

**Meeting of the Cabinet – 5 December 2013**

**Report of the Chief Executive**

**Black Country City Deal**

**Purpose of Report**

1. To seek Cabinet approval for the Council to become a joint signatory to the Black Country City Deal document.
2. To agree that the Cabinet will receive a further report detailing any proposed financial commitments by the Council arising from negotiations in relation to specific elements of the City Deal process.

**Background**

3. In January 2013 a total of 20 areas, including the Black Country, were invited by Government to submit proposals to compete in a process to become “City Deal” areas. In order to secure a deal with Government, each area needed to clearly demonstrate how it would:-
  - Take greater responsibility and leadership for decisions affecting its local economy
  - Use the advice, expertise and resources of the private sector.
  - Dedicate resources into the deal,
  - Plan and use public money wisely and
  - Improve its area by following the Government’s strategy of lowering regulation, boosting private sector growth and making it easier for businesses to grow.
4. The lead partners involved in developing the Black Country City Deal proposal have been the Association of Black Country Authorities (ABCA) and the Black Country Local Enterprise Partnership (LEP). The proposal capitalises upon the existence of a mature set of partnership and governance arrangements which has developed between the four local authorities over the past decade. In order to demonstrate to Government the Black Country’s capability in delivering a City Deal the negotiation has focused principally on meeting the needs of potential investors in the high value manufacturing sector by ensuring the availability of an appropriately skilled workforce coupled with suitable sites and premises.
5. The high level governance arrangements for the City Deal proposals will be managed through a Black Country Joint Committee. Approval for Dudley to be part of this Joint Committee was received at the

Cabinet meeting in October as part of revisions to the Council's Constitution.

6. In brief, the key themes which form the basis of the City Deal Proposal are:

- Creating a pool of readily developable investment sites across the Black Country to cater for indigenous growth and the capture of mobile investment, and to ensure that short/medium term opportunities such as supply chain demand in sectors such as automotive and aerospace can be serviced. This element of the City Deal process comes with provision for a Black Country Land Development Fund, financed through a borrowing facility of up to £20m.
- Addressing the skills gap highlighted by Black Country high value manufacturing businesses through the creation of 1,400 new high level/high value manufacturing apprenticeships, and the encouragement of more young people to take up STEM (Science, Technology, Engineering and Mathematics) subjects as the basis for future careers in the high value manufacturing sector.
- The trialling of a new neighbourhood based support programme targeting some of those locations demonstrating high levels of unemployment through placement on sustainable career paths.
- The establishment of a “growth factory” to create a seamless business support and innovation service across the Black Country supporting over 700 high value manufacturing companies.

7. At present, the four Black Country Authorities are being asked to sign up to the principle of the Black Country City Deal Programme based on the approach outlined above. Clearly, as a reflection of differing needs, priorities and opportunities across the four boroughs, the degree to which Dudley becomes involved in, for instance, accessing resource through the proposed Black Country Land Development Fund or commits to resource to apprentice programmes will be the subject of on-going negotiation and will be reported to Cabinet in due course.

### **Finance**

8. This report has no direct financial implications. Individual projects under the City Deal may require capital and/or revenue funding and these will be brought to Cabinet and Council for approval in the normal way

### **Legal**

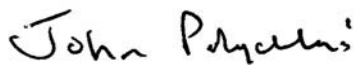
9. Under the Local Government Act 1972 and Local Government Act 2000 as amended by the Localism Act 2011 and regulations issued by the Secretary of State, the Council's Cabinet has the power to set up a Joint Committee as referred to above.

### **Equality Impact**

10. The Council's participation in the Black Country City Deal proposal aims to improve and maximise the economic and social benefits for all residents and is therefore in accordance with the Council's Policies in relation to equality and diversity.

### **Recommendations**

11. It is recommended that the Cabinet;
1. Authorises the Leader of the Council to sign the Black Country City Deal document;
  2. Agrees to receive a further report detailing any proposed financial commitments by the Council arising from negotiations in relation to specific elements of the City Deal process.



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### **List of Background Papers**

- Black Country City Deal negotiation document submitted 13 May 2013
- Draft City Deal Agreement from the Cabinet Office dated November 2013

- Annual Review of the Constitution (Cabinet, 30<sup>th</sup> October 2013)