of **PL3.Expanding the construction and renewal of housing stock**, and as a result of the freedoms and flexibilities agreed as part of the Growth Deal, Government has confirmed;
- That a total of £15m will be made available to the Black Country in 2014/15 and 2015/16 at the Public Works Loan Board (PWLB) project rate discount of 40 basis points below the standard PWLB rate.
 - This will support strategic infrastructure investment to enable increased housing development in medium and large scale projects.
- 3.1.6 The loan scheme will help developers address cashflow issues associated with site preparation and land remediation costs.
- 3.1.8 Sandwell Council is currently the Accountable Body for City Deal PWLB Investment Fund (commercial development) on behalf of the Joint Committee, and will utilise established processes and governance structures to manage the Growth Deal PWLB Strategic Housing Infrastructure Investment Fund.

4. FINANCIAL IMPLICATIONS

- 4.1.1 £15m will be made available to the Black Country in 2014/15 and 2015/16 at the PWLB project rate discount of 40 basis points below the standard PWLB rate.
- 4.1.2 It is proposed that projects will receive a 2 year repayment holiday with up to 4 years to repay the principal interest at a rate set by the PWLB.

5. LEGAL IMPLICATIONS

- 5.1.1 Projects funded from PWLB Strategic Housing Infrastructure Investment Fund will be managed in accordance with the terms of reference, collaboration agreement and other regulations and protocols pursuant to the establishment of the Joint Committee and to comply with any requirements by Sandwell Council as the accountable body.

6. RISK MANAGEMENT

- 6.1.1 A risk register will be developed as part of the Black Country Growth Deal implementation plan.

7. EQUALITY IMPLICATIONS

7.1.1 The BC Growth Deal, in conjunction with the City 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 and will be undertaken on a project by project basis as part of the appraisal process for the fund.

Back Ground papers

Black Country Growth Deal – Published 7 July 2014

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