

**REPORT TO**  
**BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

**ON**

**18 JUNE 2025**

**BCJC Programmes:**

**BCLEP legacy funds year-end position at 31 March 2025**

**Report for Noting**

---

<b>Key Decision:</b>	<b>No</b>
<b>Forward Plan:</b>	<b>Yes</b>

---

**1. PURPOSE OF REPORT**

To provide an update on the Black Country Local Enterprise Partnership (BCLEP) legacy funds following the end of the 2024/25 financial year, and to summarise decisions being progressed via Black Country Joint Committee (BCJC) Delegated Authority to Walsall Council's Section 151 Officer.

**2. RECOMMENDATIONS**

- 2.1 To note the update on each BCLEP legacy fund as at 31 March 2025, as set out in this report.
- 2.2 To note decisions being progressed by Walsall Council's Section 151 Officer, through Black Country Joint Committee (BCJC) Delegated Authority, as set out in Attachment 1.
- 2.3 To note closure of the Local Growth Fund programme as set out in paragraph 3.3.

**3. REPORT DETAIL**

- 3.1. This report details the final position of all BCLEP legacy funds as at 31 March 2025. The status is based on actual spend & outputs achieved to date, including changes being progressed by via BCJC Delegated Authority (decisions listed in Attachment 1 to this report). Note that approvals have been obtained by two of the Black Country Section 151 officers, with two approvals pending.

### Local Growth Fund (LGF)

- 3.2. In 2015 LGF was awarded to the BCLEP, to be administered as a competitive capital programme. The fund was successfully fully spent by the Government's deadline of March 2021, with outputs delivery monitoring extended to March 2025. The programme also successfully attracted more than £600m in match funding. The final position is set out in Tables 1 & 2 below.

Table 1. LGF Outputs

Output Description	Target	Actual	Variance +over/-under
Jobs Created incl Apprenticeship Starts	6,384	10,913	4,529
Apprenticeship Achievements	2,998	5,265	2,267
Housing Unit Starts	2,536	1,779	-757
Business Assist	3,200	2,329	-871
Learner Assists	9,014	16,283	7,269
Commercial Floor Space Constructed (Sqm)	39,244	89,967.6	50,723.6

- 3.3. Although there is a shortfall to date of both housing units and business assists against the LGF targets, these are offset by over-achievements of remaining output types. The Ministry of Housing, Communities and Local Government (MHCLG) has written to Walsall Council stating that they no longer require further reporting on the above programme post March 2025 and consider the programme closed. While the letter suggests that we should continue to monitor projects that have not fully delivered their outputs for our own records, it is proposed to cease monitoring given that:

- (a) MHCLG has closed the programme from their perspective, with no concerns raised hence the risk of clawback from MHCLG is remote;
- (b) the programme was already extended for 4 years (to 31 March 2025) to maximise capture of outputs; the view is that the amount of further outputs captured if we extended for another 2 or 3 years would be immaterial to the programme;
- (c) additional resource would be required for Walsall Council's Accountable Body team to extend monitoring.

The proposal to close LGF and the above justification has been included in the final return to MHCLG (submitted May 2025), so unless there is any feedback to the contrary from MHCLG the LGF programme will be closed.

### Getting Building Fund (GBF)

- 3.4. The GBF comprised of two projects: National Brownfield Institute Phase 2 (University of Wolverhampton) and Very Light Rail National Innovation Centre (Dudley Council). The grant was fully spent by the deadline.

- 3.5. All outputs claimed feed into West Midlands Combined Authority (WMCA) GBF programme targets for the West Midlands, as there is no Black Country target within the Black Country contract with the WMCA.
- 3.6. Dudley Council completed the construction of the Very Light Rail National Innovation Centre (VLR NIC) and then sub-let it to manage the building and deliver the revenue outputs. The project has been unable to deliver the outcomes related to jobs created, learner assists and business assists due to:
- the outcomes requiring revenue funding which was never obtained;
  - delays with the Coventry vehicle work which impeded progress on meeting objectives due to inability to make full use of the track;
  - to address cost pressures, the entire building was let on commercial terms with no space left to provide activities that would yield the GBF outcomes; and
  - central government did not put forward a strategic plan for rail, which resulted in companies stalling on investments and projects at the centre.

