

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

On Wednesday 19 October 2022 at 11:00am

**To be held at Walsall Council House and via a Teams Virtual Meeting
and Webcast**

MINUTES – PUBLIC (Draft)

MEMBERS - In person

Dudley MBC - Councillor Patrick Harley (Voting)
Sandwell MBC - Councillor Peter Hughes (sub) (Voting), Tony McGovern (sub)
Walsall MBC – Councillor Adrian Andrew (sub) (Voting), Simon Neilson (**Secretary**)
City of Wolverhampton Council - Councillor Ian Brookfield (**Chair**) (Voting)

ATTENDEES – via Teams

Dudley MBC - Kevin O’Keefe
City of Wolverhampton Council - Tim Johnson and Richard Lawrence
The Black Country Consortium Ltd – Sarah Middleton

Councillor Brookfield welcomed everyone to the hybrid meeting with voting members being present in Walsall Council House with appropriate social distancing requirements in place and non-voting members joining the discussions online via the use of Microsoft Teams.

Councillor Brookfield then asked each participant to confirm that they could see and hear proceedings. Councillor Brookfield confirmed that the meeting was quorate and welcomed any members of the public viewing the meeting online.

1. Apologies

Tom Westley, Black Country LEP
Councillor Kerrie Carmichael and Kim Bromley-Derry, Sandwell Council
Councillor Mike Bird and Dr Helen Paterson, Walsall Council

2. Notes of Meeting held on 27 July 2022

Decision 22/0017

Councillor Brookfield moved approval of the minutes of the meeting on 27 July 2022 which was seconded by Councillor Harley. The motion was subsequently declared carried and it was Resolved that the minutes of the meeting held on 27 July 2022 be confirmed as a true record.

3. **Matters arising from the notes of the previous meeting**

None.

4. **Declarations of Interest**

None.

5. **Local Government (Access to Information) Act, 1985 (as amended): to agree that the public be excluded from the private session.**

None.

6. **Growth Deal**

Mill lane Bridge GRIP 3 Study and Aldridge Line Aqueduct GRIP 3 Study – Amendment to Grant Agreement

Sarah Middleton referred to the report previously circulated and explained it has been a long-standing local ambition to reinstate the service to Aldridge with a new train station. Through LEP funding the project enabled a bid to be submitted to the CRSTS fund (City Region Sustainable Transport Settlement) in September 2021. The remaining £34k match funding was to be provided by WMRE (West Midlands Rail Executive) through their Restoring Your Railways Fund but the award for the grant was deferred. As a result of this delay, the match funding was no longer available hence the request to reduce the match funding of Other Public Funds. There is no impact on Value for Money as this is development funding.

Decision 22/0018

Councillor Brookfield moved the recommendations that were put to the vote by way of a show of hands of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the Joint Committee

Approves the Accountable Body for the Growth Deal (Walsall Council) to proceed to **amending its internal Grant Agreement for the Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study project, to reflect the reduction in match funding of £34,872.**

7. **Land and Property Investment Fund**
Swan Lane, West Bromwich – Grant Agreement Approval

Sarah Middleton referred to the report previously circulated and explained that the funding request is towards a housing regeneration scheme in Sandwell as detailed in the report. The application is supported by the Black Country LEP and submitted by Green Square Accord who are a well-known local Housing Association. If approved, the project will support construction of 147 new homes of affordable rent type. The project is planned to be completed by July 2025 and will address a derelict Brownfield land site of approximately 4hectares lying in close proximity to public transport. The project received planning approval from Sandwell Council in July of this year. Supported by Black Country LEP for its good strategic fit, the delivery of housing outputs as well as some

apprenticeship starts that will be supported through the construction on the site Total investment of £34m.

Sharing of Outputs, would be via BC LEP taking outputs on land, employment and investment as direct outputs and housing as indirect outputs as detailed in the report.

Cllr Hughes thinks the land will kick start some other regeneration in the area and therefore completely supports this project.

Cllr Brookfield felt that with regards to sharing out outputs for transparency it is helpful to reflect how different funding bodies will share and account for outputs.

Decision 22/0019

Councillor Brookfield moved the recommendations that were put to the vote by way of a show of hands of BCJC members. The motion was subsequently declared carried and it was Resolved (unanimously) that the Joint Committee

Approves the Accountable Body for the Land and Property Investment Fund (Walsall Council) to **proceed to a Grant Agreement with Green Square Accord Limited, to the value of £3,175,134** to deliver the Land and Property Investment (LPIF) funded elements of the Swan Lane, West Bromwich project with delivery to commence in the 2022/23 financial year.



**REPORT OF THE HEADS OF REGENERATION WORKING GROUP
TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON 1 FEBRUARY 2023**

**LAND AND PROPERTY INVESTMENT FUND
Dudley Brownfield Lane Programme (2022) (SEPPL157)
Grant Agreement Approval**

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approve the Dudley Brownfield Land Programme (2022) project from within the Land and Property Investment Fund programme.
- 1.2 This project approval was endorsed by the Black Country Local Enterprise Partnership (BC LEP) Funding Sub Group on the 3rd November 2022 and approved by the BC LEP Board on the 21st November 2022 and endorsed by the Working Group on 12th January 2023.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee approves the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to enter into a Grant Agreement with Dudley Council for £1,040,000 to deliver the Land and Property Investment Fund funded elements of the Dudley Brownfield Land Programme with delivery to commence in the 2023/24 financial year.
- 2.2 The Grant award is subject to the conditions detailed in 3.5 of this report.

3. REPORT DETAIL

- 3.1 In September 2022 a Full Business Case (FBC) was submitted by Dudley MBC (the applicant) seeking £1,100,000 grant funding from BC LEP to deliver 54 new homes on

underused 'brownfield' land which will be let in the social rent tenure to appropriate persons. This covered seven sites, construction having commenced on four sites during Spring / Summer 2022, with the remaining site reported as having construction works commencing on site in Spring 2023 when planning consent had been secured and a building contractor procured.

- 3.2 Following review with the applicant, BC LEP and the Accountable Body, an updated submission has been received requesting £1,040,000 grant support from BC LEP to deliver a further 52 new homes on Council-owned sites.
- 3.3 The grant support from BC LEP is sought against an approximation of the viability gap in developing these sites for the proposed residential use of social / affordable rent. With the Council holding the completed properties within its Housing Revenue Account ('HRA') as it is a Registered Provider for affordable accommodation under the regulatory regime of Homes England, the Government's housing regulation agency.
- 3.4 The project has a good strategic fit with BC LEP and Dudley Council strategic aims, by providing new good quality homes on brownfield land, with the homes let to appropriate persons in need of new good quality affordable accommodation.
- 3.5 The funding breakdown is tabled below:

Funding Source	2023-24	2024-25	Total
BCLEP LPIF	£520,000	£520,000	£1,040,000

The BC LEP recommends that the award is conditional subject to the following;

- Confirmation that all other required Funding from the Dudley MBC capital programme and Right to Buy receipts is available to enable the scheme to progress to completion;
- Undertaking from the applicant that it will underwrite any cost overruns associated with the project.

- 3.6 The following core direct Outputs are proposed to be contracted:

- 1.429 ha of land remediated and serviced

The following additional indirect outputs are proposed to be contracted;

- Delivery of 52 new homes
- £8.06 million of other public funds contributed

4. BENEFITS COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-cost ratios (BCR's) are utilised in capital budgeting to analyse the overall value for money (VfM) of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence

Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed, is 1.5 and would be considered 'good value for money' should this threshold be exceeded. For transport related schemes, the main metric considered for the BCR is reduced transport journeys, any transport schemes seeking LEP funding will require a BCR higher than 2 in order to demonstrate high VfM. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project – this is considered as part of the project assessment against the Black Country Strategic Economic Plan and associated frameworks.

BCR/ Value for Money

Baseline BCR at time of project bid

0.67 < 1.5

- 4.2 Although the BCR is below the considered good value for money figure this project still provides good value for money for the BCLEP. The recommended grant delivers land servicing and remediation to an estimated area of 1.429 Hectares of underused brownfield land at a unit cost of some £728,000 per hectare which is reasonable return.

The grant of £1,040,000 supports the delivery of 52 new affordable tenure homes, at an agreed maximum grant level of £20,000/home. This is 'good' value for money as it is below the HCA (2011) Lower Quartile target gross cost of £31.6k/unit, there is no other public subsidy and all these outputs directly accrue to the LEP's support. The grant has a reported £9.1m programme value or £8.06m other public investment and a public; 'applicant' (other public) and has a good investment ratio of 1:7.75.

Project SRO

Helen Martin, Dudley MBC

4. FINANCIAL IMPLICATIONS

- 5.1 All the costs associated with this development work and the delivery of projects that form part of the Land and Property Investment Fund are covered by allocations from West Midlands Combined Authority associated with this programme.
- 5.2 Any grant award approval is an approval of up to this maximum figure recommended in section 2 of this report and is to be drawn down as agreed with the Accountable Body and on eligible expenditure.

5. LEGAL IMPLICATIONS

- 6.1 The appropriate grant agreement will be drawn up by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by West Midlands Combined Authority, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from West Midlands Combined Authority or approved by the LEP Board or the Joint Committee.

- 6.2 Any contract for grant funding will require the applicant to provide satisfactory evidence of subsidy compliance and grant underwriting.

