

REGENERATION SCRUTINY AND PERFORMANCE PANEL

Thursday 17 October 2013 at 6.00 p.m. at the Council House

Panel Members Present: Councillor L. Harrison (Chair)
Councillor I. Azam
Councillor D. Barker
Councillor S. Wade
Councillor R. Worrall
Councillor M. Flower
Councillor D. Anson

Officers Present: Simon Neilson – Executive Director, Regeneration
Steve Pretty - Head of Engineering & Transportation
Mark Lavender – Head of Strategic Regeneration
David Lockwood – Housing Lead, Money, Home, Job
Zoey West –External Funding Team Leader
Isobel Woods - Employment (Sector) Growth Manager
Matt Underhill - Committee Business and Governance Manager

Invitees: Cliff Horrocks – Director of Asset Management, whg
Mark Bird – Services and Energy Company Obligations (ECO)
Manager, whg

278/13 APOLOGIES

There were no apologies received for the duration of the meeting.

279/13 SUBSTITUTIONS

There were no substitutions received for the duration of the meeting.

280/13 DECLARATIONS OF INTEREST AND PARTY WHIP

There were no declarations of interest or party whip for the duration of the meeting.

281/13 MINUTES

RESOLVED:

That the minutes of the meeting held on Thursday 5 September, 2013, a copy having previously been circulated, be approved as a true and accurate record.

282 /13 NOMINATED CONTRACTORS FOR DELIVERY OF ENERGY COMPANY OBLIGATIONS (ECO)

The Housing Lead introduced the report. The following is a summary of the update and subsequent discussion:

- It was explained that the council had selected two organisations to act as its ECO contracting partners, Keepmoat and whg will deliver ECO across different areas of Walsall. It was anticipated that up to £70m of investment will

be received from government to fund these works. There will also be opportunities for capital programme funding;

- It was also explained that there was potential for the council and its partners to be able to offer Green Deal loans at a better interest rate and over a shorter period of time. In response to a Panel query it was explained that typical Green Deal loans that are currently available offer an interest rate of 7% over ten years. It was possible that the council and its partners would be able to offer a lower interest and over a five year period. In response to a further query it was explained that certain properties, for example whg owned, will be covered by the ECO. For properties that are not entitled to works under ECO signposting to Green Deal will be undertaken.

RESOLVED:

That the report was noted.

283/13 whg & GREEN DEAL

The Director of Asset Management introduced the presentation. The following is a summary of the presentation and subsequent discussion:

- It was explained that whg had undertaken a range of retrofit projects including the Community Energy Saving Project (CESP) work at Rivers Estate and Jones House. It was also explained that that this type of work offered a dual benefit of both improving the energy efficiency of buildings but also reinvigorating local communities. Other work includes the introduction of ground source heat pumps at Austin House. Following a Panel query it was explained that a feed-in tariff was also received for energy generated from solar panels where it was not required for the use of tenants. In addition around one thousand inefficient boilers have been replaced;
- It was explained that Surefire was a collaboration between whg and British Gas (BG) to undertake a range of works in properties to deliver Energy Company Obligations (ECO). This followed BG successfully tendering for the right to operate as whg's partner in this work after a competitive bidding process. This will include the installation of energy saving products to tackle issues such as hard to treat cavities. It was the expectation of whg that ECO will help drive take up of the Green Deal in the private housing sector. In response to a Panel query it was explained that it was possible to blend ECO funding to deliver a range of energy saving works. For example, funding available for certain types of work that were not required in particular properties could be used to meet the cost of alternative works;
- It was explained that a number of complexities existed including eligibility of properties for the scheme, the challenge of effective engagement with communities on ECO and subsequent take up, together with budget and administration. It was further explained that while there were demanding timescales for claiming ECO funding it was a tax efficient way of improving the energy efficiency of homes. It was also explained that whg felt that their partnership with BG offered the basis for a business undertaking energy saving works in both domestic and commercial properties;
- It was also explained that the key benefits of Surefire include a reduction in fuel poverty, the improvement of homes and neighbourhoods and to contribute to national and local carbon reduction targets. Other benefits include access to

ECO and that there will be a guaranteed price. It was further explained that Surefire will also be able to maximise opportunities offered through the Energy Act, including achieving the maximum ECO contribution, the creation of up to three hundred local jobs and the addition of £millions to the local supply chain. It was explained that a role for the council in this work included seeking grant funding from government and seeking match funding from the Local Economic Partnership (LEP). Other activity will include efforts to develop SMEs within Walsall and encourage Rockwool, a manufacturer of insulation material, to establish a local distribution centre to respond to the anticipated growth in demand.

