
Meeting of the Cabinet – 10th September 2008

Report of the Director of the Urban Environment

South Black Country Enterprise and Innovation Centre

Purpose of Report

1. To update Members on the proposals for the South Black Country Enterprise and Innovation Centre.
2. To seek Cabinet authorisations for the ongoing development of the Centre.

Background

3. In 2005 the Select Committee for Economic Regeneration scrutinised the desirability and need for the Local Authority to be involved in the creation of an Enterprise and Innovation Centre in Dudley. Following extensive research on similar innovation centres the Select Committee recommended the development of proposals for a South Black Country Enterprise and Innovation Centre to the Cabinet Member for Regeneration.
4. A site on Castle Gate Dudley has been identified for the Centre and a “lock out” agreement has been agreed with Advantage West Midlands to hold this site for the development of an Enterprise and Innovation Centre.
5. When the Centre has been developed it will aim to increase the aspirations and ambitions of individuals and businesses and other organisations in the South Black Country by stimulating greater levels of innovation and enterprise. This would be supported by a combination of further and higher education providers and by both the public and private sector.
6. The Centre would provide much needed, high quality, business accommodation and would aim to create an environment which would foster the entrepreneurial development of talented local individuals.
7. The skills and training on offer both at the Centre, and also via the Centre, would aim to create new employment opportunities for local people and also assist in the retention of local graduates and college leavers in the Borough. In addition the type of jobs available should increase wage earnings and contribute to the increase of average wage levels across the Borough. Retention of skilled and qualified workers and increased average wage earnings are both key outcomes of the Black Country Strategy.

8. To ensure key stakeholders are engaged in the proposals a steering group for the proposed Enterprise and Innovation Centre was established in the summer of 2007. Representatives from both Members and Officers from Dudley and Sandwell MBC, the Black Country Consortium, Principals of both Stourbridge College (representing all 4 Further Education Colleges in the Borough of Dudley), Sandwell College, Learning and Skills Council and Business Link sit on this steering group.
9. In addition, letters of support have been received from the following:
 - West Midlands Business Link
 - Black Country Small Business Service
 - Black Country Chamber of Commerce
 - Wolverhampton University
 - UK Business Incubation
 - Dudley MBC
 - Sandwell MBC
 - Black Country Consortium
 - Regeneration Zone
 - Microsoft
 - Warwick Science Park
 - Oxford Innovation
 - Stourbridge and Sandwell Colleges
 - The Princes Trust
10. The Enterprise and Innovation Centre concept has also attracted interest from Private Sector Developers.
11. Dudley MBC has a crucial role to play in shaping the Enterprise and Innovation Centre. However it is important we work with Dudley, Stourbridge, Halesowen and King Edward 6th Form College, together with Sandwell College, to ensure the alignment of provision in Further and Higher Education sectors in supporting the innovation and enterprise agenda across the South Black Country.
12. Members will also be aware of the Council motion and resolution passed on the 21st April 2008 in relation to the New University Challenge Fund:
 - “The Council resolves to place the development on the work programme for the Select Committee on Regeneration, Culture and Adult Education in the coming municipal year”.
 - Therefore the Select Committee has been provided with an update on the development of the Enterprise and Innovation Centre at its meeting on the 8th September 2008 to enable consideration of any complementary provision under the New University Challenge Fund. Further updates on progress will be reported to the Select Committee in due course.
13. The next stage in the proposal for the Enterprise and Innovation Centre would be to seek a private sector developer to develop the Centre’s building.

14. In order to increase awareness and interest from the private sector it is proposed that work be undertaken which will inform a future planning application for the Centre on the Castle Gate site.
15. A Mini Summit was held on the 7th August 2008 involving key stakeholders including Dudley and Sandwell Further Education Colleges, three Universities and Sandwell and Dudley Councils. An agreement was reached, in principle, to develop the Centre concept and for all colleges and universities to work together.

Finance

16. The indicative funding model developed for the Enterprise and Innovation Centre proposes significant private sector investment. The scheme will require total investment, for capital build and base operation, in the region of £20m. This assumes a contribution from the private sector and gap funding from the public sector. It is proposed that this be the subject of applications to both Advantage West Midlands and the European Regional Development Fund.
17. Revenue funded activities provided by the public sector will be an essential part of the Centres offer. This will be the responsibility of the partners such as the Higher Education Institutions to co-ordinate
18. There are no match funding requirements expected from the Council's capital or revenue resources.

Law

19. 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.

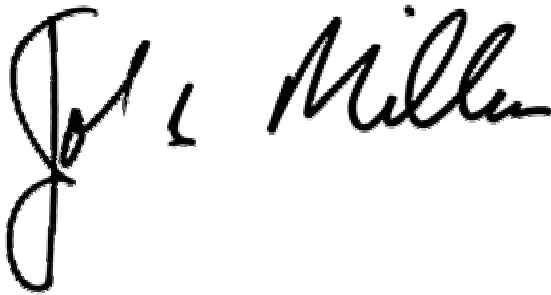
Equality Impact

20. The report takes into account the Council's policy on equality and diversity.
21. One of the principal outcomes of this scheme will be to increase access to education, training and jobs for all local people. As the scheme develops the views and requirements of young people will be taken into consideration.

Recommendation

22. It is recommended that Members:
 - i. Support the South Black Country Enterprise and Innovation Centre project.

- ii. Authorise the Director of the Urban Environment in consultation with the Cabinet Member for Economic Regeneration to commence the process of seeking the most appropriate private sector partner for the development of the Centre.
- iii. Authorise the Head of Economic Regeneration Delivery to make preparations for the submission of a planning application for the Centre on the Castle Gate site.
- iv. Authorise the Directors of Urban Environment, Children's Services and Adult, Community and Housing Services in consultation with the Cabinet Members for Economic Regeneration, Children's Services and Adult and Community Services to investigate and then develop an appropriate combination of Higher Education Institute (HEI) providers with a strong regional track record of delivery against the 3 core strengths of a) engagement of local people and businesses in relation to enterprise and innovation, b) higher level innovation and enterprise expertise and c) a wealth of research experience linked to innovation and enterprise.
- v. Authorise the Director of the Urban Environment, in consultation with the Cabinet Members for Economic Regeneration, Children's Services and Adult and Community Services working with partners, to bring forward proposals for appropriate governance of the Centre.
- vi. Note that further updates on this project will be provided to the Select Committee for Regeneration, Culture and Adult Education.



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Director of the Urban Environment

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List of Background Papers

Nil