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**Select Committee on Regeneration, Culture and Adult Education - 10<sup>th</sup> September 2007**

**Report of the Director of the Urban Environment**

**Update on the South Black Country Innovation Campus**

**Purpose of Report**

1. To update the Select Committee on the progress made by Officers on the development of the South Black Country Innovation Campus (formerly known to the Select Committee as the Innovation, Incubation and Enterprise Centre).

**Background**

2. The Select Committee for Economic Regeneration, Culture and Adult Education has held a specific interest in the development of an Innovation Centre for the Borough of Dudley focusing on the role the Local Authority should play in bringing forward an Innovation Centre in the Borough.

This report sets out the recent progress made on the South Black Country Innovation Campus.

3. **Location**

Previous Select Committee meetings have been updated on the potential siting of the Innovation Campus on the York's Park site. Members will also be aware that this site was sold by the Regional Development Agency to a private sector developer for the construction of predominately B8 usage (Warehousing and Distribution).

As a result officers were tasked with finding suitable alternative sites within the Borough. An alternative site was identified, this being the remaining undeveloped land at Castle Gate to the east of Dudley town centre.

Research suggests that the Castle Gate site offers many benefits to a scheme of this type, these include:

- Centrally geographically located so that it can serve a large hinterland in the South Black Country.
- A sustainable site in terms of being able to offer alternative means of access from the private car, public transport, cycles and pedestrians.
- It is readily available for development and ideally controlled by a public sector partner who is ready and willing to support the project.
- It is a "good" high profile site with strong appeal; one in which new companies will want to start establishing their businesses.

- The site is easily able to accommodate an initial 35,000 – 45,000 sq ft building with the ability to accommodate other associated developments such as grow-on space.
- The site is well located to other facilities such as shops, crèche, food and beverage offerings, health and fitness facilities as well as the Village Hotel part of the De Vere chain.

The site is also located close to the planned regeneration of the Castle Hill area of Dudley town centre.

With these factors in mind officers approached AWM in May with the intention of securing the site until a business plan and business model could be further developed. AWM has agreed to a “lock out” agreement on the remaining undeveloped land at Castle Gate for an initial 12 months.

### **3.2 Partnerships**

Good progress has been made in lining up potential partners to help deliver this ambitious scheme.

There is strong support from Microsoft who wish to develop and deliver a range of activities on site including entrepreneurship.

We have also spoken with Higher & Further Education Establishments who are most keen to be involved in such a scheme here in the Black Country.

In addition, a number of private sector developers are showing interest in the scheme; however, we are unable to further this interest at this moment in time as a formal procurement exercise may be required. This, however, does indicate that there is keen market demand for a scheme of this nature.

There is also extensive interest being shown from key HE providers with excellent track records in delivering innovation and enterprise.

### **3.3 Local, Sub Regional and Regional Support**

The South Black Country Innovation Campus now has significant support at a number of levels.

As part of a consultation exercise amongst potential commercial and public sector partners and stakeholders it was explicitly clear that to bring the project forward and to attract the public funding the scheme needed to show that it :

- Services the needs of the wider Black Country and not just the Borough of Dudley.
- Provides complementarity with other existing schemes and facilities across the Black Country; such as Wolverhampton Science Park and the new Walsall College Campus.

In addition, Dudley and Sandwell MBC's were both developing similar schemes and partners/stakeholders felt that two separate schemes would not attract the public funding necessary to enable both schemes to come forward and, indeed, a combined approach would provide a more comprehensive and effective facility.

As a result, the scheme is now being co-ordinated by Dudley MBC officers, but there is regular and ongoing dialogue with officers within Sandwell MBC with a view to developing a solution that fits with the requirement for a South Black Country focused facility.

### **3.4 Funding**

It is anticipated that whilst Private Sector funding will provide a significant amount of the required funds needed to bring this scheme forward, public sector funding will also be required especially to meet the revenue costs of support services and innovation programmes, etc.

Officers have negotiated the sum of £40,000 from the South Black Country Regeneration Zone to cover the costs of appointing development, regeneration and planning consultants, Ancer Spa, to take the project through to the full business plan stage by the end of October 2007. Ancer Spa recently undertook work on behalf of Sandwell MBC to identify options to meet their aspiration for incubation space in Sandwell therefore Ancer Spa have a great deal of knowledge about the two Authorities' requirements.

AWM and the Regeneration Zone gave us clear indication that Ancer Spa were their preferred advisors on a project of this kind. In addition Ancer Spa are also advisors to AWM on both Land and Planning as well as specialised regeneration and have recently advised AWM on the procurement and appointment of partners to provide Incubation and Innovation facilities in other parts of the West Midlands.