Dudley Council commissioned an options paper with external consultants, and it was agreed at WMCA Board on 19 July 2024 that the preferred way forward would be a strategic partnership with a department of the University of Warwick which operates the High Value Manufacturing Catapult. To allow the new arrangement to proceed, the project has requested that all previous output obligations be adjusted to those achieved to date (being 227 learner assists and 5,562 sqm of commercial floorspace delivered).

- 3.7. WMCA and MHCLG approved Dudley's VLR NIC change request and consider the project as completed. Following that, requested Outputs obligations changes are being progressed through BCJC Delegated Authority and reported in the table below (please refer to the Attachment 1 to this report).
- 3.8. The final GBF Programme position is set out in Table 2 below.

Table 2. GBF Outputs

Direct/ Indirect	Output	Grant Agreement Targets	Claimed	Variance +Over/ -Under
Direct	Jobs safeguarded	0	0	0
Direct	Jobs created	20	14	-6
Direct	Number of enterprises receiving non-financial support	217	294	77
Direct	Learner Assists	50	284	234
Direct	Commercial Floorspace constructed (sqm)	8,383	8,390	7
Indirect	Construction Jobs	145	167	22
Indirect	Retrofits	100	1,434	1,334
Indirect	Housing units started	588	2,427	1,839
Indirect	Business Assists - No of enterprises receiving non-financial support	0	37	37
Indirect	Area of land remediated (ha)	246.00	338.32	92.32
Indirect	Learner support	100	240	140
Indirect	Start-Up Business Support	20	14	-6
Indirect	National/International companies attracted to the West Midlands	1	1	0
Indirect	Micro Business Assists	50	61	11

## Land and Property Investment Fund (LPIF)

3.9. The LPIF incurred and claimed expenditure of £47.186m up to 31 March 2025 from the WMCA. The programme is fully committed and on target to be fully spent by March 2026, with projects outputs / outcomes performance monitoring up to March 2027.

3.10. The programme position is set out in Tables 3 – 5 below.

Table 3. LPIF Grant profile

Project Name	Grant £	Claimed £	Variance £	Project status
Music Institute	7,159,551	7,159,551	0	Project complete
Goscote	3,590,340	3,590,340	0	Project complete
Cracker	22,371	22,371	0	Project complete
Dudley - Brownfields	2,711,147	2,711,147	0	Project complete
Phoenix 10	26,760,998	26,760,998	0	Match funding and output delivery ongoing
i54 Western Extension	722,940	722,940	0	Match funding and output delivery ongoing
Sandwell Housing Gap Funding	476,555	476,555	0	Project complete
Globe House	627,519	97,500	530,019	Build and delivery stage
Spring Road	1,029,378	1,029,378	0	Match funding and output delivery ongoing
Swan Lane	3,175,134	3,175,134	0	Match funding and output delivery ongoing
Stowheath	1,000,000	0	1,000,000	Grant Agreement being finalised
Willenhall Garden City Ph 1	2,033,415	0	2,033,415	Build and delivery stage
Loxdale	1,000,000	0	1,000,000	Grant Agreement being finalised
Oxley	1,110,000	0	1,110,000	Grant Agreement being finalised
<b>Total Projects</b>	<b>51,419,349</b>	<b>45,745,914</b>	<b>5,673,434</b>	
Programme Management	1,620,651	1,439,911	180,740	Ongoing project/programme monitoring & reporting
<b>TOTAL</b>	<b>53,040,000</b>	<b>47,185,825</b>	<b>5,854,175</b>	

Table 4. LPIF Forecast - Match funding profile

Match Funding	Expenditure 2017-2021	Expenditure 21/22	Expenditure 22/23	Expenditure 23/24	Expenditure 24/25	Forecast 25/26	Forecast 25/26	TOTAL
<b>Target</b>	£38,217,374	£4,968,282	£8,916,891	£15,299,954	£49,435,808	£22,395,888	£0	<b>£139,234,197</b>
<b>Claimed &amp; Forecast</b>	£38,217,374	£4,968,282	£8,916,891	£15,299,954	£10,743,610	£63,123,223	£5,365,000	<b>£146,634,335</b>
<b>Variance +Over/-under</b>	£0	£0	£0	£0	<b>-£38,692,198</b>	<b>£40,727,335</b>	<b>£5,365,000</b>	<b>£7,400,137</b>