6. RISK MANAGEMENT

Risk will be managed through the on-going monitoring of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with West Midlands Combined Authority and put into place by the LEP Board and Black Country Joint Committee.

7. EQUALITY IMPLICATIONS

None at the time of drafting.

8. CONSULTATION

Legal and Finance officers at Dudley Council have been consulted as part of the development of this report.

Background papers

- Dudley Brownfield Land Programme (2022) LEP Board Report;
- Dudley Brownfield Land Programme (2022) Thomas Lister due diligence report.

Attachments

None.

Report Author - Sarah Middleton

Chief Executive, Black Country Consortium Ltd

Email: Sarah_Middleton@blackcountryconsortium.co.uk Telephone: 0845 8151515

SRO and Contact Officer - Helen Martin

Director of Regeneration and Enterprise, Dudley MBC

Email: helen.martin@dudley.gov.uk Telephone: 01384 814004

Contact Officer - Mark Lavender

Joint Committee Programme Manager, Walsall Council

Email: mark.lavender@walsall.gov.uk Telephone: 01922 654772



**REPORT OF THE HEADS OF REGENERATION WORKING GROUP
TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON 1 FEBRUARY 2023**

**LAND AND PROPERTY INVESTMENT FUND
Stowheath Redevelopment for Housing (SEPPL158)
Grant Agreement Approval**

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee the approves the Stowheath Redevelopment for Housing project from within the Land and Property Investment Fund programme.
- 1.2 This project approval was endorsed by the Black Country Local Enterprize Partnership (BC LEP) Funding Sub Group on the 3rd November 2022 and approved by the BC LEP Board on the 21st November 2022 and endorsed by the Working Group on 12th January 2023.

2. RECOMMENDATIONS

- 2.1 That the Black Country Joint Committee approves the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to enter into a Grant Agreement with Wolverhampton City Council for £1,000,000, to deliver the Land and Property Investment Fund funded elements of the Stowheath Redevelopment for Housing project with delivery to commence in the 2023/24 financial year.
- 2.2 The Grant award is subject to the conditions detailed in 3.5 of this report.

3. REPORT DETAIL

- 3.1 In September 2022 a Full Business Case (FBC) was submitted by City of Wolverhampton Council (CWC), seeking £1,000,000 grant funding from the Black Country LEP to deliver site clearance and servicing to its Stowheath landholding, which includes proposed works to a nearby highway, and delivery of 134 mixed tenure new homes.
- 3.2 The 1.52-hectare (3.76 acre) site is owned by the CWC. It is bounded to the east by Stowheath Lane, to the north by Culwick Street, and to the south and west by existing development. Current development comprises Stowheath House and an adjacent building used for Council facilities and storage facilities for theatre clubs ('The Actors Wardrobe'). These buildings are considered by the Council to be dilapidated and at the end of their economic life.
- 3.3 Hickman Avenue joins Culwick Street to the north of the site, with the proposed development being accessed from Culwick Street. The Council considers that the proposed improvements to Hickman Avenue will help to establish the appropriate environment for residential development, along with the wider regeneration of the Stowheath and East Park area.
- 3.4 The requested grant support will enable this 'brownfield' site, approximately two miles from the City Centre site to be brought into a more economically advantageous use for local communities as mixed tenure new homes. Together with the City Council's resources totalling £1,414,000, the grant support requested from the Black Country LEP is 'match funding' to the City Council's recent £2,000,000 bid to One Public Estates Brownfield Land Release Round 2 programme (BLRF2).
- 3.5 In progressing the Due Diligence process, it has been concluded that the proposed grant support from the Black Country LEP, together with the Applicant's own funding and the grant support sought from the One Public Estate's BF2 programme will support the City Council's intention to clear its Stowheath site. The grant will also support an experienced developer to deliver the proposed mixed-tenure homes. Which will go some way to successfully address the recognised current financial viability gap to deliver this project with funding to the proposed works to Hickman Avenue funded from the BLRF2 programme and Council resources.
- 3.6 The Black Country LEP recommends that the award is conditional subject to the following:
- Confirmation that all other required Funding is available to enable the scheme to progress to completion, namely the BLRF2 grant support and the CWC's capital programme resources;
 - An updated Development Appraisal is submitted to demonstrate that delivery of the proposed outcome of mixed tenure new homes is subsequently deliverable without additional grant support;

- Confirmation that Outline planning consent for the proposed residential development has been achieved;
- Clarification on final costs to deliver land preparation (including demolition, utility diversions and land preparation) are provided;
- Confirmation of the identity of the procured contractor(s) to undertake the Project, and provision of a tender report to confirm Form of Contract, costs included in the final tender sum for provisional sums, contingencies & fees and the methodology of preferred contractor(s) selection;
- An undertaking from the Applicant that it will underwrite any cost overruns associated with the Project and delivery of the direct output.

