


REPORT TO CABINET

18 November 2020

Subject:	The Black Country Enterprise Zones Governance Principles
Presenting Cabinet Member:	Councillor Wasim Ali - Cabinet Member for Resources and Core Services Councillor Danny Millard - Cabinet Member for Inclusive Economic Growth
Director:	Alison Knight – Executive Director - Neighbourhoods
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	Yes
Director Approval:	Yes
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	This is boroughwide
Scrutiny Consultation Considered?	Scrutiny has not been consulted
Contact Officer:	Matthew Driver

DECISION RECOMMENDATIONS

That Cabinet:

1. Authorises Sandwell MBC's entry into the Supplemental Deed of Variation Relating to the Collaboration Agreement in Relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014, (**Appendix A** to this report) and in doing so, that Cabinet approves the Governance Principles: Enterprise Zones (**Appendix B** to this report).
2. Authorises the Chief Executive in consultation with the Leader of the Council to conduct any negotiations and to make any minor amendments and to subsequently authorise the sealing of the Supplemental Deed of Variation Relating to the Collaboration Agreement in Relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014 and the sealing or signing of any related documents.

1 PURPOSE OF THE REPORT

This report is seeking Cabinet approval to accept the Supplemental Deed of Variation relating to the Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014 which requires each party to observe, perform and act in accordance with the principles set out in the 'Governance Principles: Enterprise Zones' ('BCEZ Governance Principles') at **Appendix B**. This sets out the principles and framework for managing the Black Country Enterprise Zone ('BCEZ'), and so will allow Walsall Council to fulfil its role as the Single Accountable Body ('SAB') for the Black Country Local Enterprise Partnership ('BCLEP').

2 IMPLICATION FOR VISION 2030

Ambition 3

The key priority for extending the remit of the Black Country Executive Joint Committee is to ensure economic growth and prosperity for the Black Country by accessing funding opportunities via the Single Accountable Body.

Ambition 9

Sandwell Council will continue to benefit by accessing external funding in support of our strategic Vision 2030 priorities.

Ambition 10

To build a more resilient and successful Sandwell, to work together under this agreement and focus on addressing the things that really matter in people's lives.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 Black Country Councils were asked during 2013 to consider and approve the formation of the Black Country Executive Joint Committee (BCJC), subsequently granting it the functions and powers to administer the City Deal and Growth Deal programmes. Sandwell's Cabinet approved these arrangements on the 13th November 2013.
- 3.2 These roles, functions and powers, together with how the four Black Country Councils and the Black Country Consortium (the five partners) would work together were captured in the City Deal and Growth Deal Collaboration Agreement, signed and sealed on the 7 May 2014. This included an acceptance of delegated authority from each of the Councils Cabinets for the BCJC to act as the decision making body for these identified programmes. Amendments to widen the scope of the BCJC were approved by Sandwell's cabinet in 2017.

- 3.3 The Ministry of Housing, Communities and Local Government (MHCLG) released its National Local Growth Assurance Framework in January 2019 requiring a single accountable body for all local enterprise partnership funding. In response to these requirements, the Black Country Local Enterprise Partnership (BCLEP) (22 October 2018) and the Black Country Executive Joint Committee (BCJC) (23 January 2019) both confirmed acceptance of Walsall Council as the Single Accountable Body (SAB) for all funds secured by the BCLEP. Changes were subsequently made to the Collaboration Agreement to widen the scope of its work beyond its current remit to include all Black Country Local Enterprise Partnership funding either secured or awarded by Government. These changes were agreed by all Black Country local authorities and approved by Sandwell's cabinet on the 22nd January 2020.
- 3.4 Following this approval Walsall Council acting in its role as the SAB, has worked up proposals to bring the governance of all BCLEP Funds, including the Black Country Enterprise Zone (BCEZ) into the Black Country Single Assurance Framework. The BCEZ comprises two separate Enterprise Zones; Wolverhampton and Walsall Enterprise Zone which commenced in 2013 and ends in 2038, and the Dudley Enterprise Zone which commenced in 2017 and ends in 2042. Collectively these two zones are the BCEZ. The SAB has created a single consolidated Financial Model for the BCEZ and a detailed paper setting out governance and operational arrangements specific to the BCEZ, which forms the BCEZ Governance Principles. This paper sets out the principles and framework for managing and monitoring the BCEZ programme, including:
- the process for the collection, distribution and monitoring of the business rates and business rates surpluses;
 - Collaborative working between the BC Councils, including joint working on the Financial Model and roles and responsibilities;
 - Prioritisation of costs to be funded from business rates;
 - Principles of borrowing and payback.
- 3.5 There are currently no Enterprise Zones within Sandwell but adopting the BCEZ Governance Principles will allow business rates surpluses generated across the BCEZ to be made available to all Black Country Local Authorities, including:

