



# Enterprise and Business Scrutiny Panel

15 July 2014

**Time** 6.00 pm      **Public Meeting?** YES      **Type of meeting** Scrutiny  
**Venue** Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

## Membership

**Chair** Cllr John Rowley (Lab)  
**Vice-chair** Cllr Jonathan Yardley (Con)

<b>Labour</b>	<b>Conservative</b>	<b>Liberal Democrat</b>
Cllr Harbans Bagri Cllr Philip Bateman Cllr Payal Bedi Cllr Craig Collingswood Cllr Val Evans Cllr Tersaim Singh Cllr Jacqueline Sweetman Cllr Martin Waite	Cllr Zahid Shah	Cllr Michael Heap

Quorum for this meeting is three Councillors.

## Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

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**Tel/Email** Tel: 01902 551251 or [earl.piggot-smith@wolverhampton.gov.uk](mailto:earl.piggot-smith@wolverhampton.gov.uk)  
**Address** Democratic Support, Civic Centre, 2<sup>nd</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

# Agenda

## Part 1 – items open to the press and public

*Item No.*    *Title*

1            **Apologies**

2            **Declarations of Interest**

3            **Minutes of the previous meeting (4.3.14)** (Pages 1 - 8)

[For approval]

4            **Matters arising**

[To consider any matters arising from the minutes of the previous meeting]

### **Pre-decision scrutiny**

[To give pre-decision consideration of the Black Country Working – Strategic Economic Plan, City and Growth Deals, European Strategic Investment and Funding Strategy]

5            **Black Country Working** (Pages 9 - 20)

[To receive report from Keren Jones, Assistant Director, Partnerships Economy and Culture, Education and Enterprise]

### **DISCUSSION ITEM**

6            **Education and Enterprise - regeneration priorities and current position**  
(Verbal Report)

[To receive presentation from Tim Johnson, Strategic Director, Education and Enterprise of the City's key spatial regeneration priorities and current position.

The presentation will also cover some of the resulting issues that need to be addressed to ensure people in the city benefit from current and planned investment.]



# Enterprise and Business Scrutiny Panel

Minutes – 4 March 2014

## Attendance

### Members of the Panel

Cllr John Rowley (chair)  
Cllr Harbans Singh Bagri  
Cllr Phil Bateman  
Cllr Ian Brookfield  
Cllr Malcolm Gwinnett  
Cllr Neville Patten  
Cllr Martin Waite  
Cllr Jonathon Yardley

### Other Councillors

Cllr Peter Bilson

### Staff

Tim Johnson	Strategic Director, Education and Enterprise
Marianne Page	Section Leader – Transportation
Ian Bustin	Interim Manager
Heather Clark	Strategic Projects and Funding Manager
Paul Doherty	Head of Skill Development
Resham Gill	Skills Manager
Marie Bintley	Head of Physical Regeneration
Michèle Ross	Strategic Planning Officer
Richard Welch	Head of Community Recreation
Matthew Vins	Graduate Management Trainee

## Apologies

Apologies for absence were received from Cllrs Payal Bedi, Caroline Siarkiewicz, Jacqueline Sweetman and Mrs Christine Mills.

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## Part 1 – items open to the press and public

*Item No.*      *Title*

### MEETING BUSINESS ITEMS

2.            **Declarations of interest**  
There were no declarations of interest
  
3.            **Minutes of the previous meeting (7 January 2014)**  
Resolved:  
                 That the minutes of the meeting held on 7 January 2014 be approved

as a correct record and signed by the Chair subject to:

- The deletion of 'marking' from page 2, paragraph six and the substitution therefor of 'marketing'.

4. **Matters arising**

Cllr Bateman highlighted the issues of derelict sites along the railway corridor, and noted that some had been in a state of disrepair for a long time. He explained that due to the economic climate, it was difficult to sell them for industrial use, and suggested the re-designation of some sites as open space. He advised the panel that a member of the public had suggested one site could be used as a solar farm.

Tim Johnson advised the panel he would explore this, and agreed that it was very important to secure developments along the key corridors into the city.

Cllr Rowley explained that open space and the planting of flowers could be very popular, and highlighted a site in East Park, which had been well received by residents.

5. **Scrutiny Work Programme 2013/14**

Matt Vins presented the report about the Enterprise and Business Work Programme for the remainder of the 2013/14 municipal year.

Resolved:

1. That the report be received and noted.
2. That the work programme would be reviewed each meeting to respond to emerging issues and highlight priority items for future agendas.