3.7 The project has a good fit with the Black Country LEP and CWC priorities, and the proposed development is on a 'brownfield' site, two miles from the City Centre with good transport links and supporting the Government's One Public Estate objective of releasing underused land to support new residential accommodation. The project is considered to provide an 'acceptable' value for money for the Black Country LEP grant support.

3.8 CWC is seeking £1,000,000 from the Land and Property Investment Fund to cover costs associated with remediating and servicing the 1.52-hectare (3.76 acre) site and has submitted a full business case to this effect.

Funding Source	Amount (£)
Land and Property Investment Fund (LPIF)	£1,000,000
Wolverhampton City Council	£1,414,000
Brownfield Land Release Fund (BLRF2)	£2,000,000
Total	£4,414,000

3.9 The Outputs proposed to be delivered are tabled below:

Outputs	2023-24	2024-25	2025-26	Total
Remediation and Serviced land (ha)	1.52	0	0	1.52

Outcomes	2023-24	2024-25	2025-26	Total
Length of highway upgraded & cycleway added (km)	0	0.35	0	0.35
Temporary construction jobs	0	201	0	201
New Mixed Tenure homes	0	0	134	134

4. BENEFITS COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-cost ratios (BCR's) are utilised in capital budgeting to analyse the overall value for money (VfM) of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed, is 1.5 and would be considered 'good value for money' should this threshold be exceeded. For transport related schemes, the main metric considered for the BCR is reduced transport journeys, any transport schemes seeking LEP funding will require a BCR higher than 2 in order to demonstrate high VfM. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project – this is considered as part of the project assessment against the Black Country Strategic Economic Plan and associated frameworks.

BCR/ Value for Money

Baseline BCR at time of project bid

17.92 > 1.5

Project SRO

Richard Lawrence, Wolverhampton City Council

5. FINANCIAL IMPLICATIONS

- 5.1 All the costs associated with this development work and the delivery of projects that form part of the Land and Property Investment Fund are covered by allocations from West Midlands Combined Authority associated with this programme.
- 5.2 Any grant award approval is an approval of up to this maximum figure recommended in section 3 of this report and is to be drawn down as agreed with the Accountable Body and on eligible expenditure.

6. LEGAL IMPLICATIONS

- 6.1 The appropriate grant agreement will be drawn up by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by West Midlands Combined Authority, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from West Midlands Combined Authority or approved by the LEP Board or the Joint Committee.
- 6.2 Any contract for grant funding will require the applicant to provide satisfactory evidence of subsidy compliance and grant underwriting.

7. RISK MANAGEMENT

- 7.1 Risk will be managed through the on-going monitoring of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with West Midlands Combined Authority and put into place by the LEP Board and Black Country Joint Committee.

8. EQUALITY IMPLICATIONS

None at the time of drafting.

9. CONSULTATION

- 9.1 Legal and Finance officers at City of Wolverhampton Council have been consulted as part of the development of this report.

Background papers

- Stowheath Redevelopment for Housing LEP Board Report;
- Stowheath Redevelopment for Housing Thomas Lister due diligence report.

Attachments

None.

Report Author - Sarah Middleton

Chief Executive, Black Country Consortium Ltd

Email: Sarah_Middleton@blackcountryconsortium.co.uk Telephone:

SRO and Contact Officer - Richard Lawrence

Director of Regeneration, City of Wolverhampton Council

Email: richard.lawrence@wolverhampton.gov.uk Telephone: 01902 554105

Contact Officer - Mark Lavender

Joint Committee Programme Manager, Walsall Council

Email: mark.lavender@walsall.gov.uk Telephone: 01922 654772



**REPORT OF THE HEADS OF REGENERATION WORKING GROUP
TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON 1 FEBRUARY 2023**

**LAND AND PROPERTY INVESTMENT FUND
Willenhall Garden City – Phase 1 (Moat Street and Villiers Street)
(SEPPL156)
Grant Agreement Approval**

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To request that the Black Country Joint Committee approves the Willenhall Garden City - Phase 1 (Moat Street and Villiers Street) project from within the Land and Property Investment Fund (LPIF) programme.
- 1.2 This project approval was endorsed by the Black Country Local Enterprise Partnership (BC LEP) Funding Sub Group on the 3rd November 2022, approved by the BC LEP Board on the 21st November 2022 and endorsed by the Working Group on 12th January 2023.

