



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY JOINT COMMITTEE – 20th June 2014

BLACK COUNTRY STRATEGIC ECONOMIC PLAN UPDATE

Key Decision: No
Forward Plan: No

1. PURPOSE OF REPORT

- 1.1 To update the Joint Committee on the development, contents and next steps associated with the Black Country Strategic Economic Plan (SEP). To include its aims and vision, together with the initial priority initiatives included for consideration by Government, and their current ranked order approved by the LEP Board in April 2014.

2. RECOMMENDATIONS

- 2.1 That Joint Committee members note the contents of the SEP Executive Summary, which includes the 16 priority projects, included as Attachment A.
- 2.2 That Joint Committee members take note of the rankings for these 16 priority projects as approved by the LEP Board in April 2014, as detailed in Table 3.6.1.
- 2.3 That Joint Committee members take note of the: ‘Project on a Page’ summary reports, included as Attachment B. Noting the detail and the next (approval) steps required, including the request for the top 12 priority projects to be requested to submit their business cases for consideration at the September 2014 Joint Committee meeting.

3. REPORT DETAIL

- 3.1 On the 31st March 2014 the Black Country Local Enterprise Partnership (LEP) submitted its Strategic Economic Plan (SEP) setting out its aims for the Black Country:

“To grow our global supply chain with the world class skills it demands, to maximise the benefits of our location, to exploit our industrial and geological heritage and to provide high quality housing to meet the needs of a balanced growing population. Our ground-breaking core strategy provides a pro-growth planning framework to deliver this vision”.

- 3.2 With its vision, setting out that: “By 2033 the Black Country will have increased the number of local jobs to 545,000 (+113,000 jobs) and strengthened our business base of 32,000 with an additional 1,500 new businesses each year. The Black Country will be home to 1.2 million residents with increased levels of graduates 231,000 people (+80,000) and accommodating an additional 47,000 new homes (from a baseline of 445,000)”.
- 3.3 In developing the SEP the process has been rigorous in identifying which sectors have the best potential for additional growth over the next six years, what action is needed to enable businesses in those sectors to grow and what investments will deliver that action in a way that has the biggest impact and provides good value for money.
- 3.4 This process has been used to form the LEP’s **Local Growth Deal**, which comprises:
- a. A first phase of 12 priority investments - which have been given an A grade by the LEP’s independent panel and which we are confident can be delivered in 2015-16;
 - b. An initial phase of four transport investments which deliver enhanced, multimodal connectivity to HS2, key sites and the motorway network;
 - c. A longer-term programme of transformational projects, including a Black Country Centre for Elite Manufacturing Skills and a Centre of Excellence for Light Rail Innovation;
 - d. A pipeline of other projects for delivery in 2016-17 and beyond;
 - e. A collaboration with government to develop innovative approaches to our most deep-seated challenges drawing on approaches such as payment by results, community budgeting, the rationalisation of public sector assets and social impact bonds.
- 3.5 The Local Growth Deal proposed for the first year of 2015-16 will:
- a. Help companies in our target sectors to invest in plant, machinery and property;
 - b. Enable SMEs to gain a “first mover advantage” in the UK smart grid market;
 - c. Grow the capacity of our science park to enable business creation and growth in high value manufacturing;
 - d. Bring forward 4 key developments, 3 housing developments and one employment site;
 - e. Provide capacity and improve reliability of journey times to key centres and sites for growth;
 - f. Maximise the benefits of HS2 to the Black Country;
 - g. Significantly improve the quality of our city centre cultural and events offer;
 - h. Increase our capacity to deliver high quality training to fill skills gaps faced by businesses in our target sectors;
 - i. Deliver specialist equipment for use in new training provision.

Attached in Appendix A is the SEP Executive Summary, including the details of the 16 Priority Investments as submitted to Government in March 2014. These will be supplemented by: ‘Project on a Page’ summary reports for each of these included as Attachment B.

3.6 Prioritisation of the Projects – Request by Government

Following the submission of the SEP to Government the LEP Board was asked to place all 16 projects into priority order. By utilising a more sophisticated benefit cost ratio approach and taking into account revised financial and output figures the revised ranking was submitted to the Department for Business Innovation & Skills (BIS) in April 2014, is set out in the table below.

Table 3.6.1

Strategic Economic Plan – Agreed (April 2014) LEP Prioritisation Table

All Projects – Integrated ranking	Delivery Partner
1. Centre for Advanced Building Technologies and Construction Skills (CABTech) – Dudley Advance Phase 2	Dudley College
2. Wton Interchange	WCC
3. Bentley Lane	WMBC
4. Advanced Science, Engineering & Technology - Halesowen	Halesowen College
5. Growing the City Centre cultural and business events offer	WCC
6. M6 Junction 10	WMBC
7. Goscote Lane Corridor	Walsall Housing Group
8. Accessing Growth	Centro
9. Growing Priority Sector Regional Growth Fund	SMBC / Joint Committee
10. Science, Technology & Prototyping Centre.	UoW
11. Growing training and skills provision – Automotive & Engineering Centre & Building Technologies and Construction Centre.	BMet College
12. Regeneration of Bilston Centre	WCC
13. Managing Short Trips	Various
14. Woods Lane	SMBC
15. The People's Power Station Demonstrator and Catalyst	Accord
16. FAB Kit	Various training providers – PTP, Incomm and Sandwell College

4. FINANCIAL IMPLICATIONS

- 4.1 The Government has confirmed that funding streams of over £2 billion would be transferred into the Single Local Growth Fund (SLGF) for 2015-16 and a further commitment to at least £2 billion for the SLGF in each year of the next Parliament. This includes funding from skills, housing and transport budgets and includes £500m of funding for skills, the most significant new element of funding in the SLGF on top of significant transport resources beyond existing indicative funding for majors schemes through to 2020.
- 4.2 Detailed project planning and budgetary control will be the responsibility of the Joint Committee. This role will be supported by named Finance Staff. Initially finances will be monitored on a monthly basis to ensure that the systems are robust and meaningful financial and management information is available to support the role. This will move to quarterly reporting once the processes are embedded. Quarterly reports to the Joint Committee and LEP will provide updates on actual expenditure against budget.
- 4.3 In order to ensure that the project participants are at the heart of this process financial information will be available in an understandable and accessible format to ensure transparency and scrutiny. The Programme Director will support this process and ensure that information is accessible and provided in an appropriate format.

5. LEGAL IMPLICATIONS

- 5.1 The requirement to prepare a SEP and bid for Single Local Growth fund was established by Government following the Publication of Lord Heseltine's Report, 'No Stone Unturned' on the UK's approach to wealth creation and a subsequent letter from the Secretaries of State for Business, Innovation and Skills and Communities and Local Government in June 2013. Further guidance on Plans and Growth Deals was published by Government in July 2013 and the Plan has been developed in accordance with this guidance.
- 5.2 Projects and proposals funded from the Growth Fund will be managed in accordance with the terms of reference, collaboration agreement and other regulations and protocols introduced pursuant to the establishment of the Joint Committee and to comply with any requirements of the accountable body.

6. RISK MANAGEMENT

- 6.1 The SEP contains a risk register that identifies the key threats at this point. Describing them, classifying their potential probability and impact, outlining existing controls, any action required and rating the risk based on those characteristics. It is likely that other risks will be identified as the programme develops while others will recede. Awareness and swift action will be key. This register will be regularly updated and initially reported on quarterly, subject to review at the end of the first year. Its oversight will be the responsibility of the Accountable Body supported by the Programme Director.

7. EQUALITY IMPLICATIONS

- 7.1 The BC Single Growth Fund, 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; however this will be within the context that individual projects are working.

Back Ground papers

The Black Country LEP - Strategic Economic Plan 31st March 2014

Attachments

Attachment A - The Black Country LEP - Strategic Economic Plan Executive Summary 31st March 2014

Attachment B – ‘Project on a Page’ Details for all 16 SEP Priority Projects.

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