**PRE-DECISION SCRUTINY ITEMS**

6. **Rail Devolution**

Marianna Page presented the report on the emerging rail devolution plans for the West Midlands region and introduced Stephen Rhodes and Malcolm Holmes from Centro.

Malcolm Holmes explained that the rail devolution proposition involved 14 authorities from across the region, which would take control of local rail services from the Department for Transport (DfT). He highlighted that rail transport was a key economic asset for the region, but emphasised that local influence was currently limited to lobbying existing train operators. He noted that the proposals built on the Coalition Government's policy of decentralisation of local services, and highlighted Merseyside and London rail services as examples of this.

Stephen Rhodes advised the panel that the working name for the seven metropolitan authorities and seven shire and unitary authorities was West Midlands Rail. He confirmed that he had met with the DfT to put together a plan for a devolved railway in the West Midlands. He explained that West Midlands Rail would not run the trains, but would be the contracting body, and that following questions from the DfT, the decision would be delayed until after March. He highlighted that this presented an exciting opportunity for

Wolverhampton to play a larger role in the running of the regions railways, and that the proposals had received unified support across the political spectrum in the region.

Cllr Bilson highlighted that this presented a pre-decision scrutiny opportunity for the panel to influence the report before it went to Cabinet. He indicated that the Special Purpose Vehicle (SPV) model was the preferred option from Council leaders across the region.

Cllr Bateman asked why the SPV model was preferred, and enquired what the benefits of that model were. He sought clarification over whether the region was defined by the travel to work area or the 1968 definition.

Malcolm Holmes explained that the region incorporated aspects of both the 1968 definition and the travel to work area. He highlighted the importance of Government arrangements for rail contracts, and noted that the governance had to be inclusive of all authorities in the region.

Stephen Rhodes advised the panel that the proposed turnover for the region would be approximately £200 million, and indicated that the SPV model provided greater transparency of the finances. He explained that the structure would not rely on the current Centro system, but would require Government funding due to the scale of the project.

Cllr Bateman enquired what the perceived risks were due to the scale of the proposed project, and asked who would be involved in the bidding for the contracts.

Stephen Rhodes advised that the risks depended on the contract structure, and whether the contracting authority managed the revenue or if it was passed through to the operator. He explained that the London Midland franchise held the revenue risk, as opposed to the DfT. He highlighted that the costs of the rail industry were well known, and that large scale costs such as flooding damaged were covered by Network Rail. He indicated that the DfT was keen for the revenue risks to be held by the private sector, or the bidder, and not the contracting authority. He noted that there were examples of both structures around the country, and that the proposed date for a devolved franchise was June 2017. He confirmed that the current London Midland franchise expired before this, and the DfT was in the process of negotiation to extend this following the issues with the West Coast franchise. He highlighted that either the SPV or Centro structure would be run similarly to a local authority, with a Councillor elected board.

Cllr I Brookfield suggested that the Centro structure was seen as the transparent model, and enquired about the risks to local authorities. Cllr Rowley asked if there would be capacity to subsidise the building or reopening of railway lines in the region, and highlighted the Wolverhampton to Walsall route. He also enquired whether there would be capacity to return ticket office staff following the closures by London Midland.

Stephen Rhodes explained that the elected board of representatives from the

14 authorities would set the direction and priorities for what it wished to do, but acknowledged that these would be constrained by funding availability. He highlighted that a single devolved body would be more effective at championing key schemes. He advised the panel that providing an incentive to operators to provide ticket office staff and to check tickets along the line could improve the collection of revenue along the line and improve the customer experience.

Malcolm Holmes advised the panel that London Midland had suggested that checking tickets on all services would not increase profit.

Cllr Gwinnett asked if the operators had seen the report, and enquired what the risk factor was to the Council.

Stephen Rhodes advised the panel that work was on-going with London Midland to determine the revenue of the region which would reduce risk.

Malcolm Holmes highlighted that there had been a uniformly positive response for a franchise of this size. He indicated that because a lot of the cost was fixed, the risk was lessened. He added that the nature of local regional rail business, coupled with the central subsidy to rail travel meant that risks to revenue was reduced.

Stephen Rhodes confirmed that whereas bus use was decreasing, train use in the West Midlands had doubled in the last 15 years.

Resolved:

1. That the report on rail devolution be received
2. To agree that Cabinet be asked to approve support in principle for pursuing rail devolution in the West Midlands
3. To agree that Cabinet be asked to support the preferred governance arrangements of a Special Purpose Vehicle model.
4. To note that this item has been considered as pre-decision scrutiny and would not be available to call-in once a decision is made by the Executive.