- An allocation of £250,000 per year of revenue funding for five years from 2020-21 to support the development named projects in the Black Country pipeline. This will ensure that when funding becomes available, regardless of source, the scheme will have a greater chance of attracting external funding.
- Funding to cover the borrowing costs of future BCLEP approved priority projects.

4 THE CURRENT POSITION

- 4.1 Sandwell MBC has worked under the Black Country Collaboration agreement since 2014.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Legal and finance officers from all signatory organisations of the original agreement being; Dudley Council, Sandwell Council, Wolverhampton City Council and the Black Country Consortium have been consulted with.

6 ALTERNATIVE OPTIONS

- 6.1 Failure to formalise the Black Country Enterprise Zone (BCEZ) principles and governance will significantly affect the ability of the Single Accountable Body (SAB) to carry out its roles and responsibilities and may cause disputes between the BC Councils if the allocation of business rates surpluses is decided on an ad hoc or first come first served basis. This preferred route is also more efficient than creating individual funding agreements for each BCEZ scheme between Black Country Councils.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no financial implications associated with this report at the time of drafting. All costs associated with the delivery of the Single Accountable Body (SAB) functions by Walsall Council will be covered from resources top sliced from the grants managed, or from the interest generated from funding held, or a mixture of both as agreed by the Black Country LEP Board and the Black Country Joint Committee (BCJC)

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 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 Council's Executive has the power to setup a Joint Executive Committee.
- 8.2 An Executive Joint Committee is effectively 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 for a specific matter or item or in its entirety.
- 8.3 By Cabinet and the other parties to the Collaboration Agreement approving the Supplemental Deed they will be confirming the intention to give the principles and procedures set out in the Black Country Enterprise Zone Governance Principles (**Appendix B**) a legally binding status, which will support Walsall Council in carrying out its roles and responsibilities as the Black Country Local Enterprise Partnership's (BCLEP) Single Accountable Body (SAB). In order to bring these changes into effect, the original signatories to the Collaboration Agreement will need to enter into the Supplemental Deed.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 There are currently no direct equality implications arising from this report.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 Data Sharing agreement has been signed by all partners.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 A crime and disorder risk assessment is not required for this proposal.

12 SUSTAINABILITY OF PROPOSALS

12.1 Any future changes to the Black Country Collaboration Agreement will need to be approved by the cabinets of the Black Country Local Authorities.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 There are currently no Health and Wellbeing implications arising directly from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There are currently no managed property or land implications arising directly from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 Consider and approve the Supplemental Deed of Variation to the Black Country Joint Committee Collaboration Agreement to adopt The Black Country Enterprise Zones (BCEZ) Governance Principles which contain the principles and framework for the Single Accountable Body (SAB) to manage and monitor the BCEZ programme.

15.2 The Governance Principles will allow business rates surpluses generated across the BCEZ to be made available to all Black Country Local Authorities including Sandwell MBC in a fair way to develop priority projects within the Black Country.

16 BACKGROUND PAPERS

16.1 Appendix B Enterprise Zones Governance Principles

17 APPENDICES:

17.1 Appendix A Black Country Executive Joint Committee Collaboration Agreement Supplementary Deed

17.2 Appendix B Enterprise Zones Governance Principles