- In response to a Panel query the whg representatives explained that those in fuel poverty would be in a position to receive improvements to their homes to improve energy efficiency. However, it was hoped that such activity would drive up interest and understanding of the benefits of such improvements for householders who would be able to make use of the Green Deal. However, in response to a Panel query it was acknowledged that the Green Deal did not represent good value, although it was anticipated that the cost of works would fall as take up increased. In addition, the savings that will be made on energy bills will further strengthen the schemes appeal;
- The representatives from whg also proposed a possible joint project in relation to Combined Heat and Power (CHP) for the central area of Walsall. This would include a insulation project to the swimming baths, together with a gas and biomass central plant to serve the Council House, swimming baths, Civic Centre and library. It was explained that Surefire would be able to deliver this project for no upfront costs and recoup payment for power and heat the council uses. The Executive Director agreed to meet with whg to discuss these proposals on a non-commitment basis. However, he did explain that the council already had a long-term energy procurement contractual arrangement in place.

RESOLVED:

That an update on current ECO and Green Deal activity be received later in the municipal year; and

the presentation was noted.

284/13 OLD SQUARE PROJECT UPDATE

Councillor Flower declared an interest in this item as he sits on the Audit Committee.

The Executive Director introduced the update. The following is a summary of the update and subsequent discussion:

- It was explained that all necessary contractual agreements were in place. This included the exchange of amended Agreements for Lease with Primark and the Co-op, together with unconditional notices being served on the tenants, to commit the council to the role of developer and landlord to the two tenants;
- It was anticipated that development work by the preferred contractor will start in January 2014, demolition is scheduled for February 2014 with works expected to be completed in fifty-five weeks. It is then anticipated that the two tenants will undertake a fit-out of their stores before opening in mid 2015. It

was also explained that it will be necessary to undertake temporary relocation of some market stalls to accommodate the development. In response to a Panel query it was explained that in terms of the council recouping the £7m investment it would own the building and the tenants would be in place for at least five years. The Chair noted that many residents were excited at the prospect of Primark moving to Walsall.

RESOLVED:

That the update be noted

285/13 CHASE LINE ELECTRIFICATION AND BLOXWICH LEVEL CROSSING

The Head of Engineering & Transportation introduced the report. The following is a summary of the report and subsequent discussion:

- It was explained that while Network Rail expects to deliver the scheme by December 2018, central government would like this to be accelerated to December 2017. The Network Rail proposals have been refined over recent months with an expectation that the final scheme, including safety and accessibility requirements, will be agreed very shortly;
- It was also explained that a series of consultation events have been held by Network Rail, this included events held in the council building and in Cannock during October. In addition, a consultation specific to the proposals for Broad Lane Bridge and the future of Bloxwich Level Crossing was held in Bloxwich in September with around seventy people attending;
- In relation to Broad Lane Bridge it was explained that advance works have been identified including the reconstruction of the overbridge. It is proposed that these works will commence in November 2013 and necessitate a road closure for twelve weeks. Officers are in negotiation with Network Rail to secure the best possible bridge design. A number of Members highlighted the importance of ensuring that the footbridge was fit for purpose, including that it was compliant with disability legislation. Officer efforts to agree measures to minimise disruption/ noise and appropriate traffic management are also continuing;
- In response to Panel queries it was explained that the delivery of a station at Aldridge formed part of these planned works. It was also a key Local Enterprise Partnership (LEP) project. Members noted the importance of consultation activity to form part of any proposals for Aldridge. A request was also made for Network Rail to attend a future meeting to update the Panel on the various activity.

RESOLVED:

That the update was noted.

286/13 BLACK COUNTRY CITY DEAL & THE LOCAL ENTERPRISE PARTNERSHIP (LEP) STRATEGIC ECONOMIC PLAN

The Executive Director introduced the update. The following is a summary of the update and subsequent discussion:

- It was explained that various reports had previously been received by the Panel. Central government has invited the LEP to submit its Strategic Economic Plan. The Plan sets out a number of priorities including creating a highly skilled workforce, reducing dependency on benefits and the provision of effective business support. It was anticipated that a response would be received on the first draft from central government shortly. If successful the Black Country LEP will be able to draw down funds of £10m to assist, for example, in the development of local infrastructure;
- Following a Panel query it was explained that Phoenix 10 at Darlaston was not related to the City Deal, but was instead one of six sites that formed part of the planned Black Country Enterprise Zone. This activity was being funded through the agreed local retention of business rates.