7. **Open Space Supplementary Planning Document – Wolverhampton Strategic Approach to Open Space**

Michèle Ross presented the joint report from Education and Enterprise and Community about Wolverhampton's strategic approach to open space and indicated that it built on the work conducted in 2012. She explained that a pragmatic approach would help meet community needs, improve the delivery of services and maximise resources. She highlighted that 75% of the identified £25 million of costs had been secured, and advised that this would improve open space, play and sport facilities and create new ones where they were really needed. She indicated that there were legal limits on the use of Section 106 monies, but advised that by justifying the projects at a strategic level, the Council could justify the use of Section 106 monies for open space. Cllr Waite enquired about the process of selling open space for potential developments, and asked if the Council looked at total hectares of open space per 1000 people, if there was a time or distance to travel for residents,

and whether there was compensation for loss of open space.

Michèle Ross advised the panel that there were three different types of standards used for types of open space: hectares per 1000 people but also walking distance, for example residents should have access to a park within a ten-minute walk, and that natural open space and allotments should be within a 15-minute walk. She explained that there were five key analysis areas in Wolverhampton, which were defined on the basis of where major roads and railways were, and the ease of travel within that area. She indicated that there were only a few surplus open spaces identified in the strategy, and that in such cases compensation was secured for local open space projects.

Cllr Gwinnett expressed concern about the viability of Section 106 requirements, and suggested that a large percentage were currently being waived due to the recession. He asked if this would be likely to reduce the amount of Section 106 money available for projects in the future, and if it could affect current schemes that were under way in Wolverhampton.

Michèle Ross advised that nearly £4 million of Section 106 money had already been paid to the Council, and the remainder had been secured and developers were not seeking to renegotiate. She explained that Section 106 monies had already been reduced as a result of the recession and suggested that with the housing market picking up, these would also increase.

Cllr N Patten enquired about the future of the detached Northcote School playing fields located in the Green Belt in Bushbury North. He explained that it had been fenced off, and he expressed interest to see how maximising the Council's open space resources would link into this.

Michèle Ross explained that as the site is located in the Green Belt, it could not be allocated for housing development, and that the Council was currently preparing to dispose of the Northcote School site, but noted that this did not include the detached playing field. She suggested that there was potential to bring it back into use as playing fields, or for another Green Belt appropriate use such as agriculture.

Cllr Rowley suggested that the three Bushbury North Ward Councillors be written to on this.

Cllr I Brookfield referred to part 5.4, and asked about the flexibility of the approach. He acknowledged that the economic climate made it difficult to get developers to provide open space, but enquired if the Council could ask for developers to provide more open space as the market improved.

Michèle Ross explained that the open space standard of 26sqm per resident on housing sites had been used since 2006 when the market was quite strong and that if the full standard of 44.2sqm per resident was used, more than half of housing sites would need to be open space, which would be unreasonable in any economic climate.

Resolved:

1. That the report on the Open Space Strategy and Action Plan and reporting mechanisms be received
2. That the draft Open Space, Sport and Recreation Supplementary Planning Document be received.
3. To note that this item has been considered as pre-decision scrutiny and would not be available to call-in once a decision is made by the Executive.

## DISCUSSION ITEMS

### 8. **The Skills Gap**

Paul Doherty presented the report. He explained that Wolverhampton had a significant challenge to improve skills in the city, and he highlighted the lack of enterprise skills and employer investment in the city. He referred to appendix A which set out the key aspects of tackling the skills and employment issues in the Black Country. He highlighted the successes of the Black Country's bids to secure £115 million of money to improve skills in the region. He indicated that the authority had come up with five key areas to improve, which had been determined following employer feedback.

Cllr Waite indicated that there was a lot of focus on young people, but highlighted the historical low level of skills in the city and asked how they could provide opportunities for 30, 40 and 50 year olds.

Paul Doherty referred to appendix A which highlighted the complexity of the skills and employment issues in Wolverhampton. He agreed that it was not just young people, which the Council needed to focus on, but highlighted the importance of employers investing in their staff.

Cllr Bateman highlighted that amongst the negativity there were plenty of plusses for Wolverhampton and the area. He explained that the skills shortages were worse in the past, and the arrival of Jaguar Land Rover might prompt people to look at tackling the issues in a different way. He emphasised the importance of communicating what was contained in the report to business in the city, and to market the authorities work in tackling the skills issues.

Paul Doherty admitted that the issue was on a large scale in Wolverhampton, and that it would be impossible to focus on only one issue. He agreed that communication was vital, and explained that they were working with companies to recruit more apprentices and build a pipeline through the school system.

