



Cabinet Meeting

1 October 2014

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

Recommendation for action:

The Cabinet is recommended to:

1. Approve the recommendation to prioritise development work on the following projects:

- Black Country Growth Hub
- Support for Wolverhampton Local Growth Clusters
- Low Carbon and Environment
- Broadband Utilisation Support
- Employment Support for Over 25's
- Promoting Social Inclusion amongst disadvantaged groups

2. Approve 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 and the Education and Enterprise Directorate's new operating framework.

Recommendations for noting:

The Cabinet is asked to note:

3. The opportunities to obtain significant government funding for Wolverhampton led projects through joint Black Country working.
4. 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 the opportunities this creates to deliver on a number of the Council's priorities.
- 1.2 The report seeks Cabinet approval to prioritised identified priorities for the Council led proposals for European Union Structural and Investment Funds when the fund is opened for calls in 2015.
- 1.3 This report contributes to the delivery of 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. The document sets out three main themes: People, Place and Business.
- 2.4 Both the main themes, and 12 supporting programmes provide a significant opportunity for the Council to attract resources, and are in line with Wolverhampton City Council's local growth objectives and the Education and Enterprise Directorate's new operating framework (**see Appendix A**).
- 2.5 Cabinet approval 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, and the Education and Enterprise (E and E) Directorate's new operating framework.

<p>Black Country SEP Programmes</p>	<p>Cabinet functions that will drive Wolverhampton’s contribution to programme and project development in the Black Country.</p>
<p>Programmes to raise employability, education and skills</p>	
<p>P1. Skills for the supply chain: Work with businesses to raise the skills of the 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>Cabinet function: to facilitate the supply of skills and labour as appropriate to the needs of the market (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Supporting businesses to grow, Educational and cultural development</p>
<p>P2. Skills capital: 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>Only available for further education establishments.</p>
<p>P3. Schools – Raising skills for the future: By engaging more with employers we can enhance and strengthen links with education and the local economy.</p>	<p>Cabinet function: Promote school, improvement and strategies to improve educational attainment including those for people aged 14 -19 (Schools, Skills and Learning).</p> <p>E and E Programme: Supporting business to grow, High performing schools.</p>
<p>P4. Skills for the Unemployed: By tackling barriers to employment and enterprise among individuals, groups and communities furthest from the market.</p>	<p>Cabinet function: to encourage the creation of employment as appropriate to the needs of the market (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Neighbourhood enterprise and routes to employment, Educational and cultural development</p>

Programmes to transform the Black Country infrastructure and environment	
<p>PI1. Expand the availability of high quality employment land and deliver a portfolio of strategic mixed use development opportunities: By ensuring 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.</p>	<p>Cabinet function: 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 (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Sites for Growth, J2, City Centre, Bilston Urban Village</p>
<p>PI2. Connecting goods, services and employees to work and to international markets: by improving the effectiveness of the local transport infrastructure and superfast broadband. Priorities are: improving motorway connectivity, maximising the benefits of HS2, unlocking employment and housing sites and, increasing sustainability, particularly short trips.</p>	<p>Cabinet function: All main functions in relation to traffic, transport and highways (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Keeping the city moving, J2, City Centre, Bilston Urban Village, a well-planned and sustainable city</p>
<p>PI3 Housing: by building a minimum additional 63,000 net homes by 2026, and creating an attractive mix of homes for sale and rent, including residential development in the Black Country’s strategic centres.</p>	<p>Cabinet function: 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. (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Improving the Housing Offer, City Centre, Bilston Urban Village</p>
<p>PI4. Local distinctive economies: by recognising the importance of a good cultural, leisure, events, conferencing and hospitality offer, particularly in strategic urban centres. This also includes exploiting the inter-linkages between culture, creativity and the wider knowledge economy, including high value</p>	<p>Cabinet function: 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>manufacturing, research, innovation and technologies.</p>	<p>(Leisure and Communities).</p> <p>E and E Programme: A vibrant and commercial visitor economy, creative and innovative city, educational and cultural development.</p>
<p>PI5. Quality environment and the low carbon economy: by developing new approaches to support the development of environmental business, products and services, and by taking a different approach to industrial, housing and mixed use developments and the development of cultural assets and the public realm. This also includes improving green space, corridors and the extensive canal network.</p>	<p>Cabinet function: 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 (Economic Regeneration and Prosperity).</p> <p>Cabinet function: 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 (Leisure and Communities).</p> <p>Cabinet function: To prepare, implement and review the operations of the council’s environmental policies including the sustainability strategy (City Services).</p> <p>E and E programme: All programmes</p>
<p>Business programmes</p>	
<p>B1. A supply chain fit to supply – supply chain development including innovation and enterprise: by improving the level of innovation and enterprise in the Black Country. This includes support to existing businesses and increasing business births by an additional 1,453 from a current base of 3,400.</p>	<p>Cabinet function: To take positive action to encourage industry and commerce by the provision of facilities and by promotional activities (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Supporting businesses to grow, a Creative and Innovative City.</p>

<p>B2 Exploiting global opportunities: by attracting more companies into the Black Country and driving up trade and export. This includes a more integrated and better targeted approach to securing inward investment and supporting more companies to export.</p>	<p>Cabinet function: To take positive action to encourage industry and commerce by the provision of facilities and by promotional activities (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Supporting businesses to grow.</p>
<p>B3 Access to finance: 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>Cabinet function: To take positive action to encourage industry and commerce by the provision of facilities and by promotional activities (Economic Regeneration and Prosperity).</p> <p>E and E Programme: Supporting businesses to grow.</p>

3.0 Black Country City and Growth Deals

- 3.1 To support the delivery of SEPs, 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, and have been allocated funding, subject to the finalisation of individual agreements with the Black Country LEP and Black Country Joint Committee. These are:
- Wolverhampton Interchange - £4.5 million allocation
 - Cultural Capital (Civic Halls and Grand Theatre) - £6.6 million allocation
 - Bilston Urban Village - £3.3 million allocation
- 3.3 Wolverhampton City Council is also a key partner in a number of other business support and transport infrastructure 2015/6 Growth Deal projects that will be delivered across the Black Country and bring benefits to all local areas (a copy of the executive summary of the Black Country SEP is attached in **(Appendix B for reference)**).

3.4 Cabinet is 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 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.

5.0 Project Pipeline development

5.1 Given that the success the Council and wider Black Country has already had, this will have implications for further project development, as a considerable proportion of our resource will now be lockup in delivery. This means the need to further prioritise project development work. Cabinet are recommended to approve the projects identified in the table below as priorities for the Council led project development in preparation for making funding applications for European Union Structural and Investment Funds when the fund is opened for calls in 2015.

Projects currently being developed by Wolverhampton City Council					
Name of project, scope and key outcomes	BC SEP theme e.g. P1	Partners	£M Growth funding sought	£M EU funding sought	£M total project value
Black Country Growth Hub* : provides a one stop shop approach to business assistance across the Black Country with	Business B1	4 x LA, Black Country Consortium, University of,		£2.4 m	Match to be identified

packages of support. It aims to equip the Black Country's manufacturing SMEs with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.		Black Country Chamber of Commerce, Growth Accelerator, Manufacturing Advisory Service			
Support for Wolverhampton Local growth clusters: bid for additional resources for Wolverhampton's cultural venues (Civic Halls and Grand Theatre) including capital and also revenue for activities to achieve business continuity during the refurbishment period.	Place P14		£6.6 M already secured	£2m	
Low Carbon and Environment: as local authority lead on the Green Growth Group on behalf of the LEP, a range of projects are being developed that support the Black Country theme Low Carbon and Environment. This will be presented to cabinet in more detail more detail at a later meeting in the autumn.	Place/ Business P15	BC Green Growth Group, BC Local Authorities		£26 m	Local match to be identified
Broadband utilisation support*: business support to support Black Country SMEs in connecting to a superfast broadband network, to fully understand and exploit the commercial benefits offered and to provide the technical and practical support that may be required for businesses to realise these benefits.	Business B1	BC Local Authorities, Business support organisations including specialist broadband		£3m	Match to be identified
Employment support for over 25's: support unemployed people aged 25 and over with complex needs and those 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. WCC is leading discussions with the Big Lottery who are providing match funding.	People P4	Voluntary Community Sector, Jobcentre Plus		£11m	£22m

<p>Promoting social inclusion amongst disadvantaged groups: support active inclusion of Black Country residents including digital and financial inclusion linked to the rollout of Universal Credit and support targeting troubled families and deprived communities. WCC is leading discussions with the Big Lottery who are providing match funding.</p>	<p>People P4</p>	<p>Voluntary Community Sector</p>		<p>£10.7 m</p>	<p>21.4m</p>
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* Black Country Joint Committee will make the final decision relating to which local authority will act as accountable body for Black Country wide projects.

6.0 Financial implications

- 6.1 The three Wolverhampton City Council projects that have already received provisional Growth Deal allocations totalling £14.4 million funding will potentially secure the benefit of a further £74.8 million through partnered schemes. Overall, 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.
- 6.2 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. Quarterly reports will be provided to Cabinet Resources Panel on the overall pipeline development for City projects seeking Growth Deal and European Union Funding. [ES/03072014/H]

7.0 Legal implications

- 7.1 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 the Black Country LEP. [RB/22092014/X]

8.0 Equalities implications

- 8.1 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.

9.0 Environmental implications

9.1 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.

10.0 Human resources implications

10.1 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.

11. Corporate Landlord Implications

11.1 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.

12.0 Schedule of background papers

12.1 None.