2. RECOMMENDATIONS

- 2.1 That the Black Country Joint Committee approves for the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to enter into an internal Grant Agreement with Walsall MBC for £3,200,000 to deliver the BC LEP funded elements of the Willenhall Garden City – Phase 1 (Moat Street and Villiers Street) with delivery to commence in the 2022/23 financial year.
- 2.2 The Grant award is subject to the conditions detailed in 3.6 of this report.

3. REPORT DETAIL

- 3.1 Willenhall Garden City is a strategic project on Walsall's development pipeline, which is based on a long-standing aspiration by the Council to deliver housing-led redevelopment to assist with meeting housing targets. The regeneration of Willenhall is also identified as a priority project within the Walsall to Wolverhampton Growth Corridor.
- 3.2 Based on work completed through the production of the Willenhall Framework Plan, the area of Moat Street / Villiers Street has been highlighted as a site (out of the 4 opportunity areas contained within the Willenhall Framework Plan) for early intervention, referred to as Phase 1.
- 3.3 The Council have outlined that public sector intervention is required to de-risk the Phase 1 site to enable delivery by the private sector. The Phase 1 scheme is identified as being able to provide the capacity to deliver 111 new homes but requires public sector intervention to unlock the scheme.
- 3.4 The project is currently in development stage with an outline planning application being prepared and due diligence being undertaken around a procurement strategy which will need to be approved by Walsall Council's Cabinet. Land assembly is also underway with external consultants in contact with key landowners.
- 3.5 Following the due diligence process, it is considered that the project is potentially supportable, but this would need to be on a conditional basis, with reference to the outstanding matters still to be resolved, which are key risks to the delivery of the project.
- 3.6 It is recommended that, should the BC LEP be minded to support the funding application, that any award would be conditional on the following;
- Confirmation that Funding from Levelling Up Fund (LUF) Round 2 for £14,896,442 has been secured.
 - Confirmation that Funding from Walsall Borough Council for £5,332,861 has been secured.
 - Confirmation that all land required to deliver the scheme has been acquired.
 - Confirmation that full planning consent, for residential development, has been achieved for the scheme.
 - Clarification on final costs to deliver the scheme have been provided, especially regarding the proposed demolition and remediation costs, which are to be funded through the LPIF.
 - Confirmation as to how the work to be undertaken, as funded by BC LEP, will be procured.
 - Confirmation as to the Developer Partner selected to undertake the work and provision of a tender report to confirm why they were the preferred partner selected.
 - Undertaking from the applicant that they will underwrite any cost overruns associated with the project.
- 3.7 It is noted in the business case that if the Levelling Up Funding was not forthcoming then the *“cocktail of funding for the overall project will need to be re-assessed.”* Therefore, should the LUF bid be unsuccessful then further conversations will need to be held with BC LEP to understand the alternative approach that may be followed and, if necessary, a revised business case submitted to the BC LEP for further assessment.

- 3.8 Walsall Council is seeking £3,200,000 to cover the costs associated with Demolition and Remediation at the Phase 1 site and has submitted a full business case to this effect. This will be funded from a blend of remaining BC LEP Capital funds, for example the remaining Land and Property Investment Fund (LPIF), Growing Places and LEP Reinvestment funds. The draw-down will be allocated as a priority to the LPIF fund, which is time limited and has a draw down end date of 31 March 2025, prior to using more flexible LEP capital funds for any remaining shortfall.
- 3.9 The funding being sought through the BC LEP only forms part of the proposed funding package, comprising c.13.7% of a total project cost of c.£23.5m. For clarity, the overall project cost identified within the bid is to cover the acquisition, remediation, and demolition of the site, and does not include costs associated with the direct delivery of the residential units.
- 3.10 The residual cost for delivering the scheme has been outlined in the business case and is to be provided via the following sources;
- Walsall MBC Funding - £5.3m
 - Levelling Up Fund Round 2 (LUF2) Bid - £14.9m
 - Land and Property Investment Fund (LPIF) & BC LEP capital funds – £3.2m
- 3.11 The grant support from BCLEP is sought entirely against land remediation and demolition costs associated with the scheme and it is intended to be fully drawn down by 31st March 2025.
- 3.12 The following core direct Outputs are proposed to be contracted:
- 2.2 ha of land demolished and remediated
- The following additional indirect outputs:
- Delivery of 111 new homes
 - 2.2ha of land acquired/assembled

4. BENEFITS COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-cost ratios (BCR's) are utilised in capital budgeting to analyse the overall value for money (VfM) of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed, is 1.5 and would be considered 'good value for money' should this threshold be exceeded. For transport related schemes, the main metric considered for the BCR is reduced transport journeys, any transport schemes seeking LEP funding will require a BCR higher than 2 in order to demonstrate high VfM. The BCR calculation however does not take into consideration the Strategic fit and

proposition of a project – this is considered as part of the project assessment against the Black Country Strategic Economic Plan and associated frameworks.

BCR/ Value for Money

Baseline BCR at time of project bid

0.47 < 1.5

- 4.2 This only quantifies the direct and indirect outputs for the scheme. However, full BCR was calculated for the LUF Bid, which quantified all benefits associated with the scheme, as well as the outputs. An initial BCR of 2.19 was calculated, with an adjusted BCR of 3.31 which takes into account distributional impacts (being a distributional uplift applied to take into account that the high level of deprivation in Walsall, compared to the same investment in a more affluent area).

5. FINANCIAL IMPLICATIONS

- 5.1 All the costs associated with this development work and the delivery of projects that form part of the Land and Property Investment Fund are covered by allocations from government associated with this programme.
- 5.2 LPIF is a WMCA funded programme, so all financial conditions of that programme will be applied to this project in addition to the above in paragraph 3.6.
- 5.3 Any Grant Award approval is an approval of up to this maximum figure recommended in section 3 of this report and is to be drawn down as agreed with the Accountable Body and on eligible expenditure.

6. LEGAL IMPLICATIONS

- 6.1 The appropriate Grant Agreement is in place and will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.
- 6.2 Any contract for grant funding would require satisfactory subsidy aid evidence and security provided by the applicant.

7. RISK MANAGEMENT

- 7.1 Risk will be managed through the on-going monitoring of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with West Midlands Combined Authority and put into place by the LEP Board and Black Country Joint Committee.

8. EQUALITY IMPLICATIONS

8.1 None at the time of drafting.

9. CONSULTATION

9.1 Legal and Finance officers at Walsall Council have been consulted as part of the development of this report.

Background papers

- Willenhall Garden City – Phase 1 (Moat Street and Villiers Street) LEP Board Report
- Willenhall Garden City – Phase 1 (Moat Street and Villiers Street) Thomas Lister due diligence report

Attachments

None

Report Author - Sarah Middleton

Chief Executive, Black Country Consortium Ltd

Email: Sarah.Middleton@blackcountryconsortium.co.uk Telephone: (0)845 8 151515

SRO and Contact Officer - Simon Neilson

Executive Director Economy, Environment & Communities, Walsall Council

Email: simon.neilson@walsall.gov.uk Telephone: 01922 652004

Contact Officer - Mark Lavender

Joint Committee Programme Manager, Walsall Council

Email: mark.lavender@walsall.gov.uk Telephone: 01922 654772



**REPORT OF THE CHAIR OF THE HEADS OF REGENERATION WORKING GROUP
TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON 1 FEBRUARY 2023**

Delegated Authority Decision for Noting

**GROWING PLACES FUND
Dudley Zoo Visitor and Education Centre Development Phase
(SEPPL153)
Grant Award Reduction**

Key Decision:	Yes
Forward Plan:	No

1. PURPOSE OF REPORT

- 1.1 The Executive Director for Economy, Environment and Communities (Walsall Council) has been awarded Delegated Authority to approve grant changes up to a maximum of 10% of individual grant value or up to £300,000 whichever is lower, and it was used to approve the Dudley and West Midlands Zoological Society Ltd grant award reduction (administrative error correction) for the Dudley Zoo Visitor and Education Centre Development Phase project.
- 1.2 The Delegation to approve an immaterial change is subject to consultation with the Chief Executive of the Black Country Consortium, the Single Accountable Body Section 151 Officer, the Chair of the Black Country Executive Joint Committee, and the Sponsoring Working Group Member. This report sets out changes to a project's grant award, which has been approved by the Executive Director under his Delegated Authority.
- 1.3 The Black Country Local Enterprise Partnership (BC LEP) Board approved the Dudley Zoo Visitor and Education Centre Development Phase project grant award reduction by £5,000 on 29th September 2022.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee note that the Executive Director for Economy, Environment and Communities within Walsall Council in his role of the Chair of the Working Group has used his Delegated Authority to approve the Accountable Body for the Growing Places Fund (Walsall Council) to proceed to amending the Grant Agreement with the Dudley and West Midlands

Zoological Society Ltd, to deliver the Growing Places Fund (GPF) funded elements of the Dudley Zoo Visitor and Education Centre Development Phase project.

- 2.2 The Amendment is a reduction of £5,000 of Grant Award and a reduction of £5,000 of Match Funds due to an administrative error.

3. REPORT DETAIL

- 3.1 Provided below is a summary of the Dudley and West Midlands Zoological Society Ltd Growing Places Fund grant award change rationale, which was requested by the Black Country Consortium Ltd Programme Management Office, followed with the approval under Delegated Authority:

- 3.1.1 The change required is to rectify incorrectly reported value of the grant award sought and match funding contribution for the project as follows:

- Grant Award reduced by £5,000;
- Match Funds reduced by £5,000.