Cllr Rowley highlighted the importance of nurturing talent and turning ideas into a reality.

Cllr I Brookfield thanked Paul Doherty for his work and suggested a follow up session in 12 months' time.



Resolved:

1. That the report on the skills gap be received
2. That an update report be brought to the Enterprise and Business Scrutiny Panel in 12 months' time

9. **Black Country Bids**

Heather Clark presented an update report about Black Country Bids. She highlighted that significant progress had been achieved since the November meeting. She indicated that Wolverhampton Council had successfully led on three Black Country bids worth over £10 million. She advised the panel that they were working closely with businesses across Wolverhampton, and confirmed that there had been a lot of support from businesses to attend further finance events. She noted that in a recent round of bidding, three of six businesses that were awarded funding were from Wolverhampton. She explained that this strategy played a key role for future funding, and highlighted the importance of the Black Country European Investment Strategy. She indicated that work was being done to finalise the Strategic Economic Plan, which would explore possible large capital projects.

Cllr Waite enquired what the Local Enterprise Partnership had achieved for the Black Country, and asked when the region would be able to show concrete evidence of progress as a result of achieving these bids.

Heather Clark advised the panel that it was still in the early phases, especially in respect of large scale capital projects. She explained that these projects should start being undertaken in the sub-region, and referred to the European funding under the current round, which would need to be spent before the end of 2014.

Tim Johnson highlighted that the Black Country had a poor track record for delivering European Union funding programmes. He explained that there was a need to build strategies and frameworks to enable investment to take hold in the sub-region.

Resolved:

1. That the approach being taken for the development of investment strategies and future bidding opportunities be endorsed

10. **The Draft Marketing Plan for Wolverhampton and the Black Country**

Ian Bustin introduced a presentation which referred to the report on the Draft Marketing Plan. He highlighted the issues about being able to sell Wolverhampton and the region. He explained that focusing on marketing would bring in new customers, and indicated the importance of working with partners to achieve that. He suggested the Council needed to lead the campaigns, and to sell the city and not itself.

Cllr Waite praised the strategy, and highlighted the importance of understanding what businesses and the customer wanted.

Cllr Gwinnett agreed that a core message needed to be developed, and indicated the importance of linking it to key aspects of Wolverhampton.

Resolved:

1. That the report on the draft marketing plan for Wolverhampton and the Black Country be received

## EXCLUSION OF PRESS AND PUBLIC

### 11. Exclusion of press and public

[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

<i>Item No.</i>	<i>Title</i>	<i>Applicable Paragraph</i>
12	Regenerating contaminated sites and Empty Buildings	3

## Part 2 – exempt items, closed to the press and public

### 12. Regenerating contaminated sites and Empty Buildings

Marie Bintley presented an update report on the list of key strategic sites and empty buildings in Wolverhampton. She highlighted that significant progress had been made in Bilston, Westside and other areas, and further indicated the importance of developing a dialogue with developers.

Cllr Rowley agreed that it was important to have a dialogue, and suggested that this item needed to be brought regularly to the panel for a progress update.

Tim Johnson highlighted the issue with the Tesco store in the former hospital site, but confirmed that it was a nationwide issue with large-scale Tesco stores.

Resolved:

1. That the progress in addressing derelict and vacant property across Wolverhampton be noted



## **Enterprise and Business Scrutiny Panel**

15 July 2014

**Report title**

Black Country Working – Strategic Economic Plan, City and Growth Deals, European Strategic Investment and Funding Strategy

**Cabinet member with lead responsibility**

Councillor Peter Bilson  
Economic Regeneration and Prosperity

**Wards affected**

All

**Accountable director**

Tim Johnson, Education and Enterprise

**Originating service**

Economic Partnerships and Investment

**Accountable employee(s)**

Keren Jones                      Assistant Director Partnerships Economy  
and Culture  
01902 555410  
Telephone:                      Keren.jones@wolverhampton.gov.uk  
Email:

**Report to be considered by**

Cabinet

23 July 2014

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**Recommendation(s) for action or decision:**

The Enterprise and Business Scrutiny Panel is recommended to review the report and feedback comments to Cabinet Panel.

**Recommendations for noting:**

This item is being considered as pre-decision scrutiny and will therefore not be available to call-in once a decision is made by the Executive.