Table 5. LPIF Outputs/Outcomes

Output Description	Target	Achieved to Date	Outstanding
Hectares of Land Remediated - Direct	63.86	60.06	-3.8
Hectares of Land Remediated - Indirect	5.58	0	-5.58
<b>Outcome Description</b>			
Jobs Created - Direct	9	9	0
Jobs Created - Indirect	2,926	69	-2,857
Housing Units – Direct	608	459	-149
Housing Units – Indirect	317	317	0
Commercial Floorspace (M2)	170,178	37,216	-132,962
Learner Assists	391	391	0
Construction Jobs	1,841	280	-1,561
Degree Level Courses	5	5	0
Total Length of resurfaced roads (Km)	1	1	0
Business Assists	7	0	-7

- 3.11. Funding of £7,159,551 was awarded to Birmingham Institute of Contemporary Music Performance Ltd (BICMP) for “Music Institute” project, for the purchase and refurbishment of the Cable Plaza building (BCJC 13 September 2017). Since the reported BICMP financial challenges and Accountable Body’s consent to the disposal, the building has been purchased by Dudley Council, with a commitment to deliver *jobs safeguarded* and *learner assists* outputs. Prior to disposal and purchase, a property valuation was undertaken to ensure no overage was due and an independent review by Walsall Council’s legal advisors to ensure subsidy compliance. Since the purchase by Dudley Council, BICMP has re-located from the Cable Plaza building, and the Council’s Children Services now occupy the building, alongside existing tenants Dudley Performing Arts & Black Country Radio.
- 3.12. Wolverhampton City Council submitted change requests for their *Stowheath Redevelopment for Housing* (£1m, BCJC on 1 February 2023) and *Loxdale Residential Scheme* (£1m, on 24 January 2024) projects. The scope of both projects changed due to relocation of other council services becoming out of scope, site constraints and density of schemes not favoured by the Local Planning Authority. The apartments have been removed, which significantly reduced the housing units and size of the schemes (albeit not reducing viability gap which is essentially land remediation). The Accountable Body’s independent property consultants re-appraised the projects and still consider that these are acceptable investments, given they support other public sector funding secured, and delivery of much needed mixed-tenure residential accommodation. The proposed projects changes are being progressed via BCJC Delegated Authority (please refer to the Attachment 1 to this report) and were presented to the WMCA Investment Board on 12 May 2025 who noted the impact on programme level housing unit targets with no queries or concerns raised.

### **BCLEP Reinvestment Fund**

- 3.13. The BCLEP Reinvestment Fund was established to capture recycled investments from other LEP grants, such as from overage, Growing Places Fund loan repayments and any contractual gainshare returns. The BCLEP approved that this would fund the Spring Road and Willenhall Garden City projects, plus Accountable Body Programme Management costs that were not covered by existing budgets.
- 3.14. The BCJC Collaboration Agreement set out that any remaining unallocated Reinvestment Fund balance would be split equally between each Local Authority (LA), who should use these funds for the purposes for which such funds were originally intended when granted (for example, the BCLEP agreed that the broadband gainshare payments should be ringfenced for digital reinvestment), or otherwise to promote economic growth and development.
- 3.15. Table 6 below summarises the position of the unallocated BCLEP Reinvestment Fund.

Table 6. BC LEP Unallocated Reinvestment Fund overview

Description	Revenue £	Capital £
Total Reinvestment funds	82,182	1,451,507
Spring Rd		-42,460
Willenhall Garden City		-1,166,585
Accountable Body Costs		-100,000
<b>Remaining Unallocated</b>	<b>82,182</b>	<b>142,462</b>

The balance of £82,182 revenue and £142,462 capital funds will be shared equally between the four Black Country LAs shortly. Note that a total value of £4,014,019 has already been re-distributed (£1,003,505 per LA).

### Black Country Enterprise Zone (BCEZ)

- 3.16. On 21 June 2023 the BCJC approved that on 1 April 2025 the BCEZ will revert to the area of its geographical origin and be managed and administered by the relevant LA.
- 3.17. Since this decision, an exception to the Collaboration Agreement was agreed at 13 January 2025 BCJC, whereby funding decisions in relation to BCEZ Gasholders site after 1 April 2025 will continue to be taken by BCJC (as opposed to being taken by Wolverhampton City Council).
- 3.18. The forecast surpluses as at 31 March 2025 are set out in Table 7 below. Note that these are still forecasts rather than actuals, as final BCEZ claims are submitted and reviewed in August utilising audited data from business rate returns to government. Surpluses will be paid to Dudley Council and Wolverhampton following the reconciliation period as set out in the Collaboration Agreement.

Table 7. Summary of actual BCEZ surpluses

Local Authority	31 March 2025 £000 (forecast)			End of BCEZ £000 (after shared costs)
	Before shared cost allocation	After shared cost allocation	Net payment to LAs*	
Wolverhampton	8,378	7,925	5,627	39,320
Walsall	-2,404	-2,857		11,162
Dudley	2,797	2,344	1,392	17,057
Sandwell	-958	0		
Shared costs	-400	0		
<b>Total</b>	<b>7,412</b>	<b>7,412</b>	<b>7,018</b>	<b>67,539</b>

\*note that these values are lower than the forecast as at 31 March 2025, as the surpluses for 24/25 have not been paid to Walsall Council as per the Collaboration Agreement. These values represent cumulative surpluses to 31 March 24, net of shared costs.

- 3.19. Walsall Council is forecast to have a net deficit rather than surplus, which it will cashflow until it is recovered from future business rates on developed Walsall EZ sites. In addition, the Wolverhampton forecast surplus of £39m by the end of the BCEZ is net of the £15m Gasholder grant, which is subject to an updated business case and BCJC approval.
- 3.20. The £250k annual BCEZ Pipeline Development grants, awarded to each BC LA until March 2025, have been utilised and final claims for 2024/25 will be submitted and reviewed in August.

#### **4. BENEFITS COST RATIO (VALUE FOR MONEY)**

The formula developed by BCC's Economic Intelligence Unit continues to be used for consistency to calculate a high level BCR for Change Requests, to be considered via BCJC Delegated Authority (see Attachment 1). A full economic appraisal and quantification of benefits would be required to complete more accurate BCRs, compatible with the most current Green Book guidance.

#### **5. FINANCIAL IMPLICATIONS**

There are no additional costs associated with the recommendations in this report.

#### **6. LEGAL IMPLICATIONS**

The grant agreements will be varied to capture Delegated Authority decisions as set out in the Attachment 1, as necessary. The SAB will utilise existing BCJC governance processes and procedures to implement changes, which will be in consultation with legal and financial services input, advice, and approval, as required.

#### **7. RISK MANAGEMENT**

- 7.1 BCLEP legacy funds risks are managed through the on-going monitoring of programmes position and of individual projects, their ability, and the most recent forecasts, to deliver contracted outcomes and spending profiles.
- 7.2 The risk of non-delivery of individual projects contracted outcomes is managed through grant agreements, which have robust mechanisms set in place to mitigate it, such as underwriting and clawback provisions.

- 7.3 The risk of projects not meeting spending profiles is managed by ensuring projects' claims and forecasts are up to date and prudent and is mitigated by requesting new delivery profiles to be agreed by the programme funder(s).
- 7.4 Individual projects change requests follows the agreed process of the Delegations and Tolerances, which are adhered to and reported on. Risk is managed through the consultation process for Delegated Authority, ensuring that appropriate stakeholders are notified and consulted as required.

## **8. EQUALITY IMPLICATIONS**

None at the time of drafting.

## **9. CONSULTATION**

None at the time of drafting.

## **Background papers**

1. BCLEP Assurance Framework, Appendix 23 '*Change Control and Delegated Authority*'.
2. LPIF Oxley Delegated Authority authorisation.

## **Attachments**

**Attachment 1** – BCJC Delegated Authority decisions being progressed for noting.

## **Report Authors**

### **Kelly Valente**

#### **Accountable Body, Policy & Programme Delivery Manager**

Programme Management

Resources and Transformation

Walsall Council

Email: [kelly.valente@walsall.gov.uk](mailto:kelly.valente@walsall.gov.uk)

### **Alison Guerra**

#### **Accountable Body, Governance, Finance & Performance Manager**

Programme Management

Resources and Transformation

Walsall Council

Email: [alison.guerra@walsall.gov.uk](mailto:alison.guerra@walsall.gov.uk)



**Contact Officer**

**Mark Lavender**

**Programme Manager**

Head of Programme Management & Accountable Body

Programme Management

Resources and Transformation

Walsall Council

Email: [mark.lavender@walsall.gov.uk](mailto:mark.lavender@walsall.gov.uk)