Officers from Dudley and Sandwell MBCs are jointly preparing for the potential submission of applications to the new European Regional Innovation and Competitiveness programme which runs from 2007-2013 which replaces the ERDF programme which spanned the period 2000-2006.

Initial findings and discussions suggest that the new programme offers excellent synergy with the aspirations relating to the Innovation Campus and officers are investigating submitting an early application into the new programme. Much of the work for the funding submission can begin straight away and officers will build in information provided by the Business Plan which is scheduled for completion by the end of October 2007.

### **3.5 Steering Group**

On the 1<sup>st</sup> August 2007 the inaugural meeting of the Black Country Innovation Campus Interim Steering Group took place. This Steering Group consists of representatives from a range of local and regional organisations each of whom will have a significant role to play in furthering the development of the Black Country Innovation Campus including :

- Prof David Auckland, Professor at Manchester University and Chief Exec of One Central Park Manchester
- Stephen Copley, Partnership Manager, Advantage West Midlands
- Lynette Cutting, Principal, Stourbridge College
- Geoff Edge Chief Executive, West Midlands Enterprise
- Bill Fryer, Director of Enterprise, Black Country Consortium
- Rob Grant, Vice Principal, Walsall College

- Cllr. Malcolm Knowles, Lead Member for Economic Regeneration DMBC
- John Reader, CEO Black Country Small Business Service and Black Country Chamber of Commerce
- John Sutton, Head of Regeneration and Skills, Sandwell MBC
- Cllr. Colin Wilson, Chair of the Select Committee on Regeneration, Culture and Adult Education DMBC
- John Woodall, Assistant Director of Economic Regeneration DMBC
- Shirley Woolner, Economic Development Manager, Black Country Learning and Skills Council,

Officers also present: Justin Haywood (Economic Regeneration Officer) and Chris Tompkins (Business Support Manager)

The role of this Steering Group is to provide strategic direction and monitoring of progress to bring forward the scheme until the partners, who will include private sector developers, investors and Further and Higher Education Establishments, can take over the day to day management and running of the facility.

Depending on the final arrangements for management of the Innovation Campus, Dudley and Sandwell MBC may or may not have a role to play once the scheme is fully developed.

The first meeting of the Steering Group gave overwhelming support for the progress made to date and of the vision for the Innovation Campus.

Cllr Ann Shackleton, Cabinet Member for Employment and Skills, Sandwell MBC and Val Bailey, Principal, Sandwell College are to be invited to the next meeting:

The second meeting is scheduled for the 5<sup>th</sup> September at 5.30pm at Mary Stevens Park, Stourbridge

As the scheme develops the Steering Group will revise the membership to ensure the required skills and experiences required are met.

## **Finance**

- 4 Finance for the development of the Innovation Campus proposals has been, to date, met from existing budgets including the Escrow account, DMBC feasibility funding and from contributions secured through the South Black Country Regeneration Zone.

The business plan, which is currently being developed, will identify the resources required to bring the scheme to fruition and the sources of the finance required. Once known this will be the subject of a further report to this Select Committee.

## **Law**

- 5 The Council may do anything which is likely to achieve the promotion or improvement of the economic, social or environmental wellbeing of its area under section 2 of the Local Government Act 2000.

## **Equality Impact**

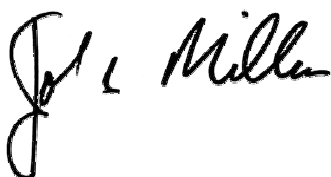
6 The report takes into account the Council's policy on equality and diversity.

One of the principal outcomes of this scheme will be to increase access to education, training and jobs for all young people. As the scheme develops we will ensure that the views and requirements of young people are taken into consideration.

## **Recommendations**

7. That the Select Committee notes :

- The decision of the South Black Country Innovation Campus Steering Group that the preferred location should be Castle Gate Dudley.
- The development of partnerships with public and private sector organisations which will further the development of the South Black Country Innovation Campus.
- The Joint Working arrangements with Sandwell MBC to develop the South Black Country Innovation Campus project
- The use of the money secured through the South Black Country Regeneration Zone to develop a full business plan by end of October 2007
- The composition and membership of the South Black Country innovation Campus Steering Group.
- The development to date and the preparation of applications to AWM and the new European Programme for investment in the South Black Country Innovation Campus.
- That work will be ongoing to identify and investigate potential resources required for the development of the South Black Country Innovation Campus.



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**List of Background Papers – None**