# Cabinet Meeting

23 July 2014

<b>Report title</b>	Black Country Working – Strategic Economic Plan, City and Growth Deals, European Strategic Investment and Funding Strategy	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Roger Lawrence Leader of the Council	Councillor Peter Bilson Economic Regeneration and Prosperity
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Economic Partnerships & Investment	
<b>Accountable employee(s)</b>	Keren Jones Tel Email	Assistant Director (Partnerships, Economy and Culture) 01902 555410 keren.jones@wolverhampton.gov.uk
<b>Report has been considered by</b>	Enterprise and Business Scrutiny Panel	15 July 2014

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## Recommendation for action:

The Cabinet is recommended to:

1. Approve the recommendation to prioritise work on local economic development projects that are eligible for Local Enterprise Partnership (LEP) Growth Deal and European Union Structural and Investment Funds, in line with the Council's own Corporate priorities.

## Recommendation for noting:

2. Note the opportunities to obtain significant government funding for Wolverhampton led projects through joint Black Country working.
3. Note the current position with EU Strategic Investment funding and the work underway to develop revenue projects that will complement the Growth Deal Capital projects.

## 1.0 Purpose

- 1.1 The report updates Cabinet on the development and delivery of the Black Country Strategic Economic Plan and supporting Growth Fund opportunities. It advises Cabinet and individual portfolio holders, on how this will provide opportunities and resources for Cabinet to deliver on a number of its delegated priorities.
- 1.2 To obtain Cabinet approval to prioritise work on local economic development projects that are eligible for LEP Growth Deal and European Union Structural and Investment Funds in line with the Council's own corporate priorities.
- 1.3 This report relates to a number of Cabinet responsibilities under the Council's constitution:
  - To advise the Council on issues arising from the Council's functions in relation to European, national and regional significance to the city, and advise on matters in relation to partner bodies (lead responsibility - Leader)
  - To work with government agencies, other councils and bodies active in the field of economic development and regeneration in the sub region and region (lead responsibility – Portfolio Holder for Economic Regeneration and Prosperity)

## 2.0 Background

- 2.1 **The Black Country Local Enterprise Partnership (LEP)** is one of 39 voluntary partnerships between local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills. The Leader represents the Council on the Black Country LEP Board.
- 2.2 The role of LEPs is to agree local economic priorities and lead economic growth and job creation. The LEP is expected to produce a Strategic Economic Plan that sets out its priorities and also makes its strategic case for government funding and investment.
- 2.3 **The Black Country Strategic Economic Plan (SEP)** was submitted to government at the end of March 2014. It focuses on activities that will grow the aerospace, automotive and building technology sectors in the Black Country. Alongside this the SEP also seeks to accelerate improvements to the Black Country as an attractive place in which to live, work, visit and invest. **(A copy of the executive summary is attached in appendix 1).**
- 2.4 The Black Country SEP sets out 12 strategic programmes to achieve growth objectives and attract government investment. These are in line with Wolverhampton City Council's local growth objectives and Wolverhampton City Council employees have played a key role in ensuring that the programmes reflect the local needs of the City, as well as those of the wider Black Country. These programmes provide a significant opportunity for the Council to attract resources that will enable Cabinet to deliver on its delegated functions.

2.5 Cabinet endorsement is sought for the proposed focus for the Council's contribution to Black Country working, based on the relevant portfolio holder functions as set out in the Council's Constitution.

<b>Black Country SEP Programmes</b>	<b>Cabinet functions that will drive Wolverhampton's contribution to programme and project development in the Black Country.</b>
<b>Programmes to raise employability, education and skills</b>	
<p><b>P1. Skills for the supply chain:</b> Work with businesses to raise the skills of the 432,300 workforce, and develop a labour market with the right levels of skills and qualifications to meet the needs of businesses from the area's priority growth sectors.</p>	<p><b>Cabinet function:</b> to facilitate the supply of skills and labour as appropriate to the needs of the market</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p> <p><b>Cabinet function:</b> To develop and implement a comprehensive strategy for post 16 education and to liaise with post 16 colleges and other providers in conjunction with the Black Country Learning and Skills Council.</p> <p><b>Lead responsibility:</b> Schools Skills and Learning.</p>
<p><b>P2. Skills capital:</b> Deliver capital infrastructure improvements to further education and training facilities across the Black Country so that no college has accommodation and/or facilities of poor quality.</p>	
<p><b>P3. Schools – Raising skills for the future:</b> By engaging more with employers we can enhance and strengthen links with education and the local economy.</p>	<p><b>Cabinet function:</b> Promote school, improvement and strategies to improve educational attainment including those for people aged 14 -19.</p> <p><b>Lead responsibility:</b> Schools, Skills and Learning</p>

<p><b>P4. Skills for the Unemployed:</b> Under this programme we will seek to tackle barriers to employment and enterprise among individuals, groups and communities furthest from the market. This includes additional support to families with multiple and complex needs.</p>	<p><b>Cabinet function:</b> to encourage the creation of employment as appropriate to the needs of the market.</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p>
<p><b>Programmes to transform the Black Country infrastructure and environment</b></p>	
<p><b>PI1. Expand the availability of high quality employment land and deliver a portfolio of strategic mixed use development opportunities:</b> The aim is to ensure a continuous supply of competitive sites and buildings for growth, as well as enhancing the quality of strategically important business locations e.g. the Black Country Growth corridors. The Black Country Enterprise Zone plays an important role in this programme.</p>	<p><b>Cabinet function:</b> To be responsible for matters relating to the physical environment and spatial planning, and discharge the Council's function relating to the statutory development plan. Also - to take positive steps to encourage industry and commerce by provision of facilities</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p>
<p><b>PI2. Connecting goods, services and employees to work and to international markets:</b> The effectiveness of the local transport infrastructure is an important element in maintaining international competitiveness of our growth sectors. Investment in the Black Country transport infrastructure and also in superfast broadband needs to be secured. Priorities are: improving motorway connectivity, maximising the benefits of HS2, unlocking employment and housing sites and, increasing sustainability, particularly for short trips.</p>	<p><b>Cabinet function:</b> All main functions in relation to traffic, transport and highways</p> <p><b>Lead responsibility:</b> Portfolio holder for Economic Regeneration and Prosperity</p>
<p><b>PI3 Housing:</b> The Black Country's is to build a minimum additional 63,000 net homes by 2026. This is not just about housing numbers as it is intended that there will be an improved housing offer comprising of an attractive mix of homes for sale and rent, including residential development in the Black Country's strategic centres.</p>	<p><b>Cabinet function:</b> To be responsible for matters relating to the physical environment and spatial planning, and discharge the Council's function relating to the statutory development plan. To also assemble land and to compulsory purchase land for planning purposes.</p>

	<p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p>
<p><b>PI4. Local distinctive economies:</b> Strategic urban centres have an important role to play in making the Black Country a good place in which to live, work, visit and invest. This programme recognises the importance of a good cultural, leisure, events, conferencing and hospitality offer. It also seeks to exploit the inter-linkages between culture, creativity and the wider knowledge economy, including high value manufacturing, research, innovation and technologies.</p>	<p><b>Cabinet function:</b> To develop and implement a cultural strategy and a tourism strategy in conjunction with the private and voluntary sectors. To provide a range of arts and cultural facilities, resources programmes and events for the performing, literary, visual and media arts.</p> <p><b>Lead responsibility:</b> Leisure and Communities</p>
<p><b>PI5. Quality environment and the low carbon economy:</b> This programme recognises that the depletion of natural resources is increasingly becoming an economic issue. New approaches need to be taken to developing environmental business, products and services by taking a different approach to industrial, housing and mixed use developments and the development of cultural assets and the public realm. This programme also recognises the importance of that is attached to the quality of the environment and the need to improve green space, corridors and the extensive canal network.</p>	<p><b>Cabinet function:</b> To be responsible for matters relating to the physical environment and spatial planning, and discharge the Council's function relating to the statutory development plan.</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p> <p><b>Cabinet function:</b> To provide public open space and nature reserves, together with programmes for active and passive recreational use. To develop and implement a cultural strategy and a tourism strategy for Wolverhampton.</p> <p><b>Lead responsibility:</b> Leisure and Communities</p> <p><b>Cabinet function:</b> To prepare, implement and review the operations of the council's environmental policies including the sustainability strategy</p> <p><b>Lead responsibility:</b> City Services.</p>



Business programmes	
<p><b>B1. A supply chain fit to supply – supply chain development including innovation and enterprise:</b> The aim of this programme is to improve the level of innovation and enterprise in the Black Country. The intended outcomes are to secure an additional £10 billion growth in GVA from automotive, aerospace and construction sectors. This includes support to existing businesses and increasing business births by an additional 1,453 from a current base of 3,400.</p>	<p><b>Cabinet function:</b> To take positive action to encourage industry and commerce by the provision of facilities and by promotional activities</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p>
<p><b>B2 Exploiting global opportunities:</b> This programme will attract more companies into the Black Country and drive up trade and export into 12 key global markets. This includes a more integrated and better targeted approach to securing inward investment and supporting more companies to export.</p>	<p><b>Cabinet function:</b> To take positive action to encourage industry and commerce by the provision of facilities and by promotional activities</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p>
<p><b>B3 Access to finance:</b> This programme seeks to improve and simplify access to finance for business to support business creation, growth and productivity. It covers debt, grant and equity finance.</p>	<p><b>Cabinet function:</b> To take positive action to encourage industry and commerce by the provision of facilities and by promotional activities</p> <p><b>Lead responsibility:</b> Economic Regeneration and Prosperity</p>

2.6 This report recommends that Cabinet approve the proposal to prioritise work on local economic development projects that are eligible for LEP Growth Deal and European Union Structural and Investment Funds, in line with the Council’s own corporate priorities.

### 3.0 Black Country City and Growth Deals

3.1 To support the delivery of LEP Strategic Economic Plans, the government has committed to negotiating a Growth Deal with every Local Enterprise Partnership (LEP) in the 2015/6 Spending Round. It has set aside a £2.0 billion Annual Single Local Growth Fund to be spent under the direction of LEPs. The first bidding round for Growth Fund and are for capital projects only.

3.2 The Black Country LEP submitted a bid for £55.6 million Growth Deal funding for 2015/6, and is developing a pipeline of projects for submission in further rounds. Projects have been assessed and graded by an independent panel, using Green Book Economic

appraisal methodology. There are a number of projects that Wolverhampton City Council are leading in that have received a high ranking through this process. These are key projects that are already prioritised within our own economic growth and inclusion project pipeline. A further report will be taken to Cabinet Resources Panel in July 2014, once negotiations with Government are further advanced. The projects are:

Project	LGF ask (15/16 figure in brackets)	Scope of project
Wolverhampton Interchange (SROI – Tim Johnson)	£4.5 million  (£4.5 million)	As part of the fully integrated multi-model transport hub, this element will deliver new commercial floor-space for 278 high value jobs and improve the strategic gateway into Wolverhampton and the wider Black Country. A new station building will be constructed and the multi-storey car park refurbished and extended.
Cultural Capital (SROI – Keren Jones)	£6.6 million  (£2.5 million)  Figures updated June 2014	This project will result in a major refurbishment of the Civic Halls, with a smaller secondary investment in the Grand Theatre. This will increase capacity, improve the customer experience and enable the venues to diversify into niche business conferencing, where a gap in the market has been identified.
Bilston Urban Village (SROI – Nick Edwards)	£3.3 million  (£3.3 million)	Working with the Homes and Communities Agency (HCA) this investment would bring forward infrastructure services and remediation to facilitate the release of further viable residential and employment sites.

3.3 Wolverhampton City Council is also a key partner in a number of other proposed 2015/6 Growth Deal projects that will be delivered across the Black Country and bring benefits to all local areas. These are:

<b>Project</b>	<b>LGF ask (15/16 figure in brackets)</b>	<b>Scope of project</b>
Access to Finance via Regional Growth Fund  (Black Country Consortium)	£15.0 million  (£5.0 million)	Businesses will be able to apply for grants to gap fund investment in plant, machinery and property. A total £15 million fund will be available over three years, leveraging over £40 million private sector investment and generating 1,500 jobs.
New Science, Technology and Prototype Centre  (led by University of Wolverhampton)	£2.8 million  (£2.8 million)	A £10 million centre at Wolverhampton Science Park will provide 2,839 m <sup>2</sup> of high quality managed office space and laboratory testing space to facilitate proto-type and R&D activity.
People's Power Station  (led by Encraft)	£0.5 million  (£0.5 million)	A £3 million project with funding from the Technology Strategy Board to provide grants to building owners to install smart control technologies and local energy storage systems.
Transport - M6 Junction 10  (led by Walsall MBC)	£29.7 million  (£0.7 million)	This scheme will improve the highway capacity and reduce vehicle delays by building wider bridges over the motorway. The junction is strategically situated between Wolverhampton City Centre and Walsall Town Centre.
Transport – Accessing Growth  (led by Black Country Director of Transport – Laura Shoaf)	£18.0 million  (£4.5 million)	Programme of schemes providing transport infrastructure to respond to market interest in housing, employment and other commercial activities.
Transport - Managing short trips  (led by Centro)	£4.2 million  (£1.5 million)	A programme covering a range of improvements including way finding and signage and investment in walking and cycling routes.

3.4 An announcement on the government allocations of 2015/6 Growth Deal to LEPs will be made in July 2014. Following the announcement, all projects will need to make a detailed business case. After the announcement a further, more detailed report will be submitted to Cabinet (Resources )Panel regarding the individual projects.

3.5 Cabinet members are already aware of the earlier deals around the Black Country Enterprise Zone and City Deal, which preceded the submission of the Black Country SEP. These programmes will also play an important role in delivering the Black Country SEP objectives.

#### **4.0 Black Country European Investment and Strategic Funding Strategy**

4.1 Another important source of funding that will support the delivery of the Black Country SEP, is European Funding. Last summer the government invited LEPs to submit strategic plans for England's £5.3 billion European Union Structural and Investment Funds (EU SIF) for 2014 – 2020. This work was led by Wolverhampton City Council, on behalf of the Black Country LEP.

4.2 The Black Country, along with all other LEPs, submitted the final draft version of its EU SIF on 31<sup>st</sup> January 2014. Formal feedback was received on 20 March 2014. The indicative allocation for the Black Country is £152.0 million. This funding is also aligned to the Black Country SEP programmes. It is principally revenue funding for projects that will complement the capital projects that are being developed through Growth Deal. Projects will be commissioned around four key themes:

- Provide business support to increase Small and Medium Enterprise (SME) competitiveness
- Provide support to businesses to innovate and develop new products and services
- Support the development of a low carbon economy
- Support projects that address skills, employment and social inclusion needs.

4.3 In order to be able to release the funding to the LEP areas, the UK government needs to finalise its Partnership Agreement with the European Union (EU). This has been delayed, partially due to a legal challenge by Liverpool and Sheffield city regions over the allocation of EU Structural and Investment Funds in England, which led to an injunction that prevents BIS from declaring the proposed financial allocations to the Commission – which is a key requirement of the Partnership Agreement. This required government to re-visit its Equality Impact Assessment, which has now been actioned and the UK Partnership Agreement was submitted to the European Commission by 22 April 2014, which was the regulatory deadline for submission.

4.4 Whilst the UK Partnership Agreement is being finalised, Black Country EU Officers Steering Group are working on developing a strong pipeline of projects, together with ensuring there are robust systems in place that ensure that EUSIF projects are fully

integrated into the overall project pipeline development to support the Black Country Strategic Economic Plan and are complementary to the Black Country Growth Bid and City Deal projects.

## **5.0 Financial implications**

- 5.1 Should the bid be successful, the 12 priorities identified in the Black Country SEP have the potential to secure up to £55.6 million Local Growth Funding in 2015/16 and a further £220.0 million of Growth Deal and European Funding over the medium term. Wolverhampton direct schemes have identified a requirement of £14.4 million funding and potentially secure the benefit of a further £74.8 million through partnered schemes. It is anticipated that the LGF will lever in additional public and private funding at a rate of £3 to every £1 grant invested; stimulating total investment of £500.0 million in the Black Country.
- 5.2 This joint Black Country working is increasingly becoming one of the main routes for the city to access funding for economic growth and inclusion. This is the case for both the projects that the Council directly leads on and delivers, and also the route by which the Council can support our business, public and voluntary sector partners to get their projects off the ground. Regular reports will be provided to Cabinet Resources Panel on the overall pipeline development. [ES/03072014/H]

## **6.0 Legal implications**

- 6.1 Final decisions on the prioritisation and contracting of Growth Deal projects will be the decision of the Black Country Joint Committee and Black Country Local Enterprise Partnerships. The local processes for EU SIF have yet to be finalised, and are part of the ongoing negotiations between the government and European Union. [RB/01072014/L]

## **7.0 Equalities implications**

- 7.1 All projects that are put forward for funding will be subject to the Council's standard equalities impact assessment processes. Wolverhampton City Council also undertook the initial equalities assessment for EU SIF as part of its lead strategic role. This has been published along with the Strategy itself and can be found on the Black Country LEP website.

## **8.0 Environmental implications**

- 8.1 The Black Country SEP, Growth Deal, City Deal, Enterprise Zone and EU SIF all provide significant opportunities to improve the local environment. Alongside that the EU SIF gives details on its current and future plans for the development of a low carbon economy and sets aside £26.0 million for low carbon and environmental protection projects. Black Country funding of £0.08 million made available for Wolverhampton City Council to recruit a 12 month secondment to develop the low carbon project pipeline for the Black Country.

## **9.0 Human resources implications**

- 9.1 The Education and Enterprise Directorate are developing a process to ensure that project development work is prioritised in line with both the Black Country and our own local corporate priorities. This will have implications for how the Council employees within in the Directorate work in the future. It will require a more agile and flexible approach within the Council and wit other Black Country partners.

## **10. Corporate Landlord Implications**

- 10.1 The Black Country Growth Deal, in particular, offers the Council opportunities to improve its own estate. These will be considered with the Corporate Landlord through the Council's Strategic Property Board.

## **9.0 Schedule of background papers**

- 9.1 None