



# Cabinet Meeting

## 23 July 2014

<b>Report title</b>	Black Country Growth Hub: Grants to Third Parties	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	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>	Partnerships Economy and Culture	
<b>Accountable employee(s)</b>	Corin Crane	Head of Economic Partnerships and Investment
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<b>Report to be/has been considered by</b>	N/A	

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

That Cabinet recommend that full Council:

1. Approve an increase of a grant from £130,000 to £325,000 to the University of Wolverhampton, a third party provider for the management of the externally funded Black Country Growth Hub for them to act as employer for the Growth Hub team.
2. Approve the payment of a grant of £73,806 to the Black Country Consortium to fund an Access to Finance Project Manager and contribute towards one day a week of an Economic Development Co-ordinator and Administration and Finance Support together with recruitment costs for the Access to Finance Project Manager as part of the externally funded Black Country Growth.
3. Authorise the Chief Legal Officer to approve the execution of the contracts.

## **1.0 Purpose**

- 1.1 The purpose of the report is to seek approval to increase a grant to the University of Wolverhampton and the Black Country Consortium to manage the Regional Growth Fund funded Black Country Growth Hub.

## **2.0 Background**

- 2.1 Attracting external resources is becoming increasingly important in order to implement our strategic priorities. The City Council has led on a number of successful bids for external funding supporting the corporate objective 'encouraging enterprise and business'.
- 2.2 Black Country Growth Hub is funded by £3.1 million from Regional Growth Fund (RGF) as part of City Deal. Cabinet (Resources) Panel agreed on 26 November 2013 for Wolverhampton to act as accountable body for the Black Country Growth Hub for the first phase. The Panel agreed delegated authority to the Cabinet Member for Economic Regeneration and Prosperity issue grants to third parties under £50,000 on 11 March 2014. On 14 May 2014 Cabinet recommended that full Council approve the payment of grants to third party providers for the delivery of products and £130,000 to the University of Wolverhampton for administration. A grant of £30,000 to the Black Country Consortium to deliver the pre-invest product was approved by an Individual Executive Decision Notice on 2 July 2014.

## **3.0 Black Country Growth Hub**

- 3.1 The Growth Hub offers a one stop shop approach to business assistance across the Black Country with packages of support available to local businesses. It aims to equip the Black Country's manufacturing small to medium enterprises with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.
- 3.2 The Black Country Growth Hub funding is split into two distinct areas: funding to pay for the development of Growth Hub and funding for development and administration of products that offer specialist business support to the high value manufacturing sector. It was a condition of funding that 80% must be used for products. The products include: Export Expert, Strategic Leadership, Capital Grants, Sales and Marketing Support, Pre-Investment Advice and Resource Efficiency. Grants to third parties to deliver the products were recommended to full Council for approval by Cabinet on 14 May 2014.
- 3.3 £619,136 has been allocated for the administration of the scheme. This report seeks approval to increase the grant to the University of Wolverhampton from Growth Hub Administration to act as employer for the Growth Hub team.

3.4 This arrangement will separate the operational delivery to the strategic management of the project. The Council will maintain overall strategic control of the Black Country Growth Hub project and the Head of Economic Partnerships and Investment will continue as Project Director, chairing the steering group and reporting through to the Local Enterprise Partnership Board and the West Midlands Joint Committee.

#### 4.0 Financial implications

4.1 This report seeks approval from Council to increase the agreed grant to the University of Wolverhampton from £130,000 previously agreed to £325,000 to enable them to employ the Growth Hub Team. In addition, a grant of £73,806 to the Black Country Consortium to fund an Access to Finance Project Manager and contribute towards one day a week of an Economic Development Co-ordinator and Administration and Finance Support together with recruitment costs for the Access to Finance Project Manager. This is in addition to the £30,000 previously agreed by Individual Executive Decision Notice on 2 July 2014 to the Black Country Consortium to deliver the pre-invest product. The amounts allocated are set out below.

Product	Funding allocated to activity	Grant previously agreed	Remaining Grant to be allocated to Provider	Provider
Administration	£619,136	£130,000	£195,000	University of Wolverhampton
Administration			£73,806	Black Country Consortium

4.2 Previous reports have identified that risk of grant claw-back will be managed through collaboration agreements and grant agreements with third party recipients. Any clawback will be pursued from recipients in the first instance. It is then anticipated that clawback risk is then split equally amongst the four Black Country authorities.  
[TK/08072014/Q]

#### 5.0 Legal implications

5.1 This report seeks approval to issue grants in accordance with an agreed contract in line with the schedules of said contract outlining the Council's requirements for the delivery of the project. When issuing grants, the Council's Contract Procedure Rules and Financial Procedural Rules must be noted and followed. RB/30062014/A

#### 6.0 Equalities implications

6.1 Externally funded projects must demonstrate how equality and diversity issues and opportunities are taken into account. A condition of RGF funding is compliance with the Equalities Act 2010. Equalities and diversity are reviewed as part of procurement at national level. Equalities information on the businesses is captured as part of the monitoring.

## **7.0 Environmental implications**

- 7.1 A product of the Black Country Growth Hub is resource efficiency including a series of workshops, manufacturing review, an energy efficiency and/or waste minimisation audit and where appropriate, a grant.

## **8.0 Human resources implications**

- 8.1 The Regional Growth Fund will also fund a fixed term team to run the Black Country Growth Hub. This report relates to the allocation of a grant to the University of Wolverhampton who will employ the team.

## **9. Corporate landlord implications**

- 9.1 None

## **10.0 Schedule of background papers**

- 10.1 Cabinet report - 14 May 2014 – Economic Development Grant to Third Parties – Black Country Growth Hub