- 3.1.2 Grant award reduction amounts to 7.7% of the original grant award value, has no impact to project's BCR, and is in line with changes permitted to be approved under Delegated Authority.

- 3.2 Dudley Zoo Visitor and Education Centre Development Phase project has been put forward to be funded from within from the Growing Places Fund revenue budget that has been allocated to pipeline activity. It received approval by the LEP Board on 16th May 2022 and by the Joint Committee on the 22nd July 2022.

- 3.3 The Joint Committee approved on the 17th June 2015 the Delegation of Authority to the Executive Director for Economy, Environment and Communities within Walsall Council in his role as the Chair of the Working Group. The approved Delegations of Authority to the Executive Director for Economy, Environment and Communities within Walsall Council in his role as the Chair of the Working Group are:

- 3.3.1 Deploy an in year Change Control process (all grant changes excluding year-end) to approve changes up to a maximum of 10% of individual grant value or up to £300,000 whichever is lower;

- 3.3.2 Deploy a year-end Change Control process to approve changes up to a maximum of 15% of individual grant value or up to £500,000 whichever is lower;

- 3.3.3 Approve an immaterial change to the grantee or an administrative error within a report recommendation;

- 3.3.4 Bring forward new smaller projects up to 10% of the total Delegated Authority award for a financial year.

4. FINANCIAL IMPLICATIONS

None at the time of drafting.

5. LEGAL IMPLICATIONS

The appropriate grant agreement will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

6. RISK MANAGEMENT

Risk is being managed through the on-going assessment of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with Government and set into place by the LEP Board or the Joint Committee.

7. EQUALITY IMPLICATIONS

None at the time of drafting.

8. CONSULTATION

- 8.1 The LEP Board have approved the project's grant award change.
- 8.2 The Chief Executive of the Black Country Consortium, the Single Accountable Body Section 151 Officer, the Chair of the Black Country Executive Joint Committee, and the Sponsoring Working Group Member have all been consulted in line with the agreed process for use of Delegated Authority.

Background Papers

- Dudley and West Midlands Zoological Society Ltd Dudley Zoo Visitor and Education Centre Development Phase Grant Award Change Request – Request for Use of Delegated Authority;
- Delegation of Authority to the Chair of the City Deal and Growth Deal Working Group – *Joint Committee Paper 17th June 2015*;
- Changes to Delegations from the Joint Committee to the Chair of the Working Group – *Joint Committee Paper 19th April 2017*;
- Black Country LEP Assurance Framework Change Control and Delegated Authority – *Joint Committee Paper 24th June 2020*.

Attachments

None.

Contact Officer - Simon Neilson

Executive Director Economy, Environment & Communities, Walsall Council

Email: simon.neilson@walsall.gov.uk Telephone: 01922 652004

Contact Officer - Mark Lavender

Joint Committee Programme Manager, Walsall Council

Email: mark.lavender@walsall.gov.uk Telephone: 01922 654772



**REPORT OF THE HEADS OF REGENERATION WORKING GROUP
TO THE BLACK COUNTRY EXECUTIVE JOINT COMMITTEE
ON 1 FEBRUARY 2023**

**Black Country Growth Hub
GROWTH HUB FUNDING 2022/23
Approval of Grant Agreement for Noting**

Key Decision:	No
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To note the Government's confirmation of the Growth Hub funding, which was endorsed at the Black Country Local Enterprise Partnership (BC LEP) Board meeting held on 16th May 2022 and agreed on 21st November 2022. The funding has been reduced by 50% to £231,000 in 2022/23 for the Black Country Growth Hub, as opposed to £462,000 received in previous years.
- 1.2 To note the receipt of £231,000 of funding from the Department of Business, Energy and Industrial Strategy for the Black Country Growth Hub Fund for 2022/2023. Funding has been received by Walsall Council, Accountable Body for the Growth Deal, which manages it on behalf of Black Country Consortium Ltd.
- 1.3 Walsall Council's Cabinet has agreed at its meeting on 15th December 2022 delegation of authority to the Interim Executive Director of Resources and Transformation, in consultation with the Portfolio Holder for Transformation and Finance (Leader of the Council) to negotiate and enter into the appropriate grant agreement/s with the Black Country Consortium Ltd (BCC Ltd) to manage and deliver the Black Country Growth Hub. Walsall Council has entered into a Grant Agreement to the value of £231,000, with the Black Country Consortium Ltd, to deliver the Black Country Growth Hub Funding for 2022/2023.

2. RECOMMENDATIONS

That the Joint Committee notes that the Accountable Body for the Growth Deal (Walsall Council) has received Walsall Council's Cabinet approval to proceed with a Grant Agreement with a value of £231,000, with the Black Country Consortium Ltd to deliver the Black Country Growth Hub Funding for 2022/2023.

3. REPORT DETAIL

- 3.1 The Growth Hubs were established in April 2015 by the Department of Business, Energy and Industrial Strategy (BEIS) in each Local Enterprise Partnership area, following a successful pilot in 2014. Growth Hubs are local public/private sector partnerships which join up national and local business support, so it is easy for businesses to find the help they need.
- 3.2 The Growth Hubs were funded from the Regional Growth Fund, and then received a direct allocation from BEIS. This funding has been received by Walsall Council and was managed on its behalf by the City of Wolverhampton Council between April 2016 to March 2018 and from April 2018 to the present day by Black Country Consortium (BCC Ltd).
- 3.3 Following the Levelling Up White Paper, further funding until March 2023, albeit reduced, was confirmed from BEIS Ministers in a letter to all LEP chairs in March 2022. Walsall Council have received Grant Funding of £231,000 per annum from BEIS to operate the Black Country Growth Hub until March 2023.
- 3.4 The Black Country Growth Hub is a partnership made up of Dudley Council, Sandwell Council, Walsall Council, City of Wolverhampton Council, the Black Country Chamber of Commerce, BCC Ltd and the University of Wolverhampton. Previously the City of Wolverhampton Council managed the 2016/2017 and 2017/2018 budgets on behalf of Walsall Council through the Black Country Growth Hub Strategic Board, administered by the Head of the Black Country Growth Hub, employed by the City of Wolverhampton Council.
- 3.5 BCC Ltd now manages the Grant on behalf of Walsall Council through the Black Country Growth Hub Strategic Board, which reports into the Competitiveness Theme Advisory Board. Day to day activity is administered by the Head of the Black Country Growth Hub, employed by BCC Ltd. Walsall Council have received the official offer letter from BEIS confirming the Funding for 2022/2023 financial year.

4. BENEFITS COST RATIO (VALUE FOR MONEY)

- 4.1 Benefit-Cost Ratios (BCRs) are utilised in capital budgeting to analyse the overall value for money of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to

identify the BCR for any project requiring public sector funding. The threshold for any project that has been assessed is 1.5 and would be considered 'good value for money' should this threshold be exceeded. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project.

- 4.2 However, the BCR calculation is not applicable to the latest grant funding, as the funding is an annual BEIS allocation to the Black Country Growth Hub.

5. FINANCIAL IMPLICATIONS

Arrangements for delivering and managing the Growth Hub are already in place at BCC Ltd. BCC Ltd took on the responsibility of managing the project and funds as principal grant recipient from the City of Wolverhampton Council in 2018/2019. There are no financial implications as BCC Ltd will continue to hold the responsibility for the management of the funds.

6. LEGAL IMPLICATIONS

- 6.1 There are no further legal implications to the continuation of the project in 2022/2023 following its successful implementation in previous years.
- 6.2. The appropriate grant agreement is in place, which includes all necessary conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the conditions received by Walsall Council from Government.

7. RISK MANAGEMENT

- 7.1 The principal risk is a requirement to repay the grant funding to BEIS if there is non-compliance with the requirements of its terms of funding, as set out in its letter to Walsall Council. This risk is mitigated by the Accountable Body carrying out regular checks and ensuring all expenditure is compliant with the funding requirements.
- 7.2 Due to the project finishing on 31st March 2023, there is a risk that current staff may seek alternative employment prior to this date which may impact on delivery. A plan to mitigate this is being developed. In respect of TUPE this is subject to ongoing negotiations with partners.

8. EQUALITY IMPLICATIONS

- 8.1 The Black Country Growth Hub's mission is to provide guidance and support to all individuals seeking to start a new business; micro and SMEs looking for growth support as well as employees of any existing business, free of charge.

- 8.2 Business-facing officers operating across Black Country Growth Hub partners are from a variety of ethnic backgrounds.
- 8.3 The separate partners of the Black Country Growth Hub each have their own equality policies in place, covering officers' conduct and approach to inclusive engagement.

9. CONSULTATION

Legal and Finance officers at Walsall Council have been consulted as part of the development of this report.

Background papers

None.

Attachments

None.

Report Author - Sarah Middleton

Chief Executive, Black Country Consortium Ltd

Email: Sarah.Middleton@blackcountryconsortium.co.uk Telephone: (0)845 8 151515

Contact Officer - Simon Neilson

Executive Director Economy, Environment & Communities, Walsall Council

Email: simon.neilson@walsall.gov.uk Telephone: 01922 652004

Contact Officer - Mark Lavender

Joint Committee Programme Manager, Walsall Council

Email: mark.lavender@walsall.gov.uk Telephone: 01922 654772