RESOLVED:

That the report was noted

287/13 BLACK COUNTRY EUROPEAN INVESTMENT STRATEGY

The Head of Strategic Regeneration and External Funding Team Leader introduced the update. The following is a summary of the update and subsequent discussion:

- It was explained the Government has decided to devolve as much funding as possible to local level, in effective this will mean devolution to the Black Country Local Enterprise Partnership (BC LEP) of between £152m and £200m of funding. However, to be accessed this funding must be matched;
- It was also explained that the key drivers of the Black Country Growth Plan and City Deal include improving the Black Country Business Competitiveness; raising employability, education and skills and transforming infrastructure and the environment;
- The BC LEP will be responsible for developing: an investment strategy for Structural and Investment Funds 2014-2020; identifying and developing projects and interventions to deliver the strategy; securing match funding, including national and local government and private sector match;
- It was also explained that EU funding had previously been co-financed with government bodies including the Skills Funding Agency (SFA) and the Department for Work and Pensions. This has been replaced by an Opt-In programme at local level which means that to access funding for a particular work strand it must be included within the BC LEP's EU Investment Strategy. The objective of Opt-Ins is to act as a growth accelerator targeting SMEs with high growth potential;
- It was further explained that EU thematic priorities include innovation, research and technological development, support for small business, skills, employment and sustainable transport. These must be included in the EU Investment

Strategy. At the same time 80% of this funding must be spent on innovation, ICT, SME competitiveness and the low carbon economy;

- It was explained that a range of support services were available to support local businesses. This includes the Manufacturing Advisory Service (MAS), which offers advice and business support to companies, and UK Trade & Investment (UKTI) with functions including brokering and signposting. Funding opportunities include the Big Lottery Fund supporting bespoke social inclusion projects, with a requirement for each LEP to route half of the related EU Investment Strategy into this programme for at least the first two years of the programme. This amounts to a £8.5m indicative contribution for the Black Country. Officers agreed with a Panel Member regarding the high evidence threshold required when seeking to access match funding from government;
- It was explained that the LEP will determine local priorities and opportunities for the EU funding spend while the SFA will match at source and provide procurement and contract management of programmes. . The type of provision that can be included is adult skills for employability and workforce development, 14-19 provision for NEETs and community grants. In relation to provision for NEETs it was explained that this could include innovative approaches to motivate/ train young people, traineeships and apprenticeship support, functional and vocational skills. It was explained that Youth Employment Initiative (YEI) will match at source BC LEP European Funding. It is expected that a pot of around £41m will be created over a four year period. Members highlighted the importance of work to tackle NEETs, including the use of apprenticeship schemes and skills development programmes.

RESOLVED:

That the Panel supports the development of the strategy against the EU thematic priorities, with an update to be received prior to its submission in January 2014; &

the report be noted

288/13 WALSALL ECONOMIC BOARD (WEB)

The Head of Strategic Regeneration and Employment (Sector) Growth Manager introduced the report. The following is a summary of the report and subsequent discussion:

- It was explained that the WEB was established in 2012 and is now recognised as one of the formal partnership boards for the borough, together with the Health and Well Being, Safer Walsall and Children and Young People's Partnership Boards. To form the WEB membership invitations were sent to Walsall's 100 strategically important companies, together with those important to the borough's economy. This process has delivered a board whose representatives provide a blend of key representatives from the public and private sector. It was also explained that the WEB had a mix of medium and short term targets. These objectives are tailored to fit in with the priorities of the council and Walsall College;
- It was further explained that the overall Aim of the WEB was to: "Develop and Drive Activities that Support Businesses to Form and Thrive and Support Local People into Work". This Aim will be delivered by the achievement of a number

of Key Objectives which include: Developing a workforce with the skills employers need, creating an infrastructure capable of supporting business growth; improving business sustainability and growth and improving external perceptions. In the support of this a number of working groups and key actions have been developed which include improving perceptions and the image of Walsall and employment, education and skills;

- Officers explained the partnership arrangements have also been established for the development of the Economic Theme. The two key groups are the WEB, with a private sector focus, and the Economic Partnership Executive Group (EPEG) with a public and voluntary sector focus. These will be supported by a number of economic forums to widen active participation. In addition, two proposed partnership support groups will assist with this work: Think Walsall will address job demand and business sustainability; the Employability Skills Group will consider the work force supply and skills employers demand;
- A Panel Member expressed concern regarding the statistic that one third of people of people in Walsall do not have any qualifications. The Panel and officers were in agreement regarding the importance of getting people into training and employment.

RESOLVED:

That the Panel supported the on-going development of the Walsall Economic Board and requested progress updates at future meetings; &

the report was noted.

289/13 WORK PROGRAMME & FORWARD PLAN

The Panel considered the work programme and forward plan. The Panel agreed with the Chair that an invitation should be made to whg to attend a future meeting to discuss the introduction of the under occupancy (bedroom) tax.

RESOLVED:

That the work programme and forward plan be noted

290/13 DATE OF NEXT MEETING

The Chair noted that the next meeting of the Panel would be 25 November at 6:00pm.

The meeting closed at 8:10 p.m.

Chair:

Date: