

# Cabinet Meeting

## 22 March 2017

<b>Report title</b>	Approval to widen scope of the Black Country Joint Committee to include the Combined Authority and act as accountable body for the Land Remediation Fund
<b>Decision designation</b>	RED
<b>Cabinet member with lead responsibility</b>	Councillor Roger Lawrence Leader of the Council
<b>Key decision</b>	Yes
<b>In forward plan</b>	No
<b>Wards affected</b>	All
<b>Accountable director</b>	Kevin O'Keefe
<b>Originating service</b>	Legal Services
<b>Accountable employee(s)</b>	Robert Baldwin, Lead Lawyer Tel: 01902 554962 Legal Services Tel: 01902:554972 Email: robert.baldwin@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Cabinet 22 March 2017

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

The Cabinet is recommended to:

1. Delegate to the Black Country Executive Joint Committee the power to make decisions relating to funding applications into and funding received through or from the West Midlands Combined Authority.
2. Approve the widening of the scope of the Black Country Executive Joint Committee Constitution by amending the current Annex A - Terms of Reference; Functions of Black

Country Executive Joint Committee, as revised and included as Attachment 1 to this report.

3. Approve entering into the Black Country Executive Joint Committee Collaboration Agreement's Deed of Variation, included as Attachment 2.
4. Approve the Council acting as Accountable Body for the first tranche of £53 million Combined Authority Strategic Development Programme's Land Remediation Fund to be allocated principally to the Black Country (subject to approval by WMCA in March 2017) and delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to agree any extension to the role beyond the first tranche of funding.
5. Delegate to the Directors of Governance and Finance the drawing up of budgets, grant agreements and authorisation of payments to grant recipients subject to appropriate due diligence of claims submitted.

## **1.0 Purpose**

- 1.1 To consider the incorporation of the West Midlands Combined Authority into the Collaboration Agreement dated 7 May 2014, relating to the City and Growth Deals within the Black Country Executive Joint Committee's remit. It also seeks approval to the City of Wolverhampton Council acting as accountable body for the first tranche of Land Remediation Fund allocated to the Black Country.

## **2.0 Background**

- 2.1 On the 7 September 2016 the Black Country Executive Joint Committee recommended to the Black Country Consortium Ltd and the Cabinets of Walsall Council, Dudley Council, Borough of Sandwell Council and City of Wolverhampton Council that changes are approved for inclusion through a Deed of Variation to the existing Black Country Executive Joint Committee City Deal & Growth Deal Collaboration Agreement.
- 2.2. If approved these changes will widen the scope of the Black Country Executive Joint Committee work beyond its current remit of City Deal and Growth Deal Programmes to include the West Midlands Combined Authority. This report seeks approval to make these changes as set out in the recommendations to this report.
- 2.3 The Combined Authority has established a Land Remediation Fund with a total value of £200 million with 75% earmarked for programmes of strategic developments. Bids will be encouraged from LEPs and/or Councils, rather than developers and it is anticipated that the majority of the fund will be allocated to the Black Country.

### **3.0 Options and discussion**

- 3.1 Cabinet approved the Council entering into Joint Executive Committee arrangements with the other Black Country Councils for the purposes of the City Deal and Growth Deal in 13 November 2013. This approval included entering into a Collaboration Agreement with the other Black Country Authorities and the Black Country Consortium.
- 3.2 The original remit of the Black Country Joint Executive Committee was limited to City Deal and Growth Deal programmes of funding from the government. As part of the terms of that agreement, Walsall Council was appointed the Accountable Body for the purposes of managing the funding allocation given under City Deal and Growth Deal.
- 3.3 The Black Country Executive Joint Committee Collaboration Agreement was entered into on the 7 May 2014 and set out the governance and operational arrangements for the City Deal and Growth Deal programmes, including the collaboration, governance, project approval, management and audit and claw back arrangements.
- 3.4 The parties to this Collaboration Agreement have and will continue to use the governance and operational arrangements set out within the Collaboration Agreement to successfully deliver these programmes. With the formation of the Combined Authority in 2016, access to new funding opportunities have and will continue to be created.
- 3.5 To ensure that where appropriate the Black Country collectively is able to respond quickly to these opportunities and if successful accept the funding allocated/approved, it is proposed to extend the remit of the current Collaboration Agreement for the Black Country Executive Joint Committee City Deal & Growth Deal to include all funding administered or approved by the West Midlands Combined Authority to the Black Country. The proposed revised Collaboration Agreement is included as Attachment 3 to this report.
- 3.6 This approach will allow the current governance arrangements administered by and through the Black Country Executive Joint Committee to consider and approve applications to the Combined Authority and to accept/receive funding allocated or approved, and then for it to be administered through the appropriate appointed accountable body arrangements.
- 3.7 At its meeting on the 7 September 2016 the Black Country Executive Joint Committee recommended to the members of the current Black Country Executive Joint Committee City Deal and Growth Deal Collaboration Agreement, that the four Black Country Council Cabinet's and the Black Country Consortium Limited considered and approved the following recommendations:
  - 3.7.1 That the Joint Committee recommends to the Black Country Consortium Limited and the Cabinets of Walsall Council, Dudley Council, the Borough of Sandwell Council and City of Wolverhampton Council that the changes below are approved for inclusion through a Deed

of Variation to the existing Black Country Executive Joint Committee City Deal & Growth Deal Collaboration Agreement.

- 3.7.2 That the Joint Committee be delegated further powers from each Councils' Cabinet to enable it to make decisions relating to funding applications into and funding received through or from the West Midlands Combined Authority, and the scope of the Collaboration Agreement is widened to include this by amending the current Annex A - Terms of Reference; Functions of Black Country Executive Joint Committee, as revised and included as Attachment 1 to this report.
- 3.7.3 That all references to the City Deal and Growth Deal throughout the Collaboration Agreement are amended to: **City Deal, Growth Deal and Combined Authority**.
- 3.7.4 That the following description of the Combined Authority is added to section 1 (Definitions) part of the Collaboration Agreement: "**Combined Authority means the West Midlands Combined Authority and its successors**".
- 3.7.5 That the Black Country Executive Joint Committee grants approval for a Black Country application into the Combined Authority's Land Remediation Fund, based upon its current priority projects pipeline to be submitted at the earliest opportunity.
- 3.8 The Black Country Executive Joint Committee is the body responsible for approving all expenditure associated with the Black Countries Growth Deal and City Deal programmes. This is within the governance arrangements set out within the Assurance Framework, following individual project assessments and spend recommendations by the Black Country Local Enterprise Partnership (LEP).
- 3.9 The West Midlands Combined Authority has established a £200 million Land Remediation Fund, £150 million for programmes of strategic developments and £50 million for individual strategic developments. The Black Country has an identified need for significant proportion of this funding to bring some of its existing employment and housing land back into use. Approving these changes will ensure that the Black Country region do not miss out on this and any future funding allocations. The WMCA will be requested in March to allocate an initial tranche of £53 million from the programmes of Strategic Development element of the Land Remediation Fund for use over the next 4 years and it is anticipated that this would primarily be available for the Black Country LEP/individual Black Country Authorities to access.
- 3.10 As part of the quarter 2 capital budget monitoring report to Cabinet on 30 November 2016, it was reported that due to restrictions on the Combined Authority (CA) they are unable to borrow for non-transport related purposes. Therefore it was agreed that until their powers are revised Wolverhampton would pay a capital grant to the CA to support the Land Remediation Fund. The CA would in return pay a revenue grant to Wolverhampton to

cover the Council's borrowing costs of interest and minimum revenue provision. Upon the CA having their powers revised the borrowing undertaken would be transferred to them.

3.11 There will be a requirement for one of the CA constituent Council's to undertake the accountable body role for the programmes of strategic development element of the Land Remediation Fund. The remainder of the Fund would be managed by Finance Birmingham. This would entail the contracting with grant receiving bodies, reviewing and processing claims, and reporting expenditure to the Combined Authority. The Council would work closely with the Black Country Consortium's programme office who will evaluate bids and report performance on live bids. Given the role that the City of Wolverhampton Council has agreed to undertake in borrowing on behalf of the CA, and that £20 million of the initial £53 million are for schemes within Wolverhampton, it would make sense for Wolverhampton to undertake the accountable body role.

#### **4.0 Financial implications**

4.1 There are currently no direct financial implications from widening the scope of the Joint Executive Committee and collaboration agreement to cover the Combined Authority . However, at a future date there may be implications for the Council which may need to be considered and a further report presented to Council.

4.2 There will be additional resource pressures on Council services e.g. strategic finance, legal, corporate landlord from taking on the accountable body role for the Strategic development element of the Land Remediation Fund. These are being quantified and would need to be met from either charging costs to the appropriate capital schemes (where this allowable) or seeking revenue reimbursement from the Combined Authority.

4.3 It is proposed that the accountable body role is agreed initially for the first tranche of funding. This will be reviewed on completion of that element of the programme and a decision to continue with the role will be delegated to the Cabinet Member for Resources. [MF/09032017/J]

#### **5.0 Legal implications**

5.1 Under the Local Government Act 1972 and Local Government Act 2000 as amended by the Localism Act 2012 and regulations issued by the Secretary of State the Councils Executive has the power to setup a Black Country Executive Joint Committee.

5.2 The Black Country Executive Joint Committee is an extension of Cabinet, making decisions on behalf of Cabinet where it has delegated Authority to do so. Delegation does not prevent Cabinet from choosing to excise the powers instead of the Joint Committee nor withdrawing at any time the delegation per a specific matter or item or in its entirety.

5.3 By Cabinet approving the Deed of Variation it will be extending the remit of the Black Country Executive Joint Committee to include making applications for funding to the West Midlands Combined Authority. In order to bring these changes into effect, the original signatories to the Collaboration Agreement being the four Black Country Councils and the Black Country Consortium Limited will need to enter into the Deed of Variation. [RB/09032017/D]

## **6.0 Equalities implications**

6.1 There are currently no direct equality implications arising from this report. However, at a future date there may be implications for the Council which may need to be considered and a further report presented to Council.

## **7.0 Environmental implications**

7.1 There are currently no environmental implications arising directly from this report. However, at a future date there may be implications for the Council which may need to be considered and a further report presented to Council.

## **8.0 Human resources implications**

8.1 There are currently no human resources implications arising directly from this report, as any costs incurred will be recovered from funding allocations received from the West Midlands Combined Authority.

## **9.0 Corporate landlord implications**

9.1 There are currently no corporate landlord implications arising directly from this report. However, at a future date there may be implications for the Council which may need to be considered and a further report presented to Council.

## **10.0 Schedule of background papers**

10.1 Black Country Executive Joint Committee Collaboration Agreement and Terms of Reference.

## **Attachments**

Attachment 1 – Proposed revisions to the Terms of Reference

Attachment 2 - Proposed Deed of Variation

Attachment 3 – Proposed revised Collaboration Agreement