



# Enterprise and Business Scrutiny Panel

4 March 2014

<b>Report title</b>	Black Country Bids		
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson Economic Regeneration and Prosperity		
<b>Wards affected</b>	All		
<b>Accountable director</b>	Tim Johnson, Education and Enterprise		
<b>Originating service</b>	Partnership Economy and Culture		
<b>Accountable employee(s)</b>	Heather Clark	Strategic Projects and Funding Manager	
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<b>Report to be/has been considered by</b>	List any meetings at which the report has been or will be considered, e.g.		
	Strategic Executive Board		17 April 2013
	Enterprise and Business Scrutiny Panel		30 September 2013

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## Recommendation(s) for action or decision:

The Panel is recommended to:

Endorse the approach being taken and provide feedback on strategic priorities for the development of investment strategies and future bidding opportunities.

## 1.0 Purpose

- 1.1 To update the Enterprise and Business Scrutiny Panel on existing Black Country bids and on-going activities to attract resources into the Black Country, so we can deliver our strategic priorities and achieve our economic growth ambitions.

## 2.0 Background

- 2.1 A report was brought to the Enterprise and Business Scrutiny Panel on 19 November 2013. This latest report will provide an update on the further development of Black Country bids since the previous report was considered, in recognition that attracting external resources to implement our strategic priorities has become increasingly important. Increasingly, employees are working at Black Country level to attract funding. In many cases, the Government is devolving decision making around strategic funding priorities to the Black Country Local Enterprise Partnership (LEP).

## 3.0 Update on Black Country Bids

- 3.1 Since November's report, the Council has led on three successful Black Country bids worth over £10 million:
- **Black Country Growth Factory:** £3.1 million Regional Growth Fund has been awarded to deliver Black Country Growth Factory as part of City Deal. The Growth Factory which will fund a one stop shop approach to business assistance across the Black Country with packages of support available to all local businesses. It aims to equip the Black Country's manufacturing Small Medium Sized Enterprises (SMEs) with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.
  - **Black Country Enterprise Zone Capital Grant:** £6.2 million has been provisionally allocated for 154 on-site infrastructure improvement works and abnormal costs required preparing the remaining development plots for occupiers. The works include excavation and disposal of contaminated topsoil, increasing the electrical supply across the whole site, a new third arm roundabout and improving stability and loadbearing capacity of other plots.
  - **Black Country Broadband Business Support Project:** £250,000 million has been awarded from Growing Places enabling us to draw down £250,000 million from European Regional Development Fund to fund a broadband business support project. The project aims to support businesses to take up and use technologies enabled by superfast broadband in recognition of the positive correlation on growth for highly digitalised SME's.
- 3.2 An Access to Finance event, held on 29 January 2014 at Wolverhampton Race Course, aimed to support businesses to identify and access funding. The event attracted 180 businesses over two sessions. Businesses were able to meet face to face with a range of financial providers and advisors, providing businesses with the knowledge to choose the most appropriate source of funding. The event included an overview of Government funded schemes launched or to be launched, case studies from local companies who

have successfully secured external funding, one to one meetings with expert advisors, including the chance to discuss the completion of an expression of interest and the opportunity to speak with banks and non- bank lenders. Forty-five businesses expressed an interest in grants available through the existing European Regional Development Fund (ERDF) funded Black Country Growth Opportunities Local Delivery (GOLD) project at the event.

- 3.3 In order to increase the success rates of Wolverhampton businesses receiving grant funding, a new system is being piloted for the latest bidding round of Growing Places. Business Development Officers are supporting Wolverhampton businesses interested in bidding for this fund with the Development Officer (Funding) reviewing bids to ensure quality to maximise their chance of success.
- 3.4 An update on strategic activities at Black Country level which will influence future funding opportunities is given below:
- 3.5 The Black Country Local Enterprise Partnership (LEP) final European Investment Strategy was submitted 31 January 2014. The strategy set out proposals for the use of the European Structural and Investment Funds between 2014 and 2020. The Black Country provisional financial allocation is €177 million (approximately £152 million) for the full duration of the next funding period.

<b>Strategic Investment Area</b>	<b>Description</b>	<b>Value £000</b>
SIA 1.1: Growth factory	Central gateway point for businesses to access business support to simplify and co-ordinate the business support landscape.	£2,400
SIA 1.2: Inward Investment and Exporting	Attract new investment to the Black Country and supporting SMEs to start or grow and maximise their exporting activity.	£4,600
SIA 1.3: SME Access to Finance Support	Providing improved access to debt and equity finance to SMEs for business creation, growth and improved productivity.	£8,000
SIA 1.4: Business support for growth & improved productivity	Support growth and productivity of existing businesses to increase job and wealth creation and improve business survival	£6,000
SIA 1.5: Enterprise Support for New Business Creation	Support creation of new enterprises, including social enterprise, co-operatives and mutual, graduate and general start-ups to strengthen business base.	£5,000
SIA 1.6: Support for Local Growth Clusters	Support for business creation and growth in specific local growth clusters including creative, cultural and visitor economy.	£4,000

Strategic Investment Area	Description	Value £000
SIA 2.1: Increasing SME Demand and Capacity for Innovation	To engage more businesses in knowledge transfer and innovation, develop links to wider Higher Education Institutions (HEI's) and demonstrate benefits of working with knowledge based partners.	£9,600
SIA 2.2: Infrastructure for Innovation	Investing in required capital to support new innovation and knowledge transfer opportunities, particularly linked to priority growth sectors	£10,400
SIA 3.1: Employment Sites Development and Enhancement	Provision of support to SME property owners and developers to make available new and refurbished accommodation to support employment growth.	£7,000
SIA 3.2: Improving and exploiting our infrastructure (green and blue)	Increasing natural capital to improve local quality of life, increase walking and cycling and support sustainable economic growth through investment in green and blue infrastructure.	£3,500
SIA 3.3: Supporting Energy Efficiency and the Green Economy	Supporting reductions in greenhouse gas emissions, improving localised energy generation and energy efficiency, addressing fuel poverty, increasing business efficiency and waste management and supporting low carbon supply chains.	£15,500
SIA 4.1: Skills for Growth	<ul style="list-style-type: none"> <li>• <b>Workforce Skills Development:</b> provision of flexible (modular/unitised) provision to all employers with a focus on transformational and enabling sectors</li> <li>• <b>Employer Support:</b> to expand the skills factory concept to other transformational sectors</li> <li>• <b>Response to Redundancy:</b> to provide support including training to those at risk of redundancy or recently made redundant</li> <li>• <b>National Careers Service:</b> to enhance the NCS offer within the Black Country</li> <li>• <b>Skills for the Unemployed:</b> to fund bespoke activities that address employability and skills that act as a barrier of employment</li> </ul>	£30,000
SIA 4.2: Young People and Unemployment.	<p>The Black Country Youth Employment Initiative (YEI) Programme will support the sustainable integration of vulnerable young people aged 14 – 24 years who are not in education employment or training (NEET) or at risk of becoming NEET.</p> <ul style="list-style-type: none"> <li>• <b>Pre-16:</b> deliver increased levels of schools business activity centred on teaching and learning and pupil</li> </ul>	£19,800

Strategic Investment Area	Description	Value £000
	<p>engagement and progression post 16 based on 4+ campaign</p> <ul style="list-style-type: none"> <li>• <b>16-18 NEET:</b> deliver bespoke mentoring support based on the varied needs of vulnerable young people incorporating one-to-one support, innovative literacy, numeracy and skills development, confidence and motivational activities, individualised learning plans, work ready training and support.</li> <li>• <b>19-24 year olds:</b> bespoke interventions and meaningful support that progresses young people into employment, education, training and volunteering.</li> </ul>	
SIA 4.3: Employment Support for Over-25s.	Support unemployed people aged 25 and over who have been out of work for at least 2 years including Work Programme completers, who require additional support to overcome specific barriers to employment.	£11,000
SIA 4.4: Promoting Social Inclusion Among Disadvantaged Groups.	<ul style="list-style-type: none"> <li>• <b>Troubled Families:</b> provides a very targeted, holistic family support to families with multiple needs to stabilise the family and assist family members towards sustained employment</li> <li>• <b>Targeted Community Approach:</b> to improve engagement of disadvantaged groups by targeting our most deprived areas by developing a sustainable local community infrastructure to deliver quality support to residents to progress to learning, employment and enterprise with wraparound support</li> <li>• <b>Financial and Digital Inclusion:</b> provide wraparound support, targeting in particular those who will be affected by the rollout of Universal Credit, to improve digital and financial inclusion, with clear progression routes onto skills and employment provision.</li> <li>• <b>Community Grants:</b> to fund VCS organisations to fill gaps in mainstream provision by providing quality support to people from the hardest to reach communities and individuals experiencing multiple disadvantages progressing to mainstream and ESF funded employment and skills provision</li> </ul>	£15,200

3.6 Black Country LEP with the support of all four Local Authorities are currently finalising the Strategic Economic Plan (SEP), following feedback on the draft submitted December 2014. The Plan will outline our priorities for use of the single local growth fund under three themes: people, place and business. £50 million is available per year through a competitive process. Local Growth Fund is primarily being considered to fund capital projects leading to job outcomes. Black Country European Investment Strategy will form

a chapter within the Plan and fund some of the priorities. The current priorities under each theme are presented below. Challenge sessions are underway to further prioritise these areas further following feedback:

### **Place**

- PL1. Expanding the availability of high quality employment land and delivering a portfolio of strategic mixed use development opportunities
- PL2. Connecting our goods, services and employees to work and to international markets.
- PL3. Enhancing the efficiency of existing business premises and delivering new high performing energy efficient floor space
- PL4. Locally distinctive economies
- PL5. Expanding the construction and renewal of housing stock
- PL6. Overall quality environment and low carbon

### **People**

- P1. Skills for the supply chain – building on the skills factory.
- P2. Further education skills – capital opportunities and needs
- P3. Schools and college statutory education provision
- P4. Securing and upskilling the Black Country residents and employees

### **Business**

- B1. Maximising our supply chain opportunities and supporting SMEs.
- B2. International trade – global opportunities and inward investment
- B3. Access to finance
- B4. Innovation through materials.
- B5. Entrepreneurship and social enterprise.

## **4.0 Financial implications**

- 4.1 Working at a Black Country level to attract external resources, enabling us to deliver our strategic priorities and economic growth ambitions, can have positive financial implications for the Council. There is some risk involved regarding bidding for resources associated with accountable body status. Therefore, for Black Country projects, the risk of potential grant claw back against the grant allocated is being shared with the other Black Country Local Authorities, through formal Collaboration Agreements and robust management processes.
- 4.2 Cabinet (Resources) Panel reports are submitted for each project seeking the appropriate approval to assume accountable body status and/or enter into Collaboration Agreements, together with details of the associated risk and financial implications. Section 151 officers have been briefed about the European Investment Strategy. [RT/14022014/A]

## **5.0 Legal implications**

5.1 Collaboration Agreements are entered into for Black Country projects in order to share the risk across all four Black Country Local Authorities. Councils have authority to enter into Collaboration Agreements by virtue of Section 1 of the Localism Act 2011, which empowers Local Authorities to do anything that individuals may generally do. These Agreements and the proposals also accord with the sustainable communities strategy contained in Section 4 of the Local Government Act 2000. Collaboration Agreements set a framework and governance structure for joint working between the parties to enable the delivery of the programmes and ensures commitment to the process and a shared responsibility between Black Country authorities, thereby mitigating risk for the respective accountable body. [RB/10021014/A]

## **6.0 Equalities implications**

6.1 There are no direct equalities implications from this report. European funded projects must demonstrate how equality and diversity issues and opportunities are taken into account. Social inclusion is one of the interventions funded under the Black Country European Investment Strategy and will have a positive equalities impact.

## **7.0 Environmental implications**

7.1 Black Country bidding enables us to attract resources to deliver our strategic priorities which include the green economy. Twenty percent of ERDF resources within the Black Country European Investment Strategy must be used for low carbon activities.

## **8.0 Human resources implications**

8.1 Staffing costs, where appropriate, are built into the individual bids.

## **9.0 Schedule of background papers – None**

## Appendix 1: Overview of Black Country bids

### Current:

	<b>Accountable Body</b>	<b>Description</b>	<b>Value £000</b>
Black Country Property Investment Programme	Walsall MBC	Resources are still available for SME's to expand or improve premises to high sustainable building design standard.	6,670 (ERDF)
Black Country Growing Priority Sectors	Sandwell MBC	RGF funded grant scheme for local businesses seeking resources under the £1 million RGF threshold.	15,000 (RGF)
Black Country Growth Opportunities Local Delivery (GOLD)	Wolverhampton CC	Systematic programme of support to SME's with growth ambitions but below the 20% growth rate required for Growth Accelerator support.	1,960 (ERDF)
Black Country Technical Assistance	Walsall MBC	Team providing technical support to applicants and project managers of European funded projects.	344
Black Country Broadband Business Support	Wolverhampton CC	To provide support to Black Country SME's to maximise commercial benefits offered through Superfast Broadband.	0.5m (ERDF/ GPF)
Black Country Growth Factory	Wolverhampton CC	Co-ordinate business support to equip the Black Country's manufacturing SMEs with the tools and support they need to compete, innovate and take advantage of the supply chain opportunities.	3.1m (RGF)

### Bids under appraisal

	<b>Accountable Body</b>	<b>Description</b>	<b>Value £000</b>
Black Country Growing Priority Sectors	Walsall MBC	Match the RGF funded grant scheme for local businesses seeking resources under the £1 million RGF threshold.	2,900 (ERDF)