

## GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

Thursday 11<sup>th</sup> April 2019 at 14:00  
Conference Room, Baskerville House  
Birmingham B1 2ND

### AGENDA

<b><u>PART I – OPEN ITEMS</u></b>		
	<b>(Open to the Press and Public)</b>	
1.	<b>Welcome and Apologies for Absence</b> By the current Supervisory Board Chair	
2.	<b>Declarations of conflicts of interest</b>	
3.	<b>Notes of the last meeting on 14<sup>th</sup> January 2019 and matters arising</b>	<b>Attached</b>
4.	<b>Ratification of decisions taken by written procedure</b>	<b>Attached</b>
5.	<b>Pilot Innovation Programme</b>	<b>Attached</b>
6.	<b>Growth Hub Next Phase</b>	<b>Attached</b>
7.	<b>Assurance Framework</b>	<b>Attached</b>
8.	<b>GBSLEP Future Operating Model</b>	<b>Attached</b>
9.	<b>Paradise Circus Update</b>	<b>Attached</b>
10.	<b>Project approval report – Symphony Hall Extension</b>	<b>Attached</b>
	<b>Day and Time of Meetings</b> <ul style="list-style-type: none"><li>• To be agreed</li></ul>	
<b>PART II – EXEMPT ITEMS</b>		

# **Greater Birmingham & Solihull Supervisory Board**

**14 January 2018 at 14:00 hrs**

**Conference Room, Baskerville House, Cambridge Street, Birmingham B1 2ND**

## **PRESENT**

Cllr Brigid Jones – Birmingham CC  
Cllr Geoff Denaro – Bromsgrove & Redditch  
Cllr Mike Wilcox – Lichfield DC  
Cllr Matt Dormer – Redditch BC  
Cllr Chris Rogers – Wyre Forest

## **APOLOGIES**

Cllr Bob Sleight – Solihull MBC  
Cllr Ian Ward – Birmingham CC  
Cllr Steve Claymore – Tamworth BC  
Cllr George Adamson – Cannock Chase DC  
Cllr Richard Grosvenor – East Staffordshire DC

## **IN ATTENDANCE**

Tony McGovern – Cannock Chase DC  
Andy O'Brien – East Staffordshire DC  
Perry Wardle – Solihull MBC  
Mike Parker – Wyre Forest  
Katie Trout – GBSLEP  
Peter Mawson – GBSLEP  
Peter Jenion – GBSLEP (notes)  
Graham Russell – Amion  
Jonathan Turner – Cushman & Wakefield  
Clive Heaphy – Birmingham CC

<b>1.</b>	<b>Welcome and apologies for absence</b>
	<p>Cllr Mike Wilcox welcomed all present and noted apologies as listed above.</p> <p>Cllr Jones declared a conflict of interest in the Paradise project as a representative from Birmingham City Council.</p>
<b>2.</b>	<b>Notes of the last meeting on 6<sup>th</sup> December 2018 and matters arising</b>
	The notes of the last meeting were agreed as a true and accurate record.
<b>100</b>	<b>RESOLVED:</b>
	<p>i The minutes of the meeting on 6<sup>th</sup> December 2018 were approved as an accurate record.</p>
<b>3.</b>	<b>Paradise Enterprise Zone Investment Report</b>
	An update on the Paradise development project was provided by the following presenters: Peter Mawson, GBSLEP; Graham Russel, Amion; and Johnathan Turner, Cushman & Wakefield.
<b>101</b>	<b>RESOLVED:</b>
	<p>i The GBSLEP Supervisory Board noted the following:</p> <ul style="list-style-type: none"> <li>a. the findings of the independent appraisal of the Paradise project Full Business Case;</li> <li>b. the conditional approval of up to a maximum capped amount of £51,277,000 (fifty-one million, two-hundred and seventy-seven thousand pounds) of Enterprise Zone grant funding awarded to Birmingham City Council for the delivery of the Paradise project Phase 2;</li> <li>c. that the Full Business Case is predicated upon a further EZ funding request of up to £54,347,000 for the delivery of Phase 3, subject to a further Full Business Case to be submitted once the designs and costs are appropriately developed. This would take the total funding granted for the delivery of the entirety of the project to up to a maximum of £193,414,000;</li> <li>d. the conditions of the additional funding approval;</li> <li>e. that the Full Business Case has been reviewed separately by the Department for Business, Energy and Industrial Strategy;</li> <li>f. that due to the time sensitivity of the decision, the Full Business Case was circulated to the Programme Delivery Board for comment via written procedure, in parallel to consideration by the LEP Board;</li> <li>g. the approval of the co-commissioning of an independent audit into the Paradise project with Birmingham City Council, in its role as Accountable Body to the GBSLEP.</li> </ul>

<b>4.</b>	<b>Any other business</b>
	None raised.
	<b>The meeting concluded at 14:30</b>

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CHAIRMAN

DRAFT

## Report to the Greater Birmingham & Solihull Supervisory Board

11<sup>th</sup> April 2019

### RATIFICATION OF THE DECISIONS TAKEN BY WRITTEN PROCEDURE

#### Purpose of the report

To note and endorse the decisions taken by the Supervisory Board by written procedure.

#### Recommendations

The Supervisory Board is recommended to:

1. Note and endorse the decision of the 1<sup>st</sup> March 2019, which was to note Approval of the capital grant of £500,000 (five hundred thousand pounds) of Local Growth Fund to Worcestershire County Council for the delivery of the Worcester Street Regeneration project; and
2. Note and endorse the decision of the 1<sup>st</sup> March 2019, which was to note the approval of £4,660,000 (four million and six hundred and sixty thousand pounds) of Local Growth Fund (LGF) capital grant and £1,969,000 (one million and nine hundred and sixty-nine thousand pounds) of Enterprise Zone (EZ) funding as capital grant to Birmingham City Council (BCC) for the delivery of the Snow Hill Public Realm Project.

#### Background

3. Since the last meeting of the Supervisory Board on 14<sup>th</sup> January 2019, two key decisions have been made by written procedure in order to enable GBSLEP to proceed with priority interventions. The detail of those decisions is set out below.

#### Worcester Street Regeneration Project

4. On 12<sup>th</sup> February, under the scheme of delegation approved by the LEP Board and Supervisory Board, the GBSLEP Director the capital grant of £500,000 (five hundred thousand pounds) of Local Growth Fund to Worcestershire County Council for the delivery of the Worcester Street Regeneration project. This funding was approved by the GBSLEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its independent technical evaluation.
5. The recommendation to note the decision taken by the LEP was put to the Supervisory Board on 21<sup>st</sup> February by written procedure, and confirmed as agreed on 1<sup>st</sup> March 2019.

6. Further information is included as Appendix A.

### **Snow Hill Public Realm**

7. On 12<sup>th</sup> February, under the scheme of delegation approved by the LEP Board and Supervisory Board, GBSLEP approved the capital grant of £4,660,000 (four million and six hundred and sixty thousand pounds) of Local Growth Fund (LGF) and a further £1,969,000 (one million and nine hundred and sixty-nine thousand pounds) of Enterprise Zone (EZ) funding to Birmingham City Council (BCC) for the delivery of the Snow Hill Public Realm Project. This is following the submission of a Full Business Case and its Independent Technical Evaluation, in accordance with the GBSLEP Assurance Framework.
8. This funding was approved by the GBSLEP Programme Delivery Board in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its independent technical evaluation
9. The recommendation to note the decision taken by the LEP was put to the Supervisory Board on 21<sup>st</sup> February by written procedure, and confirmed as agreed on 1<sup>st</sup> March 2019.
10. Further detail is set out in Appendix B.

### **Conclusions**

11. This paper seeks the ratification of the decisions made by written procedure since the last meeting of the Supervisory Board on 6<sup>th</sup> December 2018. The Supervisory Board is recommended to note and endorse those decisions.

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Executive Manager

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Date: 4<sup>th</sup> April 2019

## Appendix A

### Project Approval Report

#### Worcester Street Regeneration, Kidderminster

12 February 2019

#### Recommendation

The Supervisory Board is recommended to note the:

- Approval of the capital grant of £500,000 (five hundred thousand pounds) of Local Growth Fund to Worcestershire County Council for the delivery of the Worcester Street Regeneration project. This funding was approved by the GBSLEP Director in accordance with the GBSLEP Assurance Framework following the submission of the Full Business Case and its independent technical evaluation.

#### 1. Background

1. Worcestershire County Council (WCC) submitted an Expression of Interest (EoI) for the Worcester Street Regeneration project in March 2018 as part of the Local Growth Fund (LGF) process. The project received a B rating for strategic fit and the GBSLEP Executive worked with joint project sponsors, Wyre Forest District Council (WFDC) and WCC to develop the project's business case.
2. The project submitted its FBC in August 2018. GBSLEP executive undertook an in-house evaluation of the FBC, following which the project provided more detailed data on the expected economic impact of the project in December 2018. The evaluation subsequently concluded that the project satisfied GBSLEP's assurance requirements for deliverability and value for money in line with Green Book guidance. As such, the business case and its evaluation have been used as the basis to recommend the approval of LGF grant investment.
3. Worcestershire County Council (WCC) manages project delivery, commissioning its term contractors: Jacobs (Scheme Project Management) and Ringway (Scheme Delivery / Civil Engineering Services). The delivery started October 2018 and is scheduled to be completed in October 2019. The total capital project cost is £2,000,000, with WFDC and WCC contributing a match fund of £750,000 each, and a funding gap of £500,000 requested from LGF.

#### 2. Case for change

4. The project aims to redefine the use of the public highway at Worcester Street, in order to act as a catalyst for development in this part of Kidderminster's town centre.
5. This regeneration investment aims to:
  - Define a new eastern edge of the retail core of the town, stimulate a market response from the owners of retail units on Worcester Street to redevelop their units for residential or leisure purposes; or to stimulate small scale retail in response to the changing Lion Fields environment;

- Increase footfall and visibility for existing businesses in Worcester Street to lock-in viability and economic vitality;
  - Support and respond to the regeneration of the Lion Fields area;
  - Re-purpose this eastern part of the retail core by stimulating diversified socio-economic activity, including increased footfall, and;
  - Complement the £2m public realm works already undertaken elsewhere in the town centre in 2016/17.
6. The scheme is expected to deliver a BCR in the region of 1:7. This assumes the known total scheme cost of £2,000,000, and anticipated benefits in the region of £13,000,000 over a 10 year period, made up of uplift in land values and increased economic activity (jobs and GVA). Some of the benefits are dependent on the forthcoming redevelopment of the former Magistrates Court building. Were this to take place, the BCR is estimated at 1:11.62.

### 3. Outputs and Outcomes

7. The direct outputs of the project are envisaged to be:

Output	Quantity
Public Realm enhanced	8410m <sup>2</sup>

8. Project outcomes over a 10-year period are envisaged to be:

Outcomes	Quantity
Direct jobs created or safeguarded	22
Indirect jobs created or safeguarded	122
Direct housing units	100
Commercial / employment floorspace created	6500m <sup>2</sup>
Project Value for Money (BCR)	1:7

### 4. Funding Profile

9. The match funding has been secured and the project aims to reach practical completion by October 2019. The funding profile is set out below. The LGF funding request in 2018/19 has been assessed as affordable from the LEP programme level.

Capital funding	2018/19	Total
Worcestershire County Council	£750,000	£750,000
Wyre Forest District Council	£750,000	£750,000
GBSLEP LGF	£500,000	£500,000
<b>Total capital cost</b>	<b>£2,000,000</b>	<b>£2,000,000</b>

### 5. State Aid

10. WCC ascertains that the grant funding is State Aid compliant, due to competitive nature of supplier selection in project delivery.

### 6. Conclusion

The Supervisory Board is asked to note the allocation of £500,000 LGF capital grant funding for the Worcester Street Regeneration, Kidderminster project. This is a strategically important project in a key GBS location. The project completed its key development milestones and started works on site.



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Project Champion

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Date: 12 February 2019

**Appendix B**  
**Project Approval Report**  
**Snow Hill Public Realm**

**12<sup>th</sup> February 2019**

### **Recommendation**

The Supervisory Board is recommended to note the approval of:

- i. £4,660,000 (four million and six hundred and sixty thousand pounds) of Local Growth Fund (LGF) capital grant; and
- ii. £1,969,000 (one million and nine hundred and sixty-nine thousand pounds) of Enterprise Zone (EZ) funding as capital grant;

to Birmingham City Council (BCC) for the delivery of the Snow Hill Public Realm Project. This is following the submission of a Full Business Case and its Independent Technical Evaluation, in accordance with the GBSLEP Assurance Framework.

### **Background**

1. GBSLEP's engagement with the project dates back to autumn 2013 when BCC submitted an Expression of Interest for the Snow Hill Station Development project. Following the submission of The Snow Hill Station Development: Complementary Public Realm and Highway Measures application by Centro in March 2014, the project subsequently received £326,000 of LGF development funding in September 2015. The updated Programme Entry Application was submitted by Centro in February 2016.
2. Birmingham City Council submitted the final FBC for the project in October 2018 and this was referred to the Independent Technical Evaluator (ITE) for review; issues raised by the ITE were subsequently resolved in December 2018.
3. The project was approved by GBSLEP's Programme Delivery Board on 16 January 2019.

### **Case for change**

4. Snow Hill District is a strategic location with a concentration of key sectors. The Snow Hill Public Realm project comprises of a programme of sub-projects focussed on public realm and public highway enhancements. The proposed works have been developed in the context of the Snow Hill Masterplan and Birmingham's Big City Plan, and aim to solve a number of existing blockages to pedestrian movement and public transport access. Measures have been designed with the long term ambitions of the

redevelopment of Snow Hill railway station in mind and would provide enhanced access to the station in a way that complements the preferred development approach.

5. The FBC comprises nine locations grouped into phases 1, 2a-2b, and 3a-3b. LGF funding is sought to cover 50% of the total cost of phases 1, 2a and 3a. Phase 2b (Snow Hill Square) has been separated from the remainder of Phase 2 due to concerns over deliverability in the Phase 2 timescales, however it is funded through the Enterprise Zone. Phase 3 comprises two elements, traffic management changes (Phase 3a) and public realm improvements (Phase 3b); the latter is currently unfunded. Phases 2b and 3b are expected to cost £6.742m, bringing the cost of the full programme to £16.1m.
6. The project will create assets that will need to be maintained within the overall highway maintenance regime. Using standard BCC estimation tools the maintenance burden of the programme was estimated at additional £40,000 a year, or £1.2m over the 30 year appraisal period. These costs will be funded from the provision for Highways Maintenance held within the BCC Corporate Policy Contingency.
7. The works are proposed to start on site in April 2019 and complete by March 2020.
8. The project will result in the achievement of the following outputs and outcomes:

Outputs
<ol style="list-style-type: none"> <li>1. 1700 sqm of improved public realm in the Snow Hill District, including: <ul style="list-style-type: none"> <li>• Provision of shared surface crossing points along Colmore Row</li> <li>• Increased space and facilities for pedestrians and cyclists throughout the Snow Hill District</li> <li>• Two way traffic on Livery Street between car park and Cornwall Street</li> <li>• New bus stop on Colmore Row and taxi rank on Livery Street</li> </ul> </li> </ol>
Outcomes
<ol style="list-style-type: none"> <li>1. Enhanced connectivity using multiple modes</li> <li>2. Reduced congestion in front of Snow Hill Square</li> <li>3. Reduced private vehicle flows along Colmore Row</li> <li>4. Increased use of Snow Hill Square</li> <li>5. Improved connectivity within the city and to the wider geographical area</li> <li>6. Improved air quality</li> </ol>

9. The estimated BCR of the programme has been calculated at 0.41, indicating a 'poor' value for money (VfM). However, due to the expected wider qualitative impacts, a low to medium VfM is a likely outcome, which can improve further in the event of cost savings or the risk and contingency budget not being required.
10. In addition to the outcomes outlined above, BCC identified 500 jobs in its Big City Plan which can be reasonably correlated with the public realm improvements in the area. GBSLEP's Programme Delivery Board tasked the GBSLEP Executive to further develop means to capture the project's broader economic benefits.

## State Aid

10. The Snow Hill Public Realm programme will deliver general interest public works through the delivery of an improved urban realm for equal and unrestricted use by all existing and future users. The project ascertains that it is compliant with State Aid Rules.

## Funding Profile

11. The proposed funding profile for the project is as follows:

Capital Funding Source (£m)	Previous years £,000	2018/19	2019/20	2020/21	Total
<b>GBSLEP Local Growth Fund</b>	326.0	1,000.0	3,334.0	0	4,660.0
<b>GBSLEP Enterprise Zone</b>	275.0	0	0	1,693.8	1,968.8
<b>Match funding - BCC</b>	0	0	0	500.0	500.0
<b>Match funding - Colmore BID</b>	458.0	0	942.0	0	1,400.0
<b>Match funding Private Sector</b>	0	0	0	829.6	0.829.6
<b>Total</b>	<b>1,059.0</b>	<b>1,000.0</b>	<b>4,276.0</b>	<b>3,023.4</b>	<b>9,358.4</b>

12. The project is affordable for both LGF and EZ, including within financial years.

## Conclusions

13. The Snow Hill Public Realm project directly addresses GBSLEP Strategic Economic Plan's commitment to improve connectivity, skills and business growth in the GBS area. The Supervisory Board is asked to note the approval for the investment of £4,660,000 of LGF grant funding and £1,969,000 of EZ grant funding to Birmingham City Council for the delivery of the Snow Hill Public Realm project.

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Date: 12 February 2019

# GREATER BIRMINGHAM AND SOLIHULL SUPERVISORY BOARD

11<sup>th</sup> April 2019

## PILOT INNOVATION PROGRAMME

### Recommendation

The Supervisory Board is recommended to:

1. Note the approval of £173,500 SEP Enabling Fund by the LEP Board for a one-year pilot innovation programme to stimulate and support higher levels of business innovation in key growth industries.

### Background

2. The LEP's Strategic Economic Plan (SEP) 2016-2030 aims to 'increase business and workforce productivity and competitiveness by raising skills levels and stimulating demand-led innovation' – building on Greater Birmingham's sector strengths and capturing the opportunities arising from emerging technologies.
3. Priority actions are identified to:
  - a) encourage collaborative, cross-sector approaches to defining innovation needs and solutions;
  - b) engage and support large companies to nurture innovation within their supply chains;
  - c) support universities to work with local businesses to deliver innovation;
  - d) engage public sector partners and HS2 Ltd. to stimulate innovation;
  - e) strengthen our innovation ecosystem, including via the Growth Hub; and
  - f) promote Greater Birmingham to innovative individuals and companies.
4. Innovation, particularly to take advantage of emerging digital technologies including Artificial Intelligence, is at the heart of the West Midlands Local Industrial Strategy (LIS) and its target to capture major market opportunities in smart mobility, health and life sciences, modern services and creative content and technologies.
5. A West Midland Framework for Innovation to support delivery of the LIS is being developed and an aligned proposal for a West Midlands Innovation Programme is being progressed through the Combined Authority funding processes.
6. To date the LEP has supported a range of innovation projects via the City Deal, using its Local Growth Funds and its role in the targeting of European Structural and Investment Funds (ESIF) including:
  - a) Investment in innovation infrastructure including at Innovation Birmingham (iCentrum and the Universities' centre), Birmingham Health Partners (the

Institute of Translational Medicine, the Birmingham Centre for Clinical Haematology and Birmingham Life Sciences Park) and STEAMHouse;

- a) A wide range of, mainly HE-delivered, ERDF-funded innovation support programmes for SMEs in priority sectors (advanced manufacturing, life sciences, ICT, digital, creative and low carbon);
  - b) Support via the Growth Hub for local delivery of the national 'Productivity through People' programme to develop senior industry capability to adopt Industry 4.0 technologies;
  - c) A pilot collaboration between the Intellectual Property Officer (IPO) and the LEP to embed IP support within the local ecosystem including via an 'Innovation Enabler' project to support businesses to realise the value of the IP through collaborative R&D projects;
  - d) The activities of Birmingham Science City (now the 'Innovation Alliance for the West Midlands') to 'build and maintain a thriving innovation ecosystem' and 'stimulate and catalyse a pipeline of innovation activity'.
7. The LEP is also developing pilot interventions through its BPFS and AME sector delivery plans to support the exploitation of emerging technologies (AI lab for professional services, cyber security knowledge exchange for professional services, AME supply chain engagement with Industry 4.0).

## Key Issues

8. To inform the further development of its delivery plans the LEP Executive, in consultation with the Lead Board Director for Stimulating Innovation, commissioned innovation consultants to 'define, test and recommend interventions that the LEP could pilot to increase business innovation in key growth industries', noting that successful interventions could potentially be subsequently rolled-out at West Midlands level.
9. The consultants identified the need to change the balance of innovation support programmes to be more focused on company specific needs, cross-sector and supply chain collaboration and more flexible innovation funding.
10. The consultants recommended a pilot programme based on four complementary interventions of company-centric innovation support and challenge-based events, an SME innovation credit awards scheme; and a web-based innovation support resource – with a key role for industry bodies in delivery.
11. With the support of the LEP's Innovation Sub-Board for the consultancy recommendations, the LEP Executive has developed a costed proposal for SEP Enabling Funds for a one-year pilot programme that the LEP would commission suitable delivery partners to undertake by the end of March 2020 (Appendix 1), with management of the innovation credit awards scheme undertaken by the LEP under the FOM arrangements.
12. The Business & Innovation Pillar Board supported the proposal at its meeting earlier this month and a recommendation to the Board to allocate £173,500 SEP Enabling Funds to the programme.
13. There are sufficient unallocated funds within the SEP Enabling Fund to support this proposal.

## **Conclusion**

14. The Supervisory Board is recommended to note the approval of £173,500 SEP Enabling Funds for a one-year pilot innovation programme to stimulate and support higher levels of business innovation in key growth industries.

Prepared by: Katie Judge, Executive Manager, Business & Innovation

Date Created: 4<sup>th</sup> April 2019

**Appendix:** SEP Enabling Fund EoI

# GREATER BIRMINGHAM AND SOLIHULL SUPERVISORY BOARD

11<sup>th</sup> April 2019

## GROWTH HUB NEXT PHASE

### Recommendations

The Supervisory Board is recommended to:

1. Note the approval the Growth Hub Next Phase Business Plan 2019-22 (Appendix 1);
2. Note the progression of the LEP's bid for £2.14m ERDF to full application stage with the LEP as applicant and accountable body for the funding with an additional allocation of £400,000 SEP Enabling Funds as part-match; and
3. Note that delegated authority to approve the full ERDF application has been granted by the LEP Board to the Chair in consultation with the LEP Director.

### Background

1. At its July 2018 meeting, the GBSLEP Board endorsed the recommendation of the Business & Innovation Pillar Board that an 'Enhanced Partnership' model be pursued for the next phase of Growth Hub delivery as the basis for an ERDF extension bid for the period 2019-2022.
2. An 'Enhanced Partnership' bid led by the LEP and involving wider delivery partners, would give the LEP greater control over delivery and additional capability and capacity to support 'scale-up' businesses in key growth sectors through more intensive account managed support and to extend the Growth Hub's reach and penetration through additional advisor capacity. It would also require additional management capacity and capability.
3. At its November 2018 meeting, the Business & Innovation Pillar Board approved submission by the LEP, as lead applicant and accountable body for the funding, of an outline ERDF bid for £2.14m on the basis of the next phase business plan.
4. The Pillar Board requested further work on the business plan to ensure sufficient management capacity and risk mitigation including around funding risks.
5. The business plan (Appendix 1) proposes a significantly enhanced capacity comprising additional advisor, specialist account management, mentoring, and additional management and data capacity (in addition to the anticipated ESF-funded Skills for Growth Hub).
6. The additional costs would be met by a higher level of ERDF (£2.14m compared to £1m currently) matched with the LEP's annual BEIS grant (currently £512,500), an annual allocation of £200k SEP Enabling Funds, and partner contributions (20% assumed for the purposes of the outline bid).

### Key Issues

7. Following submission of the outline bid, the LEP has been invited by MHCLG to progress the ERDF bid to full application stage subject to conditions including



- satisfactory completion of financial due diligence checks, confirmation of BEIS funding for the lifetime of the project, sufficient management and administration capacity and improvement of current spend and output performance.
8. As regards performance against the current ERDF funding agreement (which is between MHCLG and the Chamber as lead partner), this is reviewed on a monthly basis at the Growth Hub Executive Board at which all delivery partners are present. Immediate remedial action is agreed and taken on an ongoing basis to address any significant deviation from the ERDF targets.
  9. At its meeting earlier this month, the Pillar Board supported the progression of the ERDF bid to full application stage noting the significantly increased management capacity and the updated risk register.
  10. The Pillar Board requested further consideration be given to the risk of a lower level of BEIS grant for 2020/21 and 2021/22 and that work be undertaken in Year 1 to consider options for securing the financial sustainability of the Hub.
  11. The BEIS grant is awarded on an annual basis and therefore there is no certainty of the level of grant that will be awarded in future years. However the fact that there is a national Growth Hub funding framework in place until 2020/21, based on a continuation of the current level of annual grant, provides some reassurance.
  12. If there were a significant reduction in the level of BEIS grant in 2020/21 and subsequent years (2021/22 and 2022/23), there would be an option to reduce the scope of the project, subject to agreement by affected partners and MHCLG, if alternative replacement funding sources (e.g. additional SEP Enabling Funds, additional partner match) could not be identified. Work will be undertaken in Year 1 to consider options for securing the financial sustainability of the Hub, including the potential for revenue generation.

## Conclusion

13. The Supervisory Board is recommended to note the approval the next phase delivery plan and progression of the LEP's bid for £2.14m ERDF to full application stage, and an allocation of £400,000 SEP Enabling Funds as part match.

Prepared by: Katie Judge, Executive Manager, Business & Innovation

Date Created: 4<sup>th</sup> April 2019

## Appendix

Appendix 1 Growth Hub Business Plan 2019-22 – Private document due to be part of a competitive ERDF funding process, excluded under Section 12A of the Local Government Act 1972: information relating to the financial or business affairs of any particular person (including the authority holding that information).

# GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

11 April 2019

## ASSURANCE FRAMEWORK REVISIONS

### Recommendations

The Supervisory Board is recommended to:

1. Note the publication of the National Local Growth Assurance Framework; and
2. Note the approval of the revisions of the GBSLEP Assurance Framework, which ensure GBSLEP is compliant, including:
  - a. The approach to managing contracts within the Financial Controls Policy;
  - b. The approach to managing risk in the Risk Management Strategy;
  - c. The approach to publishing financial information;
  - d. The term limits on the Chair and Deputy Chair, and the approach to recruitment and succession planning;
  - e. The Induction & Training Policy for Non-Executive Directors and Executive staff;
  - f. The Record and Document Retentions Policy;
  - g. The process for making decisions by written procedure; and
  - h. A statement on regional roles and responsibilities
3. Note the delegation of authority for any final changes, specifically to the statement on roles and responsibilities to the Chair, in consultation with the GBSLEP Director.

### Background

4. On 8<sup>th</sup> January 2019, Government published a significant revision to the National Assurance Framework, rebranding it the [National Local Growth Assurance Framework](#) (NLGAF).
5. NLGAF sets out government's guidance for places that are required to develop their own local assurance framework. It applies to Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnerships.
6. It replaces the previous Local Enterprise Partnership national assurance framework and the Single Pot assurance framework and seeks to provide a common framework of understanding of the assurance required for local growth funding.
7. GBSLEP is required to revise its own Assurance Framework to be compliant with NLGAF by 1<sup>st</sup> April 2019.

## Key issues

8. NLGAF essentially codifies the requirements of the LEP Review into LEP assurance arrangements, rather than introducing many new elements (although there is a clearer focus on LEPs' operational arrangements and on stakeholder engagement). However, there are some elements that require GBSLEP to agree new policy, as follows:
  - The LEP's approach to managing contracts
  - The LEP's approach to risk
  - The transparent publication of financial information
  - Term limits for the Chair and Deputy Chair
  - Ensuring appropriate succession planning for Board Directors
  - Implementing an induction process for Board Directors and staff
  - Putting in place a process for handling data
  - Publishing a joint statement with WMCA, BCLEP and CWLEP on respective roles and responsibilities
  - Implementing a formal process allowing decisions to be made by written procedure
9. GBSLEP is also required to make a number of explicit commitments, such as working with the LEP Network and meeting statutory guidance for investment decisions where applicable (particularly relevant for large transport schemes).
10. The redrafted GBSLEP Assurance Framework is included as Appendix A, with a RAG-rated table showing the various policies that GBSLEP must adopt set out at Appendix B.
11. The appendices to the GBSLEP Assurance Framework have not been circulated for reasons of brevity; should Non-Executive Directors wish to see any or all of them, please contact the Executive.

## Contract management

12. The Executive has developed a Financial Controls Policy, which sets out the approach to initiating and managing contracts. The Policy is included as part of the item on the Future Operating Model, and is based on Birmingham City Council's financial delegations.

## Risk

13. NLGAF requires the LEP to set out the LEP's approach to risk, including a description of the nature of the risks undertaken by the LEP, its arrangements for active risk management and the name of the individual responsible for risk management, a process for the LEP Board to oversee risk and details of the processes for the escalation of risk analysis and risk management requirements within the LEP.
14. The Executive has drafted a Risk Management Strategy, which is included as Appendix C.

15. A full risk register has also been drafted and is included as Appendix D. As part of the work on the Future Operating Model (FOM), the Sub-Committee is recommending to the Board that an Audit & Risk Committee is established to support the Board with risk management.

## Publication of financial information

16. To date, GBSLEP has been filing 'nil' accounts with Companies House. The Board will be aware of the work currently being undertaken to ensure that GBSLEP is filing full, statutory accounts in future. A link to these accounts can then be provided on the LEP's website and key information included on it which will meet the NLGAF's requirements.
17. Going forward, it is proposed that a quarterly finance update is presented to the LEP Board, and that the papers are published accordingly. The Audit & Risk Committee will also have a responsibility to oversee financial risks.

## Succession planning for Board Directors

18. NLGAF requires that the Chair and Deputy Chair serve one term of three years, with an option to extend for a further three years. This provision has therefore been included with the Assurance Framework.
19. More broadly, to date, Non-Executive Directors' (NEDs) terms have been staggered so that continuity can be maintained; this should continue. We propose that the Nominations Committee should be considering the skills required on the Board on an on-going basis, so that it knows how NED roles should be filled when they become vacant to take account of GBSLEP's priorities, changes to Government policy, etc. GBSLEP could also start to offer potential future NEDs roles on sub-boards. There would still need to be a formal, open recruitment process to be a NED but GBSLEP would have access to a pipeline of talent as and when vacancies arise.

## Handling data

GBSLEP will need to review its approach to handling data. A Record and Document Retentions policy has been developed (Appendix E), and officers in the Executive met with a GDPR specialist on 1<sup>st</sup> March 2019 to scope out a piece of work that will cover the LEP's operations in the round, including the Growth Hub.

## Induction

20. NLGAF requires LEPs to ensure that all NEDs and officers receive an induction and can access training. The Executive has therefore drafted an Induction and Training Policy, which is attached as Appendix F.
21. The current version is a work-in-progress and it is anticipated that it will be revised to take account of GBSLEP Ltd becoming an active, independent company with its own policies, procedures and culture.

## Making decisions by written procedure

22. From time to time, urgent decisions may need to be taken by the LEP Board or one of its sub-boards in order to proceed with business critical activity.
23. The LEP Board agreed that the process in such scenarios is as follows:
  - Agreement with the Chair of the Board in question to take the decision by written procedure
  - Circulation of the decision to the Board with relevant paperwork, to be published on the GBSLEP website and marked as being taken by written procedure
  - Board to be given 5 working days to confirm their views via the Chair
  - Executive to confirm the outcome to the Board, and publish the decision on the GBSLEP website
  - Decision to be noted at next subsequent meeting

## Regional roles and responsibilities

24. LEPs in Mayoral Combined Authority (MCA) areas are required to set out their respective roles and responsibilities. The current position is that GBSLEP has a defined role in the WMCA constitution, is a lead member in the Strategic Economic Development Board and represented on all the sub-boards related to economic growth. GBSLEP and the two other LEPs in the area have played a leading role in the development of the West Midlands Local Industrial Strategy (LIS), with a particular focus on a number of key sectors and industries.
25. A draft statement on the current arrangements is set out at Appendix G. This has been considered by officers in the three LEPs and in the WMCA but needs to go through each body's respective governance arrangements, and was approved by the LEP Board on 27<sup>th</sup> March. Changes may be proposed to the statement through this process, so the LEP Board agreed to delegate authority to agree the final wording to the Chair, in consultation with the Director.
26. This statement will need to be updated to reflect any changes to roles and responsibilities once the Implementation Plan for the LIS has been developed and it is clear how future funding will flow.

## Next steps

27. The Assurance Framework has been published in draft on the GBSLEP website. Should the Supervisory Board endorse the revisions, it will be published as a final version.

## Conclusions

28. This paper sets out the requirements for GBSLEP to comply with the NLGAF, and key amendments required.
29. The Supervisory Board is recommended to note the approval of the policies and the revised Assurance Framework.

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GBSLEP Executive Manager

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Date: 4<sup>th</sup> April 2019

## APPENDIX B – NLGAF REQUIREMENTS

	Requirement	Further guidance can be found in section	Page	Met?
<b>Alignment with the Accounting Officer System Statement</b>				
<b>MCA's &amp; LEPs should outline in their Local Assurance Framework:</b>				
1	A clear description of the roles and responsibilities.	19.a	11	Y
2	Arrangements for taking and accounting for all decisions and ways of working.	19.b	11	Y
3	Responsibilities of the Accountable Body.	19.c	11	Y
4	The arrangements to ensure value for money.	19.d	11	Y
5	Publish their Local Assurance Framework on their website.	20.a	11	Y
<b>Part B: Local Enterprise Partnerships</b>				
<b><i>Corporate Structure for LEPs</i></b>				
14	LEPs must have a legal personality.	62 - 64	20	Y
<b><i>Local Assurance Framework &amp; Website</i></b>				
<b><i>The Local Assurance Framework must:</i></b>				
15	Provide information on how the LEP manages its programmes, funding streams and any associated contracts, including Local Growth Fund, City Deals and Enterprise Zones (where applicable).	65.b	20	Y
16	Provide information on the LEPs' arrangements for ensuring value for money.	65.c (also see Part C)	20	Y
17	Set of the LEPs' approach to risk.	65.d 176	20 48	Y

18	Set out how calls for bids or projects are advertised openly and that selection criteria and selection processes are transparent.	65.e	21	Y
19	Ensure the transparent publication of financial information.	65.g 107-109	21 29	Y
20	Ensure appropriate succession planning and arrangements for resignation of Board Members.	65.i	21	Y
21	Implement an induction process.	65.j 81-82	21 24-25	Y
22	Set out the processes the LEP has put in place in regard to the handling on data.	65.m 102	21 28	Y
23	Provide information on LEP scrutiny arrangements.	65.o	21	Y
<b>Websites</b>				
24	Have a dedicated website.	67 - 71	21-22	Y
<b>Local Engagement</b>				
25	Set out how the LEP will conduct ongoing local engagement.	65.f	21	Y
26	Set out how the LEP will evidence effective engagement.	72-74	22-23	Y
<b>Appointment Process for Board Members and Chairs</b>				
27	Set out how the LEP ensures open recruitment processes.	65.h	21	Y
28	Set out the appointment process for Board members (Public and Private sector), Chairs and Deputy Chairs.	75-77	23	Y
<b>Diversity Statements</b>				
29	Set out the LEPs commitment to diversity, including a diversity statement.	65.l 78-79	21 23-24	Y
<b>Board remuneration and LEP Officer salaries</b>				



30	Set out the expenditure and/or remuneration policy for Chairs and Board Members clear on their websites.	80	24	Y
<b>Code of Conduct</b>				
31	Have a code of conduct which all Board Members and LEP Officials sign up to.	55-57 83 - 85	18-19 24-25	Y
<b>Conflicts of Interest</b>				
32	Set out how the LEP manages conflict of interest, including having a conflict of interest policy.	65.k 86 - 92	21 25-26	Y
<b>Complaints for Third Parties and the Public</b>				
35	Set out the LEPs overarching approach to dealing with complaints and whistleblowing.	65.n 97-101	21 26-28	Y
36	Have a Complaints Policy.	93-96	26-27	Y
37	Set out the confidential reporting arrangements.	94	26	Y
<b>Whistleblowing Policy</b>				
38	Have a Whistleblowing Policy.	97-101	27-28	Y
<b>Publication of meeting and agenda items</b>				
39	Commit to the publication of meeting agendas, papers and minutes.	103-104	28	Y
<b>Handling confidential and exempt information</b>				
40	Set out the process for handling information which is not to be placed in the public domain.	105-106	28-29	Y
<b>Management of Contracts</b>				
41	Set out how the LEP or its nominated party, will manage contracts related to the delivery of its programmes and how the LEP Board will be kept informed of	114	30	Y

	progress.			
<b>Government Branding</b>				
42	The LEP should commit to meeting the Government branding guidelines for projects.	115	30	Y
<b>Accountability and decision making</b>				
43	Set out the LEP's structure, and decision making processes.	65.a, 117	20, 31	Y
44	Confirm the accountable body arrangements for funding received.	116.a.	31	Y
45	Confirm that public resources are managed appropriately.	116.b	31	Y
46	Confirm where applicable, investment decisions will be made for all funding with reference to statutory requirements, conditions of funding, local transport objectives and through formal MCA or CA involvement where required.	116.c	31	Y
47	Describe the arrangements for enabling effective meaningful engagement of local partners and the public to inform key decision and future strategy development.	116.d	31	Y
49	Roles and responsibilities of the Chair, LEP Board, Sub-boards, Accountable Body and Section 151 Officer.	118	31	Y
50	Membership requirements of the Board and sub-boards.	119	31	Y
51	Clear scheme of delegation.	119	31	Y
52	LEPs in MCA ruareas agree and publish a joint statement which sets out their respective roles and responsibilities.	120	31	Y – but to be formally agreed
53	Specify that a decision which is	121	32	N

	made in contravention of the process will be invalid.			
54	Openly advertise funding opportunities, assess applications make the award through a formal agreement, monitor progress for the lifetime of the project, and maintain a robust audit trail to demonstrate compliance.	123	32	P
<b><i>The LEP Board</i></b>				
55	The LEP Board consists of at least two-thirds private sector.	125	32	N – currently 60%
56	A LEP Board member designated as a Small and Medium Enterprise, which is published on the website.	127	33	Y
57	The LEP Board should have a maximum of 20 people, with the option to co-opt an additional five Board Members.	128	33	Y
<b><i>Chair and Deputy Chair</i></b>				
58	The LEP Chair must come from the private sector.	132	34	Y
59	The LEP must have a Deputy Chair.	133	34	Y
60	The LEP Chair and Deputy Chair have a defined term limit of three years with an optional extension of three years.	133	34	Y
<b><i>LEP Staff and Independent Secretariat</i></b>				
61	Outline how the independent secretariat will function.	134-135	34	Y
<b><i>2: cooperation, collaboration and partnership with other LEPs</i></b>				
62	Commit to working with the LEP Network.	136	35	Y
63	The LEP should outline the dependencies or relationships with other LEPs as appropriate.	136-137	35	Y

<b><i>The Accountable Body and Section 151 Officer</i></b>				
64	The LEP has a single Accountable Body.	139	35	Y
65	Outline the agreement between the Accountable Body and the LEP.	141	36	Y
<b><i>Section 151 Officer Role</i></b>				
66	The S151 officer should provide a letter by the 28 February each year.	145	37	Y
<b><i>Decisions relating to LEPs awarding public funds</i></b>				
67	Describe the decision making process.	147	38	Y
68	A commitment from all LEP board and sub group members to making decisions on merit having taken into account all of the relevant information available at the time.	147.a	38	Y
69	Clear lines of accountability to the LEP Board and, where applicable, the Accountable Body.	147.b	38	Y
70	Describe the process for recording decisions and communicating these to the Accountable Body, CA or MCA.	147.c	38	Y
71	Information on the LEP's decision making procedures, including the arrangements for ensuring decisions are taken at meetings which are quorate.	147.d	38	Y
72	A link to the current schemes of delegation.	147.e	38	Y
73	The person (or name of the position) responsible for providing the final sign off for funding decisions.	147.f	38	Y
74	Describe the process by which the Accountable Body confirms receipt	147.g	38	Y

	of the information and can report back when the direction is completed.			
75	The process allowing decisions, by exception, to be made by the LEP Board in the absence of a formal meeting.	147.h	38	Y
76	A system for promptly considering complaints.	147.i	38	Y
77	A system showing how investment decisions must be subject to a proportionate business case and evaluation and how decisions must be subject to scrutiny arrangements in line with the LEP processes.	147.j	38	Y
78	<p>A statement setting out the documents which shall be made available to the LEP board in advance of making decisions which should include:</p> <ul style="list-style-type: none"> <li>• The application made for funding</li> <li>• An appraisal of the application</li> <li>• A view by a legal expert</li> <li>• A recommendation as to whether to fund the proposal</li> <li>• A recommendation about conditions which should be attached to the proposal.</li> </ul>	148	38-39	Y
79	<p>Set out the LEPs role in recovering funding where there has been non-compliance, mis representation or underperformance, this should include, the LEP Board or delegated sub-group receiving reports providing information on projects which have received funding, including:</p> <ul style="list-style-type: none"> <li>• A description of projects where concerns have been identified</li> <li>• Relevant details including the amount of funding awarded and the sum at risk due to the concerns</li> <li>• Where recovery of funds is considered, a legal opinion</li> </ul>	149	39	Y

	which sets out the legal basis for recovery and likelihood of success.			
80	Set out the arrangements to recover non-compliant funding.	150	39	Y
<b><i>Scrutiny and Audit arrangements</i></b>				
81	Describe the agreed scrutiny and audit arrangements.	154	40	Y

## APPENDIX C – RISK MANAGEMENT STRATEGY

Risk management is a key part of good management. The analysis of risk is an essential part of the design, delivery and review of all activity.

The risk management strategy ensures that risks across all areas of GBSLEP activity, those delivery partners including grant recipients, are evaluated, managed and reported, in a consistent way. This will offer GBSLEP board and key stakeholders, assurance that any risks to the delivery of GBSLEP outcomes have been identified and are being successfully managed.

Risk is considered at three levels: corporate, operational and intervention levels.

The approach provides a traditional bottom-up operational risk process, combined with top-down strategic risk analysis at board level. All activities are aligned by risk management and risk escalation mechanisms.

The success of risk management is dependent at strategic level, on the support and leadership of the Board. On an operational level it is dependent on day-to-day engagement of all GBSLEP employees, those who are best placed to understand and manage the risks relevant to their areas of work.

This Risk Management Strategy and the accountability for the risks set out in the risk register are owned by the Chief Operating Officer.

### GBSLEP KEY STRATEGIC RISKS

Key corporate risks facing GBSLEP are reviewed and agreed by the Board annually. They are:

<ul style="list-style-type: none"> <li>• Legislative</li> <li>• Political</li> <li>• Partners</li> <li>• Environmental</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> <li>• Corporate</li> <li>• Reputational</li> <li>• Programme Delivery</li> </ul>
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If any of these risks manifest, GBSLEP would be faced with financial, legal, reputational or operational issues.

### RISK TOLERANCE

In order for informed decision making to take place; it is necessary for the Board to be able to evaluate risks and the benefits of different actions, in an equitable manner.

The risk criteria are owned by the Board who will decide on the basis of recommendations from the Governance, Risk and Audit committee. They reflect the risk appetite of the Board and determine the point at which risks need to be reported upwards.

### PROBABILITY RATING

5	4	3	2	1
Very High	High	Medium	Low	Very Low
<b>RISK IMPACT LEVEL – BASED ON RISK CATEGORY</b>				
<b>Financial -</b>				
5	4	3	2	1
More than 10% over budget	6 -9% over budget	3 – 6% over budget	1 -3 % over budget	On budget
<b>Strategic</b>				
5	4	3	2	1
Threatens the viability of the organisation	Major impact on strategy	Moderate impact on strategy	Minor impact on strategy	Minimal impact on strategy,
<b>Reputation – Confidence and trust by Stakeholders</b>				
5	4	3	2	1
Threatens future relationships	Major reputational sensitivity	Moderate reputational sensitivity	Minor reputational sensitivity	Minimal reputational sensitivity
<b>Outcomes/ KPI's</b>				
5	4	3	2	1
Outcomes /KPIs will not be met	Major impact on outcomes/KPIs by over 10%	Impact of 5-10% on outcomes/KPIs	Minor impact on outcomes/KPIs by less than 5%	No impact on outcomes/KPIs

Risk ratings are useful to managers as a relative, rather than absolute indicator, which will help to identify the most critical risks to success so that management effort can be prioritised.

### On-going management of risk

Each risk must be assigned an owner who will be accountable for managing it and updating the risk register.

Risk management should provide extra value and:

- Focus effort on risks where benefits could be enhanced, the likelihood of success could be improved, or the likelihood of negative impact reduced;
- Ensure that risk management is having an impact – and change the approach if it is not doing so.
- Be proportionate – more attention may be appropriate for larger interventions.



The risk register must be updated to reflect activities undertaken and revised levels of risk.

Changes must be saved; amending the date in the document name e.g. '**Risk register 1 April 2019.**'

### **Escalation**

Risk owners should report any risk that is red or on an upward trend, to their line manager who will help them resolve the issue.

If the risk continues at the same level, the relevant member of the SMT will report into the COO and Head of Governance to consider how the risk can be mitigated.

Where required, the Head of Governance or COO will report risks that are deemed to be out of control or of critical impact, immediately to the CEO and any relevant committee.

### **Monthly risk reporting and actions**

The purpose of reporting is to appraise and make visible, risks that pose a threat to GBLSEP strategies, business models or viability.

Each month the risk owner should discuss all increasing and red risks with their line manager. The Head of Governance will meet each member of the SMT monthly to discuss risks and risk management.

Each month the Head of Governance will prepare a report for the Audit and Risk Committee. This will review risks across the organisation, identifying individual risks of concern and assessing cumulative risks across the business by category.

The report will be further sub-divided by Corporate and Program activities to enable transparency across all activities.

Each month the Board will receive a report on risk from the Audit and Risk Committee that will show the overall risk position and key areas of concern. The Board may invite the risk owner to discuss their risk management strategy. The Board may demand a specific approach be taken to remediate.

In addition to the above report, each month the Board will review the strategic risks that they own, and where necessary cascade actions downwards.

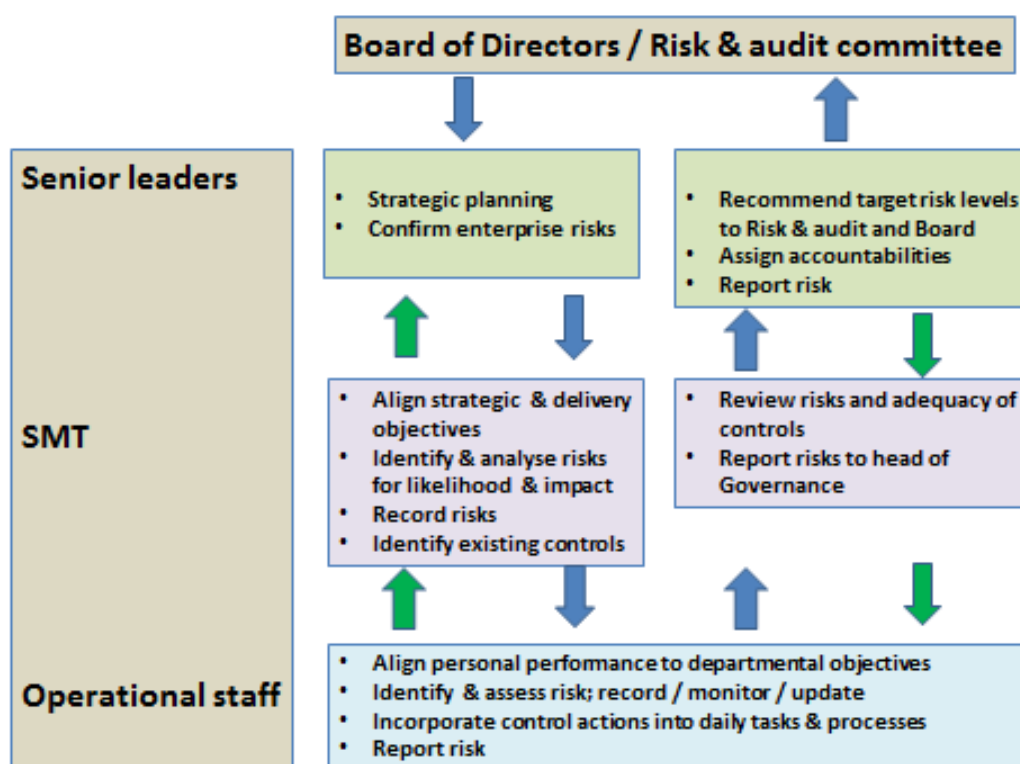
### **RISK ASSURANCE**

GBSLEP will periodically audit risk management processes in order to gain confidence that the system is working. Questions that audit may ask include;

- Does management understand the uncertainties inherent achieving its objectives?
- Does management consult the Board when defining risk appetite?
- Are any part of the organisation taking risks that the Board may not understand
- Are critical risks in the business model understood and being managed by people who have an appropriate level of skill?
- Does the Board understand the critical risks?

- Do meetings include sufficient time to discuss risk?
- Are there managers responsible for identifying, assessing and managing risk?

### ACCOUNTABILITIES AND RESPONSIBILITIES FOR RISK



	ACCOUNTABLE	RESPONSIBLE	CONSULTED	INFORMED
Agree risk tolerance	Board	GBSLEP Board	Head of Governance	All
Own risk policy and process	Board	ARC	CEO COO Head of Governance	ALL
Annual updates of risk policy and process	Board	ARC	COO CEO Head of Governance	ARC GBSLEP Board
Ownership of tolerance levels, strategic risk categories	Board	Board	COO CEO Head of Governance Head of Delivery	ALL
Updating corporate risk	Head of	Risk owner	Head of	ARC

register program and operations	Governance		Delivery COO	Board
Reporting risk to committees	Head of Governance	Respective leads	n/a	GBSLEP Board
Reporting and discussion of corporate risk at internal management meetings	Head of Governance	Heads of service	n/a	CEO
Identification and re-alignment of corporate risk in relation to priorities of GBSLEP	CEO	ARC	GBSLEP Board	ALL
Updating stakeholders on external directives	CEO	Head of Governance	COO	ARC GBSLEP Board
Training on risk management policy and process	Head of Governance	Heads of service	Heads of service	ARC COO CEO
Ensuring there are sufficiently experience employees to manage risk	COO	Heads of service	Head of Governance	ARC
Awareness raising of risk management approach	Head of Governance	Heads of service	Head of Governance	ARC COO CEO
Assurance of mitigations, controls, process and policy	Head of Governance	Internal assurance team	SMT	GBSLEP Board ARC

## PRACTICAL GUIDANCE FOR MANAGING CORPORATE RISK

### Corporate Risk management

The task of risk management is to limit the organisation's exposure to an acceptable level of risk in relation to the expected gain by taking action to reduce the probability of the risk occurring and its likely impact . Choose one or more of the following approaches for dealing with the risks you decide to manage:

- **Avoidance:** Act to eliminate the risk factor that gave rise to the risk. An example is deciding not to use a new, untested procedure that you're concerned may not produce the desired results.
- **Transfer:** Pay or agree with someone else to assume some or all of the effect of the risk.
- **Mitigation:** Either reduces the likelihood that a risk occurs, or minimise the negative consequence if it does occur.

The principles of risk management are to:

- Think logically
- Identify the key risks
- Identify what to do about each risk
- Decide who is responsible for actions
- Record the risk and changes to the risk
- Learn

## **RISK IDENTIFICATION**

Every employee should remain constantly aware of risks that are inherent in

Operational and program activity; identifying any factors that could result in a risk to GBSLEP in one or more of the following areas:

- Finances
- Reputation
- Outcomes /KPIs
- Strategy

The risks could arise from one or more of the following:

- Legislative
- Political
- Partners
- Environmental
- Social
- Legal and compliance (to include health and safety, key controls etc.)
- Corporate

Risks from Project or programmes are considered elsewhere

## **ASSESS THE LEVEL OF RISK**

Risks are rated, using pre-defined scores, that consider:

- The severity of the impact should the risk manifest
- The likelihood of the risk manifesting
- The ability to mitigate the risk

The output of this activity is a risk number; the higher the number the greater the risk. This will provide visibility of the key risks and where to focus energy

## RECORD THE RISK

If a risk has been identified, it should be recorded in the corporate risk register.

1. Provide a clearly overview of the risk
2. Categorise each risk by type:
3. Categorise the area that the risk would impact
4. Rate the likelihood of the risk manifesting
5. Rate the impact this would have
6. A risk score will be generated
7. Rate the ability to mitigate the risk
8. Record what mitigation will be undertaken
9. A risk priority number will be produced
10. Complete the register with the owner of the risk

## CORPORATE RISK REPORTING

A report should be generated on all new red risks. This should use the format below. The report should be sent to the Head of Governance and Assurance in time for consideration by the Risk and Audit committee. It may be escalated to the Board.

<b>Risk number</b>	<b>Date first recorded</b>	<b>Original risk score</b>
<b>Report author</b>	<b>Date of report</b>	<b>Current risk score</b>
<b>Summary of risk</b>		
<b>Risk category</b>	Legislative e.g. Changes to funding	
	Political e.g. boundary changes. CA influence	
	Partners e.g. delivery partner	

	relationships or delivery	
	Environmental e.g. Impact of projects	
	Social – e.g. changing demographics	
	Corporate	
	Legal and compliance – e.g. GDPR, equal opportunities	
<b>Impact of risk</b>	Finances	
	Reputation	
	Outcomes/KPIs	
	Strategy	
<b>Summary of mitigating activity</b>		

## APPENDIX E – RECORD AND DOCUMENT RETENTION POLICY

<b>RECORD AND DOCUMENT RETENTION PERIODS</b> <b>V1 December 2018</b>	
<b>STRATEGIC PLANS</b>	
Documents supporting formulation of the strategic plan and delivery plans	6 years
Copy of strategic delivery plans	Expiry of plan + 6 years
Copy of reports on progress to SMT and Board	6 years
Records of Board meetings	Current year + 6
Records of resolutions	File with companies house
Records of internal committee meetings	Current year + 6
<b>RECORDS RELATING TO THE DEVELOPMENT OF POLICY</b>	
Individual policies	Until superseded
Records of consultation with employees over major policy changes	5 years
<b>FINANCE</b>	
Record relating to purchases	Current financial year + 6
Budget planning allocation and monitoring	Current financial year + 6
Records relating to payment of staff schemes including: <ul style="list-style-type: none"> <li>• Childcare</li> <li>• Travel pass advances</li> <li>• Loans</li> <li>• Medical fees</li> </ul>	Current financial year + 6
Requests to generate invoices	2 years
Variation order for goods and services	Current financial year + 6
Orders for goods or services	Current financial year + 6
Sundry payments	Current financial year + 6
Analysis of daily, weekly, monthly, annual financial records	Current financial year + 6
All bank related materials including Bank stubs Receipts Statements Cheque stubs BACS transfers DD set up	Current financial year + 6
Information relating to debt management, payments and waiver	Current financial year + 6
List of authorised signatories	Current financial year + 6
All month and year end reporting	Current financial year + 6
Invoices and receipts including petty cash receipts	Current financial year + 6



POs	Current financial year + 6
Asset register	Current financial year + 6
Internal and external finance audit	Current year + 6
<b>INCOME FROM GRANTS</b>	
All documentation relating to applications for funding from UK	Current financial year + 6
All documentation relating to applications for funding from EU	In line with fund provider
Records of award and management of funds allocated from Government	Current financial year + 6
Records of spend plans and spend on funds provided by Government including forecasting sheets	Current financial year + 6
<b>SLA'S AND CONTRACTS</b>	
Agreement between LEP and external bodies	End date & 6 years
Contracts delivered under seal	Expiry date + 12 years- seek legal advice before destroying
Expressions of interest	Close date + 2 years
<b>STAFFING</b>	
Records forming all parts of the recruitment of un successful candidates including: Applications forms, selection criteria	6 months form date of recruitment
Records forming all parts of the recruitment of successful candidates including: Applications forms, selection criteria	1 year from appointment
Qualifications of applicants	6 months from appointment
Employee details including personal details	Permanent
Sickness absence records	Date of entry + 2 years
Sickness records to support SSP	Date of return to work + 3 years
Staff care and support records	Completion of counselling + 7 years
All paperwork relating to the recruitment and appointment of Directors	7 years after individual has left their position
Directors details	File on companies house and retain record for duration of term
Employee appraisal including probation review, coaching, PDP and one to one	5 years from date of review
Job termination including resignation letter	Termination date + 7 years
Annual leave records	Date of entry + 2 years
Parental leave records	Date of birth or adoption + 5 years
Monitoring discrimination and equality	Date of inspection + 7 years
Job evacuation appeals	Decision date + 6 years
Correspondence with pension provider	Year + 6
Gifts and hospitality	Date of record + 3 years
Written warnings	2 years
Employment tribunal	Date of hearing + 7 years
Disciplinary records	Remove once dealt with

Grievance records - unproven	Remove once dealt with
Record of working hours	3 years
Collective redundancy information	3 years
Tribunal records	Date of trial + 7 years
<b>PAYROLL</b>	
Records assessing changes to payroll accuracy of payroll	Date created + 2 years
Summary payroll reports	Date produced + 3 years
Payslips	Do not keep
Payroll	Current year + 6
Non-statutory deductions	Current year + 3
Payroll year end	Current year + 10
Overtime sheets	Current year + 3
Overpayments dedications	Until written off or 6 years
Tax and NI records and returns	Current year + 3
Personal bank and tax code details	Until superseded or 3 years
BACS run amendments	Current year + 6
Records of the purchase and repayment of loans	Date of repayment + 6 years
Management and reporting	
Monitoring information to pass to statutory bodies e.g. grant delivery performance	Refer to relevant funding body criteria
Organisation structure	5 years
Records relating to re-structure	6 years since changes introduced
Annual reports including annual conversation and statement	Approval of report plus 6 years
Business plans	Expiry of plan + 5 years
KPI's, survey results and other indicators of performance	5 years
<b>PROJECTS AND PROGRAM DELIVERY</b>	
Program and project documentation	Completion of project + 5 years
External inspection records	Completion of project + 5 years
Minutes of boards and steering committees	Date created + 3 years
Records relating to cross sector projects and program including minutes of meeting; proposals and MOUs	Date created + 3 years
Capital project files	Completion of project + 10 years
Feasibility studies from drafts to working papers	Completion of study + 2 years
Audit report	Program end + 3 years
<b>EVENTS</b>	
Delegate lists	Only retain where consent has been given and review on an annual basis
Enquiries and complaints	
All complaints including responses	1 year
<b>HEALTH AND SAFETY</b>	

Health and safety inspections	Replace annually on re-inspection
Accident and incident reports	Date of entry + 4 years

## **APPENDIX F – INDUCTION & TRAINING POLICY**

### **GBSLEP Induction & Training Policy**

**Version 0.2 – February 2019**

#### **INTRODUCTION**

This policy sets out GBSLEP's commitment to quickly inducting all Board Directors and employees into GBSLEP to enable them to be effective in their roles as soon as possible; to GBSLEP's approach to mandatory training; and to facilitating the continuous professional development of Board Directors and employees.

It is considered to be a live document and will be refreshed on at least an annual basis, to ensure that the induction and training offers keeps step with the development of GBSLEP and with the wider LEP sector.

## INDUCTION

GBSLEP believes that all new Board Directors and Executive staff must be given timely induction training.

The purpose of this policy is to ensure that all GBSLEP Board Directors and Executive staff have the benefit of a properly structure induction programme that will help to integrate them into their roles quickly, so that they can contribute effectively as soon as possible.

This policy defines GBSLEP's commitment that all Board Directors and Executive staff are supported during the induction period, to the benefit of new starters and GBSLEP alike.

GBSLEP expects that the implementation of good practice by Board Directors and the Management Team will:

- Enable new starters, whether Board Directors or staff, to settle into GBSLEP quickly and become productive and efficient in their roles within a short period of time
- Ensure that new starters are highly motivated and that this motivation is reinforced
- Assist in developing a style where the emphasis is on leadership
- For staff, assist in reducing turnover, lateness, absenteeism and poor performance generally
- Will reduce costs associated with repeated recruitment, training and lost production

To those ends, GBSLEP will:

- Issue guidelines to familiarise Board Directors, managers and staff with the induction process.
- Maintain and update the Induction Policy.
- Provide a checklist for managers and staff to follow during the induction period.
- Ensure there is effective monitoring of the induction process particularly in the first three months.
- Deal with any problems promptly.
- Review all policy, procedure and guideline documents on a regular basis.
- Provide relevant training where necessary to assist the induction, with particular regard to governance and accountability.

It should be noted that at present, GBSLEP Executive staff are hosted by Birmingham City Council. GBSLEP therefore follows Birmingham City Council's policy for inductions and probation periods of new staff. The appointment of every new GBSLEP member of staff is subject to a probationary period of 26 weeks (except employees coming into post from other local authorities or services approved by Birmingham City Council).

## Induction checklist (staff)

Board Structure, Management Structure and key GBSLEP company literature, including:

- Strategic Economic Plan
- Delivery Plan
- Annual Report
- Assurance Framework

GBSLEP's key achievements, and key priorities this financial year

Code of Conduct, including conflicts of interest and the Nolan Principles of Public Life

Probation period arrangements

Flexible working

Pension Scheme information and auto-enrolment details

Sickness Absence Policy and reporting arrangements

Grievance and disciplinary procedures

Complaints & Confidential Complaints

Whistleblowing

Introduction to colleagues

Tour of Building

Fire / Health & Safety Procedures

Issue of any equipment, keys, etc.

Other points covered:

I CONFIRM THAT THE ABOVE INDUCTION POINTS WERE FULLY EXPLAINED AND THAT I UNDERSTAND THEM

Signed \_\_\_\_\_

Print \_\_\_\_\_

Date \_\_\_\_\_

## Induction checklist (Board Directors)

Board Structure, Management Structure and key GBSLEP company literature, including:

- Strategic Economic Plan
- Delivery Plan
- Annual Report
- Assurance Framework

GBSLEP's key achievements, and key priorities this financial year

Code of Conduct, including conflicts of interest and the Nolan Principles of Public Life

Complaints & Confidential Complaints

Whistleblowing

Introduction to the Executive

Tour of Building

Fire / Health & Safety Procedures

Issue of any equipment, keys, etc.

Other issues covered:

I CONFIRM THAT THE ABOVE INDUCTION POINTS WERE FULLY EXPLAINED AND THAT I UNDERSTAND THEM

Signed \_\_\_\_\_

Print \_\_\_\_\_

Date \_\_\_\_\_

## TRAINING

GBSLEP has a culture of continuous improvement in the pursuit of excellence. To that end, GBSLEP has agreed to provide a small fund for continuous professional development. This fund is used to provide training for all Board Directors and LEP Executive staff on key priorities, including governance and accountability, which GBSLEP is committed to refreshing every 18-24 months (or as significant new guidance is introduced).

This will benefit both them and the company. GBSLEP wants Board Directors and staff to feel confident about improving efficiency and productivity, as well as finding new ways towards personal development and success, for the benefit of the GBSLEP as a whole.

### Scope

This policy applies to all Board Directors and permanent employees of GBSLEP.

In general, the scope of this policy includes the following:

- Formal training sessions (individual or corporate)
- Coaching and mentoring
- Participating in conferences
- On-the-job training

As part of this policy, GBSLEP can also arrange for subscriptions or educational material, so Board Directors and employees will have access to news, articles and other material that can help them to deliver their roles.

### Policy elements

Board Directors, manager and employees should all collaborate to build a culture of continuous professional development. It is the individual's responsibility to seek new learning opportunities, while within the Executive, managers are responsible for coach their teams and identifying employee development needs. The responsibility for the development of the GBSLEP Board as a whole is the responsibility of the Chair and the LEP Director.

### Mandatory training

In addition to the induction processes for Board Directors and employees, GBSLEP requires that all Board Directors and staff participate in the mandatory corporate training programmes, including:

- governance and accountability
- General Data Protection Regulations (GDPR)
- diversity and equal opportunities
- company-related issues (e.g. new systems and policy changes)



Other programmes for Board Directors include:

- Statutory responsibilities

Other programmes for employees include:

- leadership and management (for the Management Team)
- project and programme management
- conflict resolution

Mandatory training needs will be identified by the LEP Director in conjunction with the Chair, where training is required for the Board.

### **Individual training programmes**

Through its learning & development fund, GBSLEP will set a budget for each Board Director and employee at the beginning of a year, which will be renewed annually. Individual training must be clearly linked to GBSLEP's delivery plan.

All Board Directors are eligible for individual training.

All employees that have successfully completed their probation periods are eligible to participate in external training programs individually or in teams, in accordance with learning & development requirements determined through the appraisal process. Employees can be absent for individual training for up to 4 days per year for exams. This does not include attendance at mandatory training

Employees can choose to attend as many training programs as they want, provided they do not exceed the budget and day limit. If they do, employees will have to use their annual leave and pay any extra fees themselves.

All trainings should consider what employees need and how they can learn best. This is why we encourage employees and managers to consider multiple training methods like workshops, e-learning, lectures and more.

### **Procedure**

This procedure should be followed when Board Directors or employees want to attend external training sessions or conferences:

1. Board Directors or employees identify the need for training (in the case of employees, this will be done in conjunction with their managers through the appraisal process)
2. Board Directors or employees contact the responsible officer in the LEP Executive and briefly present their proposal, setting out how it meets with GBSLEP's delivery plan (in the case of employees, this will also demonstrate alignment with appraisal objectives)
3. The responsible officer approves or rejects the proposal. If they reject it, they should provide employees with reasons in writing.
4. If approved, the responsible officer will make arrangements for dates, accommodation, reserving places etc.

5. If a Board Director or employee decides to drop or cancel training, they must inform the responsible officer immediately.

Generally, GBSLEP will cover any training fees including registration and examination (one time). GBSLEP may also cover transportation, accommodation and personal expenses.

If Board Directors or employees want subscriptions, they should contact the responsible officer directly. If agreed, the responsible officer will set up the subscription.

## APPENDIX G – ROLES AND RESPONSIBILITIES OF WMCA AND THE 3 LEPS

### Introduction

The National Assurance Framework sets out requirements for LEPs in MCA areas to publish a statement in their Local Assurance Frameworks by 28th February 2019 on their respective roles and responsibilities.

The Strengthened Local Enterprise Partnerships (July 2018), provides guidance on the content of these agreements:

1. **Advisory and challenge function:** how local partners will ensure that there is a strong, independent voice for the Local Enterprise Partnership in the decision making process within mayoral areas, and that the Local Enterprise Partnership Chair and Board are able to draw directly on appropriate support and expertise from staff.
2. **Alignment of decision-making across a clear geography:** how local partners will work together to ensure a clear, transparent decision-making process which minimises the impact of differences in organisations' geographical boundaries. To assist with clarity and transparency, we would encourage areas to move towards coterminous Local Enterprise Partnership and mayoral combined authority boundaries, but recognising that this will not be possible in all cases.
3. **Accountability:** how the formal accountability relationship between the Local Enterprise Partnership and the mayoral combined authority will work. We would expect local partners to designate the mayoral combined authority as the formal Accountable Body for the Local Enterprise Partnership in terms of handling public money.
4. **Efficiency and corporate identity:** how the Local Enterprise Partnership and the mayoral combined authority will work together in their approach to staffing, branding and other resources and assets.
5. **Overview and scrutiny:** how the Overview and Scrutiny Committees of the mayoral combined authority and local authorities will interact with the Local Enterprise Partnership."

The draft statement below sets out the arrangements in the West Midlands. It is recognised that this statement will need to be updated when the West Midlands Local Industrial Strategy (WM LIS) has been published, its implementation plans agreed and resources to deliver it allocated. as Respective roles and responsibilities will need to evolve to reflect what is required.

### Draft Statement

#### LEP Membership and participation with the WMCA and its associated boards/groups

The three Local Enterprise Partnerships in the West Midlands Combined Authority (WMCA) area, Black Country (BC), Coventry & Warwickshire (CW) and Greater Birmingham and Solihull (GBS) are all non-constituent members (NCM) of the WMCA and have been since its formation. The three LEP Chairs sit on the WMCA Board. As NCMs, the LEPs have a clear role as set out in the WMCA's Constitution and defined voting rights:

#### **NCM Voting Rights**

*Members appointed by Non-Constituent Authorities may vote on the following matters: -*

- (i) *adoption of growth plan and investment strategy and allocation of funding by the Combined Authority;*
- (ii) *the super Strategic Economic Plan strategy along with its implementation plans and associated investment activity being undertaken using funding provided to the Combined Authority;*
- (iii) *the grant of further powers from central government and/or local public bodies that impacts on the area of a Non-Constituent Authority;*
- (iv) *land and/or spatial activity undertaken by the Combined Authority within the area of a Non-Constituent Authority;*
- (v) *public Service reform which affects the areas of Non-Constituent Authorities*
- (vi) *areas of LEP activity relevant to the Non-Constituent Authorities through geographical location or as part of a joint committee;*
- (vii) *all Combined Authority matters concerned with education, employment and skills, enterprise and business support, access to finance, inward investment, business regulation, innovation, transport, environmental sustainability, housing, economic intelligence, digital connectivity and regeneration;*
- (viii) *future use of business rate retention funding generated beyond that retained within new and existing Enterprise Zones;*
- (ix) *specific decisions to bid for and allocate revenue and capital funding provided to the Combined Authority for use in economic development activities;*
- (x) *investment activity related to transport and connectivity, not funded by the transport levy and current Maintenance and Integrated Transport blocks.*

*Any vote including Members appointed by Non-Constituent Authorities will be carried on a simple majority subject to the requirement of standing order 19.4 that there is a majority of two-thirds of Constituent Members.*

*Members are responsible to the electorate and their appointing Constituent Authorities or Non-Constituent Authorities and serve only so long as their term of office lasts.*

The WMCA's Constitution sets out that the "Combined Authority will exercise functions relating to economic growth including but not limited to setting a Combined Authority strategic economic plan and investment strategy in consultation with the Non-Constituent Members".

The LEPs have played a driving role in the creation of the Strategic Economic Plan and the Local Industrial Strategy for the West Midlands and in the work of the **Strategic Economic Development Board**. This Board is chaired by the LEPs and is a strong collaboration of LEPs and local authorities. The Board's remit is to:

- Advise the Combined Authority Board on overarching economic strategy and narrative;
- Prepare and champion an overarching Strategic Economic Plan, incorporating the associated Local Industrial Strategy and amend as necessary for approval by the Combined Authority Board;
- Manage performance and evaluation of progress in delivering the Strategic Economic Plan and Local Industrial Strategy (LIS).

LEPs are also represented via, Chairs, Board Directors or officers on all the other key boards/groups in the WMCA sub-structure that relate to economic development. This enables LEPs

to have a strong voice in development of policy, strategy implementation and funding decisions. This helps to bring the local expertise of LEPs and the experience of the private sector to bear in WMCA decisions and supports the collective desire for the different organisations to add value, play to their strengths and avoid duplication.

LEPs are active members on the following parts of the WMCA structure:

- **Audit, Risk & Assurance Committee – C&W LEP on behalf of the 3 LEPs**

The purpose of ARAC is to provide independent assurance to the WMCA on the adequacy of the risk management framework and the internal control environment. It provides independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. ARAC reports in to the WMCA Board and is chaired by an independent (non-councillor) appointment.

- **Investment Board – BC, CW and GBS LEPs**

The purpose of the Investment Board is to make investment decisions, or recommendations for the WMCA Board as appropriate, relating to applications made in accordance with the Investment Programme that underpin devolution agreements and any other investment proposals, including the Collective Investment Fund, Brownfield Land & Property Fund, Land & Property Investment Fund, Land Remediation Fund and any other funds that the WMCA appoints West Midlands Development Capital to fund manage on its behalf. Investment Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Finance & Investments.

- **WMCA Skills Advisory Board - BC LEP, C&W LEP, GBSLEP**

The purpose of the Skills Advisory Board is to engage all key stakeholders in the strategic oversight and delivery of the Regional Skills Plan, enable strategic dialogue with key government departments and act as the Skills Advisory Panel for the West Midlands. The Skills Advisory Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Productivity & Skills.

- **WMCA Housing & Land Board – C&W LEP and GBSLEP**

The purpose of the Housing & Land Delivery Board is to assist in the accelerated delivery of housing and employment space across the West Midlands region, identifying the policy freedoms and flexibilities that should underpin the continued negotiations with Government on the devolution agenda. The board is also responsible for delivering the Land Delivery Action Plan and reviewing it periodically to ensure it was being actioned and remained current. Housing & Land Delivery Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Housing & land.

- **West Midlands Innovation Board (WMIB) – BC, CW and GBS LEPs**

The purpose of the WMIB is to support the growth of research and innovation collaboration in the region and develop a clear, coherent and co-ordinated West Midlands offer to business, government and funders, working with others in the West Midlands and wider-Midlands innovation ecosystem. The WMIB reports to the WMCA SED Board and is chaired by the private sector.

- **Digital Board – CW LEP**

The WMCA Digital Board has responsibility for ensuring that appropriate focus is placed on developing the region's digital focus, and to bring together the various strands of activity that have already been operating across the region. It is particularly focused on digital skills, digital infrastructure, development of the overall tech eco-system, data and digital government, and marketing/communications and public relations.

- **WMCA Public Service Reform Board – BCC Ltd (Chief Executive)**

The purpose of the WMCA Public Service Reform Board is to advise on PSR strategy and policy, co-ordinate the work of thematic working groups established to develop related work programmes, and to consider potential PSR models. The Public Service Reform Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Cohesion & Integration and Public Service Reform.

### **Independent Secretariat**

The three LEP Chairs and their Boards are supported by independent secretariats who provide them with appropriate support and advice. LEP officers work closely with partners and stakeholders to ensure that Directors are informed by the views of the broader business community, local authorities and the academic sector. Each LEP provides strategic leadership within their associated areas which helps support, sustainable private sector growth and the creation of jobs, enable innovation, encourage inward investment, engage with local businesses to deliver more effectively and support sustained development of skills for future productivity.

### **Subsidiarity – the value-add test**

The WMCA and the LEPs are committed to having clear, transparent decision-making processes in place which work on the premise of subsidiarity. A suite of Assurance Frameworks are in place which strive to meet best practice guidance and will all adhere to the National Assurance Framework by the end of March 2019.

Decisions relating to each funding stream are made in adherence with the appropriate Assurance Framework for that fund i.e. a project seeking funding from a WMCA fund will be taken through its Assurance Framework and one seeking funding from a fund managed by the BC LEP will follow its Framework. This helps to ensure that the right organisation and individuals are accountable for that fund and decisions are made on a consistent and equitable basis.

### **Accountable Body**

The three LEPs each have a single local authority as their Accountable Body (or are moving towards it before the 28.02.2020) and S151 officers who assess the administration of their financial affairs to ensure that appropriate processes are in place which aid transparency, give appropriate control and support the delivery of expected outputs.

Each LEP in meeting its objectives is accountable for the management of any funding programmes that may be assigned to it together with its own designated Accountable Body. Each work within their agreed local Assurance Framework and take reference of any subsequent government requirements or that of other funding agencies.

The WMCA has separate Accountable Body arrangements.

Where programmes and projects meet shared priorities and are funded through new funding streams, a decision will be made as to the most appropriate Accountable Body to use given the focus of the fund and the body who administers it. The principle of subsidiarity will apply to this decision.

### **Collaboration and cross LEP working**

The WMCA and LEPs are committed to working together to deliver shared opportunities and challenges and in doing so making the best use of collective resources, experience and expertise.

The three LEPs have a strong track record of working together, pooling funding and skills to deliver shared priorities, for example, the Advanced Manufacturing Supply Chain Initiative, the development of the Midlands Engine Investment Fund, collaboration across the three Growth Hubs and joint investment in Energy Capital. The work with the WMCA builds on this history.

The development of the WMLIS is a good example of how this happens in practice. Development of different elements of the strategy and the delivery plans have been led by the most appropriate part of the partnership. The LEPs have been responsible for the sector plans, developing these on a 3

LEP basis and in recognition of the close links LEPs have with business and work that they have done to date with the sectors themselves.

The sector action plans have been developed in partnership with key industry organisations, ensuring the plans are business-led.

Evidence and data is still an extremely important part of the LIS evidence base, but the addition of qualitative, expert insight is powerful when demonstrating the strength of a sector locally. Furthermore, the spatial dimension of each sector has been explored; this helps us to identify where in the region each sector is particularly strong.

- **BC LEP** leads on four sector action plans: metals and materials, construction, aerospace and rail.
- **GBSLEP** leads on five sector action plans: Life sciences, Creative Industries, Business, Professional & Financial Services, Energy & Low Carbon and Food & Drink.
- **C&WLEP** leads on two sector action plans: Automotive and Logistics

The WMCA coordinated the cross-cutting elements of the strategy, working with LEPs and higher education institutes:

- 4 Grand Challenges – Artificial Intelligence and data; Ageing Society; Clean growth; and Future mobility
- 5 Foundations of Productivity: ideas, people, business environment, infrastructure and places

The WMCA led on the identification of the four Strategic Opportunities.

The Black Country Consortium (BCC Ltd) has particular skills and expertise in economic data and so provided much of the evidence that underpinned the strategy. This included collating existing knowledge, carrying out further evidence work, working with BEIS analysts, sharing expertise with Greater Manchester and setting up an independent “expert panel” to review evidence. This has allowed the WMCA to develop the WM LIS confident that it understands the needs of businesses and communities in the region. Link to [WM LIS Evidence Base](#).

### Scrutiny

The WMCA has an Overview and Scrutiny Committee which inputs into policy development and also scrutinises decisions. Each LEP has a private sector representative who sits on the committee, bringing a business perspective to discussions.

Each LEP also has its own scrutiny arrangements.

BC LEP reports on an Annual Basis to each Black Country Local Authority’s Overview and Scrutiny Committee – Dudley MBC; Sandwell MBC; Walsall MBC; and City of Wolverhampton. The LEP’s decisions in relation to funding are also submitted to the Black Country Executive Joint Committee, the decisions arising from this meeting are subject to local government scrutiny arrangements to include “request for call-in”. The LEP also has an independent annual review undertaken by their appointed external auditors, which incorporates a compliance review on performance against the Assurance Framework.

The GBSLEP has a Joint Overview and Scrutiny Committee comprising of backbenchers from its nine local authority members. The Committee has a three-year work programme which will explore GBSLEP’s strategy and delivery plans in detail. The Committee has been invited to submit evidence and recommendations to the GBSLEP Board on an annual basis to support the GBSLEP’s desire to continuously improve. As well as overview work, the Committee can also “call-in” decisions of the LEP’s Supervisory Board which is a formal part of the LEP’s governance arrangements in relation to key funding decisions.

CWLEP is a voting member of the Coventry, Warwickshire and Hinckley and Bosworth Joint Committee for Economic Growth and Prosperity. Its overarching aim is to provide its constituent

local authorities and the LEP with a forum and a scrutiny panel to address collaborative issues relating to economic development. CWLEP also addresses the need for audit and scrutiny of all its activities with the engagement of independent expert professional practices. The principal aim of which is to ensure the LEP is operating effectively as per the terms of its agreed assurance framework. CWLEP also ensures it has clear and transparent independent audit of its outputs in terms of value for money and governance, which is undertaken using an external supplier and / or by peer-to-peer review.



# GBSLEP ASSURANCE FRAMEWORK

DRAFT

Version:	Date:
4.0	

Signed by:	Signed by:
Director GBSLEP	Section 151 Officer Birmingham City Council

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## Introduction

This Assurance Framework is designed to give confidence to both local and national stakeholders that the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) has effective, transparent and accountable processes and procedures in place and that it will deliver value for money for the businesses and citizens of Greater Birmingham & Solihull.

It sets out the LEP's overarching role and structure, including how we work with our partners, together with the governance structures, systems and processes for overseeing our Growth Programme (including the Growth Deal, Enterprise Zone, Growth Hub, Enabling Fund and City Deal).

The Assurance Framework is fully compliant with the National Local Growth Assurance Framework, which can be found here: <https://www.gov.uk/government/publications/national-local-growth-assurance-framework>

The Assurance Framework is a live document, subject to annual review. We are always looking to improve our procedures and welcome feedback on how we could improve any aspect of our processes. Please address comments via email to [gbslep@birmingham.gov.uk](mailto:gbslep@birmingham.gov.uk)

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## Summary of roles & responsibilities

More detail is provided throughout this document, but this section summarises the key roles and responsibilities of major actors in GBSLEP's governance arrangements.

### The LEP Board

- Approving strategies and plans, e.g. the Strategic Economic Plan and the delivery plan
- Approving capital investments of £10m+, including programme entry, release of development funding and change requests within this level of delegation
- Approving revenue expenditure of over £100,000
- Approving the Medium-term Financial Plan, annual budget and annual report & accounts
- Approving appointments to the Board
- Approving changes to governance arrangements, including structure and Board composition
- Approving amendments and revisions to this Assurance Framework

### The Programme Delivery Board

- Approving capital investments of between £2.5m and £10m, including programme entry, release of development funding and change requests within this level of delegation

### The Pillar Boards

- Making recommendations to the LEP Board and its organs, including on the delivery plan and the strategic fit of projects, and approving applications for funding through e.g. ESIF

### The LEP Director

- Approving capital investments of up to £2.5m, including programme entry, release of development funding and change requests within this level of delegation
- Approving revenue expenditure of up to £100,000

### The LEP Executive

- Day-to-day operational administration and management of GBSLEP

### The Supervisory Board

- Noting the key decisions of the LEP Board (and its organs) as set out above, including this Assurance Framework, and in doing so increasing the LEP's democratic accountability

### The Accountable Body

- Holding funds on behalf of GBSLEP, ensuring those funds are used appropriately and that due process has been followed

### **The Section 151 Officer**

- Attends the LEP Board
- Ensuring the LEP is compliant with the National Assurance Framework
- Ensuring the decisions of the LEP are compliant with this local Assurance Framework and relevant laws
- Writes to the Permanent Secretary of the Ministry of Housing, Communities & Local Government to provide an annual assessment of GBSLEP's governance arrangements

### **The Nominations Committee**

- Leading Board Director recruitment on behalf of, and making recommendations to, the LEP Board
- Leading reviews of Board composition and skills on behalf of, and making recommendations to, the LEP Board
- Leading senior officer recruitment on behalf of, and making recommendations to, the LEP Board

### **The Remuneration Committee**

- Advising and making recommendations to the LEP Board on changes to senior officer pay and the Executive's terms and conditions

### **The Audit & Risk Committee**

- Establishes and maintains governance frameworks for GBSLEP
- Ensures all risks – including financial risks – are adequately managed

### **Company members**

- Approving amendments to the Articles of Association

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Appendix 1	GBSLEP Articles of Association
Appendix 2	Supervisory Board Terms of Reference
Appendix 3	Pillar Board Terms of Reference
Appendix 4	Programme Delivery Board Terms of Reference
Appendix 5	Nominations Committee Terms of Reference
Appendix 6	Remunerations Committee Terms of Reference
Appendix 7	Audit & Risk Committee Terms of Reference
Appendix 8	Diversity Statement
Appendix 9	Induction & Training Policy
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Appendix 11	Gifts & Hospitality Policy
Appendix 12	Records & Document Retention Policy
Appendix 13	Complaints & Confidential Complaints Policy
Appendix 14	Whistleblowing Policy
Appendix 15	Risk Management Strategy
Appendix 16	Financial Controls Policy
Appendix 17	Birmingham Business Charter for Social Responsibility
Appendix 18	GBSLEP Stakeholder Engagement Plan
Appendix 19	Stoke-on-Trent & Staffordshire LEP Joint Working Protocol
Appendix 20	Worcestershire LEP Joint Working Protocol
Appendix 21	Enterprise Zone Memorandum of Understanding
Appendix 22	Programme Management Workflow
Appendix 23	Accountable Body Joint Working Protocol
Appendix 24	Accountable Body Agreement



Appendix 25	Outline Business Case template
Appendix 26	Development Funding Grant Agreement
Appendix 27	Full Business Case template
Appendix 28	Change Management Policy
Appendix 29	Project Completion Report template
Appendix 30	Evaluation Report template
Appendix 31	Joint Scrutiny Committee terms of reference

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## Structure and operating principles

### *Legal entity*

1. Greater Birmingham and Solihull Local Enterprise Partnership (“GBSLEP”, or “the LEP”) was constituted as a company limited by guarantee in May 2011. GBSLEP’s company number is 7635395.
2. The LEP has a number of Company Members – the nine local authorities and six business representative organisation members (the Greater Birmingham Chambers of Commerce, the Herefordshire and Worcestershire Chambers of Commerce, the Federation of Small Businesses, the Engineering Employers Federation, the Royal Institution of Chartered Surveyors and the National Farmers Union).
3. The LEP’s Articles of Association are included as **Appendix 1** to this document.

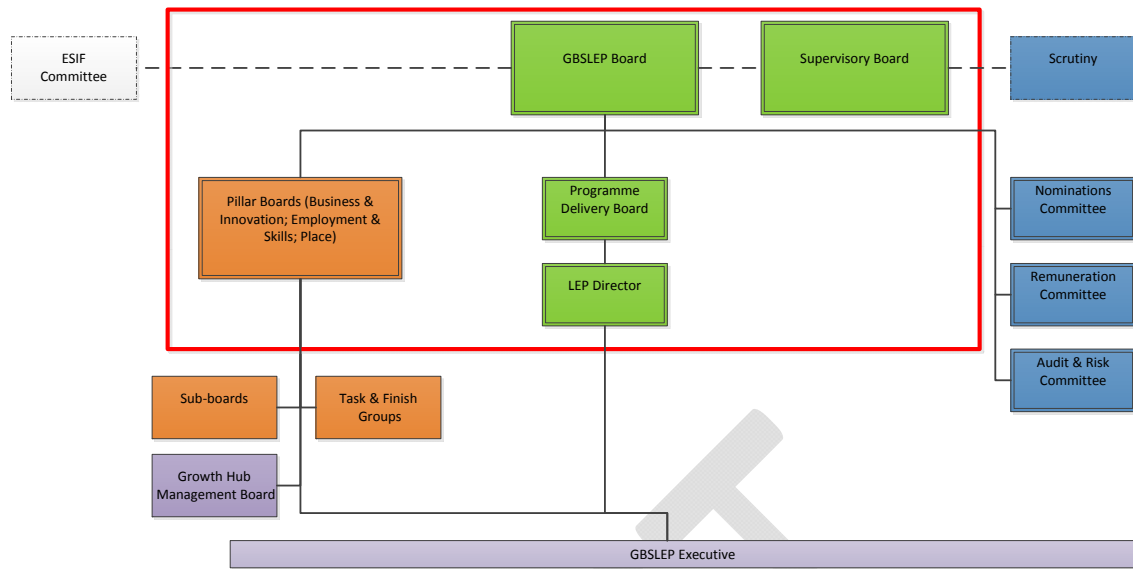
### *Geography*

4. The LEP covers the geographical boundaries of the metropolitan boroughs of Birmingham and Solihull, and the districts of East Staffordshire, Lichfield, Tamworth, Cannock Chase, Bromsgrove, Redditch and Wyre Forest:

[map]

### *Governance structure*

5. The current governance structure is set out below:



Key

- = elements covered by the Assurance Framework
- = makes investment decisions
- = develops policy & strategy and makes recommendations
- = provides assurance and transparency on the administration of the business
- = makes operational decisions in accordance with strategy & scheme of delegation
- = reporting line
- = working line

## The GBSLEP Board

6. The LEP Board has 19 Directors: ten from the business community, seven from local authorities, and one each representing further and higher education.
7. Business community representatives have been recruited with the aim of reflecting different sizes and sectors of commerce and industry, and the geography of the area. This includes a representative with responsibility for engaging with small businesses. Each of them leads on a particular LEP workstream, shown in the table below.

Private Sector	Public Sector
<b>Chair</b> Tim Pile	<b>Birmingham City Council</b> Cllr Ian Ward
<b>Deputy Chair for Delivery</b> Chris Loughran	<b>Cannock Chase District Council</b> Cllr George Adamson
<b>Creative Industries</b>	<b>East Staffordshire Borough Council</b>

Anita Bhalla	Cllr Patricia Ackroyd
<b>Improving Skills</b> Currently vacant	<b>Lichfield District Council</b> Cllr Mike Wilcox
<b>Access to Finance</b> Pat Hanlon	<b>Solihull Metropolitan Borough Council</b> Cllr Bob Sleigh
<b>Growing Business and SME Champion</b> Saqib Bhatti	<b>Tamworth Borough Council</b> Cllr Steve Claymore
<b>Improving Connectivity</b> Mike Lyons	<b>Wyre Forest District Council (representing North Worcestershire authorities)</b> Cllr Greg Chance
<b>Optimising Assets and Enterprise Zone Champion</b> Simon Marks	<b>Higher and Further Education</b>
<b>Stimulating Innovation</b> Matthew Rhodes	Sir David Eastwood Key Sectors (representing the GBSLEP universities)
<b>Young People</b> Sophie Drake	John Callaghan Solihull College & University Centre (representing GBSLEP's further education institutions)

8. Each of the Local Authorities in GBSLEP sends one representative to the LEP Board, with the exception of the north Worcestershire Districts (Bromsgrove, Redditch and Wyre Forest). Those three Districts select one representative between them, to represent their interests on the LEP Board.
9. In addition to the membership set out above, the Section 151 Officer of the Accountable Body is the Company Secretary of GBSLEP Ltd and attends the LEP Board in that capacity. The Company Secretary advises on the legal and financial propriety of decisions, but does not play a role in taking them.
10. Quorum =

### **The Supervisory Board**

11. The Supervisory Board is a Joint Committee, comprising the nine local authority leaders (or other appointed members). Each local authority has sought the necessary approvals to delegate to the Joint Committee the economic development functions covered by the general power of competence contained in Section 1 of the Localism Act 2013.
12. The Terms of Reference for the Supervisory Board are included as **Appendix 2**.

## **Pillar Boards**

13. The GBSLEP Board has established three Pillar Boards to provide strategic vision with respect to each of their areas:
  - Business & Innovation
  - People
  - Place
14. Pillar Boards are charged with establishing the vision of the GBSLEP with respect to their Pillar and its Strategic Enablers, building upon and refreshing existing LEP strategies where they exist.
15. They will identify the strategy to be taken in pursuit of that vision and oversee its implementation through a series of delivery plans, putting appropriate measures in place for the monitoring and evaluation of those plans, and will ensure that key issues identified are addressed in future iterations of the strategy.
16. Pillar Boards act primarily in an advisory capacity, making recommendations to either the LEP Director, Programme Delivery Board or LEP Board regarding strategic priorities and investment decisions. They also make decisions regarding, for example, funding bids on behalf of the LEP, where those bids are within the LEP's delivery plans and budget.
17. To enable this, Pillar Boards are able to create enabling sub-boards and task & finish groups, and delegate to or commission work from them. In doing so, they will identify and support cross-cutting issues with other Pillar Boards and proactively identify external communications opportunities.
18. The Chair is appointed by the LEP Board and must be drawn from one of the private sector Board Directors.
19. Members of the Pillar Board include other private sector Board Directors as relevant, but are otherwise determined by the Chair.
20. The Terms of Reference and Memberships of the Pillar Boards are included as **Appendix 3** to this document.

## **Sub-Boards**

21. Sub-Boards are commissioned by the Pillar Boards (or, in exceptional circumstances of cross-cutting activity, by the LEP Board) to focus on one particular strategic enabler, and are chaired by a private sector Board Director of the LEP Board.
22. The roles and membership of each Sub-Board is therefore determined by the Pillar Board.

## **Task & Finish Groups**

23. Pillar Boards and their Sub-Boards have authority to commission task & finish groups as appropriate to deliver discreet packages of work in pursuit of the LEP's agenda. As task & finish groups, they will have defined outputs and their role will be limited to the delivery of those outputs.

## **Programme Delivery Board**

24. The GBS Programme Delivery Board is charged with ensuring the delivery of the Growth Deal (Local Growth Fund and Revolving Investment Fund), Enterprise Zone, City Deal and Growing Places Fund programmes to help achieve the objectives of the Strategic Economic Plan.

25. The Programme Delivery Board is empowered by the LEP Board to grant full approval to projects seeking a funding contribution of up to £10m, and will report such decisions taken to the LEP Board and Supervisory Board.
26. The Membership and Terms of Reference for the Programme Delivery Board are included as **Appendix 4**.

### **The Growth Hub**

27. Phase 2 of the Growth Hub, part-funded by ERDF, went live on 1 December 2016. It is run by a consortium of Birmingham Chamber of Commerce and Industry Ltd (BCCI), Aston University, Birmingham City University and GBSLEP. BCCI is the accountable body for the ERDF funding.
28. At the strategic level, partners are represented on the Growing Business Board. The Chair of the Growing Business Board reports progress to the LEP Board.
29. At the operational and delivery level, partners come together with local authorities, other universities and relevant business support organisations within the LEP area through the Growth Hub Management Board. The Management Board is responsible for making decisions regarding the day-to-day operations of the Growth Hub, in accordance with the agreed plans.

### **The Nominations Committee**

30. The purpose of the Nominations Committee is to advise and make recommendations to the Board on the appointment of Non-Executive Directors to the LEP Board, and the appointment of C-suite officers to the GBSLEP Executive and Board.
31. The committee will ensure recruitment is undertaken in line with GBSLEP Articles of Association.
32. The terms of reference are included as **Appendix 5**.

### **The Remunerations Committee**

33. The purpose of the Remuneration Group is to advise and make recommendations to the Board on changes to terms & conditions of the Executive, and senior officer pay.
34. The terms of reference are included as **Appendix 6**.

### **The Audit & Risk Committee**

35. The Audit and Risk Committee (ARC) exists to establish and maintain the governance frameworks for GBSLEP, ensure all risks – including financial risks – are adequately managed and assist the Board in its ongoing oversight of governance and risk. ARC will recommend to the Board enhancements to the LEP's governance, support the Board in maintaining alignment with regulations, and anticipate critical emerging issues and make recommendations to the Board.
36. The terms of reference are included as **Appendix 7**.

## **The LEP Director**

37. The LEP Director has delegated authority from the LEP Board to grant full approval for projects seeking up to a contribution threshold of £2.5m, and will report decisions taken to the LEP Board and Supervisory Board.
38. The LEP Director will also be responsible for ensuring all LEP programmes are managed in accordance with the processes set out within this document.

## **The LEP Executive**

39. The LEP Board, its Board Directors and Sub-groups are supported by the LEP Executive Team. The LEP Executive was formed in May 2011 to support the LEP Board in the development and delivery of the LEP's agenda, including its Strategy for Growth and associated delivery plans. The Executive also provides day-to-day operational management of the LEP and provides a direct link between Birmingham City Council (as the Accountable Body) and GBSLEP.
40. Officers within the LEP Executive are employed on Birmingham City Council contracts and have delegated authority to spend revenue funding in line with Birmingham City Council's Constitution. However, the Executive is operationally independent of Birmingham City Council.
41. GBSLEP is currently exploring a Future Operating Model, with the potential for GBSLEP to become an active company independent of Birmingham City Council. This Assurance Framework may be updated to take account of any such changes.

## ***Recruitment and succession planning***

42. Each of the Chair and Deputy Chair has a defined term limit of three years, with an option to extend by three further years.
43. Recruitment of private sector Non-Executive Directors is led by the Nominations Committee, on behalf of and making recommendations to the LEP Board. All such opportunities are widely advertised, including on the LEP website and via social media. In some cases, an executive search agency may be used to support the recruitment process.
44. All new Non-Executive Directors are given a three year terms, which are staggered to ensure that not all terms finish at the same time. At the end of those terms – with the potential exception of the Chair and Deputy Chair – GBSLEP will openly advertise the position, to ensure the Board is comprised of the best possible individuals.
45. There may be some exceptional circumstances in which short extensions are granted to incumbents. In those circumstances, a recommendation will be put to the Board to extend the terms of Non-Executive Directors for a fixed period.
46. Succession planning is supported by having a broad structure that engages a diverse range of individuals from across key sectors. While all Non-Executive Directorships are openly advertised, this ensures GBSLEP has access to a pipeline of talent.
47. On appointment, an AP01 form is submitted for the Non-Executive Director to Companies House.

48. Board Directors are required to confirm their resignation in writing to the Executive and the Chair. On resignation, a TM01 form is submitted for the Non-Executive Director to Companies House.

### ***Commitment to diversity***

49. GBSLEP is firmly committed to promoting the principles of equality and diversity in all its services and operations, and has adopted the policies of our accountable body in this regard. The LEP is committed to ensuring private sector membership on the Board, and its various sub-groups, reflect the make-up of the local business community as far as possible and this is reflected in the diversity statement at **Appendix 8**.

### ***Remuneration and expenses***

50. All Non-Executive Director roles are voluntary. No Non-Executive Directors are remunerated in their roles with GBSLEP.
51. GBSLEP will pay essential expenses for Non-Executive Directors, including travel to key meetings. GBSLEP will make travel arrangements for Non-Executive Directors wherever possible, but will also pay mileage and train fares on production of receipts.

### ***Induction and training***

52. GBSLEP has agreed an induction and training policy for all Non-Executive Directors and employees, the purpose of which is to ensure that all GBSLEP Board Directors and Executive staff have the benefit of a properly structured induction programme that will help to integrate them into their roles quickly, so that they can contribute effectively as soon as possible. The policy is available at **Appendix 9**.
53. The policy includes provisions for mandatory training on governance and accountability; General Data Protection Regulations; diversity and equality; company-related matters (e.g. new systems and policy changes). Specific mandatory training on statutory responsibilities is included for Non-Executive Directors.

### ***Code of conduct***

54. GBSLEP has agreed a Code of Conduct based on the Nolan Principles of Public Life, which sets out how Directors and senior officers are expected to conduct themselves. See **Appendix 10**.

### ***Conflicts of interest***

55. GBSLEP's policy on registering and declaring conflicts and perceived conflicts of interest is set out within the Code of Conduct. Each Board Director, and the LEP Director, has completed a Register of Interests which is shown on our website. The Registers of Interests are refreshed every six months.



## ***Gifts and hospitality***

56. GBSLEP has adopted a Gifts and Hospitality Policy, the aim of which is never to create an obligation on either party as a result of hospitality, but that such occasions will be used to enhance our professional working relationships. See **Appendix 11**.

## ***Scheme of publication***

57. The GBSLEP Board has agreed a scheme of publication which means that the agendas and papers of the Board, Pillar Boards and Programme Delivery Board (i.e. those parts of the LEP's structure that are involved in taking investment decisions regarding public money) will be published 5 clear working days before the meeting takes place. The decisions & actions will be published in draft within 10 clear working days of the meetings taking place, and in final form once agreed at the subsequent meeting. Any declarations of interest made at the meetings will be included in the decisions & actions.
58. GBSLEP may, from time to time, exclude papers from the public domain because they contain certain categories of confidential information. GBSLEP will approach decisions on which papers should not be published as if the rules in [The Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) and in particular under [Schedule 12A of the Local Government Act 1972](#) applied to it. Where papers are excluded from publication, a cover report setting out the decision(s) to be taken and the grounds for exemption will be published, and a private paper will be circulated to the Board. The decision taken will be recorded in the decisions & actions, which are made public.
59. The Supervisory Board will also publish agendas, papers and minutes. Those papers will include the decision of the LEP.
60. In adherence with the Local Government Transparency Code, any executive decisions taken by local authorities to deliver any elements of the Growth Deal will be published as a matter of course.

## ***Freedom of information and similar***

61. GBSLEP is constituted as a company limited by guarantee and, as such, is not subject to requests made under the Freedom of Information Act 2000. Any Freedom of Information requests, Environmental Information Requests or similar requests received will be dealt with in accordance with the relevant legislation of the organisation to which the request pertains.
62. Any such requests should be submitted to Birmingham City Council as GBSLEP's Accountable Body.

## ***Data management***

63. GBSLEP needs to gather and use certain information about individuals, including project sponsors, suppliers, business contacts, employees, Non-Executive Directors and others with whom the organisation has a relationship and may need to contact.

64. GBSLEP has therefore drafted a Records & Document Retention Policy, which describes how data must be collected, handled and stored to meet the company's data protection standards and comply with the law. The policy is set out at **Appendix 12**.

### ***Complaints and confidential complaints***

65. GBSLEP has drafted a Complaints Policy for wider stakeholders, including residents on whom the delivery of projects may have a direct impact.
66. The Complaints Policy – which includes a distinct pathway for confidential complaints – is set out as **Appendix 13**.

### ***Whistleblowing***

67. Concerns from stakeholders, members of the public or internal whistleblowers will be addressed using the GBSLEP Whistleblowing Policy, included as **Appendix 14**.

### ***Risk management***

68. The GBSLEP has a Risk Management Framework that both the organisation and all LEP funding is subject to. The Head of Governance is the senior executive officer responsible for overseeing the identification and management of risk for the LEP and its funds.
69. The Corporate Risk Management Strategy focusses on the organisation, and strategic and operational risks.
70. The LEP programme management approach has provision for both project and programme risk assessment, rating as well as mitigation measures and escalating those risks through robust project reporting of management information to the various Boards depending upon a RAG Matrix model.
71. As above, GBSLEP has in place an Audit & Risk Committee, which supports the Board to identify, manage and mitigate risks. The Programme Delivery Board also has a similar role regarding the Growth Programme.
72. The Risk Management Strategy is included as **Appendix 15**.

### ***Contract management***

73. GBSLEP has a Financial Controls Policy that sets out how and by whom contracts will be initiated and managed.
74. The Financial Controls Policy is included as **Appendix 16**.
75. Further information on capital projects and contract management can be found in the section on Accountability and Decision-making.

### ***Publication of finances***

76. GBSLEP will receive a quarterly finance update, which will be published as part of its Scheme of Publication.

77. GBSLEP will also submit fully audited annual accounts to Companies House each year. Those accounts will be available both on the GBSLEP website and the Companies House website.

***Social value***

78. GBSLEP is concerned with the wider financial and non-financial impacts of the interventions that it makes to the wellbeing of individuals and communities, social capita and the environment. We address this through the Birmingham Business Charter for Social Responsibility, included as **Appendix 17**.

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## Stakeholder engagement and partnership working

### *Stakeholder Engagement*

79. GBSLEP has agreed a Stakeholder Engagement Strategy, which sets out how GBSLEP will increase the types, level and frequency of stakeholder engagement with its business community. In particular, the focus was to be on better connecting GBSLEP with industry to improve the quality of its interventions.
80. The agreed strategy is primarily a listening strategy. It is about listening to what companies and partners tell GBSLEP is important to unlocking economic growth, and acting on those conversations.
81. The focus of engagement activities will be on building profile amongst the business community, and engaging them in the development and interventions of the LEP's delivery plans.
82. The Stakeholder Engagement Plan for 2019/20 – including how GBSLEP will measure effective engagement – is included as **Appendix 18**.

### *Regional working*

#### **West Midlands Cross-LEP working**

83. Cross-LEP working is a point of particular strength for GBSLEP and big strides have been taken over recent years in working with our neighbours to produce strong outcomes for the region.
84. The Chairs of the West Midlands LEPs (the Black Country, Coventry & Warwickshire, Stoke-on-Trent & Staffordshire, The Marches and Worcestershire) meet on a regular basis to discuss matters of regional importance.

#### **Collaborative arrangements with Stoke-on-Trent & Staffordshire and Worcestershire LEPs**

85. GBSLEP has put protocol agreements in place with both Stoke-on-Trent & Staffordshire and Worcestershire LEPs, which set out how we will jointly prioritise and manage projects (where applicable). Each of the protocols is included as **Appendix 19** and **Appendix 20** respectively.
86. Management arrangements for projects that are joint-funded by two LEPs will be set out on a per-project basis.
87. Furthermore, GBSLEP, in conjunction with Stoke-on-Trent & Staffordshire and Worcestershire LEPs, has developed protocol agreements to clearly articulate how projects in overlap areas will be prioritised for future rounds of Growth Deals

## **The West Midlands Combined Authority**

88. GBSLEP is working with other members of the WMCA to make the West Midlands the best region in the UK to do business. The shared Strategic Economic Plan, *Making Our Mark*, sets out how we will use our combined capacity and devolution to go further and faster in enabling economic growth for the benefit of communities across the West Midlands.
89. GBSLEP has a defined role in the WMCA constitution, attends a number of the CA's key committees at both Board Director and officer levels ([as set out on our website](#)) and is playing a leading role in the development of the West Midlands Local Industrial Strategy (LIS), with a particular focus on a number of key sectors and industries. Once the LIS is agreed, this Framework will be updated to set out GBSLEP's distinct roles and responsibilities.

## **The Midlands Engine**

90. The Midlands Engine for Growth brings together ten LEPs, including GBSLEP, who with their local authorities, universities, businesses and other partners have come together to respond to the Government's economic and productivity challenges. The impact of this collaboration is to enable individual projects and programmes to make a greater impact as part of the wider Midlands Engine.

## **The LEP Network**

91. The LEP Network enables LEPs to come together on areas of shared importance, engage with Government, facilitate dialogue with economic development stakeholders, and share knowledge and best practice. More information is available on their website: <https://www.lepnetwork.net/>
92. GBSLEP is an active member of the LEP Network and is committed to working with other LEPs, Government and wider stakeholders through it.

# Accountability and decision-making

## Introduction

This section sets out the funding programmes under GBSLEP's control, the management arrangements for those funds, and commits to a series of principles for the proper use of those funds. All GBSLEP Non-Executive Directors and members of GBSLEP's governance structure will make decisions on merit, having taken into account all of the relevant information available at the time.

## *The Growth Programme*

### Overview

93. The GBSLEP Growth Programme consists of three key elements:

- The City Deal, including the Growing Places Fund
- The Enterprise Zone (the Memorandum of Understanding between the LEP Board and the City Council, as the Accountable Body for the funding model, is available at **Appendix 21**)
- The Local Growth Fund

94. More information on these elements is set out below.

95. The GBSLEP has a clear and transparent basis against which projects and programmes are initially identified, commissioned, appraised and prioritised. This is based on the following stage gateways:

- Pre-application
- Expression of interest – strategic fit assessment
- Outline business case (programme entry) assessment
- Full business case assessment
- Contracting
- Delivery
- Project completion
- Evaluation

96. A programme management workflow is set out at **Appendix 22**.

97. GBSLEP is always keen to strengthen its pipeline and therefore operates an open call for projects. Furthermore, GBSLEP will widely advertise any specific funding opportunities that become available.

98. Prospective scheme promoters are invited to contact the GBSLEP Executive in the first instance to discuss funding opportunities before submitting an expression of interest. Contact details are provided on GBSLEP's website. Once submitted, new projects will be assessed by Sub-Boards for strategic fit and allocated into one of four categories:
- A – essential to the strategy – projects that are paramount to the achievement of the Strategic Economic Plan
  - B – strong strategic fit – projects that directly support the LEP vision and core objectives and the realisation of one or more of the key areas of focus within the SEP
  - C - good strategic fit - projects that will support growth and are generally consistent with SEP ambitions, but may be in fact small improvements on business as usual or will likely have a limited impact on the realisation of these ambitions
  - D - unclear strategic fit – projects where further explanation is required. Includes projects that require funds for repair or maintenance, but do not directly link the SEP ambitions, nor will they bring about net additional economic growth. Some are business as usual projects that require ongoing funding or are not clearly linked to the SEP ambitions.
99. Where a project is allocated into category B or below, it can be further developed by the promoter and resubmitted for re-assessment by the relevant Sub-Board. Any revised allocation will be reported to the LEP Board to note acceptance onto the Programme Pipeline.
100. The Programme Pipeline will be reviewed every six months to ensure that projects remain in the correct strategic category.
101. The GBSLEP adopts those principles within the HMT Green Book including the use of both cost benefit analysis and full economic appraisal. In terms of business case development the Gateway Review process is used. All projects are subject to the Green Book Appraisal. This approach facilitates a proportional approach to the development of business cases.
102. When consider a recommendation for full funding approval, the LEP Board, Programme Delivery Board or LEP Director will receive the following information as a matter of course:
- A summary report, setting out the funding required, total project cost, project narrative and case for change, outputs and outcomes, funding profile and statement of State Aid compliance
  - The full business case
  - The report of an independent technical evaluator, having appraised the full business case. This is usually reserved for higher-value, higher-risk projects.

103. A decision made in contravention of the process will be invalid on the basis of non-compliance, unless the Board has given prior approval for variation in the decision-making process. This principle extends to decisions being taken at meetings that are quorate.
104. All projects delivered through the Growth Deal will be required, through the grant funding agreement, to display appropriate Government branding in line with Government's branding guidelines.

## **The Accountable Body**

105. Birmingham City Council acts as the Accountable Body for GBSLEP's funding streams, including the Enterprise Zone, Local Growth Fund, City Deal, Growing Places and revenue funds (such as LEP Core Funding and the SEP Enabling Fund). As such, following the decisions of the LEP, the expenditure and defrayal of all funds will be made in accordance with the City Council's standing orders.
106. The Accountable Body will:
- Hold the Enterprise Zone financial business model, devolved funding (including Local Growth Fund, Growing Places and revenue funding allocated by Government) and the SEP Enabling Fund, and make payments in accordance with the decisions of the LEP Board, Programme Delivery Board and LEP Director, as endorsed by the Supervisory Board, ensuring that all funding agreements or SLAs are in place before any grant claims are paid, and that grant claims which do not contain all of the required information or adequate supporting documentation are not processed or paid until the appropriate details have been provided
  - Account for these funds in such a way that they are separately identifiable from the local authority's own funds, and provide financial statements to GBSLEP as required
  - Ensure that the decisions and activities of GBSLEP conform to legal requirements with regard to equalities, environmental, EU issues and other relevant legislation and guidance
  - Ensure (through the Section 151 Officer) that the funds are used appropriately
  - Ensure that this Assurance Framework is being adhered to by tasking the LEP Director with monitoring and reporting conformity of individual projects
  - Maintain the official record of all GBSLEP proceedings and hold all GBSLEP documents
  - Record the decisions of GBSLEP in approving projects
  - Supply protocol and guidance in relation to transparency and audit to which GBSLEP will adhere
  - Supply access to all associated documents



107. In cases where the Accountable Body is also the body promoting a project, the LEP Board will ensure that the promoting body's status as the Accountable Body does not put it in a more favourable position than any other promoting authority in the GBSLEP area.
108. The process set out within this Assurance Framework is sufficiently robust that it should provide the Section 151 Officer with the assurance required to release monies for projects awarded funding by GBSLEP. However, in the event that the Section 151 Officer believes the award of funding would not be appropriate, they will inform GBSLEP of their reasoning and where they believe the process has not been sufficiently robust. GBSLEP will then attempt to rectify the situation or withdraw the award. Ultimately, the LEP will not award monies to any project where s151 Officer believes funding would not be used appropriately.
109. GBSLEP and the Accountable Body have agreed a Joint Working Protocol, which sets out the roles, responsibilities and performance standards with regards to capital investments. The Joint Working Protocol is attached as **Appendix 23**.
110. The wider Accountable Body agreement between GBSLEP and Birmingham City Council is available as **Appendix 24**.
111. The Section 151 Officer and/or their representatives will attend the GBSLEP Board and other decision-making bodies in the governance structure. They will therefore be present as decisions are made, and will be responsible for effectively communicating them to colleagues within the Accountable Body to ensure that the appropriate actions are taken.
112. Any funding award from GBSLEP will be subject to a cap and will require the promoting authority to be responsible for all cost increases post-full approval.
113. Funding applications from scheme sponsors will only be considered if the application is supported in writing by the Section 151 Officer of the promoting authority (or, in the case of non-local authority schemes, by the Chief Financial Officer), thereby guaranteeing the local contribution to the scheme and signifying acceptance of all risk for cost increases.
114. Notice of funding award will be issued upon the granting of full approval. The LEP Director will notify the Accountable Body that full approval has been granted, and a funding award notification will be issued along with a funding agreement (see below).

### **Arrangements for Project Delivery**

115. Once on the Programme Pipeline, project sponsors will be asked to produce an outline business case that demonstrates the suitability of the project for GBSLEP funding, illustrates its return on investment (RoI) and establishes its deliverability. These three areas must be adequately addressed before consideration will be given to the approval of the outline business case and a conditional funding allocation. The outline business case application form is attached at **Appendix 25**.
116. The outline business case will be assessed by the LEP Executive and will be subject to independent appraisal by an Independent Technical Evaluator, following the HM Treasury Green Book methodology for appraisal and evaluation.

117. The RoI measure will be based on the outputs produced by the project relative to the project spend. The outputs in question will be determined by the nature of the project; for example, the RoI for transport projects will be based on the Benefit to Cost Ratio (as determined through a WebTAG-compliant process), while for skills projects they will be based on the number of learners and the potential GVA generation.
118. This ensures that a broad suite of projects across work areas can be compared and that the projects generating the greatest return on investment (and therefore the best value for money) will be prioritised, subject to its deliverability and the overall risk profile of the programme.
119. The route to approval of the outline business case and the conditional funding allocation depends on the total GBSLEP contribution towards the project. The following scheme of delegation will be used:
- Projects seeking a total contribution of less than £2.5m will be required to develop a business case to be taken to the LEP Director for approval.
  - Projects seeking a total contribution of greater than or equal to £2.5m but less than £10m will require approval from the Programme Delivery Board.
  - Projects seeking a total contribution of greater than or equal to £10m will require LEP Board approval.
120. Preparation of an outline business case will not be appropriate for all projects and it may be preferable for the project to progress direct to full business case without a conditional funding allocation. This is influenced by factors such as the relative size or complexity, stage of development or the risk appetite of the project sponsor to invest in the preparation of full business case without a conditional funding approval. The appropriate route will be agreed between the LEP Executive and project sponsor following the assessment of the strategic fit of the project.
121. GBSLEP will ensure that value for money is achieved with each of its prioritised schemes.
122. Value for money will be a central consideration of the prioritisation process described above. In particular, value for money will be addressed through the assessment of RoI.
123. The modelling and appraisal of schemes contained in the business cases will be developed in accordance with appropriate Green Book guidance. In the context of transport schemes, for example, business cases must be developed in accordance with the guidance published in WebTAG and must ensure that all Department for Transport requirements for the appraisal and value for money scrutiny of transport schemes are met.
124. The appraisal and modelling submitted by the promoter will be scrutinised by GBSLEP, independently of the promoter.

125. Projects in the Programme Pipeline, which have successfully been approved at outline business case, will be eligible to submit a proposal for the release of preparatory funds from their total capital allocation. GBSLEP is prepared to release up to 25% of its total funding contribution up front, prior to the approval of the full business case, to assist with its development.
126. As agreed by the Programme Delivery Board, the LEP Director has the authority to defray up to 25% of the total quantum of Growth Deal sought on production of a satisfactory application.
127. Applications seeking in excess of 25% of their total allocation will be referred to the Programme Delivery Board.
128. The amount awarded will be deducted from the total capital available following approval of the full business case. The Development Funding Grant Agreement is included as **Appendix 26**.
129. The funding awarded by GBSLEP may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under Section 11 of the Local Government Act 2003.
130. In this context, capital preparatory costs include expenditure directly related to the creation of the proposed scheme. Such costs include (but are not limited to):
- Detailed design;
  - Preparation of statutory orders;
  - Land acquisition; and
  - Procurement of a contractor.
131. Should the full business case not be approved and delivery of the project does not commence, the promoter will be required to return the funds to GBSLEP.
132. A final approval stage – “full approval” – will only be granted subject to the production and appraisal of a full business case. This approval will be subject to all legal powers and third-party funding contributions being in place, and the final costs being formally agreed (i.e. contracted) with a delivery partner.
133. The route to full approval depends on the total GBSLEP contribution towards the project and follows the same scheme of delegation for approval at outline business case.
- Projects seeking a total contribution of less than £2.5m will be required to develop a full business case to be taken to the LEP Director for approval.
  - Projects seeking a total contribution of greater than or equal to £2.5m but less than £10m will also require approval from the Programme Delivery Board.

- Projects seeking a total contribution of greater than or equal to £10m will additionally require LEP Board approval.
134. All decision-making will be supported by the LEP Executive, who will facilitate the evaluation of the business case and will ensure that a covering report is drafted with a recommendation, to support the decision-making process.
135. All decisions will be reported to the Supervisory Board.
136. An HM Treasury Green Book-compliant business case will be required in order to apply for full approval. Guidance on Green Book principles is available [here](#).
137. GBSLEP expects that business cases address, in a proportionate manner, the five cases set out in the supplementary guidance to the Green Book, available [here](#).
138. The full business case template is included as **Appendix 27**. In addition, GBSLEP will consider the submission of business cases in third-party formats only where the checklist for the appropriate standard of business case has been completed, and that the third-party business case addresses all the points to the satisfaction of the LEP Director.
139. For example, where a project is seeking £5m of Growth Deal from GBSLEP, GBSLEP will require that – as a minimum – the checklist at the front of **Appendix 27** is completed in full, attached to the third-party format business case and that the LEP Director agrees that the information provided meets the standards set out in the GBSLEP template.
140. Decisions made within the delegations outlined above will be supported by the Independent Technical Evaluator (ITE), who will undertake an assessment of the business case to test whether it has been written in accordance with relevant Green Book and WebTAG guidance.
141. The ITE will often be external to GBSLEP. Where the evaluation is conducted internally, appropriate Chinese Walls will be put in place between the team within GBSLEP promoting the project and the ITE.
142. GBSLEP is committed to undertaking due diligence activities that support effective decision-making and project appraisal. Where the project sponsor is not a Local Authority or an established institution, additional due diligence checks may be undertaken on them. The specific nature and timing of the due diligence will depend on the nature of the project, its cost and the potential impact of the project on the GBSLEP itself.
143. The processes for approval outlined above do not supersede local governance processes.
144. It is anticipated that in order to be considered for entry into the Growth Deal programme, projects will have secured outline approval through their own local governance processes prior to submission.
145. Furthermore, alignment will be considered by the LEP Executive before submission is approved, and the application for full approval must be supported in writing by the

promoting authority's Section 151 Officer (or, in the case of non-local authority promoters, by the Chief Financial Officer or equivalent), thereby guaranteeing the local contribution to the scheme and signifying acceptance of risk for all cost increases.

146. Following the granting of full approval from GBSLEP, project sponsors will be required to seek full approval through their own governance process.
147. GBSLEP anticipates that, as part of those local governance processes, project sponsors will be required to satisfy any other legislative requirements when taking a project for full approval, including (but not limited to) and Environmental Impact Assessment and an Equality Impact and Needs Assessment.
148. Where this is not the case, project sponsors must notify GBSLEP prior to seeking full approval from the LEP.
149. Each scheme included in the programme will be required to provide appropriate documentation to GBSLEP. This will include, but is not limited to, project governance arrangements, a list of key milestones, an expenditure profile, a project plan, a communications plan, a benefits realisation plan, a project completion and evaluation plan, an issues log and a risk register. This information will be updated at key stages throughout the project lifecycle and reported to the LEP Director, who is responsible for identifying and actively managing risk across the programme.
150. GBSLEP reserves the right to attend Project Board meetings.
151. The LEP Director will require financial and delivery information to be provided as part of quarterly monitoring reports from each project sponsor. Monitoring reports will be measured against a set of agreed milestones, which will be set out in the full approval application and GBSLEP's funding offer. Guidance on RAG ratings for milestones will be provided to project sponsors by the GBSLEP Programme Team.
152. While the LEP Director will be responsible for GBSLEP's Growth Deal programme, the ultimate responsibility for the successful delivery of each project within that programme lies with the project's lead.
153. It is not unusual for circumstances to alter in such a way that a project can no longer be delivered as originally forecast. In that event, a formal change request must be submitted to the LEP Executive for consideration. The Change Management Policy is included as **Appendix 28**.
154. Resources are only definitively committed to a project once the contracting stage has been completed. Until that time, all allocations are provisional. Even then, contracted projects may, with the agreement of the Programme Delivery Board, have their funding removed and reallocated elsewhere within the programme. This is likely to be an exceptional event, following detailed discussions between GBSLEP and the project sponsor, when a project can no longer deliver the planned benefits, or can no longer be expected to deliver the outcomes agreed because of a change in external circumstances.

155. The LEP Director will report on progress to the GBS Programme Delivery Board who will, in turn, report to the LEP Board and Supervisory Board.
156. Once a project is finished, a project completion report (PCR) must be submitted to GBSLEP by the project sponsor. This will set out an initial view on how well the project has delivered against forecast, and identify what lessons can be learned to improve future performance. The PCR template is attached as **Appendix 29**.
157. Once an appropriate length of time has passed to enable a project to achieve its outcomes, an evaluation report must also be submitted to GBSLEP. The exact length of time will vary for each individual project, and will be set out in the evaluation plan submitted as part of the initial contracting stage. The evaluation report will set out the extent to which the project has achieved its strategic objectives, and identify what lessons can be learned.
158. The template evaluation report is attached as **Appendix 30**.
159. The programme as a whole will also be subject to evaluation. An Evaluation Plan setting out proposals for how this will be conducted is currently in development.

### ***Detection and recovery of misused funds***

160. GBSLEP will put measures in place to detect incorrect use of funds, misuse of funds or fruitless payments made by scheme sponsors. GBSLEP will pursue the recovery of any misused funds. It will also report any such instances to Government with an explanation of any remedial action taken. In such circumstances, GBSLEP will seek legal advice as to how to proceed.
161. In recognition that recovery of funds can be challenging, GBSLEP's emphasis is on prevention through due diligence, robust funding agreements and scheduled grant claims on receipt of actual expenditure. Combined, these reduce the risk of needing to claw back significant sums.
162. The Executive will provide the Programme Delivery Board and Audit & Risk Committee with a schedule of projects where risks have been identified, including a description of the scheme(s); the amount of funding awarded and the sum at risk; and a recommendation.
163. In circumstances where the decision is taken by GBSLEP to withdraw funding from a project, the funding already released to that project will be subject to claw-back. The recipient shall promptly repay to GBSLEP any money incorrectly paid to it either as a result of an administrative error or otherwise, as set out in the funding agreement. Failure to do so will be a breach of the funding agreement and GBSLEP will seek legal advice as to how to proceed.

### ***Making decisions outside of regular meetings***

164. From time to time, it may be necessary for GBSLEP to schedule extraordinary meetings and to circulate papers at short notice. In such circumstances, GBSLEP will arrange

for the papers to be published on its website as soon as possible and will keep to the timetable set out in the scheme of publication for the publication of decisions and actions.

165. While every effort will be made to avoid such circumstances, in some cases, it may not be possible to schedule a meeting and an urgent decision will need to be taken by written procedure. In such cases, the following process will be followed:

- Agreement with the Chair of the Board in question to take the decision by written procedure
- Circulation of the decision to the Board with relevant paperwork, to be published on the GBSLEP website and marked as being taken by written procedure
- Board to be given 5 working days to confirm their views via the Chair
- Executive to confirm the outcome to the Board, and publish the decision on the GBSLEP website
- Decision to be noted at next subsequent meeting

### ***Audit***

166. Both GBSLEP and the Accountable Body will commission audits of LEP activity to provide assurance to both the Section 151 Officer and LEP Director. This will include annual audit of GBSLEP's accounts, prior to submission to Companies House.

### ***Scrutiny***

167. A Joint Scrutiny Committee has been established to review, scrutinise and potentially call in decisions made, or other actions taken, in connection with the discharge of any functions which are the responsibility of the Supervisory Board. In addition, the Scrutiny Committee has agreed a work programme to review the whole of GBSLEP's activity in the round. The Joint Scrutiny Committee has nine members, one from each local authority in Greater Birmingham & Solihull.

168. The Scrutiny Committee is invited to submit an annual report to the LEP Board, setting out the evidence it has heard and making policy recommendations for GBSLEP to consider. GBSLEP will submit a response to the Scrutiny Committee, including which recommendations it is implementing and the rationale for not implementing any others.

169. The Scrutiny Committee's secretariat is provided by Solihull Metropolitan Borough Council, independently of GBSLEP.

170. The Terms of Reference for the Joint Scrutiny Committee are at **Appendix 31**.

171. GBSLEP will also attend local authority scrutiny committees to which it is called where there is a relevant matter on the agenda, and where GBSLEP is not bound by commercial confidentiality.

DRAFT



Company Number: 7635395

THE COMPANIES ACT 2006

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

THE GREATER BIRMINGHAM AND SOLIHULL  
LOCAL ENTERPRISE PARTNERSHIP LIMITED

(as amended by a special written resolution dated 5 January 2017)

1

(a) In the memorandum and in these articles:

**"A" Director** means a director appointed pursuant to articles 42;

**Act** means the Companies Act 2006 (CA 2006) as amended;

**address** means, in relation to electronic communications, any number or address used for the purposes of such communications;

**Area** means the aggregate of the areas of the Local Authorities who are for the time being members of the Company;

**articles** means these articles of association as altered from time to time by special resolution;

**authorised representative** means an individual who, in accordance with article 33, is authorised by a member to act as its representative at any meeting of the Company;

**"B" Director** means a director appointed pursuant to article 43;

**Board** means the board of directors;

**business day** means a day (other than a Saturday) on which banks generally are open in London for a full range of business;

**Business Community Member** means a member other than a Local Authority Member;

**"C" Director** means a director appointed pursuant to article 44;

**"D" Director** means a director appointed pursuant to article 44A;

**Chair** means the chair of the Board appointed under article 70;

**clear days** means, in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**director** means a director of the Company and the **directors** means the directors of the Company from time to time or any of them acting as **the Board**;

**elected mayor** has the same meaning as in the Local Government Act 2000;

**electronic communication** has the same meaning as in the Electronic Communications Act 2000;

**electronic form and electronic means** have the meanings given in section 1168 CA 2006;

**Executive Member** means a member of the Executive of a Local Authority where the Local Authority maintains Executive Arrangements (and “**Executive**” and “**Executive Arrangements**” shall have the same meanings as in Part II of the Local Government Act 2000) or a member of a committee established to discharge the functions of the Local Authority corresponding to the Objects where the Local Authority does not maintain Executive Arrangements;

**in person** in relation to attendance or presence at general meetings includes attendance or presence by an authorised representative;

**Local Authority** means Birmingham City Council, Bromsgrove District Council, Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council, Redditch Borough Council, Solihull Metropolitan Borough Council, Tamworth Borough Council, Wyre Forest District Council and such other local authority as may from time to time be admitted to membership by the directors;

**Local Authority Member** means a member who is a Local Authority;

**member** has the meaning given in section 112 CA 2006;

**Model Articles** means the regulations contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 shall apply to the Company except so far as they are contained or repeated in these articles;

**registered office** means the registered office of the Company;

**seal** means the common seal of the Company;

**secretary** means any person appointed to perform the duties of the secretary of the Company;

**Statutes** means the Act and any other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act;

**subsidiary** has the meaning given in section 112 CA 2006 and the expression “**subsidiary**” also includes a subsidiary undertaking as defined in section 1162 CA 2006;

**United Kingdom** means Great Britain and Northern Ireland; and

**Universities and Colleges Sector** means the Universities and Further Education Colleges whose principal campuses are within the Area.

2

- (a) The Model Articles do not apply to the Company.
- (b) Whenever, and for so long as, the Company has a single member, these articles apply (in the absence of any express provision to the contrary) with such modification as is necessary in relation to a single member company.
- (c) Whenever, and for so long as, the Company has a single director, references in these articles to the **Board** and to the **directors** shall be construed as references to that director and s/he may exercise all the powers of the Company without the necessity for any meeting.
- (d) Any reference in these articles to the **Board** or to the **directors** includes a reference to a duly appointed committee of the Board or of the directors consisting of one or more directors (unless inconsistent with the subject or context).
- (e) Any reference in these articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under that enactment.
- (f) References to **writing** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether in electronic form or otherwise and **written** shall be construed accordingly and references to an **instrument** mean a written document not in electronic form.
- (g) Words and expressions contained in these articles which are not defined in these articles but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date of incorporation of the Company) unless inconsistent with the subject or context.
- (h) Any reference to doing something by electronic means includes doing it by an electronic communication.
- (i) Any reference to a signature or to something being signed or executed includes:
  - (i) an electronic signature (within the meaning of section 7(2) of the Electronic Communications Act 2000) or other means of verifying the authenticity of an electronic communication which the directors may from time to time approve; and
  - (ii) a signature printed or reproduced by mechanical or other means or any stamp or other distinctive marking made by or with the authority of the person required to sign the document to indicate it is approved by such person.

- (j) Any reference to a show of hands includes such other method of casting votes as the directors may from time to time approve.
- (k) Unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include the other gender and words importing persons include bodies corporate and unincorporated associations.
- (l) Headings to these articles are inserted for convenience and shall not affect construction.

## OBJECTS

3

3.1 The objects for which the Company is established ("the Objects") are to promote:

- (a) sustainable private sector investment and growth;
- (b) business efficiency and competitiveness;
- (c) economic development and regeneration; and
- (d) employment

in the Area and it is declared that:

- (i) this article 3 shall be interpreted in the widest and most general manner and without regard to the *ejusdem generis* rule or any other restrictive principle of interpretation;
- (ii) each of the above sub-articles shall, unless it expressly provides to the contrary, be deemed to set out a separate, distinct and independent object of the Company and not a power ancillary or incidental to the objects set out in any other sub-clause and the Company shall have full power to exercise each and every one of the Objects as though each such sub-clause contained the objects of a separate company.

3.2 In addition to any other powers it may have, the Company has the following powers in order to further the Objects (but not for any other purpose):

- (a) to promote, organise, assist, participate in, subscribe to, guarantee and defray the expenses of exhibitions, trade fairs, entertainments, tours, conferences and meetings of all sorts tending directly or indirectly to further any of the Objects;
- (b) to maintain offices (whether in or outside the United Kingdom) for answering enquiries and disseminating information and to print, publish, sell, circulate and distribute gratuitously or otherwise handbooks, guidebooks, publications and souvenirs of all sorts calculated to be useful to members, visitors or others or to promote directly or indirectly any of the

Objects;

- (c) to undertake, encourage and support every form of publicity and advertising calculated to promote directly or indirectly any of the Objects;
- (d) to commission, procure, produce, print, publish, distribute and sell all kinds of periodicals, books, articles, leaflets, films, videos, CD-Roms, computer programs, visual and audio aids and other multi-media developments which may occur or other informative material relating to or conducive to the promotion of the Objects;
- (e) to organise and train persons engaged or who wish to engage in the provision of services to visitors to the Area either alone or in conjunction with any other body, and to award qualifications to and promote by any other means the services of those who satisfy the standards of competence laid down from time to time by the Company;
- (f) to represent the interests of visitors to the Area on consultative bodies and organisations;
- (g) to encourage and assist the development of services and amenities for visitors to the Area and to undertake and support all forms of research calculated directly or indirectly to promote such development or any other object of the Company;
- (h) to require payment for services or for goods provided as is considered appropriate in the furtherance of the Objects;
- (i) to apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same;
- (j) to enter into such commercial or other transactions in connection with any trade or business of the Company as may seem to the directors desirable for the purposes of the Company's affairs;
- (k) to carry out such operations and to deal with such goods and to purchase or otherwise acquire, take options over, construct, lease, hold, manage, maintain, alter, develop, exchange or deal with such property, rights or privileges (including the whole or any part of the business, property or liabilities of any other person or company) as may seem to the directors directly or indirectly to advance the interests of the Company;
- (l) to pay for any rights or property acquired by the Company and to remunerate any person or company, whether by cash payment or by the allotment of debentures or other securities of the Company credited as paid up in full or in part, or by any other method the directors think fit;
- (m) to enter into such arrangements (whether by way of amalgamation, partnership, profit sharing, union of interest, co-operation, joint venture or otherwise) with any other persons or companies as may seem to the directors to advance the interests of the Company and to vest any property of the Company in any person or company on behalf of the Company and

with or without any declaration of trust in favour of the Company;

- (n) to carry on through any subsidiary or associated company any activities which the Company is authorised to carry on and to make any arrangements whatsoever with such company (including any arrangement for taking the profits or bearing the losses of any such activities) as the directors think fit;
- (o) to apply for, promote and obtain any act of parliament, charter, privilege, concession, licence or authorisation of any government, state or municipality, or any other department or authority, or enter into arrangements with any such body, for enabling the Company to carry any of the Objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem to the directors to be expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company;
- (p) to invest and deal with the monies of the Company not immediately required in any manner and hold and deal with any investment so made;
- (q) to acquire and undertake the whole or any part of the business, goodwill and assets of any person firm or company and as part of the consideration for any such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company;
- (r) to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company;
- (s) to lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company) and to receive money on deposit or loan upon any terms;
- (t) to guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property, assets, rights and revenues (present and future) of the Company, or by both such methods or by any other means whatever, the performance of the liabilities and obligations of and the repayment or payment of any monies whatever by any person, firm or company;
- (u) to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it;

- (v) to draw, make, accept, endorse, negotiate, execute and issue cheques, promissory notes, debentures and other negotiable or transferable instruments;
- (w) to receive, purchase and/or hold for development, reclamation, investment or re-sale and to deal in land and commercial and other property of any tenure and any interest therein and to create, sell and deal in freehold and leasehold ground rents and to make advances upon the security of land and/or buildings or other property or any interest therein and generally to deal by way of sale, lease or exchange or otherwise with land and buildings of any type and other property whether real or personal, moveable or immoveable and to develop and turn to account any land and/or buildings acquired by the Company or in which the Company is or shall be interested;
- (x) to enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem to the directors to be conducive to the attainment of the Objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the directors may think desirable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions;
- (y) to subscribe for, take, purchase or otherwise acquire, hold, sell, deal with and dispose of, shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in the United Kingdom or issued or guaranteed by the government or any authority (municipal, local or otherwise) in the United Kingdom;
- (z) to control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem to the directors to be desirable with respect of any business or operations of or generally with respect to any such company or companies;
- (aa) to acquire by any means, any real or personal property or rights whatsoever, and to construct, equip, maintain, alter or demolish any buildings, works or other real or personal property necessary or convenient for the purposes of the Company or to finance, guarantee or arrange the execution of such work by any other person, body or company;
- (bb) subject to such consents as may be required by law, to solicit, receive and accept financial assistance, grants, donations, endowments, gifts (both inter vivos and testamentary); and the loans of any property whatsoever, real or personal and subject or not to any specific charitable trust or condition for the Objects;
- (cc) to engage and pay upon such reasonable and proper terms as may be thought fit any person or persons, whether on a full-time or part-time basis or on secondment and whether as consultant or employee to supervise, organise, carry on the work of and advise the Company;

- (dd) to amalgamate or affiliate with (by joining or co-operating or by some other means or association) or to acquire or take over all or part of the undertaking or assets of any charitable association or institution or any organisation having objects altogether or in part similar to those of the Objects and not formed for profit which the Company may lawfully acquire or take over but so that any steps so taken shall not enlarge the Objects or involve any activity or disbursement of funds which do not further the attainment of the Objects;
- (ee) to transfer, convey, assign or lease to any local authority, government body, quasi-government body or agency or any charity for any or no consideration any land, building or other property the transfer, conveyance, assignment or lease of which may appear to the Company to be conducive to the attainment of the Objects or any of them;
- (ff) to enter into partnership or into any arrangement for joint, shared or mutual promotion, investment or development, union of interest, reciprocal concession or co-operation with any person or company carrying on, engaged, or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to further the Objects or any of them;
- (gg) to sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the directors may think fit;
- (hh) to act as agent or broker and/or as trustee or nominee for any person, firm or company, and to undertake and perform sub-contracts;
- (ii) to remunerate any person, firm or company rendering services to the Company by cash payment or otherwise;
- (jj) to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same;
- (kk) to provide and establish and maintain or participate in trusts, funds, schemes, clubs or other arrangements (whether contributory or non-contributory) with a view to providing pensions, insurances, allowances, gratuities, bonuses and incentives and benefits of every description including, but not limited to, retirement benefits schemes and/or life assurance schemes to or for the benefit of officers, ex-officers, employees or ex-employees of the Company or of any company which is for the time being or has at any time been the Company's holding company or a subsidiary of the Company or another subsidiary of that holding company or the dependants or relatives of any such persons; and to provide or lend money or provide other financial assistance in accordance with or for the purposes of such arrangements;
- (ll) to support (whether by direct subscription, the giving of guarantees or otherwise) any charitable, benevolent or educational fund, institution or organisation, or any event or purpose of a public or general nature, the support of which will or may, in the opinion of the directors, directly or indirectly benefit, or is calculated to benefit, the Company or its business or



activities or its officers, ex-officers, employees or ex-employees or the business, activities, officers, ex-officers, employees or ex-employees of any company which is for the time being or has at any time been the Company's holding company or a subsidiary of the Company or another subsidiary of that holding company or the officers, ex-officers, employees or ex-employees of any predecessor in business of the Company or any such company as aforesaid;

- (mm) to purchase and maintain, for the benefit of any director (including an alternate director), officer or auditor of the Company or of any company which is the holding company, a subsidiary or a fellow subsidiary of the Company, insurance against any liability as is referred to in sections 232 to 237 CA 2006 and, subject to the provisions of the legislation, against any other liability which may attach to her/him or loss or expenditure which s/he may incur in relation to anything done or alleged to have been done or omitted to be done as a director (including an alternate director), officer or auditor and, subject also to the provisions of the legislation, to indemnify any such person out of the assets of the Company against all losses or liabilities which s/he may sustain or incur in or about the execution of the duties of her/his office or otherwise in relation thereto and, without prejudice to the foregoing, to grant any such indemnity after the occurrence of the event giving rise to any such liability;
- (nn) to take, make, execute, enter into, commence, carry on, prosecute or defend all steps, claims, demands, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes, and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company;
- (oo) to issue appeals, hold public meetings, lectures, exhibitions and entertainments and take all such other steps as may be necessary for the purpose of promoting and publicising the Objects or procuring contributions to its funds in the form of donations, subscriptions, covenants and otherwise;
- (pp) to contribute to or support any public, general, charitable, benevolent or useful object, which it seems to the directors to be in the interests of the Company or its members to contribute to or support;
- (qq) to do all or any of the things or matters aforesaid either as principal, agent, contractor or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others;
- (rr) to do all such things as are, in the opinion of the directors, incidental or conducive to the carrying on of any trade or business by it or, as the case may be, to the attainment of all or any of the Objects.

#### **4 Liability of members**

- 4.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while it is a member or within one year after it ceases to be a member, for:

- (a) payment of the company's debts and liabilities contracted before it ceases to be a member;
- (b) payment of the costs, charges and expenses of winding up; and
- (c) adjustment of the rights of the contributories among themselves.

## MEMBERS

5

- (a) The members are (subject to this article 5 and articles 8 and 9):
  - (i) the subscriber to the memorandum;
  - (ii) each Local Authority;
  - (iii) each of: Birmingham Chamber of Commerce and Industry Group; EEF Limited (The Manufacturers' Association); Herefordshire & Worcestershire Chamber of Commerce; National Farmers Union; National Federation of Self-employed and Small Businesses; and Royal Institution of Chartered Surveyors.
  - (iv) such other persons representing the business community in the Area as the directors admit to membership in accordance with these articles who consent in writing to become members.
- (b) The membership of each Local Authority and those organisations referred to in article 5 (a) (iii) shall be effective only when it agrees to become a member.
- (c) Every person who wishes to become a member shall deliver to the Company an application for membership in such form as the directors require executed by them.

6 Membership of the Company is not transferable.

7 The Company shall maintain and keep at the registered office a register of members containing the following particulars with respect to each member:

- (a) their name and address; and
- (b) the date at which they were entered in the register of members as a member and the date at which they ceased to be a member.

8 A member may at any time withdraw from the Company, in the case of a member other than the subscriber to the memorandum by giving not less than 12 months' notice to the Company, but no such withdrawal shall be effective if it would result in the members of the Company being less than one Business Community Member and one Local Authority.

9 Membership terminates automatically if a member:

- (a) dies (unless it is a corporation sole) or (in the case of a corporation) ceases to exist; or
- (b) becomes bankrupt or makes any arrangement or composition with their creditors generally, or (being a company) goes into liquidation other than for the purposes of solvent reconstruction.

#### **GENERAL MEETINGS**

10 The directors may call general meetings and, on the requisition of members under the provisions of the Act, shall convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

11

- (a) A general meeting may consist of a conference between members some or all of whom are in different places provided that each member may participate in the business of the meeting whether directly, by telephone, or by any other communications equipment, or by electronic means, which enables them:
  - (i) to hear each of the other participating members addressing the meeting; and
  - (ii) if they so wish, to address all of the other participating members simultaneously;
- (b) A quorum is deemed to be present if the members required to be present for a quorum may participate in the manner specified above in the business of the meeting;
- (c) A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chair of the meeting participates;
- (d) A resolution put to the vote of a meeting shall be decided by each member indicating to the chair (in such manner as the chair may direct) whether the member votes in favour of or against the resolution or abstains; and
- (e) References in this article to members shall include their duly appointed proxies and their authorised representatives.

#### **NOTICES OF GENERAL MEETINGS**

12 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote, being a majority together representing not less than 90% of the total voting rights at the meeting of all the members.

13 The notice shall specify:

- (a) the time of the meeting; and
  - (b) the general nature of the business to be transacted.
- 14 Subject to the provisions of these articles, the notice shall be given to all the members and to the directors and the auditors of the Company.
- 15 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

- 16 No business may be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save where the Company has a single member, two persons entitled to vote upon the business to be transacted, one being a Business Community Member and one being a Local Authority Member or a proxy for or an authorised representative of such members, shall be a quorum.
- 17 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. If a quorum is not then present, it shall stand adjourned until such time as a new meeting is called.
- 18 A director may, notwithstanding that s/he is not a member, attend and speak at any general meeting.
- 19
- (a) The Chair or, in her/his absence, some other director present nominated by the directors or being the only director present shall preside as chair of the meeting; and
  - (b) If neither the Chair nor such other director is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the members present in person or by proxy and entitled to vote shall choose one of themselves to preside as chair of the meeting.
- 20 The chair of the meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business may be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given in the same manner as in the case of the original meeting specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it is not necessary to give any notice.
- 21 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly determined. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chair of the meeting; or

(b) by any member having the right to vote at the meeting;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

- 22 Unless a poll is duly demanded a declaration by the chair of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried, by a particular majority and an entry to that effect in the minutes of the meeting is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 23 The demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the chair of the meeting. The withdrawal of a demand for a poll does not invalidate the result of a show of hands declared before the demand for the poll was made.
- 24 A poll shall be taken at such place and in such manner (including by electronic means) as the chair of the meeting directs and s/he may appoint scrutineers (who need not be members) and fix a time and place for declaring the results of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- 25 In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall be entitled to a casting vote.
- 26 A poll demanded on the election of a chair of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the chair directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll is demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 27 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 28 For the purposes of section 297(1) CA 2006, a proposed written resolution lapses if it is not passed before the end of the period of twenty (20) business days beginning with the circulation date.
- 29 Where, during any period when the Company has only one member, the member takes a decision which may be taken by the Company in general meeting and which has effect as if agreed by the Company in general meeting, the member shall (unless that decision is taken by way of written resolution) provide the Company with a written record of that decision.

#### VOTES OF MEMBERS

30

- (a) Subject to article 30 (c) on a show of hands or in the case of a meeting by conference pursuant to article 11 such other method of indicating to the

chair the way of voting as the chair may direct in accordance with article 11 (d) every member who is present in person or by proxy or is present by an authorised representative, unless the proxy or the authorised representative is her/himself a member entitled to vote, shall have one vote;

(b) Subject to article 30 (c) on a vote on a written resolution and on a resolution on a poll every member shall have one vote; and

(c) On a resolution to remove an A Director before the expiry of her/his period of office each Local Authority Member shall not have a vote and on a resolution to remove a B Director before the expiry of her/his period of office each Business Community Member shall not have a vote.

31 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by their receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited, delivered or received at the registered office, or at such other place as is specified in accordance with article 37 for the deposit, delivery or receipt of appointments of proxy, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

32 No objection may be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid. Any objection made in due time shall be referred to the chair of the meeting and her/his ruling in relation to any member other than her/himself is final and conclusive. In relation to the chair of the meeting, the question shall be decided by ordinary resolution of the other members.

33 Any body corporate, minister of the Crown or government department which is a member of the Company (in this article 33 the **grantor**) may authorise such person as it thinks fit to act as its representative at any meeting of the Company. In the case of a grantor which is a corporation, the authorisation shall be by resolution of its directors or other governing body in accordance with section 323 CA 2006. A person so authorised shall be entitled to exercise the same power on behalf of the grantor as the grantor could exercise if it were an individual member of the Company, save that a director, the secretary or other person authorised for the purpose by the secretary may require such a person to produce evidence of her/his authorisation before permitting her/him to exercise her/his powers. The grantor shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

34 The appointment of a proxy, whether by means of an instrument or contained in an electronic communication, shall be executed in such manner as the directors may approve. Subject thereto, the appointment of a proxy shall be executed by the appointor or her/his attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person or under its seal. A proxy need not be a member.

- 35 The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve):

“The Greater Birmingham and Solihull Local Enterprise Partnership Limited

I/We, \_\_\_\_\_, of \_\_\_\_\_, being a member/members of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, or failing her/him, \_\_\_\_\_ of \_\_\_\_\_, as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the Company to be held on \_\_\_\_\_, 201[ ], and at any adjournment thereof.

Signed on \_\_\_\_\_, 201[ ].”

- 36 Where it is desired to afford members an opportunity of instructing the proxy how s/he shall act the appointment of a proxy shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve):

“The Greater Birmingham and Solihull Local Enterprise Partnership Limited

I/We, \_\_\_\_\_, of \_\_\_\_\_, being a member/members of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, or failing her/him, \_\_\_\_\_ of \_\_\_\_\_, as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the Company to be held on \_\_\_\_\_, 201[ ], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 \*for \*against  
Resolution No 2 \*for \*against  
\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as s/he thinks fit or abstain from voting.

Signed on \_\_\_\_\_, 201[ ].”

- 37 The appointment of a proxy and any authority under which it is executed (or such copy of the appointment or the authority or both as the directors may approve) shall:

(a) in the case of an instrument, be deposited at the registered office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any other information issued by the Company in relation to the meeting not less than forty eight hours before the time fixed for holding the meeting or adjourned meeting at which the appointee proposes to vote; or

(b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications -

(i) in the notice of the meeting; or

- (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
- (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

- (c) in the case of a poll taken more than forty eight hours after it is demanded, be deposited or received as aforementioned after the poll has been demanded and not less than twenty four hours before the time appointed for the taking of the poll; or
- (d) where the poll is not taken forthwith but is taken not more than forty eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chair of the meeting or to the secretary or to any director,

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

38 A vote given or poll demanded by proxy or by an authorised representative shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice of the termination was received by the Company at the registered office or at such other place at which the instrument of proxy was duly deposited or delivered or, where the appointment of proxy was contained in an electronic communication, at the address at which such appointment was duly received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

39 A proxy appointment shall not confer any right to speak at a meeting, except with the permission of the chair of the meeting. The proxy appointment shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

40 The directors shall be not more than twenty (20) in number. The Company shall not have any directors except those appointed or deemed to be appointed under articles 41, 42, 43, 44 and 44A.

41 The first director or directors shall be that person or those persons named in the statement delivered under section 9(4) of the Act who is or are deemed to have been appointed under article 42.

42 The directors shall at all times have the power to appoint a maximum of ten persons as directors on behalf of the Business Community Members and from time to time to remove from office any director so appointed by them and appoint another person in the place of any such director who may have been removed, died



or otherwise vacated office. A director appointed or removed from office in accordance with this Article 42 shall be appointed by a resolution of the directors. In exercising this power the directors shall have regard to representations made by the Business Community Members but, for the avoidance of doubt, a resolution of the directors to appoint or remove such a director shall be final.

43

(a) Each Local Authority Member save for Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council shall at all times have the right to appoint one person who is an Executive Member or an elected mayor of one of the Local Authorities as a director and from time to time to remove from office any director so appointed by them and appoint another person who is likewise qualified in the place of any such director who may have been removed, died or otherwise vacated office. The appointment or removal from office of a director under this Article 43(a) shall be effected by a resolution of the directors at the written request of the relevant Local Authority Member. For the avoidance of doubt, the directors shall be required to effect the appointment or removal from office of a director when in accordance with this Article 43(a) the relevant Local Authority Member has requested them to do so.

(b) Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council shall at all times together have the right to appoint one person who is an Executive Member or an elected mayor of one of the Local Authorities as a director and from time to time to remove from office any director so appointed by them and appoint another person who is likewise qualified in the place of any such director who may have been removed, died or otherwise vacated office. The appointment or removal from office of a director under this Article 43(b) shall be effected by a resolution of the directors at the written request of at least two of Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council. For the avoidance of doubt, the directors shall be required to effect the appointment or removal from office of a director when in accordance with this Article 43(b) at least two of Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council have requested them to do so.

44 The directors shall at all times have power to appoint two persons one of who is a Vice Chancellor of a University and the other of who is a Principal of a Further Education College in either case whose principal campus is located within the Area as directors and from time to time to remove from office any director so appointed by them and appoint another person who is likewise qualified in the place of any such director who may have been removed, died or otherwise vacated office. Any director appointed in accordance with this Article 44 shall be appointed by a resolution of the directors. In exercising this power the directors shall have regard to representations made by the Universities and Colleges Sector but, for the avoidance of doubt, a resolution of the directors to appoint or remove such a director shall be final.

44A The directors shall at all times have the power to appoint one person aged between 18 and 30 to act as director and from time to time to remove from office any director so appointed by them and appoint another person who is likewise qualified in the place of any such director who may have been removed, died or otherwise vacated office. Any director appointed in accordance with this Article 44A shall be appointed by a resolution of the directors.

- 45 The directors shall not be required to retire periodically or by rotation. A director shall, if a term for her/his appointment was specified on her/his appointment, retire at the expiry of that term. S/he shall be eligible for re-appointment.
- 46 The office of director shall be vacated if:
- (a) s/he ceases to be a director by virtue of any provision of the Act or s/he becomes prohibited by law from being a director; or
  - (b) s/he becomes bankrupt or makes any arrangement or composition with her/his creditors generally; or
  - (c) s/he is, or may be, suffering from mental disorder and either:
    - (i) s/he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for her/his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to her/his property or affairs; or
  - (d) being a B Director s/he ceases to be an Executive Member or an elected mayor of one of the Local Authorities; or
  - (e) being the C Director s/he ceases to hold the office of Vice Chancellor or Principal of a University or College in either case whose principal campus is located within the Area; or
  - (f) s/he resigns her/his office by notice to the Company; or
  - (g) s/he is removed under articles 42, 43 or 44; or
  - (h) being an A Director s/he shall have been absent from three meetings of the directors in any period of twelve months without permission of the Chair (whether or not her/his alternate is present at any of those meetings) and the directors resolve that her/his office be vacated.

#### ALTERNATE DIRECTORS

- 47 A director appointed under:
- (a) article 42 may appoint another person approved by the Chair;
  - (b) article 43 may appoint any Executive Member or an elected mayor of one of the Local Authorities;
  - (c) article 44 may appoint another Vice-Chancellor of a University or Principal of a Further Education College in either case whose principal campus is located within the Area;

who is willing to act and who is not a director of the Company or an alternate for

another director, to be an alternate director and may remove from office an alternate director so appointed by her/him by notice to the Company.

- 48 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which her/his appointor is a member, to attend and vote at any such meeting at which the director appointing her/him is not personally present, and generally to perform all the functions of her/his appointor as a director in her/his absence. An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of directors of which her/his appointor is a member.
- 49 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
- 50 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 51 Except as these articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be directors;
  - (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their appointors; and
  - (d) are not deemed to be agents of or for their appointors.
- 52 A person who is an alternate director:
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
  - (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
- 53 Subject to these articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company that director's alternate may not vote on any proposal relating to it unless the interest has been duly declared (if so required by section 177 or section 182 CA 2006).
- 54 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director.
- 55 An alternate director's appointment as an alternate terminates:
- (a) when the alternate's appointor revokes the appointment by notice to the Company specifying when it is to terminate;
  - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.

#### **POWERS OF DIRECTORS**

56

- (a) Subject to the provisions of the Act, the memorandum and these articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or these articles and no such direction is to be treated as invalidating any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given;
- (b) The powers given by this article are not limited by any special power given to the directors by these articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors; and
- (c) The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of her/his powers.

#### **DELEGATION OF DIRECTORS' POWERS**

- 57 The directors may delegate any of their powers, authorities and discretions to any committee consisting of one or more A Directors or one or more B Directors or one or more C Directors or the D Director, together with or without persons other than directors, the chair of any such committee to be appointed by the directors. The directors may make any such delegation on such terms and conditions as they think fit and may revoke or vary any such delegation and discharge any committee wholly or in part, but no person dealing in good faith shall be affected by any revocation or variation. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may be imposed on it by the directors.
- 58 The proceedings of any committee shall be governed by any regulations imposed on it by the directors and (subject to such regulations) by these articles regulating the proceedings of the directors so far as they are capable of applying.

#### **DIRECTORS' REMUNERATION AND EXPENSES**

- 59 The Chair shall be entitled to such remuneration (which may take any form including, without limitation, fees, pensions and death, sickness and disability benefits) from the Company for acting as the Chair as the Board may determine.
- 60 The directors other than the Chair shall not be entitled to any remuneration from the Company for acting as directors, but shall be entitled to reimbursement by the Company of reasonable and proper expenses incurred by them in the discharge of their duties in accordance with a scheme determined by the members.
- 61 No member or candidate for membership of a Local Authority shall hold or be appointed to any salaried office of or any office of the Company paid by fees and

no salary, remuneration or any other benefit in money or money's worth shall be paid or payable by the Company to any such member or candidate save and except that s/he shall be entitled as follows:

- (a) to reimbursement of expenses incurred by her/him as a director to the extent to which reimbursement is authorised by article 60;
- (b) to any indemnity which may be payable to her/him in accordance with article 92;
- (c) to any security or indemnity to which s/he may be entitled by virtue of any arrangement made with her/him as a director in respect of any obligations undertaken by her/him for the benefit of the Company; and
- (d) to any insurance purchased and/or maintained for her/him or for her/his benefit as a director in accordance with article 93.

#### **DIRECTORS' APPOINTMENTS AND INTERESTS**

62 Subject to the provisions of the Act, and provided that s/he has disclosed to the directors the nature and extent of any material interest of her/his, a director notwithstanding her/his office -

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of her/his office, be accountable to the Company for any benefit which s/he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

63 For the purposes of article 62 -

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and which it is unreasonable to expect her/him to have knowledge shall not be treated as an interest of her/his.

#### **CONFLICTS OF INTEREST**

64

(a) The provisions of this article shall apply in relation to the exercise of the power of the directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under section 175(1) CA 2006 to avoid a situation in which s/he has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company;

(b) In this article and articles 65 and 66:

**authorise** means to authorise in accordance with section 175(5)(a) CA 2006 and **authorisation**, **authorised** and cognate expressions shall be construed accordingly;

**Conflicted Director** means a director in relation to whom there is a conflicting matter;

**conflicting matter** means a matter of the kind referred to in article 64(a) (that is to say, a matter which would or might otherwise constitute or give rise to a breach of the duty of a director under section 175(1) CA 2006 to avoid a situation in which s/he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company);

(c) The provisions of this article apply without prejudice (and subject) to the provisions of section 175(6) CA 2006. Nothing in these articles shall invalidate an authorisation;

(d) A Conflicted Director seeking authorisation of her/his conflicting matter shall disclose to the directors the nature and extent of her/his conflicting matter as soon as is reasonably practicable. The Conflicted Director shall provide the directors with such details of her/his conflicting matter as are necessary for the directors to decide how to address the conflicting matter, together with such additional information as may be requested by the directors;

(e) Any director (including the Conflicted Director) may propose that a Conflicted Director's conflicting matter be authorised. Such proposal, and any authorisation given by the directors, shall be effected in the same way as any other matter may be proposed to and resolved upon by the directors under of the provisions of these Articles, save that:

(i) the Conflicted Director and any other interested director shall not count towards the quorum nor vote on any resolution giving such authorisation; and

(ii) the Conflicted Director and any other interested director may, if the directors so decide, be excluded from any meeting of the directors while the conflicting matter and the giving of such authorisation are under consideration;

(f) Where the directors authorise a Conflicted Director's conflicting matter:

(i) the directors may (whether at the time of giving the authorisation or subsequently):

(A) require that the Conflicted Director is excluded from the

receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the conflicting matter; and

- (B) impose on the Conflicted Director such other terms for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine

except in the case of a B Director where the conflicting matter arises solely from the B Director's membership of a Local Authority or her/his holding the office of an elected mayor for a Local Authority;

- (ii) the Conflicted Director will be obliged to conduct her/himself in accordance with any terms imposed by the directors pursuant to the authorisation;
- (iii) the directors may provide that, where the Conflicted Director obtains (otherwise than through her/his position as a director) information that is confidential to a third party, the Conflicted Director will not be obliged to disclose the information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (iv) the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded); and
- (v) the directors may revoke or vary the authorisation at any time but this will not affect anything done by the Conflicted Director prior to such revocation in accordance with the terms of the authorisation.

65 A Conflicted Director shall not, by reason of her/his office or of the fiduciary relationship thereby established, be liable to account to the Company for any benefit which s/he (or a person connected with her/him) derives from a conflicting matter authorised by the directors and no transaction or arrangement shall be liable to be avoided on the grounds of any such benefit.

66

- (a) Save as otherwise provided in article 66(c), a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which s/he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless her/his interest or duty arises only because the case falls within one or more of the following paragraphs -
  - (i) the resolution relates to the giving to her/him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by her/him for the benefit of, the Company or any of its subsidiaries;
  - (ii) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation to the Company or

- of any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) her/his interest arises by virtue of her/his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any of its subsidiaries, or by virtue of an offer of any shares, debentures or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange; or
  - (iv) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the board of Inland Revenue for taxation purposes;
- (b) A director shall not be counted in the quorum present at a meeting in relation to a resolution upon which s/he is not entitled to vote;
- (c) A director who has directly or indirectly a duty in a matter which is material and which conflicts or may conflict with the interests of the Company may, notwithstanding her/his duty, vote on the matter and be included for the purposes of a quorum at any meeting at which the matter is considered provided that:
- (i) s/he has disclosed the nature and extent of her/his duty giving rise to her/his conflict of duties;
  - (ii) s/he does not have a personal or pecuniary interest in the matter which is material excluding a personal or pecuniary interest arising solely because of her/his membership of a Local Authority or the holding of the office of elected mayor for a Local Authority; and
  - (iii) where her/his conflict of duties is constituted by or arises from a conflicting matter of her/his, that conflicting matter has been authorised and the director has not been required to be excluded from participation in discussions and/or the making of decisions related to the matter;
- (d) If a question comes up at a meeting of the directors about whether a director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest or if s/he can vote or be counted in the quorum, and the director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The ruling of the chairman of the meeting about any other director is final and conclusive, unless the nature or extent of the director's interest (so far as it is known to her/him) has not been fairly disclosed to the directors. If the question comes up about the chairman of the meeting, the question shall be decided by a resolution of the directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman of the meeting is conclusive, unless the nature and extent of the chairman's interest (so far as it is known to her/him) has not been fairly disclosed to the directors;
- (e) The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, the provisions of



article 66(a) or any other provision of these articles prohibiting a director from voting at a meeting of directors or of a committee of directors or ratify any transaction or arrangement which has not been properly authorised by reason of a contravention of these articles; and

- (f) For the purposes of article 62 and this article 66:
- (i) an interest or duty is **material** unless it cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (ii) a **conflict of interest** includes a conflict of interest and duty and a conflict of duties;
  - (iii) an interest or duty of a person who is, or persons who are:
    - (A) for the purpose of the Act (excluding any statutory modification not in force when this article becomes binding on the Company) connected with a director; or
    - (B) an employer of a director; or
    - (C) a body corporate of which a director is a member or officer; or
    - (D) a local authority of which the director is a member or an elected mayor; or
    - (E) a body of persons (including a partnership, unincorporated association or trust) of which a director is a member,shall be treated as an interest or duty of the director;
  - (iv) in relation to an alternate director, an interest or duty of her/his appointor shall be treated as an interest or duty of the alternate director without prejudice to any interest or duty which the alternate director has otherwise; and
  - (v) a **pecuniary interest** is one by reason of which a financial or economic benefit may be received or derived or a financial or economic loss or detriment incurred.

#### MEETINGS AND PROCEEDINGS OF THE DIRECTORS

- 67 Subject to the provisions of these articles, the directors may regulate their meetings in such manner as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting shall have a second or casting vote.
- 68 The quorum at a meeting for the transaction of the business of the directors shall be any director until the resignation of all the first directors named in the statement delivered under section 9(4) of the Act and thereafter shall be two A directors and two B Directors. A person who holds office only as an alternate director shall, if her/his appointor is not present, be counted in the quorum.

- (a) A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director may participate in the business of the meeting whether directly, by telephone or by any other communications equipment or by electronic means which enables her/him:
    - (i) to hear each of the other participating directors addressing the meeting; and
    - (ii) if s/he so wishes, to address all of the other participating directors simultaneously;
  - (b) A quorum is deemed to be present if at least the number of directors required to form a quorum, subject to the provisions of article 70, may participate in the manner specified above in the business of the meeting;
  - (c) A meeting of the directors held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chair of the meeting participates; and
  - (d) A resolution put to the vote of a directors' meeting shall be decided by each director indicating to the chair (in such manner as the chair may direct) whether the director votes in favour of or against the resolution or abstains.
- 70 The directors shall, from time to time, appoint a Chair of the company to hold office for such period (if any) as the resolution appointing her/him shall prescribe. The Chair shall be an A Director. The Chair so appointed shall preside at all meetings of the directors, but if s/he be not present within 15 minutes after the time fixed for holding the meeting or be unwilling to act, the directors present shall choose another A Director to act as Chair of such meeting unless there are no A Directors present at the meeting, and the director so chosen shall preside at such meeting accordingly.
- 71 The directors may act notwithstanding any vacancies in their number but if their number is reduced below the number fixed as the quorum for meetings of the directors, the continuing director or directors may act for the purpose of calling a general meeting, but for no other purpose.
- 72 All acts done by a meeting of the directors or of a committee or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or committee member or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, are as valid as if every such person had been duly appointed and was qualified and had continued to be a director or a committee member and had been entitled to vote.
- 73 A resolution which is signed or approved and dated by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be), a committee of directors duly convened and held. The resolution may be contained in one document or electronic communication or in several documents or electronic communications in the like form and signed or approved

and dated by one or more directors. The resolution is to be treated as passed at the date of the last signature or approval. A resolution signed or approved by an alternate director need not also be signed or approved by her/his appointor. A resolution signed or approved by a director who has appointed an alternate director need not also be signed or approved by the alternate director in that capacity. For the purpose of this article the approval of a director shall be given in writing or by electronic means.

- 74 Where proposals are under consideration concerning the appointment of two or more directors to offices with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided s/he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning her/his own appointment.
- 75 If a question arises at a meeting of the directors or of a committee of directors as to the right of a director to vote, the question shall be referred to the chair of the meeting and her/his ruling in relation to any director other than her/himself is final and conclusive. In relation to the chair of the meeting, the question shall be decided by resolution of the other directors.
- 76 A Local Authority shall be entitled to appoint an observer to the Board or to any committee of the Board. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all meetings of the Board or (as the case may be) the relevant committee of the Board.

#### SECRETARY

- 77 Subject to the provisions of the Act, the secretary shall be appointed by the directors on such reasonable terms as to remuneration and other matters and subject to such conditions as the directors from time to time determine; and any secretary so appointed may be removed by the directors by reasonable notice. The first secretary shall be the person named in the statement delivered under section 9(4) of the Act who is deemed to be appointed under these articles.

#### REGISTER OF DIRECTORS AND SECRETARY

- 78 The directors shall maintain a register containing the following particulars:
- (a) with respect to each director:
    - (i) present name, any former name, usual residential address, nationality, business occupation (if any), particulars of any other directorships held or which have been held by her/him and her/his date of birth; and
    - (ii) the date at which s/he was appointed or re-appointed as a director and the date at which s/he ceased to be a director; and
  - (b) with respect to the secretary, her/his present name, any former name and her/his usual residential address.

#### MINUTES

- 79 The directors shall cause minutes to be made in books kept for the purpose of:
- (a) all appointments of officers made by the directors; and
  - (b) all proceedings at meetings of the Company, of the directors and of any committees including the names of the persons present at each meeting.

#### ACCOUNTS, REPORTS AND RETURNS

- 80 The directors shall comply with the requirements of the Statutes with respect to the keeping of accounting records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies for England and Wales of:
- (a) annual accounts;
  - (b) annual reports; and
  - (c) annual returns.
- 81 No member (other than a Local Authority) shall (as such) have any right of inspecting any accounting records or other books or documents of the Company except as conferred by the Statutes or authorised by the directors.

#### THE SEAL

- 82
- (a) The directors shall provide for the safe custody of any seal which the Company may have;
  - (b) The seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given in writing or by electronic means by a majority of the directors or of the members of a duly authorised committee;
  - (c) The directors may determine who shall sign any instrument to which the seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with; and
  - (d) Unless otherwise decided by the directors every instrument to which the seal is supplied shall be signed by at least one director and the secretary or by at least two directors.

#### DISTRIBUTIONS

- 83 Subject to the provisions of article 84 the income and property of the Company shall be applied solely towards the promotion of the Objects. No portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to members of the Company. Nothing in these Articles shall prevent any payment in good faith by the Company:
- (a) of reasonable and proper remuneration to any member, officer or servant of the Company for any services rendered to the Company;

- (b) of interest on money lent by any member of the Company or director;
  - (c) of reasonable and proper rent or licence fee for any premises demised, let or licensed by any member of the Company or director;
  - (d) of fees remuneration or other benefit in money or money's worth to a company of which a member of the Company or a director may be a member; or
  - (e) to any director of reasonable out of pocket expenses properly incurred in connection with the business or undertaking of the Company.
- 84 If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities any property or operating surplus whatsoever, the same shall not be paid to or distributed among the members of the Company but shall be given or transferred to some other institution or institutions having objects the same as or similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property among its or their members to any extent at least as great as is imposed on the Company under or by virtue of article 83, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and if insofar as the effect cannot be given to this last provision then to some other object as near as may be to that of the Company.

#### NOTICES

- 85 Any notice to be given to or by a person pursuant to these articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using an electronic communication to an address for the time being notified for the purpose to the person giving the notice.
- 86 The Company may give any notice to a member either personally or by sending it by post in a pre-paid envelope addressed to the member at their registered address or by leaving it at that address or by giving it using an electronic communication to an address for the time being notified to the Company by the member. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom to which notices may be given to them, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to them at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
- 87 A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 88 Unless otherwise provided by these articles, a member may give any notice or send any other document pursuant to these articles to the Company by sending it by post in a pre-paid envelope addressed to the Company at the registered office or by leaving it at the registered office or by sending it using an electronic communication to such address (if any) for the time being notified by or on behalf of the Company for that purpose.
- 89 Proof that an envelope containing a notice was properly addressed, pre-paid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance

issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of one hour after the time it was sent.

- 90 Any notice request or consent to be given by the Universities and Colleges Sector shall be given by one member of the Universities and Colleges Sector on behalf of all members of the Universities and Colleges Sector and neither the Company nor any director shall be entitled or required to examine or verify the authority of that one member to act on behalf of all members of the sector.

#### BYELAWS

- 91 The directors shall have power to make byelaws concerning such matters regarding the government and management of the Company as they may from time to time think fit and to revoke or alter the byelaws, provide that no byelaw shall have effect if and to the extent that it is inconsistent with the memorandum or these articles.

#### INDEMNITY AND INSURANCE

92

- (a) Subject to article 92(b), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:
- (i) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - (ii) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) CA 2006); and
  - (iii) any other liability incurred by that director as an officer of the Company or an associated company.
- (b) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Statutes or by any other provision of law.
- (c) In this article:
- (i) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - (ii) a **relevant director** means any director or former director of the Company or an associated company.

93

- (a) The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect

of any relevant loss.

(b) In this article:

- (i) a **relevant director** means any director or former director of the Company or an associated company;
- (ii) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' benefit scheme of the Company or associated company; and
- (iii) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## Item 7.APPENDIX A

### GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

#### TERMS OF REFERENCE & STANDING ORDERS

#### 1. Governance

- 1.1 The Supervisory Board acts as a Joint Committee under ss 101, 102 Local Government Act 1972 and s9E(b) Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.
- 1.2 Political Proportionality rules will not apply to the Supervisory Board as so constituted.
- 1.3 The Supervisory Board will include the local authorities within the GBS LEP area i.e. Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth and Wyre Forest.

#### 2. Host Authority

- 2.1 The Supervisory Board will be hosted under local government arrangements by Birmingham City Council and the Chief Executive or nominated Strategic Director of Birmingham City Council shall be Secretary to the Supervisory Board. The Host Authority will also provide s151 and Monitoring Officer roles to the Joint Committee.

#### 3. Objects of Supervisory Board

- 3.1. To provide effective decision making and clear political accountability for management of the Single Local Growth Fund and other significant funding streams that cover the full GBS LEP geography as agreed with the LEP Board;
- 3.2. To empower the GBSLEP Board to deliver decisions taken under 3.1;
- 3.3 To oversee and review the activities of the GBSLEP Board;
- 3.4. To co-ordinate and liaise with GBS Local Transport Board; and
- 3.5 To consider any further measures necessary to strengthen the GBSLEP Board.

#### 4. Membership

- 4.1. One member from each constituent authority. Such member to be the Leader (or other appointed member) from each constituent authority (voting).
- 4.2. The Chair of GBSLEP (non-voting).
- 4.3 Each Supervisory Board member to identify an alternate (an Executive Member).

#### 5. Voting

- 5.1. One member one vote for local authority members.



- 5.2. Normal rules as to declarations of interest to be applied in accordance with the law and regulations governing pecuniary interests and Birmingham City Council Code of Conduct (see appendix B). The Chair has the right to decide whether observers declaring an interest can observe the meeting or should be asked to leave.
- 5.3. No ability to vote for private sector members.
- 5.4. In the event of any voting member of the Committee ceasing to be a member of the Council which appointed him/her, the Council shall forthwith appoint another voting member in his/her place.
- 5.5. Except as otherwise provided by the Local Government Acts 1972 and 1985, all questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a Member of the Committee.

## **6. Quorum**

- 6.1. Four members present (one from Birmingham City Council, one from Solihull MBC, one District from Staffordshire and one District from Worcestershire).

## **7. Meetings**

- 7.1. The Chair and Vice-Chair of the Meeting will be elected at the first meeting and then each Annual Meeting of the Supervisory Board (usually within approx. 7-10 days of the LEP's AGM) and if the Chair or Vice-Chair is not present at any meeting within 10 minutes of the start of the meeting then those present will elect a Chair to act for that meeting.
- 7.2. Only a voting member is entitled to be elected as Chair or Vice-Chair of the Committee.
- 7.3. Each person entitled to attend will send an alternate as per para 4.3 in the event of his or her unavailability. The Secretary for the Supervisory Board shall be informed prior to the commencement of the meeting of any alternate members attending.
- 7.4. The Supervisory Board will normally meet within approx.7-10 days following the GBSLEP Board meeting, but meetings can be called at other times as needed. A meeting of the Supervisory Board must be convened by the Chair within 28 days of the receipt of a requisition of any two voting members of the Supervisory Board addressed to the Secretary to the Supervisory Board. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.

## **8. Standing Orders**

- 8.1. Standing Orders for the Supervisory Board shall be the Standing Orders from time to time of Birmingham City Council

## **9. Administration**

- 9.1 (i) The Secretary shall keep proper accounts of the money received and expended by the Supervisory Board.

- 9.1 (ii) The Secretary shall apportion the expenses of the Supervisory Board between the Councils in proportion to the population of each Council in the Greater Birmingham and Solihull Local Enterprise Partnership area.
- 9.2 This Terms of Reference and, subject as hereinafter mentioned, the functions of the Supervisory Board may be amended at any time by the unanimous agreement of the voting members of the Supervisory Board.

## APPENDIX B

### **Birmingham City Council Supporting Documents to the Constitution – Section B7 – Code of Conduct for Members & General Guidance.**

#### Disclosable Pecuniary Interest

You must –

Comply with the requirement to register, disclose and withdraw from participating in respect of any matter in which you have a disclosable pecuniary interest

Ensure that your register of interest is kept up to date and notify the Monitoring Officer in writing within 28 days of becoming aware of any change in respect of your disclosable pecuniary interests

Make verbal declaration of the existence and nature of any disclosable pecuniary interest at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.

Meeting means any meeting organised by or on behalf of the GBS Local Transport Board including taking a decision as a member of the Board.

#### Other Interests

In addition to the requirements above, if you attend a meeting at which any item of business is to be considered and you are aware that you have a 'non-disclosable pecuniary interest or non-pecuniary interest' in that item, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent

You have a 'non-disclosable pecuniary interest or non-pecuniary interest' in an item of business where:

A decision in relation to that business might reasonably be regarded as affecting the wellbeing or financial standing of you or a member of your family or a person with whom you have a close association.

#### Gifts and Hospitality

You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £25 which you have accepted as a member of the Board, from any person or body.

The monitoring officer will place your notification on a public register of gifts and hospitality.

Disclosable Pecuniary Interests are defined as follows (for further information see the Relevant Authorities Regulation 2012):

- Employment, office, trade, profession or vacation
- Sponsorship
- Contracts
- Land
- Licences
- Corporate tenancies
- Securities

## GBSLEP EMPLOYMENT AND SKILLS BOARD TERMS OF REFERENCE & MEMBERSHIP

<b>OVERARCHING OBJECTIVES</b>
<ul style="list-style-type: none"> <li>▪ To provide strategic vision and leadership for the delivery of strategic objectives contained in the Business Plan</li> <li>▪ To set the strategic direction for the “pillar” and its enablers</li> <li>▪ To develop and deliver business plans to achieve agreed priorities</li> <li>▪ To take a holistic approach, across the “pillar” itself and with the other two Pillar Boards in order to ensure that “joined-up” priorities/outcomes at a strategic level are achieved (i.e. skills, employment, connectivity and business etc.)</li> <li>▪ To monitor, evaluate and review agreed priorities</li> <li>▪ To identify and agree future pipeline interventions and policy “offers &amp; asks” to pursue with Government and other public or private organisations</li> <li>▪ To monitor the delivery of projects / initiatives where appropriate</li> <li>▪ To establish sub-boards as required to deliver the agreed agenda.</li> </ul>
<b>STRATEGIC OBJECTIVES</b>
<ul style="list-style-type: none"> <li>▪ To ensure that the 3 key themes are of Ignite, Accelerate and Re-tune underpin and are the common thread that link all activity;</li> <li>▪ Ensure young people and adults are given the skills to succeed in employment, to help those dislocated from the labour market to become economically active and contribute to the skills pipeline;</li> <li>▪ Help to enable a closer alignment of careers advice, Information, Advice and Guidance, learning and preparation for work – a single source of information that informs careers advice</li> <li>▪ Create a dynamic partnership between business and skills providers – increasing employers’ role in supporting education, inspiring success and raising aspirations;</li> <li>▪ Help to create a demand led local skills system which aligns with supply and makes the most of apprenticeship provision and vocational education;</li> <li>▪ Use the knowledge and expertise we are offered – identify and articulate local business and growth sector skills needs to supply side and enable delivery;</li> <li>▪ Target activity on key growth sectors, development and investment opportunities to break the cycle of deprivation and deliver inclusive growth.</li> </ul>



## **GBSLEP PLACE BOARD TERMS OF REFERENCE & MEMBERSHIP**

<b>OVERARCHING OBJECTIVES</b>
<ul style="list-style-type: none"><li>▪ To provide strategic vision and leadership for the delivery of strategic objectives contained in the Business Plan</li><li>▪ To set the strategic direction for the “pillar” and its enablers</li><li>▪ To develop and deliver business plans to achieve agreed priorities</li><li>▪ To take a holistic approach, across the “pillar” itself and with the other two Pillar Boards in order to ensure that “joined-up” priorities/outcomes at a strategic level are achieved (i.e. skills, employment, connectivity and business etc.)</li><li>▪ To monitor, evaluate and review agreed priorities</li><li>▪ To identify and agree future pipeline interventions and policy “offers &amp; asks” to pursue with Government and other public or private organisations</li><li>▪ To monitor the delivery of projects / initiatives where appropriate</li><li>▪ To establish sub-boards as required to deliver the agreed agenda.</li></ul>
<b>STRATEGIC OBJECTIVES</b>
<ul style="list-style-type: none"><li>▪ To improve physical and digital connectivity across Greater Birmingham &amp; Solihull.</li><li>▪ To optimise the physical, digital and environmental assets of Greater Birmingham &amp; Solihull.</li><li>▪ To provide vision and strategic leadership, having due regard to the whole Place agenda and its strategic objectives in order to maximise growth opportunities for the LEP area</li><li>▪ To coordinate and oversee the delivery of the Improving Connectivity and Optimising Assets Business Plans, and to approve refreshes of those business plans.</li><li>▪ To oversee the development of and approve a prioritised pipeline of interventions across both transport and regeneration disciplines for use by the LEP Board in future funding rounds.</li><li>▪ To oversee the development of and approve wider policy “asks” that are required to deliver GBSLEP’s growth agenda.</li></ul>



- **1x GBSLEP Board Director for Improving Connectivity**  
Mike Lyons
- **1x GBSLEP Board Director for Optimising Assets**  
Simon Marks
- **1x GBSLEP Board Director for Creative & Cultural Industries**  
Anita Bhalla
- **1x Greater Birmingham Chambers of Commerce**  
Paul Faulkner
- **1x Birmingham City Council**  
Ian Macleod, Assistant Director of Regeneration
- **1x Solihull Metropolitan Borough Council**  
Anne Brereton, Director of Managed Growth
- **1x North Worcestershire Authorities**  
Mike Parker, Director of Economic Prosperity and Place
- **1x Southern Staffordshire Authorities**  
Diane Tilley, Chief Executive
- **1 x East Staffs**  
Thomas Deery
- **1x West Midlands Combined Authority**  
Laura Shoaf, Strategic Director for Transport
- **1x BIS West Midlands**  
Michelle Nutt, Deputy Director
- **1x Department for Transport**  
Barbara King / Eileen ?
- **1x Homes & Communities Agency**  
Karl Tupling

Email addresses overleaf...



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BCC: [simon.marks@arcadis.com](mailto:simon.marks@arcadis.com); [mike.lyons@hs2.org.uk](mailto:mike.lyons@hs2.org.uk); [anitabhalla9@gmail.com](mailto:anitabhalla9@gmail.com); [p.faulkner@birmingham-chamber.com](mailto:p.faulkner@birmingham-chamber.com);



# Greater Birmingham & Solihull Local Enterprise Partnership

## Programme Delivery Board Terms of Reference

### Purpose

On behalf of the LEP Board, act as the ultimate authority for the LEP’s Growth Deal programme, Growing Places Fund programme, and the Birmingham City Centre Enterprise Zone (EZ) Investment Programme that covers the period 2013-2038.

### Processes

Existing programme:

- Receive and review quarterly updates on the programme and EZ Investment Plans (milestone schedule, benefits realisation status, funding profile, strategic issues and risks, change requests) in order to make key decisions and unblock issues that cannot be resolved at the programme level
- Oversee delivery and implementation of the EZ Investment Plans and the associated Governance Strategy
- Reallocate resources from projects within the existing programmes
- Receive presentations on progress from project managers
- Act as a conduit between the programme and external stakeholders
- Report progress on the programmes to the LEP Board

Project pipeline:

- Assess the deliverability of potential projects for future LEP funding
- Approve the full business case for projects within the Programme Delivery Board’s delegation limits as set out in the Assurance Framework
- Make decisions of the priority order for the additional pipeline projects, allocated in the 2014 Enterprise Zone Investment Plan and the 2016 Curzon Enterprise Zone Investment Plan
- Make recommendations to the LEP Board on the full business case for projects above the Programme Delivery Board’s delegation limits
- Seek the necessary assurances to ensure the LEP Director’s approval of projects within their delegation is robust

Operations:

- Meetings will typically be held bi-monthly in advance of LEP Board meetings
- Support to the Programme Delivery Board will be provided by the Programme Management Office (PMO) within the LEP Executive

### Membership

GBSLEP	Deputy Chair (Chair) Non-Executive Director for Optimising Assets Non-Executive Director for Access to Finance Non-Executive Director for Improving Connectivity
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	Head of Delivery (Secretariat)
Birmingham City Council (as accountable body)	Assistant Director – Finance
Birmingham City Council	Assistant Director – Transportation and Connectivity Finance Manager (EZ)
Solihull Metropolitan Borough Council	Director of Managed Growth
South Staffordshire Councils	Cannock Chase DC Managing Director
North Worcestershire Councils	Wyre Forest DC Chief Executive
West Midlands Growth Company	Chief Executive
Chamber of Commerce	Chief Executive
Government	BEIS Relationship Manager
Ex Officio	Expert representative from Board sub-groups, dependent on items under discussion

\*Deputies are able to attend where necessary, but must be empowered to take decisions.

### **Quorum**

In order for the meeting to be considered quorate, a minimum of five members must be present and must include the Chair (also acting as a private sector representative), at least two Local Authority representatives and at least two private sector representatives.

The quorum will only apply to Programme Delivery Board meetings that involve either project investment decisions or changes to the Assurance Framework.

For EZ investment decisions, the quorum must include a Birmingham City Council representative as one of the two Local Authority Representatives.

### **Declarations of Interests**

Members of the Programme Delivery Board must disclose any pecuniary and / or non-pecuniary interests that aren't included in their Register of Interests or if they do not have a register of interests.

# **GBSLEP NOMINATIONS COMMITTEE**

## **TERMS OF REFERENCE**

### **PURPOSE**

The purpose of the Nominations Committee (NC) is to advise and make recommendations to the Board on the appointment of Non-Executive Directors to the LEP Board, and the appointment of C-suite officers to the GBSLEP Executive and Board.

The committee will ensure recruitment is undertaken in line with GBSLEP Articles of Association.

### **ACTIVITIES**

- Regularly review the structure, size and composition, including the skills, knowledge and experience, and diversity required of the GBSLEP Board compared to its current position and make recommendations to the Board with regard to any changes. This should take account of the requirements of GBSLEP Articles of Association and the Government's requirement for 66% of the Board to be from the private sector, and for 33% of the Board to be women by 2020 (increasing to 50% by 2023).
- Give full consideration to succession planning for Non-Executive Directors and the Chief Executive in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - consult with the business community on the role of, and recruitment process for, the Chair and Deputy Chair
  - use open advertising or the services of external advisers, with the commensurate level of skills and experience, to facilitate the search
  - consider candidates from a wide range of backgrounds, having due regard to the balance of genders, ethnicities and other protected characteristics of the Board
  - consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position
  - review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.

- ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside meetings.
- Make recommendations to the Board concerning:
  - the size, composition and skills of the Board
  - the training and development needs of the Board
  - formulating plans for succession for Non-Executive Directors, the Chair and Deputy Chair
  - the appointment of C-suite officers to the GBSLEP Executive
- Ensure GBSLEP Articles of Association reflect the Boards approach to the recruitment and retirement of Directors

## **MEMBERSHIP**

NC shall comprise a maximum of five members; four drawn from the Board (two each from the public and private sector), and the LEP Board Chair (who will chair the Committee).

The LEP Director and Chief Operating Officer (or equivalent) will also be invited to attend.

## **VOTING RIGHTS**

The NC will operate on the principle of one member, one vote; with the Chair casting the deciding vote in the event of a tie.

## **AUTHORITY**

The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

## **FREQUENCY OF MEETINGS**

The Committee shall meet at least twice times a year and otherwise as required.

Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

# **GBSLEP REMUNERATION COMMITTEE**

## **TERMS OF REFERENCE**

### **PURPOSE**

The purpose of the Remuneration Group is to advise and make recommendations to the Board on changes to senior officer pay and the Executive's terms and conditions.

### **ACTIVITIES**

- To review the performance of senior officers in the Executive and determine pay awards
- To consider recommendations made by the CEO considering delivery and financial implications and any risks; and in turn to make recommendations to the Board concerning:
  - amendments to staff terms and conditions
  - amendments to pension provision
  - changes to pay
  - changes to structures that require consultation

### **MEMBERSHIP**

The RC shall comprise a maximum of five members; four drawn from the Board (two each from the public and private sector), and the LEP Board Chair (who will chair the Committee).

The LEP Director and Chief Operating Officer (or equivalent) will also be invited to attend.

### **VOTING RIGHTS**

The RC will operate on the principle of one member, one vote; with the Chair casting the deciding vote in the event of a tie.

### **AUTHORITY**

The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

### **FREQUENCY OF MEETINGS**

The RC shall meet at least once per year. Meetings may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

# **GBSLEP AUDIT & RISK COMMITTEE**

## **TERMS OF REFERENCE**

### **PURPOSE**

The Audit and Risk Committee (ARC) exists to establish and maintain the governance frameworks for GBSLEP, ensure all risks – including financial risks – are adequately managed and assist the Board in its ongoing oversight of governance and risk. ARC will recommend to the Board enhancements to the LEP's governance, support the Board in maintaining alignment with regulations, and anticipate critical emerging issues and make recommendations to the Board.

### **ACTIVITIES**

- Make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor
- Agree annual audit program that covers programs, corporate processes, controls, finances and outcomes
- Review audit reports;
- Report and advise the Board on all matters relating to audit;
- Ensure actions arising from audit are undertaken;
- Ensuring adequate and effective risk management and mitigation strategies and monitor their implementation;
- Ensure that the organisation is adequately insured;
- Receiving and reviewing reports regarding risk;
- Ensure risks are being robustly managed and mitigated;
- Report to, and advise, the Board on all matters relating to risk

### **MEMBERSHIP**

ARC shall comprise a maximum of six members.

Membership shall comprise of, as a minimum:

1. The Chair who is an Non-Executive Director (NED)
2. One NED with relevant experience
3. A third NED

The three of whom shall constitute a quorum, and none of whom shall be the LEP Board Chair. Further members from outside the Board can be appointed to the ARC if additional skills and experience are required to augment those of the NEDs.

ARC has the right to co-opt members who shall be non-voting and appointed on an annual basis.

The LEP Director and Chief Operating Officer (or equivalent) will also be invited to attend; while the LEP Board Chair may be called to attend as the agenda requires it.

### **VOTING RIGHTS**

The ARC will operate on the principle of one member, one vote; with the Chair casting the deciding vote in the event of a tie.

### **TERM OF APPOINTMENTS**

Membership of the committee shall be for a period of 2 years; renewable for one further term.

### **AUTHORITY**

- The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any Partner, officer or employee.

### **FREQUENCY OF MEETINGS**

The Committee shall meet quarterly and otherwise as required.

Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.



## **GBSLEP DIVERSITY STATEMENT**

The GBSLEP Board is proud to represent one of the most diverse city regions in Europe. As diversity is integral to the strength of our economy, so too is it vital to the performance of the LEP. The LEP Board therefore intends that its own membership and that of its sub-structure is equally diverse and inclusive, with a broad mix of ages, genders, races and sectors in its makeup, and is taking steps to achieve this.

Appointments to the Board are overseen by the Nominations Committee. When making appointments to the Board, the Nominations Committee will consider candidates from a wide range of backgrounds, taking full account of the diversity of Greater Birmingham & Solihull's population, and has a further duty to make recommendations to the Board concerning its diversity so as to ensure its make-up is reflective of the local business community.

# **GBSLEP Induction & Training Policy**

**Version 1.0 – February 2019**

## **INTRODUCTION**

This policy sets out GBSLEP's commitment to quickly inducting all Board Directors and employees into GBSLEP to enable them to be effective in their roles as soon as possible; to GBSLEP's approach to mandatory training; and to facilitating the continuous professional development of Board Directors and employees.

It is considered to be a live document and will be refreshed on at least an annual basis, to ensure that the induction and training offered keeps step with the development of GBSLEP and with the wider LEP sector.



# INDUCTION

GBSLEP believes that all new Board Directors and Executive staff must be given timely induction training.

The purpose of this policy is to ensure that all GBSLEP Board Directors and Executive staff have the benefit of a properly structure induction programme that will help to integrate them into their roles quickly, so that they can contribute effectively as soon as possible.

This policy defines GBSLEP's commitment that all Board Directors and Executive staff are supported during the induction period, to the benefit of new starters and GBSLEP alike.

GBSLEP expects that the implementation of good practice by Board Directors and the Management Team will:

- Enable new starters, whether Board Directors or staff, to settle into GBSLEP quickly and become productive and efficient in their roles within a short period of time
- Ensure that new starters are highly motivated and that this motivation is reinforced
- Assist in developing a style where the emphasis is on leadership
- For staff, assist in reducing turnover, lateness, absenteeism and poor performance generally
- Will reduce costs associated with repeated recruitment, training and lost production

To those ends, GBSLEP will:

- Issue guidelines to familiarise Board Directors, managers and staff with the induction process.
- Maintain and update the Induction Policy.
- Provide a checklist for managers and staff to follow during the induction period.
- Ensure there is effective monitoring of the induction process particularly in the first three months.
- Deal with any problems promptly.
- Review all policy, procedure and guideline documents on a regular basis.
- Provide relevant training where necessary to assist the induction, with particular regard to governance and accountability.

It should be noted that at present, GBSLEP Executive staff are hosted by Birmingham City Council. GBSLEP therefore follows Birmingham City Council's policy for inductions and probation periods of new staff. The appointment of every new GBSLEP member of staff is subject to a probationary period of 26 weeks (except employees coming into post from other local authorities or services approved by Birmingham City Council).

## Induction checklist (staff)

Board Structure, Management Structure and key GBSLEP company literature, including:

- Strategic Economic Plan
- Delivery Plan
- Annual Report
- Assurance Framework

GBSLEP's key achievements, and key priorities this financial year

Code of Conduct, including conflicts of interest and the Nolan Principles of Public Life

Probation period arrangements

Flexible working

Pension Scheme information and auto-enrolment details

Sickness Absence Policy and reporting arrangements

Grievance and disciplinary procedures

Complaints & Confidential Complaints

Whistleblowing

Introduction to colleagues

Tour of Building

Fire / Health & Safety Procedures

Issue of any equipment, keys, etc.

Other points covered:

I CONFIRM THAT THE ABOVE INDUCTION POINTS WERE FULLY EXPLAINED AND THAT I UNDERSTAND THEM

Signed \_\_\_\_\_

Print \_\_\_\_\_

Date \_\_\_\_\_

## Induction checklist (Board Directors)

Board Structure, Management Structure and key GBSLEP company literature, including:

- Strategic Economic Plan
- Delivery Plan
- Annual Report
- Assurance Framework

GBSLEP's key achievements, and key priorities this financial year

Code of Conduct, including conflicts of interest and the Nolan Principles of Public Life

Complaints & Confidential Complaints

Whistleblowing

Introduction to the Executive

Tour of Building

Fire / Health & Safety Procedures

Issue of any equipment, keys, etc.

Other issues covered:

I CONFIRM THAT THE ABOVE INDUCTION POINTS WERE FULLY EXPLAINED AND THAT I UNDERSTAND THEM

Signed \_\_\_\_\_

Print \_\_\_\_\_

Date \_\_\_\_\_

# TRAINING

GBSLEP has a culture of continuous improvement in the pursuit of excellence. To that end, GBSLEP has agreed to provide a small fund for continuous professional development. This fund is used to provide training for all Board Directors and LEP Executive staff on key priorities, including governance and accountability, which GBSLEP is committed to refreshing every 18-24 months (or as significant new guidance is introduced).

This will benefit both them and the company. GBSLEP wants Board Directors and staff to feel confident about improving efficiency and productivity, as well as finding new ways towards personal development and success, for the benefit of the GBSLEP as a whole.

## Scope

This policy applies to all Board Directors and permanent employees of GBSLEP.

In general, the scope of this policy includes the following:

- Formal training sessions (individual or corporate)
- Coaching and mentoring
- Participating in conferences
- On-the-job training

As part of this policy, GBSLEP can also arrange for subscriptions or educational material, so Board Directors and employees will have access to news, articles and other material that can help them to deliver their roles.

## Policy elements

Board Directors, manager and employees should all collaborate to build a culture of continuous professional development. It is the individual's responsibility to seek new learning opportunities, while within the Executive, managers are responsible for coach their teams and identifying employee development needs. The responsibility for the development of the GBSLEP Board as a whole is the responsibility of the Chair and the LEP Director.

## Mandatory training

In addition to the induction processes for Board Directors and employees, GBSLEP requires that all Board Directors and staff participate in the mandatory corporate training programmes, including:

- governance and accountability
- General Data Protection Regulations (GDPR)
- diversity and equal opportunities
- company-related issues (e.g. new systems and policy changes)

Other programmes for Board Directors include:

- Statutory responsibilities

Other programmes for employees include:

- leadership and management (for the Management Team)
- project and programme management
- conflict resolution

Mandatory training needs will be identified by the LEP Director in conjunction with the Chair, where training is required for the Board.

### **Individual training programmes**

Through its learning & development fund, GBSLEP will set a budget for each Board Director and employee at the beginning of a year, which will be renewed annually. Individual training must be clearly linked to GBSLEP's delivery plan.

All Board Directors are eligible for individual training.

All employees that have successfully completed their probation periods are eligible to participate in external training programs individually or in teams, in accordance with learning & development requirements determined through the appraisal process. Employees can be absent for individual training for up to 4 days per year for exams. This does not include attendance at mandatory training

Employees can choose to attend as many training programs as they want, provided they do not exceed the budget and day limit. If they do, employees will have to use their annual leave and pay any extra fees themselves.

All trainings should consider what employees need and how they can learn best. This is why we encourage employees and managers to consider multiple training methods like workshops, e-learning, lectures and more.

### **Procedure**

This procedure should be followed when Board Directors or employees want to attend external training sessions or conferences:

1. Board Directors or employees identify the need for training (in the case of employees, this will be done in conjunction with their managers through the appraisal process)
2. Board Directors or employees contact the responsible officer in the LEP Executive and briefly present their proposal, setting out how it meets with GBSLEP's delivery plan (in the case of employees, this will also demonstrate alignment with appraisal objectives)

3. The responsible officer approves or rejects the proposal. If they reject it, they should provide employees with reasons in writing.
4. If approved, the responsible officer will make arrangements for dates, accommodation, reserving places etc.
5. If a Board Director or employee decides to drop or cancel training, they must inform the responsible officer immediately.

Generally, GBSLEP will cover any training fees including registration and examination (one time). GBSLEP may also cover transportation, accommodation and personal expenses.

If Board Directors or employees want subscriptions, they should contact the responsible officer directly. If agreed, the responsible officer will set up the subscription.



# CODE OF CONDUCT FOR BOARD DIRECTORS

You are a Board Director of the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) and hence you shall have regard to the Seven Principles of Public Life<sup>1</sup> – selflessness, integrity, objectivity, accountability, openness, honesty and leadership – in your conduct at all times.

Accordingly, when acting in your capacity as a Board Director of GBSLEP:

- You must act in a manner consistent with GBSLEP’s Equality and Diversity Policy and treat your fellow Board Directors, members of staff and others you come into contact with when working in their role with respect and courtesy at all times.
- You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
- You must not place yourself under a financial or other obligation to outside individuals or organisations that might be reasonably regarded to influence you in the performance of your official duties.
- When carrying out your LEP duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, based on evidence.
- You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your position. You must be as open as possible about both your decisions and actions and the decisions and actions of the LEP. In addition, you should be prepared to give reasons for those decisions and actions.
- You must declare any private interests, both pecuniary and non-pecuniary, including membership of any Trade Union, political party or local authority that relates to your LEP duties. Furthermore, you must take steps to resolve any conflicts arising in a way that protects the public interest. This includes registering and declaring interests in a manner conforming with the procedures set out in the section ‘Registering and declaring pecuniary and non-pecuniary interests’.
- You must, when using or authorising the use by others of the resources of GBSLEP, ensure that such resources are not used improperly for political or personal purposes (including party political purposes).
- You must promote and support high standards of conduct when serving in your LEP post, in particular as characterised by the above requirements, by leadership and example.

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<sup>1</sup> Further information on the Seven Principles of Public Life – “the Nolan Principles” – can be found here: <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>



# CODE OF CONDUCT FOR BOARD DIRECTORS

## Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a Board Director or co-opted, notify the LEP Director and the Accountable Body's Section 151 Officer of any disclosable pecuniary interest<sup>2</sup>, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a spouse, or as if you were civil partners.

In addition, you must, within 28 days of taking office, notify the LEP Director and Accountable Body's Section 151 Officer of any non-pecuniary interest<sup>3</sup> which GBSLEP has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

Board Directors should review their individual register of interest before each board meeting and decision making committee meeting. They must declare any relevant interest(s) at the start of the meeting. If an interest has not been entered onto the LEP's register, then the Director must disclose the interest at any meeting of the LEP at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'<sup>4</sup>.

Following any disclosure of an interest not on the LEP register or the subject of pending notification, you must notify the GBSLEP Director and Section 151 Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest. Additionally, you must observe the restrictions GBSLEP places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by GBSLEP.

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<sup>2</sup> For the purposes of this Code of Conduct, the definition of a pecuniary interest is as set out in the [Localism Act 2011](#) and [The Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

<sup>3</sup> A Non-Pecuniary interest is any interest which is not listed in the [Schedule to The Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012 \(No.1464\)](#).

<sup>4</sup> A 'sensitive interest' is described in the [Localism Act 2011](#) as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

## **GBSLEP Gifts and Hospitality Policy**

### **Introduction**

The aim of the Greater Birmingham and Solihull Local Enterprise Partnership's (GBSLEP's) Gifts and Hospitality Policy is never to create an obligation on either party as a result of hospitality, but that such occasions will be used to enhance our professional working relationships.

The intent of this Policy is not to discourage or prevent the acceptance of hospitality where this is helpful to further the interests of GBSLEP: the Nolan Committee accepted that there were advantages in officials continuing to be free to accept invitations to working lunches and dinners and for those with a representational role to attend other events.

Nor is it intended to imply a lack of trustworthiness on the part of Non-Executive Directors or Board members, but rather it is intended to demonstrate probity and protect those working within the GBSLEP's governance structure from any suspicion (no matter how unfounded) of misconduct.

### **Scope**

This Policy applies to all GBSLEP Non-Executive Directors and Pillar & Sub-Board Members. The attached form must be completed by these individuals.

Where Non-Executive Directors and Pillar and Sub-Boards Members are covered by the Gifts and Hospitality Policies of their own organisations, for example those from local authorities and higher or further education, they are not expected to complete the attached form for GBSLEP *if* they are registering all relevant gifts and hospitality with their own organisations. This should include all gifts or hospitality received or given whilst carrying out GBSLEP duties. In this case, the individuals are expected to share the relevant forms / information with the GBSLEP Director to save completing two separate sets of documentation.

The GBSLEP Executive comprises staff employed by Birmingham City Council and Solihull Metropolitan Borough Council who are subject to their local authority's Gifts and Hospitality Policies. As such, the attached form does not need to be completed so long as the relevant forms are shared with the GBSLEP Director.

### **Guidance**

The guidelines for the acceptance of gifts and/or hospitality are as follows:

- The acceptance of any gift and/or hospitality could be regarded by a third party as compromising or likely to compromise impartiality and objectivity. The giving of gifts or hospitality of significant value should be avoided as it may be construed as a bribe.

- Where any gift and/or hospitality is offered by a person or organisation seeking business with the Non-Executive Director (or other relevant individual) it is necessary that caution is exercised.
- Gifts, entertainment and hospitality is identified by the receipt or offer of gifts, meals, invitations to functions and events in relation to membership of the GBSLEP Board or sub-boards. The above items are acceptable, if they align with reasonable boundaries that include occurrence and value. If the hospitality, entertainment or gift is inexpensive, routine and only very occasional, it is acceptable to accept. However, if the gift, entertainment or hospitality is more frequent and/or at a higher value than the accepted threshold of £50, then it is advisable to decline.
- Given the significant representational role of Non-Executive Directors, they may accept tickets to sporting, cultural or social events, unless there is a contractual (or potential contractual) relationship with the donor and assuming attendance is appropriate. Acceptance will generally only be appropriate in isolated instances. Accepting frequent, regular, annual or seasonal invitations (particularly from the same source) would normally go beyond the accepted standards of conduct. Where such tickets are accepted, they must be logged in the register. The key test is whether attendance is consistent with the general rules on acceptance of gifts and hospitality and is in the interest of the company and will it further its objectives – and normally this will mean that there will be an opportunity to discuss official business. This must be clearly demonstrable, since the fact that tickets could not become the property of the company in the way that another gift would, may make them look like a personal gift and thus more open to public criticism.
- The basis is that all gifts should be declined, unless the gift is of a promotional, seasonal or trivial nature such as diaries, calendars pens and so on if they bear company names and logos from which they are provided. These gifts should not exceed a value of £50. If a token gift is presented by an organisation it may be accepted if it has been authorised by the relevant member of staff.
- Overnight accommodation and prestigious events unrelated to Non-Executive Directors (or other relevant individuals) carrying out their GBSLEP duties should be declined. Equally, lavish or extravagant gifts and/or hospitality should not be accepted.
- Where Non-Executive Directors (or other relevant individuals) are involved in visits which entail all day meetings/events, it is reasonable to accept refreshments. The frequency and the nature of events should be considered.
- Reasonable gifts and hospitality given or received for the purposes of cementing relations with business contacts will be acceptable. All gifts and hospitality over the value of £50 accepted by the Non-Executive Director (or other relevant individual) must be recorded in the register within 10 working days of acceptance. For any gift that has been accepted, it should be made clear the gift was accepted on behalf of the GBSLEP.
- When gifts are received and have to be returned, they should be sent back to the donor with a covering letter explaining the GBSLEP's rules and policy.

- Money or anything readily convertible to money should never be accepted as a gift. This includes loyalty or discount cards that can be viewed as benefiting the individual.

### **The Gifts and Hospitality Register**

The GBSLEP Director will maintain the register. This responsibility includes:

- Making sure the register is properly maintained;
- Reviewing the entries with a view to checking, to the best of his/her knowledge, that it is complete, and that the rules are being observed;
- Reporting to the LEP Board on an annual basis;
- Keeping a record of the carrying out and date of these checks; and
- Publishing the register onto the GBSLEP website on an annual basis.

**October 2018**



## GBSLEP RECORD AND DOCUMENT RETENTION POLICY

<b>RECORD AND DOCUMENT RETENTION PERIODS</b> <b>V1 December 2018</b>	
<b>STRATEGIC PLANS</b>	
Documents supporting formulation of the strategic plan and delivery plans	6 years
Copy of strategic delivery plans	Expiry of plan + 6 years
Copy of reports on progress to SMT and Board	6 years
Records of Board meetings	Current year + 6
Records of resolutions	File with companies house
Records of internal committee meetings	Current year + 6
<b>RECORDS RELATING TO THE DEVELOPMENT OF POLICY</b>	
Individual policies	Until superseded
Records of consultation with employees over major policy changes	5 years
<b>FINANCE</b>	
Record relating to purchases	Current financial year + 6
Budget planning allocation and monitoring	Current financial year + 6
Records relating to payment of staff schemes including: <ul style="list-style-type: none"> <li>• Childcare</li> <li>• Travel pass advances</li> <li>• Loans</li> <li>• Medical fees</li> </ul>	Current financial year + 6
Requests to generate invoices	2 years
Variation order for goods and services	Current financial year + 6
Orders for goods or services	Current financial year + 6
Sundry payments	Current financial year + 6
Analysis of daily, weekly, monthly, annual financial records	Current financial year + 6
All bank related materials including Bank stubs Receipts Statements Cheque stubs BACS transfers DD set up	Current financial year + 6
Information relating to debt management, payments and waiver	Current financial year + 6
List of authorised signatories	Current financial year + 6
All month and year end reporting	Current financial year + 6
Invoices and receipts including petty cash	Current financial year + 6

receipts	
POs	Current financial year + 6
Asset register	Current financial year + 6
Internal and external finance audit	Current year + 6
<b>INCOME FROM GRANTS</b>	
All documentation relating to applications for funding from UK	Current financial year + 6
All documentation relating to applications for funding from EU	In line with fund provider
Records of award and management of funds allocated from Government	Current financial year + 6
Records of spend plans and spend on funds provided by Government including forecasting sheets	Current financial year + 6
<b>SLA'S AND CONTRACTS</b>	
Agreement between LEP and external bodies	End date & 6 years
Contracts delivered under seal	Expiry date + 12 years- seek legal advice before destroying
Expressions of interest	Close date + 2 years
<b>STAFFING</b>	
Records forming all parts of the recruitment of un successful candidates including: Applications forms, selection criteria	6 months form date of recruitment
Records forming all parts of the recruitment of successful candidates including: Applications forms, selection criteria	1 year from appointment
Qualifications of applicants	6 months from appointment
Employee details including personal details	Permanent
Sickness absence records	Date of entry + 2 years
Sickness records to support SSP	Date of return to work + 3 years
Staff care and support records	Completion of counselling + 7 years
All paperwork relating to the recruitment and appointment of Directors	7 years after individual has left their position
Directors details	File on companies house and retain record for duration of term
Employee appraisal including probation review, coaching, PDP and one to one	5 years from date of review
Job termination including resignation letter	Termination date + 7 years
Annual leave records	Date of entry + 2 years
Parental leave records	Date of birth or adoption + 5 years
Monitoring discrimination and equality	Date of inspection + 7 years
Job evacuation appeals	Decision date + 6 years
Correspondence with pension provider	Year + 6
Gifts and hospitality	Date of record + 3 years
Written warnings	2 years
Employment tribunal	Date of hearing + 7 years

Disciplinary records	Remove once dealt with
Grievance records - unproven	Remove once dealt with
Record of working hours	3 years
Collective redundancy information	3 years
Tribunal records	Date of trial + 7 years
<b>PAYROLL</b>	
Records assessing changes to payroll accuracy of payroll	Date created + 2 years
Summary payroll reports	Date produced + 3 years
Payslips	Do not keep
Payroll	Current year + 6
Non-statutory deductions	Current year + 3
Payroll year end	Current year + 10
Overtime sheets	Current year + 3
Overpayments dedications	Until written off or 6 years
Tax and NI records and returns	Current year + 3
Personal bank and tax code details	Until superseded or 3 years
BACS run amendments	Current year + 6
Records of the purchase and repayment of loans	Date of repayment + 6 years
<b>Management and reporting</b>	
Monitoring information to pass to statutory bodies e.g. grant delivery performance	Refer to relevant funding body criteria
Organisation structure	5 years
Records relating to re-structure	6 years since changes introduced
Annual reports including annual conversation and statement	Approval of report plus 6 years
Business plans	Expiry of plan + 5 years
KPI's, survey results and other indicators of performance	5 years
<b>PROJECTS AND PROGRAM DELIVERY</b>	
Program and project documentation	Completion of project + 5 years
External inspection records	Completion of project + 5 years
Minutes of boards and steering committees	Date created + 3 years
Records relating to cross sector projects and program including minutes of meeting; proposals and MOUs	Date created + 3 years
Capital project files	Completion of project + 10 years
Feasibility studies from drafts to working papers	Completion of study + 2 years
Audit report	Program end + 3 years
<b>EVENTS</b>	
Delegate lists	Only retain where consent has been given and review on an annual basis



Enquiries and complaints	
All complaints including responses	1 year
<b>HEALTH AND SAFETY</b>	
Health and safety inspections	Replace annually on re-inspection
Accident and incident reports	Date of entry + 4 years



## COMPLAINTS AND CONFIDENTIAL COMPLAINTS

### Introduction

**Whistleblowing** is defined as the process whereby an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds.

By contrast, a **Complaint** is a dispute about the individual's own position and has no or very limited public interest.

The Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment we encourage employees and others with serious concerns about any aspect of the LEP's work to come forward and voice those concerns without fear of reprisal. For employees and those working closely with the LEP, please follow the **Whistleblowing procedure**.

For third parties and members of the public, please follow the **Complaints** and/or **Confidential Complaints procedures** outlined below.

However, if a member of the public or third party believes that their complaint fits the above definition of whistleblowing, they can elect to report their concerns through the **Whistleblowing procedure**.

## Complaints

We aim to provide the best possible service to customers for the benefit of the entire Greater Birmingham and Solihull region. We are always looking to improve our service and welcome complaints as part of that process. Where we get things wrong, we want to know about it and will try to put things right as quickly as possible. We will also change our processes and systems, where that helps to prevent us getting things wrong in the future.

We aim to resolve complaints quickly and fairly, and we will try to resolve any mistake or misunderstanding straight away. Sometimes it may take longer, but we will tell you how long it will take.

Complaints in the first instance can be made to [gbslep@birmingham.gov.uk](mailto:gbslep@birmingham.gov.uk) – we will acknowledge your complaint in ten working days. We will investigate your complaint and we will respond within 20 working days. If we cannot do this, we will let you know when you can expect a reply.

If you are unhappy with the outcome of the complaint, you can escalate your concerns through GBSLEP's Accountable Body which is Birmingham City Council. Please address your complaint in writing to the Monitoring Officer, Birmingham City Council, PO Box 15992, Birmingham B2 2UQ or by email to [monitoringofficer@birmingham.gov.uk](mailto:monitoringofficer@birmingham.gov.uk). Please state clearly at the top of your letter that you are complaining about GBSLEP. If you are writing by email, please use the subject "Complaint about GBSLEP."

Finally, if you are either unable to raise the matter with the LEP or the Accountable Body, or you are dissatisfied with the action taken, you can report it direct to the Cities and Local Growth Unit in the Ministry of Housing, Communities and Local Government and the Department for Business, Energy and Industrial Strategy, at the following email address: [LEPPolicy@communities.gsi.gov.uk](mailto:LEPPolicy@communities.gsi.gov.uk) or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as "Official - complaints".

GBSLEP recognises that the ordinary complaints procedure may not be suitable if someone wants the complaint to remain confidential. The **Confidential complaints** procedure is set out below.

## Confidential complaints

If a member of the public or a third party wants to make a confidential complaint or raise a concern, it will be treated in confidence and every effort will be made to protect the person's identity if they wish to remain anonymous. The LEP will investigate all complaints or allegations.

If you would like to make a confidential complaint please write or email to:

**Roger Mendonça**

GBSLEP Director  
Ground Floor, Baskerville House  
Centenary Square  
Birmingham B1 2ND

**Nick Glover**

Executive Manager  
Ground Floor, Baskerville House  
Centenary Square  
Birmingham B1 2ND

[Roger.mendonca@birmingham.gov.uk](mailto:Roger.mendonca@birmingham.gov.uk)

[Nick.glover@birmingham.gov.uk](mailto:Nick.glover@birmingham.gov.uk)

Please state clearly at the top of your letter that you want the complaint to remain confidential. If you are writing by email, please use the subject "Confidential Complaint."

The officers above will raise your concern and investigate the complaint. You can expect the officer to:

- Contact you within 10 clear working days to acknowledge the complaint and discuss the appropriate course of action.
- Write to you within 28 clear working days with findings of the investigation. If the investigation has not concluded within 28 clear working days, the officer will write to you to give reasons for the delay in resolving the complaint.
- Take the necessary steps to rectify the issue.

If you are unhappy with the outcome of the complaint, or the complaint involves those responsible for the confidential complaints procedure, you can escalate your concerns through GBSLEP's Accountable Body which is Birmingham City Council. Please address your complaint in writing to the Monitoring Officer, Birmingham City Council, PO Box 15992, Birmingham B2 2UQ or by email to [monitoringofficer@birmingham.gov.uk](mailto:monitoringofficer@birmingham.gov.uk). Please state clearly at the top of your letter that you are complaining about GBSLEP, and that you want the complaint to remain confidential. If you are writing by email, please use the subject "Confidential Complaint about GBSLEP."

Finally, if you are either unable to raise the matter with the LEP or the Accountable Body, or you are dissatisfied with the action taken, you can report it direct to the Cities and Local Growth Unit in the Ministry of Housing, Communities and Local Government and the Department for Business, Energy and Industrial Strategy, at the following email address: [LEPPolicy@communities.gsi.gov.uk](mailto:LEPPolicy@communities.gsi.gov.uk) or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as “Official - complaints”.

## Anonymous complaints

The LEP takes all complaints and concerns raised by members of the public and third parties seriously. We will investigate anonymous allegations. However we remind complainants that when people put their names to an allegation the ability to investigate and therefore reach firm conclusions is strengthened. Concerns expressed anonymously will be considered at the discretion of the LEP. When exercising this discretion the factors to be taken into account would include:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

The Ministry of Housing, Communities and Local Government may request information arising from this process if they have concerns regarding a LEP or have been approached with similar complaints. The expectation is that this information will be provided on an anonymous basis. However it may be necessary to provide personal details to progress a complaint.

Where details are gathered, the LEP will put in place appropriate data protection arrangements in line with the [Data Protection Act 1998](#).

# WHISTLEBLOWING

## Introduction

This procedure outlines the process to follow for a Discloser (the person who is the whistle-blower) when reporting a perceived wrongdoing within the LEP, including something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the **Code of Conduct** for LEP Board Directors and staff. The Standards in Public Life include the principles of; integrity, objectivity, accountability, openness, honesty, leadership and impartiality.

In particular LEP Board Directors, as the key decision makers of the LEP, have a right and a responsibility to speak up and report behaviour that contravenes these values.

It is important that this procedure is followed when raising any concerns, to ensure that the matter is dealt with correctly.

## Definitions

This document uses the following definitions:

- **Whistleblowing** - where an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds. By contrast, a grievance or private complaint is a dispute about the individual's own position and has no or very limited public interest.
- **The LEP** – Greater Birmingham & Solihull Local Enterprise Partnership
- **Discloser** – this is the person who is the whistle-blower. They might be an employee, a LEP Board Director, a contractor, a third party or a member of the public.
- **Responsible Officer** - this is the person, appointed by the LEP, with overall responsibility for maintaining and operating this whistleblowing policy. They will maintain a record of concerns raised and the outcomes (but will do so in a form that does not endanger confidentiality) and will report to senior decision makers as necessary. Their name is **Nick Glover** and their contact details are [nick.glover@birmingham.gov.uk](mailto:nick.glover@birmingham.gov.uk); 0121 303 8937; Ground Floor, Baskerville House, Centenary Square, Birmingham B1 2ND.

If the concern relates to the Responsible Officer then the concern should be raised with Chris Loughran, Deputy Chair of GBSLEP: [cloughran@deloitte.co.uk](mailto:cloughran@deloitte.co.uk). The named contact will rotate biannually and this statement will be updated accordingly.



# WHISTLEBLOWING

- **Relevant Concern** – something the Discloser has been asked to do, or is aware of, which they consider to be wrong-doing and is in the public interest.

## Scope

The LEP is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment, we encourage Disclosers with serious concerns about the work of the LEP to come forward and voice their concerns without fear of reprisal.

Disclosers should note that where the concern is one that might fall under the LEP's staff or work force policies on equality and diversity or harassment and bullying or other staff policies, they should consider using the reporting mechanisms for those other policies first, which can be found on the intranet of the Accountable Body.

The LEP has a pre-existing **Complaints procedure** that in many cases will be more appropriate for third parties or members of the public to follow. Third parties or members of the public should review the separate confidential complaints procedure outlined in the LEP's **Complaints procedure** on the LEP's website first before going through the whistleblowing process.

However, if a member of the public or third party believes that their complaint fits the description of a 'relevant concern' outlined below, they may report their concerns through the whistleblowing policy procedure.

## Policy Statement

The LEP acknowledges that Disclosers may often be the first people to realise that there may be something seriously wrong within the organisation.

This policy aims to:

- Encourage people to feel confident about raising serious concerns and to question and act upon their concerns without fear of victimisation or harassment;
- Provide avenues for Disclosers to raise those concerns and receive feedback on any action taken;
- Allow Disclosers to take the matter further if they are dissatisfied with the LEP's response; and
- Reassure all Disclosers, employees in particular who may have specific concerns about their position and employment status in the LEP, that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made any disclosure in the public interest.

## What is a relevant concern?

If a Discloser is asked to do something, or is aware of the actions of another, which they consider to be wrongdoing, they can raise it using this procedure. The Discloser must have a reasonable belief that raising the concern is in the public interest.

A Discloser may decide to raise a concern under the whistleblowing policy if they are aware of a situation that they feel:

- is against the LEP's procedures and protocols as set out in its code of conduct and individual LEP Assurance Framework;
- falls below established standards of practice the LEP subscribes to;
- amounts to improper conduct; or
- is an abuse of power for personal gain.

The types of matters regarded as a relevant concern for the purpose of this procedure include, but are not limited to, the following:

- Fraud or financial irregularity;
- Corruption, bribery or blackmail;
- Other Criminal offences;
- Failure to comply with a legal or regulatory duty or obligation;
- Miscarriage of justice;
- Endangering the health or safety of any individual;
- Endangering the environment;
- Improper use of authority; and
- Concealment of any of the above.

Disclosers should not raise malicious or vexatious concerns, nor should they raise knowingly untrue concerns. In addition, this procedure should not be used to raise concerns of a Human Resources and/or personal nature, such as complaints relating to a management decision or terms and conditions of employment. These matters should be dealt with using the relevant alternative procedure, for example, the LEP **Complaints procedure**. Equally, this policy would not apply to matters of individual conscience where there is no suggestion of wrongdoing by the LEP but, for example,

# WHISTLEBLOWING

an employee or LEP Board Director is required to act in a way which conflicts with a deeply held personal belief.

## Safeguards

The [Public Interest Disclosure Act \(1999\)](#) gives legal protection to employees against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. The LEP believes that no member of staff should be at a disadvantage because they raise a legitimate concern.

The LEP will not tolerate harassment or victimisation and will take action to protect Disclosers when they raise a concern in the public interest.

## Raising a concern

If a Discloser experiences something in the workplace which they consider a relevant concern, it is important that the concern is raised as early as possible. Proof is not required at this point – it is for the LEP to investigate. The Discloser must, however, have a reasonable belief that disclosing the information is in the public interest before raising a concern.

All concerns will be treated in confidence and every effort will be made to protect the Discloser's identity if they wish to remain anonymous. However, at the appropriate time, it is possible that the Discloser will need to come forward as a witness for the matter to progress.

It is important to follow the correct procedure when raising a whistleblowing concern. The following steps should be adhered to:

1. It is important that the concern is raised with the person best placed to deal with the matter, in most cases this will be the Responsible Officer. However, the Discloser may want to raise the concern with someone they know and trust, such as their line manager who can raise it with the Responsible Officer on their behalf.
2. If it is suspected that the concern may implicate the line manager in some way, then it could be raised with a more senior manager in the line management chain.
3. If the Discloser is unable to raise a relevant concern with a line manager or a senior manager or feel that it has not been adequately addressed, it should be raised directly with the Responsible Officer.
4. Ultimately, the Discloser can raise their concern with the LEP Director.

# WHISTLEBLOWING

## Information needed to raise a concern

When raising a concern under the procedure the Discloser should try to provide the following information:

- The background and reason behind the concern;
- Whether they have already raised a concern with anyone and the response; and
- Any relevant dates when actions related to the concern took place.

This information should demonstrate that there are reasonable grounds for the concern to be acted upon. It is important that matters are not investigated by the Discloser themselves.

If applicable, personal interests must be declared from the outset.

## How the concern will be handled

All investigations will be conducted sensitively and as quickly as possible. While the LEP cannot guarantee that the outcome will be as the Discloser may wish, it will handle the matter fairly and in accordance with this procedure.

Once a concern has been raised with either the line manager or Responsible Officer, Head of Service or LEP Director, a meeting may be arranged with them to determine how the concern should be taken forward.

The LEP may decide to take the matter forward by a number of methods, including:

- An internal inquiry or other formal investigation;
- An internal or external audit;
- Referring the matter to the police;
- Referring the matter to another relevant authority for investigation.

Before a final decision is taken on how to proceed, or as part of the investigation, the Discloser may be asked to meet with those investigating their allegation.

If a meeting is arranged, the Discloser may wish to be accompanied by a trade union representative, colleague or friend. The person who accompanies the Discloser should not be involved or have a direct interest in the area of work to which the

# WHISTLEBLOWING

concern relates. The meeting can be conducted over the telephone rather than face to face.

Within 10 clear working days of a concern being raised, the LEP's Responsible Officer will write to the Discloser to:

- Acknowledge that the concern has been received;
- Indicate how they propose to deal with the matter;
- Give an estimate of how long it will take to provide a final response;
- Tell the Discloser whether any initial investigation or enquiry has been made;
- Tell the Discloser whether further investigation will be made, and if not, why not;
- Tell the Discloser how frequently the LEP will keep them up to date on progress of the investigation.

The amount of contact between the LEP and the Discloser concerned will vary depending on the concern raised, any difficult issues and any further clarity required. If necessary, the LEP will seek further information from the Discloser.

The LEP will confirm when the matter is concluded and, if appropriate, the outcome of the investigation, maintaining security and confidentiality for all parties as far as possible.

Throughout any investigation, the Discloser will still be expected to continue their duties/role as normal unless deemed inappropriate.

## Confidentiality and anonymity

The LEP always encourages potential Disclosers to speak up about potential serious wrongdoing in a way that they feel comfortable. The best way to raise a concern is to do so openly, as this makes it easier for the LEP to investigate and provide feedback.

Any disclosures made under this procedure will be treated in a sensitive manner. However the LEP recognises that the Discloser may want to raise a concern in confidence, i.e. they may want to raise a concern on the basis that their name is not revealed without their consent.

The LEP will respect any request for confidentiality as far as possible, restricting it to a 'need to know' basis. However, if the situation arises where it is not possible to resolve the concern without revealing the Discloser (for example in matters of criminal law), the LEP will advise them before proceeding. The same considerations

# WHISTLEBLOWING

of confidentiality should be afforded to the recipient(s) at the centre of the concern, as far as appropriate.

Disclosers may choose to raise concerns anonymously, i.e. without providing their name at all. If this is the case, the investigation itself may serve to reveal the source of information. Disclosers are therefore encouraged, where possible to put their names to concerns raised. When anonymous concerns are raised, they will be treated as credible and investigated so far as possible.

## Protection

If a concern is raised in the reasonable belief that it is in the public interest and procedures have been followed correctly, the Discloser raising the concern will be protected by the terms of this policy and, where applicable, by whistleblowing legislation ([see here for more information on who is covered by whistleblowing legislation](#)). Where a Discloser has been victimised for raising a concern, the LEP concerned will take appropriate action against those responsible, in line with the LEP's disciplinary policy and procedures.

## Changes to procedures or policy as a result of whistleblowing

If changes are made to LEP policies and processes as result of whistleblowing investigations, the LEP will publicise the changes as appropriate, taking into consideration the importance of protecting the anonymity and confidentiality of individuals.

## Untrue allegations

If a Discloser makes an allegation but it is not confirmed by the investigation, no action will be taken against them. However, if a malicious or vexatious allegation is made without good reason to: cause trouble; for personal gain; or to discredit the LEP an investigation may take place. Where the Discloser is an employee or a LEP Board Director or a contractor this may result in disciplinary or other action if they have broken the terms of their employment, acted against the LEP Code of Conduct or broken a clause in a contract.

# WHISTLEBLOWING

## How this matter can be taken forward if you are not satisfied

This procedure is intended to provide Disclosers with an avenue to raise legitimate concerns. If you are either unable to raise the matter with the LEP or you are dissatisfied with the action taken you can report it directly to the Cities and Local Growth Unit in the Ministry of Housing, Communities and Local Government and the Department for Business Energy and Industrial Strategy, at the following email address: <mailto:LEPPolicy@communities.gsi.gov.uk> or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as “Official - whistleblowing”.

In addition, if you are either unable to raise the matter with the LEP or you are dissatisfied with the action taken you may consider raising it with:

- The police;
- The relevant regulatory body or professional body;
- Your Trade Union;
- Your solicitor;
- Your Citizens Advice Bureau.

Further information and signposting for potential Disclosers is available on <https://www.gov.uk/whistleblowing>

## Feedback on Whistleblowing Policy

Any feedback or comments on this policy should be directed to the LEP's Responsible Officer.

## **GBSLEP RISK MANAGEMENT STRATEGY**

Risk management is a key part of good management. The analysis of risk is an essential part of the design, delivery and review of all activity.

The risk management strategy ensures that risks across all areas of GBSLEP activity, those delivery partners including grant recipients, are evaluated, managed and reported, in a consistent way. This will offer GBSLEP board and key stakeholders, assurance that any risks to the delivery of GBSLEP outcomes have been identified and are being successfully managed.

Risk is considered at three levels: corporate, operational and intervention levels.

The approach provides a traditional bottom-up operational risk process, combined with top-down strategic risk analysis at board level. All activities are aligned by risk management and risk escalation mechanisms.

The success of risk management is dependent at strategic level, on the support and leadership of the Board. On an operational level it is dependent on day-to-day engagement of all GBSLEP employees, those who are best placed to understand and manage the risks relevant to their areas of work.

This Risk Management Strategy and the accountability for the risks set out in the risk register are owned by the Chief Operating Officer.

### **GBSLEP KEY STRATEGIC RISKS**

Key corporate risks facing GBSLEP are reviewed and agreed by the Board annually. They are:

<ul style="list-style-type: none"><li>• Legislative</li><li>• Political</li><li>• Partners</li><li>• Environmental</li></ul>	<ul style="list-style-type: none"><li>• Social</li><li>• Corporate</li><li>• Reputational</li><li>• Programme Delivery</li></ul>
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If any of these risks manifest, GBSLEP would be faced with financial, legal, reputational or operational issues.

### **RISK TOLERANCE**

In order for informed decision making to take place; it is necessary for the Board to be able to evaluate risks and the benefits of different actions, in an equitable manner.

The risk criteria are owned by the Board who will decide on the basis of recommendations from the Governance, Risk and Audit committee. They reflect the risk appetite of the Board and determine the point at which risks need to be reported upwards.



<b>PROBABILITY RATING</b>				
5	4	3	2	1
Very High	High	Medium	Low	Very Low
<b>RISK IMPACT LEVEL – BASED ON RISK CATEGORY</b>				
<b>Financial -</b>				
5	4	3	2	1
More than 10% over budget	6 -9% over budget	3 – 6% over budget	1 -3 % over budget	On budget
<b>Strategic</b>				
5	4	3	2	1
Threatens the viability of the organisation	Major impact on strategy	Moderate impact on strategy	Minor impact on strategy	Minimal impact on strategy,
<b>Reputation – Confidence and trust by Stakeholders</b>				
5	4	3	2	1
Threatens future relationships	Major reputational sensitivity	Moderate reputational sensitivity	Minor reputational sensitivity	Minimal reputational sensitivity
<b>Outcomes/ KPI's</b>				
5	4	3	2	1
Outcomes /KPIs will not be met	Major impact on outcomes/KPIs by over 10%	Impact of 5-10% on outcomes/KPIs	Minor impact on outcomes/KPIs by less than 5%	No impact on outcomes/KPIs

Risk ratings are useful to managers as a relative, rather than absolute indicator, which will help to identify the most critical risks to success so that management effort can be prioritised.

### **On-going management of risk**

Each risk must be assigned an owner who will be accountable for managing it and updating the risk register.

Risk management should provide extra value and:

- Focus effort on risks where benefits could be enhanced, the likelihood of success could be improved, or the likelihood of negative impact reduced;
- Ensure that risk management is having an impact – and change the approach if it is not doing so.

- Be proportionate – more attention may be appropriate for larger interventions.

The risk register must be updated to reflect activities undertaken and revised levels of risk. Changes must be saved; amending the date in the document name e.g. '**Risk register 1 April 2019.**'

### **Escalation**

Risk owners should report any risk that is red or on an upward trend, to their line manager who will help them resolve the issue.

If the risk continues at the same level, the relevant member of the SMT will report into the COO and Head of Governance to consider how the risk can be mitigated.

Where required, the Head of Governance or COO will report risks that are deemed to be out of control or of critical impact, immediately to the CEO and any relevant committee.

### **Monthly risk reporting and actions**

The purpose of reporting is to appraise and make visible, risks that pose a threat to GBLSEP strategies, business models or viability.

Each month the risk owner should discuss all increasing and red risks with their line manager. The Head of Governance will meet each member of the SMT monthly to discuss risks and risk management.

Each month the Head of Governance will prepare a report for the Audit and Risk Committee. This will review risks across the organisation, identifying individual risks of concern and assessing cumulative risks across the business by category.

The report will be further sub-divided by Corporate and Program activities to enable transparency across all activities.

Each month the Board will receive a report on risk from the Audit and Risk Committee that will show the overall risk position and key areas of concern. The Board may invite the risk owner to discuss their risk management strategy. The Board may demand a specific approach be taken to remediate.

In addition to the above report, each month the Board will review the strategic risks that they own, and where necessary cascade actions downwards.

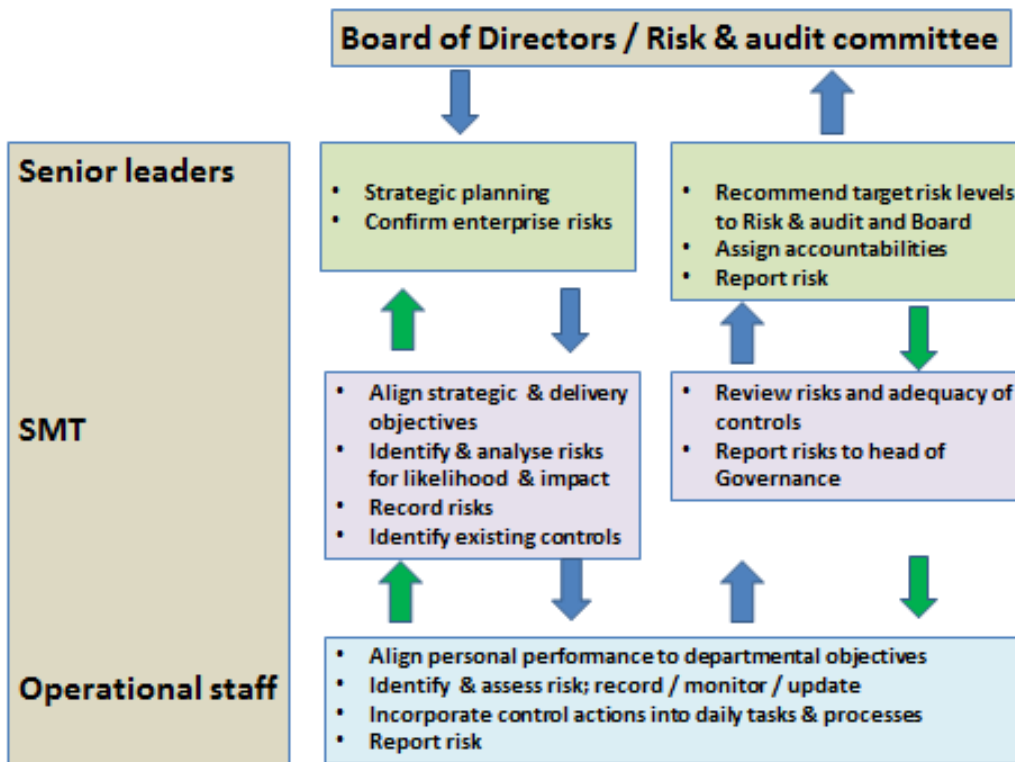
### **RISK ASSURANCE**

GBSLEP will periodically audit risk management processes in order to gain confidence that the system is working. Questions that audit may ask include;

- Does management understand the uncertainties inherent achieving its objectives?
- Does management consult the Board when defining risk appetite?
- Are any part of the organisation taking risks that the Board may not understand

- Are critical risks in the business model understood and being managed by people who have an appropriate level of skill?
- Does the Board understand the critical risks?
- Do meetings include sufficient time to discuss risk?
- Are there managers responsible for identifying, assessing and managing risk?

## ACCOUNTABILITIES AND RESPONSIBILITIES FOR RISK



	ACCOUNTABLE	RESPONSIBLE	CONSULTED	INFORMED
Agree risk tolerance	Board	GBSLEP Board	Head of Governance	All
Own risk policy and process	Board	ARC	CEO COO Head of Governance	ALL
Annual updates of risk policy and process	Board	ARC	COO CEO Head of Governance	ARC GBSLEP Board
Ownership of tolerance levels, strategic risk categories	Board	Board	COO CEO Head of Governance Head of Delivery	ALL
Updating corporate risk	Head of	Risk owner	Head of	ARC

register program and operations	Governance		Delivery COO	Board
Reporting risk to committees	Head of Governance	Respective leads	n/a	GBSLEP Board
Reporting and discussion of corporate risk at internal management meetings	Head of Governance	Heads of service	n/a	CEO
Identification and re-alignment of corporate risk in relation to priorities of GBSLEP	CEO	ARC	GBSLEP Board	ALL
Updating stakeholders on external directives	CEO	Head of Governance	COO	ARC GBSLEP Board
Training on risk management policy and process	Head of Governance	Heads of service	Heads of service	ARC COO CEO
Ensuring there are sufficiently experience employees to manage risk	COO	Heads of service	Head of Governance	ARC
Awareness raising of risk management approach	Head of Governance	Heads of service	Head of Governance	ARC COO CEO
Assurance of mitigations, controls, process and policy	Head of Governance	Internal assurance team	SMT	GBSLEP Board ARC

## PRACTICAL GUIDANCE FOR MANAGING CORPORATE RISK

### Corporate Risk management

The task of risk management is to limit the organisation's exposure to an acceptable level of risk in relation to the expected gain by taking action to reduce the probability of the risk occurring and its likely impact . Choose one or more of the following approaches for dealing with the risks you decide to manage:

- **Avoidance:** Act to eliminate the risk factor that gave rise to the risk. An example is deciding not to use a new, untested procedure that you're concerned may not produce the desired results.
- **Transfer:** Pay or agree with someone else to assume some or all of the effect of the risk.

- **Mitigation:** Either reduces the likelihood that a risk occurs, or minimise the negative consequence if it does occur.

The principles of risk management are to:

- Think logically
- Identify the key risks
- Identify what to do about each risk
- Decide who is responsible for actions
- Record the risk and changes to the risk
- Learn

## **RISK IDENTIFICATION**

Every employee should remain constantly aware of risks that are inherent in

Operational and program activity; identifying any factors that could result in a risk to GBSLEP in one or more of the following areas:

- Finances
- Reputation
- Outcomes /KPIs
- Strategy

The risks could arise from one or more of the following:

- Legislative
- Political
- Partners
- Environmental
- Social
- Legal and compliance (to include health and safety, key controls etc.)
- Corporate

Risks from Project or programmes are considered elsewhere

## **ASSESS THE LEVEL OF RISK**

Risks are rated, using pre-defined scores, that consider:

- The severity of the impact should the risk manifest
- The likelihood of the risk manifesting
- The ability to mitigate the risk

The output of this activity is a risk number; the higher the number the greater the risk. This will provide visibility of the key risks and where to focus energy

### RECORD THE RISK

If a risk has been identified, it should be recorded in the corporate risk register.

1. Provide a clearly overview of the risk
2. Categorise each risk by type:
3. Categorise the area that the risk would impact
4. Rate the likelihood of the risk manifesting
5. Rate the impact this would have
6. A risk score will be generated
7. Rate the ability to mitigate the risk
8. Record what mitigation will be undertaken
9. A risk priority number will be produced
10. Complete the register with the owner of the risk

### CORPORATE RISK REPORTING

A report should be generated on all new red risks. This should use the format below. The report should be sent to the Head of Governance and Assurance in time for consideration by the Risk and Audit committee. It may be escalated to the Board.

<b>Risk number</b>	<b>Date first recorded</b>	<b>Original risk score</b>
<b>Report author</b>	<b>Date of report</b>	<b>Current risk score</b>
<b>Summary of risk</b>		
<b>Risk category</b>	Legislative e.g. Changes to funding	
	Political e.g. boundary changes. CA influence	

	Partners e.g. delivery partner relationships or delivery	
	Environmental e.g. Impact of projects	
	Social – e.g. changing demographics	
	Corporate	
	Legal and compliance – e.g. GDPR, equal opportunities	
<b>Impact of risk</b>	Finances	
	Reputation	
	Outcomes/KPIs	
	Strategy	
<b>Summary of mitigating activity</b>		



## FINANCE CONTROLS POLICY

### 1. Introduction

This document sets out the policy and process of GBSLEP in relation to any activity that commits the LEP to financial expenditure. It ensures that:

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- Purchase of goods and services made do not exceed the limits of approved budgets
- Goods and services are purchased only with proper authorisation
- Appropriate and compliant tender processes are used where appropriate and in line with delegated budgets
- Goods and services are correctly ordered and recorded
- LEP can demonstrate best value for money when spending public money

No Individual who works for the LEP may commit the company to any financial commitment unless they follow this policy.

In support of this policy GBSLEP will:

- Assign responsibility to named individuals and provide adequate management oversight
- Measure and monitor the application of this policy
- Review this policy at least once every two years
- Ensure that all GBSLEP staff are aware of this policy and associated procedures

### 2. Overview of accountabilities for procurement

**The COO is** accountable for establishing process, policy and governance relating to financial matters, along with the management of risk. This includes the following: -

- Recommending delegation limits for sign off by the GBSLEP Board

- Management of the Finance System
- Mitigating financial risk arising from contract risk during procurement and tendering process
- Standardisation of purchases where possible across high volume items
- Introduction and review of processes

The Head of Governance is accountable for ensuring periodic audits of finance systems and activity

The Head of Delivery is accountable for monitoring financial spend and risk for capital programs and reporting this to the COO and Programme Delivery Board.

The following are accountable for allocating capital expenditure – LEP Director (up to £2.5m); Program Delivery Board (up to £10m); GBSLEP Board (over £10m).

The finance team provides assurance; remaining aware of and reporting any misconduct, or offence of fraud under the Fraud Act 2006 and the Bribery Act 2010.

All staff have a responsibility to work within the terms laid out; as well as acting legally and ethically.

All staff and officers whose role may make them liable to have a conflict of interests with their duties must declare this. They will be required to sign a declaration which will be held with HR records. Should circumstances change, HR must be notified immediately.

### **3. COMMITTING THE LEP TO FINANCIAL EXPENSE**

The aim of the annual budgeting process is to ensure annual requirements are adequately considered, and appropriate budgets awarded. Repeated expenditure that is not within budget, will result in disciplinary action, and may result in the withdrawal of financial and budgeting responsibilities.

#### **3.1 Procurement items and services under £200**

As long as purchase is within the approved budget, commitments may be made and / or authorised by budget holders.

Purchase values may not be split to bring them under the limit.

#### **3.2 Procurement of larger value items and services**

The thresholds apply to budgeted expenditure only. They exclude recruitment; additional posts must be signed off by the CEO, replacement posts can be filled immediately.

The following financial limits/procedures must be followed, and the total value must not be artificially split to avoid the appropriate approach.

£201 to £999

One written quotation

£1,000 to £10,000

Three written quotations

£10,001 to OJEU limits

Open tender, advertised on GBSLEP website, signed off by the COO and GBSLEP Board

The thresholds apply to the total order and in the case of contracted services to the annual contract cost.

These limits may be overridden only with agreement of the CEO or COO. The use of delegated authority must be reported to the GBSLEP Board.

All expenditure over £100k must be reported to the Board.

### **3.3 Non-budgeted expenditure**

All non-budgeted expenditure should be for exceptional items only. ***Additional staff posts must be approved by the CEO.***

Individual expenditure below £500.00 must be approved by the budget holder and recorded as an extraordinary expense.

Cumulative expenditure in one budget, over £1000.00 must be approved and a discussion will be held around budgeting capability.

Individual purchases over £1000.00 must be approved accompanied by a business case and explanation of why the expenditure was not accounted for during budgeting processes.

A record of the budget request will be retained for the full financial years and a cumulative report given to the budget holder and GBSLEP Board.

#### **4. USE OF COMPANY CHARGE CARDS**

4.1 GBSLEP will receive a debit card as part of the account facility. The company will hold up to two cards. These cards will only be used by the COO or Director and within budget allocations. Each cardholder will have a single transaction limit of £500.00 (exclusive of VAT) and a total monthly credit limit of £2,000.00 (exclusive of VAT). In exceptional circumstances this limit may be increased by the Chair. ·

4.3 Immediate revocation of the Card will be made, and treated a gross misconduct, if any of the following occur:

- Splitting charges to avoid the single purchase transaction limit
- Loaning the card, or giving the card details to another employee for subsequent use
- Using the card for personal purchases
- Failure to reconcile statements with receipts

#### **4.4 Conditions of Use**

- The cardholder is responsible at all times for the proper use of the credit card in line with this policy
- A cardholder is responsible for the safe custody of the card and the security of the card information.
- Reasonable precautions should be taken to prevent fraudulent use of the card
- Cards may only be used for bona fide business purposes
- Cards must not be used for personal expenditure
- Cards must not be used to withdraw cash

- Any expenditure must in compliance with procurement policies and procedures and in compliance with other policies for example the Travel and Subsistence
- Expenditure must be within budgetary limitations and in accordance with any prior approval requirements
- The credit card limit must not be exceeded.

Monthly statements, along with receipts and credit card expenses form must be submitted to finance within 5 days of receipt so payment can be made and avoiding the accrual of interest. Failure to abide by this may result in the card being removed.

## **5. EXPENSES**

The following limits apply to all travel and subsistence:

- Breakfast £4.48
- Lunch £6.17
- Tea £2.43
- Evening meal £7.64

It is preferable to book train tickets via the finance team. However, GBSLEP will reimburse staff and Non-Executive Directors for business critical train travel, booked in standard class, upon production of receipts and/or the tickets used.

The following mileage can be claimed:

- Mileage between the employee's administration centre (usual place of work) and another official location.
- Additional mileage between employees home address and an official location
- All mileage from the first additional office locations including three miles to obtain lunch.

In all cases, mileage from the employee's home address to the administration centre cannot be claimed for and will be deducted

Administrative centre - The appropriate centre for administrative purposes for the approved car user (this will normally be the office, depot or centre from which they regularly operate as determined by the respective Chief Officer).

Official location - A place other than the administrative centre where the approved car user may carry out their official duties.

## **6. COMMITTING FINANCIAL EXPENDITURE THROUGH THE CONTRACTING OF SERVICES**

- All contracts must be processed in accordance with the contract approval process and in line with authorised limits and delegated authorities
- Contract initiation may be delegated to other Staff members, however, signing authority for contracts is reserved for those staff identified in the Schedule of Financial Delegations of Authority
- Contracts must not be entered into without receiving legal advice

## **7. AUTHORISATION OF INVOICES FOR PAYMENT**

It is not permissible under any circumstances for the staff member requisitioning and authorising purchase orders to also authorise the invoice.

*Segregation of duties will ensure that individuals are clear on their role and responsibilities and it is up to every person to ensure they abide by them. Failure to do so will be treated as gross misconduct.*

## **8 . AUTHORISATION OF OWN EXPENDITURE**

Employees must not approve the incurring of, or the reimbursement of, their own expenditures even if it falls within their delegation limit. Such expenditure must be approved by that person's immediate manager, or by the COO (with a written delegation from the CEO, which remains in effect until otherwise revoked).

## **9. AUDIT**

The Audit & Risk Committee should set the degree of assurance it requires concerning the management of financial risk.

At least one internal and one external audit of financial activity will be undertaken each year.

GBSLEP reserve the right to request and view any documents and ask any question to employees that may be relevant to the audit of their financial activities.

## **10. GBSLEP SCHEME OF DELEGATION**



The Schedule set out below represents authority delegated by the Board. It endeavours to balance a suitable level of control, with practical requirements need to run day to day operations, efficiently.

It details where authority rests within GBSLEP for financial related matters.

This schedule will be confirmed annually by the CEO and filed with Finance. Limits may be amended at any time by the CEO with approval of the GBSLEP Board.

The finance team will maintain the *Schedule of Financial Delegations*, for the purpose of verifying expenditure.

This Policy also applies to transactions that do not involve a monetary amount, but nonetheless legally commit GBSLEP or incur liabilities for GBLSEP.

- All delegations relate to the delegate's position, not to the individual in that position.
- A delegation of authority under this policy may be wholly or partially withdrawn or restricted (either permanently or temporarily) at any time by the CEO or COO, or Board.
- A delegate's manager may exercise the same level of authority as the delegate; levels of authority are hierarchical through relevant lines of responsibility
- Notwithstanding these delegations, delegates should keep their managers informed of significant initiatives and projects, even if the cost of those initiatives and projects are below the delegated amount and within budget.

### **Signoff for Core Business Activities**

<b>ACTIVITY</b>	<b>SUM</b>	<b>AUTHORISED BY</b>
Purchase	Under £200.00	Budget Holder

Approval of purchases, invoice, or total contract value, funded from authorised budget	≤ £10,000	Budget Holders or COO
	≤ £200,000	COO or CE
	> £200,000	CE and Chair/ Deputy Chair
Approval of purchases, invoice, or total contract value, outside of authorised budget	≤ £10,000	COO
	≤ 100,000	COO and Chair / Deputy Chair
	> £100,000	COO and GBSLEP Board
Signing contracts (total value) within authorised budgets	≤ £200,000	CEO
	> £200,000	CEO and Chair/ Deputy
Bank signatories – cheques. Funded from authorised budget	≤ £1000.00	1 signatory COO/CE/Chair/Deputy Chair
	> £1000.00	2 signatories COO/CE/Chair/Deputy Chair
Approval to apply for grant funding that would commit the LEP to additional resource and / expenditure that extends into the next financial period	<p>GBSLEP Board on the basis of a full business case</p> <p>In exceptional circumstances, the CEO or COO may take the decision and confirm the basis of this to the GBSLEP Board.</p>	
Sign off of business Internet Banking Payments	£50,000 per week	COO or CEO
	Over £50,000	CEO & either COO or Senior Manager
Authorisation to award purchase cards	ANY VALUE	CEO or COO
Authorisation of purchase card spend above authorised limit	ANY VALUE	CEO or COO

Authorisation of expenses	Within limits	Line manager
	Outside of limits	Line manager and COO
Approving write-offs	ANY VALUE	BOARD
Authorisation to purchase within budget	ANY VALUE	Budget holder
* Procurement must also comply with company procurement procedure and limits.		

### Strategic context for financial decision making

What	Accountable	Oversight & involvement	Approval
Set the overarching vision and strategy for economic growth in the GBSLEP that underpins financial plans and determine key priorities for Investment	CEO	All committees	GBSLEP Board
Corporate policies (that is, those which have a material financial impact on GBSLEP staff or strategy) e.g. pay policy	COO	CEO	GBSLEP Board
Investment strategy	CEO	COO	GBSLEP Board
Prioritisation criteria for financial spend	CEO	COO	GBSLEP Board
Strategy for capital programs	CEO	COO	GBSLEP Board

### Budgets

<b>Function</b>	<b>Accountable</b>	<b>Responsible</b>	<b>Sign off where required</b>	<b>Advice and guidance</b>
Setting priorities for allocation of operating budgets	CEO	COO	GBSLEP Board	S151
Setting annual operational budgets	COO	Budget holders	GBSLEP Board	S151
Approval of annual LEP budget	CEO	COO	GBSLEP Board	S151
Approval to move funds between budget headings	COO	Finance team	n/a	CEO

### **Finance processes and management**

<b>Function</b>	<b>Accountable</b>	<b>Responsible</b>	<b>Sign off where required</b>	<b>Oversight</b>
Financial processes for daily operations e.g. including expenses, draw down of funds from BCC	CEO	COO	GBSLEP Board	All staff
Monitoring and reporting on budgets	COO	Budget holders	n/a	GBSLEP Board
Ensuring GBSLEP finances are managed within legal and legislative requirements	CEO	Head of Governance	n/a	GBSLEP Board
Monthly evaluation and reporting of spend	COO	Budget holders	n/a	Board CE

Annual review of procurement and finance processes	CEO	COO	GBSLEP Board	n/a
Authorising systems of internal financial management, control and accountability	COO	Head of Governance	GBSLEP Board	n/a
Ensuring adequate records are maintained	COO	All staff	Head of Governance	GBSLEP Board Audit & Risk Committee
Appointment of Bank, opening bank accounts and designation of bank signatories	CE	COO	GBSLEP Board	n/a
The maintenance of records, the security and regular reconciliation of petty cash	COO	Admin team	Finance team	COO
Ensuring segregation of duties	CE	CO	Head of Governance	Audit & Risk Committee
Drawing down revenue from BCC	CEO	COO	n/a	GBSLEP Board

### Recruitment, pay and reward

Function	Accountable	Responsible	Sign off where required	Oversight
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Authority to appoint/ terminate Chief Executive post, in line with company policy	GBSLEP Board	Nominations Committee	GBSLEP Board	n/a
Establishing base pay	GBSLEP Board	Remuneration Committee	GBSLEP Board	n/a
Review and agree main features of terms and conditions of employment including pay	GBSLEP Board	Remuneration Committee	GBSLEP Board	Union
Approval of early retirement/Severance	CE	COO	GBSLEP Board	n/a
Authorise appointment of staff (interim, secondments, permanent) within authorised budget	Line Manager	Line Manager	n/a	CEO COO
Authorise appointment of staff (interim, secondments, permanent) additional to authorised budget	Line Manager	Line Manager	COO on receipt of business case	CEO Board
Authorisation of payroll	COO	Finance team	COO	n/a

### Financial accounting and reporting

Function	Accountable	Responsible	Sign off where required	Oversight
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Preparation of annual accounts	CEO	COO	S151	Head of Governance GBSLEP Board
Monthly reconciliations	COO	Finance team	n/a	CEO
Submission of VAT returns	COO	Finance team	n/a	n/a
Approval of Annual Accounts	CEO	COO	GBSLEP Board	n/a
Appointment of Accountants	CEO	COO	GBSLEP Board	n/a
To monitor the regulations on VAT, ensuring compliance with financial regulations	COO	n/a	n/a	n/a
To complete and submit Vat returns	COO CEO	n/a	n/a	n/a
Submission of annual returns	GBSLEP Board	COO	n/a	n/a
Report on income held by BCC on behalf of the LEP	COO	S151	<b>n/a</b>	Audit & Risk Committee  GBSLEP Board

## Finance risk and reporting

<b>Function</b>	<b>Accountable</b>	<b>Responsible</b>	<b>Sign off where required</b>	<b>Oversight</b>
Monitoring business performance against strategic objectives and reporting associated risks	CEO	COO	n/a	Audit & Risk Committee  GBSLEP Board
Monitoring budgets on a weekly basis & reporting risk where needed and working to mitigate risks	COO	All budget holders	n/a	CEO

### **Audit**

<b>Function</b>	<b>Accountable</b>	<b>Responsible</b>	<b>Sign off where required</b>	<b>Oversight</b>
Appointment of Financial Auditors	COO	Head of Governance	Audit & Risk Committee	GBSLEP Board
Annual compliance check for all matters including segregation of duties and internal controls	Head of Governance	COO	CEO	Audit & Risk Committee  GBSLEP Board
Arranging and delivering and reporting of annual audits	CEO	Head of Governance	n/a	Audit & Risk Committee



## Capital Finance, Performance, Risk and Monitoring

Function	Accountable	Responsible	Sign off where required	Oversight
Design of funded programme (e.g. LGF, GPF, EZ)	CEO	Head of Delivery	Programme Delivery Board	GBSLEP Board
Prioritisation criteria for funding (e.g. LGF, GPF, EZ)	COO	Head of Delivery	Pillar Boards	GBSLEP Board
Prioritisation and allocation of funding to projects (e.g. LGF, GPF, EZ)	CEO	Head of Programs	Programme Delivery Board	GBSLEP Board
Award of funding to specific projects in line with previously agreed allocations; subject to independent scrutiny of business cases offering vfm and satisfying the GBSLEP Assurance Framework requirements	CEO	Head of Delivery	GBSLEP Board / Programme Delivery Board / CEO (as per delegations)	GBSLEP Board Programme Delivery Board
Payment of funding to projects on receipt of valid and authorised claim form in line with project offer letter and/or project contract	CEO	Head of Delivery	CEO / COO following sign off policy	Programme Delivery Board
Monitoring the delivery, outputs and spend of the projects funded under the Growth Deal Programme or other funding programmes including Growing Places Fund, Birmingham City Enterprise Zone programme, and SEF/BRP programme	CEO	Head of Delivery	n/a	Programme Delivery Board GBSLEP Board Audit & Risk Committee

Ensuring the risk registers for the Growth Deal. Growing Places Fund, are reviewed and that all mitigations are up to date/ appropriate, Birmingham City Enterprise Zone programme, and SEF/BRP programme	Head of Governance	Head of Delivery	Audit & Risk committee	Audit & Risk Committee  Programme Delivery Board  GBSLEP Board
If a Project is at risk of non-delivery that it is brought to the attention of the GBSLEP Board, if appropriate with recommendations for action	CEO	Head of Delivery	n/a	Audit & Risk Committee  GBSLEP board  Programme Delivery Board

## SECTION TWO PROCUREMENT PROCESSES

### 11. Procurement within approved budgets

The following financial limits/procedures should be observed, regardless of how purchases are made.

These may be overridden by agreement of the Chief Executive but all exceptions will be reported to the GBSLEP Board. Repeated exceptions will result in the CEO and COO having to account to the Board.

The thresholds apply to the total order and in the case of contracted services to the total contract cost.

Contracts must not be artificially split in order to avoid the specified approach.

Under £200.00	Own judgement
£201 to £999	One written quotation
£1,000 to £10,000	Three written quotations
<b>£10k and EU threshold (£181,302)</b>	Tender, advertised on GBSLEP website, signed off by the COO and GBSLEP Board <ul style="list-style-type: none"><li>• Detailed Specification</li><li>• Evaluation Criteria of Quality and Price</li></ul>

- Quality Questions
- Pricing Summary

## **12. PURCHASING PRINCIPALS**

Purchasing decisions should not be solely judged on obtaining goods or services for the lowest possible price, rather on value for money, taking into account the total cost to procure and the lifecycle of the goods or services by considering:

- Price
- Quality of product or service
- Fit of product with need
- Reputation and capacity of provider
- Range of goods and services and suppliers available
- Reliability
- Responsiveness
- Delivery times
- Environmental impact

## **13. PURCHASE PROCESSES**

13.1 Prior to purchase enquiries should be made with the Finance team as to whether GBSLEP has a preferred supplier for the goods or services.

All purchases must be supported by a VAT receipt

### **13.2 Purchase via the finance team**

A purchase requisition should be passed to the budget holder for sign off

For spend that is not within budget see also 13.6

Any documents such as quotes, sole supplier forms or emails, along with a completed requisition order, is then passed to the finance team

All documents will be scanned into the system

The finance team will raise a purchase order and make the order

If payment is made after receipt of goods / services, the budget holder must confirm that the goods / services received are satisfactory and authorise payment

### **13.3 Purchase using the company purchase card.**

**The company purchase cards will be held by the Director and COO who will authorise their use**

All receipts and statements relating to a purchase must be supplied to finance

Within 3 days of receiving a credit card bill, a credit card expenses form must be completed, signed off by the line manager who will reconcile receipts against spend. The statement, credit card expense form and receipts must be given immediately to finance so payment can be made before interest is accrued

Employees will be liable to incur expenses themselves if they cannot provide proof of purchase

For spend that is not within budget see also 13.6

### **13.4 Expenses – purchases using personal money**

These items will usually be for travel and subsistence and should not exceed the amounts laid out in the policy

Any documents relating to a purchase must be retained and supplied to finance with your monthly expense claim. These must be submitted to finance by the 5<sup>th</sup> working day of each month

Expense submissions must be signed off by the line manager who must validate the items claimed against the receipts provided

Payments of expenses will be made via payroll / BACs. Late submissions will not be paid until the following month. Employees will be liable to incur expenses themselves if they cannot provide proof of purchase

### **13.5 Purchase via contract**

Procurement must follow the general rules laid out in 3.2.

On completion of the work; supply of goods or services, the Contractor will be required to submit applications for payment in arrears for works completed to the satisfaction of GBSLEP.

Suppliers will be paid in accordance with agreed payment terms as set out in their contractual agreement, on the basis that each invoice contains the following minimum information:

- Account Number
- Reference number
- Charges and total due including a deduction for any applicable discounts
- Total value excluding VAT
- VAT
- Grand total

Invoices without all relevant information will not be processed. Payment will be made to the Contractor within 30 days of receipt.

### **13.6 PURCHASE OF NON-BUDGETED EXPENDITURE**

All non-budgeted expenditure should be for exceptional items only.

Individual expenditure below £500.00 must be approved by the budget holder and recorded as an extraordinary expense.

All none budgeted expenditure with an individual value of over £500.00, or a cumulative value to a single budget of over £500.00, must be approved by the COO using the form

### **13.7 REQUEST FOR ADDITIONAL BUDGET FUNDS**

For items over £1000.00, a full business case must be completed

The budget holder will approve the application and submit to the COO or in their absence the CEO

Approval will be approved or declined within 5 working days.

Budgeted expenditure that is of sufficient value to go to OJEU, will be approved by the COO or CEO and then the GBSLEP Board before procurement starts.

Once approved, the value will determine the next steps, according to the table above.

A record of the budget request will be retained for the full financial years and a cumulative report given to the budget holder and GBSLEP Board.

## **14. 1 APPLICATION FOR A COMPANY PURCHASE CARD**

All applications for use and ownership of a Purchasing Card will be requested by authorised by the Director or Chair. The Finance team will arrange for a cardholder application form to be completed.

Card holders will –

- Complete the application form
- Not disclose the card number, expiry date, 3-digit security code and PIN number to any other person.
- Sign an agreement to:
  - Agree to abide by the spending limits
  - Agree not to use the card for personal use.
  - Agree to the completion and timely returns of the statement and receipts
  - Acknowledge understanding of the process for submitting statements
  - Acknowledge understanding of the process for lost/stolen cards
- The Finance Department will retain a copy of the signed form along with financial records for a period of 7 years
- The Finance Office will retain the card details and PIN number along with records of spending and associated receipts

### **14.4.2 Lost credit cards**

On finding the card has been lost or stolen, the card holder must immediately put a stop on the card by:

Notifying Lloyds via their 24 hour hotline 0800 096 9779 or visiting the nearest branch.

The cardholder must then complete a lost card notification and send to Finance





## **Birmingham Business Charter for Social Responsibility**

The Birmingham Business Charter for Social Responsibility (Charter) is a set of guiding principles which the Council adheres to and invites all organisations to adopt as a mechanism for managing how they deliver social value.

Charter signatories will consider and describe how they can improve the economic, social and environmental well-being of Birmingham that result from their activities. This includes indirect outcomes through commissioning and procurement.

Commissioning and contracting decisions will take account of the principles of this Charter and it forms part of the terms of new BCC contracts, and Conditions of Grant Aid (COGA).

The strategic context for the Social Value outcomes identified in this Charter is derived from the key Council policy drivers. These are:

- **Children**, A great city to grow up in. We want to make the best of our unique population and create a safe and secure city for our children to learn and grow up in.
- **Homes**, A great city to live in. Provide housing in a range of types and tenure, to meet the housing needs of all of the current and future citizens of the city.
- **Jobs & Skills**, A great city to succeed in. By 2031 Birmingham will be renowned as an enterprising, innovative and green city.
- **Health**, A great city to lead a healthy and active life. Helping people become healthier, especially relating to physical activity and mental wellbeing.

### **Charter Principles:**

- Local Employment
- Buy Local
- Partners in Communities
- Good Employer
- Green and Sustainable
- Ethical Procurement

### **Local Employment**

Charter signatories will create employment and training opportunities for local people especially in target areas:

- Commit to create employment and training opportunities for local residents, targeting areas of high unemployment and groups facing disadvantage, including people with disabilities through activities such as work experience placements, apprenticeships, internship and mentoring.

- Seek opportunities to work with schools and colleges to help to ensure that the local young people are equipped with the right skills to match the requirements of the labour market.
- Advertise employment opportunities through the Employment & Skills Services at the Council to ensure that those opportunities are targeted at those furthest from the job market.

## **Buy Local**

Charter signatories will take account of the social, environmental and economic impacts of buying locally when commissioning and contracting, thereby reducing unemployment and raising the skill level of the local workforce.

- Support the local economy by choosing suppliers close to the point of service delivery where possible.
- Use Find it in Birmingham as the primary method of sourcing suppliers for contracts in Birmingham, increasing the accessibility of opportunities to local businesses throughout the supply chain.
- Encourage their suppliers to endorse the principle of Buy Local throughout their supply chains.
- Where possible, commit to purchasing from businesses on the Find it in Birmingham website and from social enterprises and small businesses.

## **Partners in Communities**

Charter signatories will play an active role in the local community and support organisations, especially in those areas and communities with the greatest need.

- Build capacity by supporting community organisations with resources and expertise in areas with the greatest need, for example mentoring and working with youth organisations and services.
- Make a local impact by improving local facilities and areas, for example staff volunteering schemes.
- Provide support to third sector organisations and work with third sector organisations to deliver services and contracts.
- Have a shared sense of responsibility; consider good citizenship and safeguarding issues relating to children and vulnerable adults.
- Work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- Make accessible all sub-contracting opportunities to a diverse supply base including the third sector and local suppliers and provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.
- Help to support the health and wellbeing of communities in which the business operates by for example linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there.

## **Good Employer**

Charter signatories will support staff development and welfare within their own organisation and within their supply chain.

- Ensure that employees are given a fair reward for their labours and help foster a loyal and motivated workforce by adhering to the Council's Living Wage Policy.
- Recognise employees' rights of freedom of association and collective bargaining, including not using blacklists in recruitment processes.
- Provide a safe and hygienic working environment.

- Shows a clear intent and positive commitment to the health and wellbeing of employees, which encourages healthy lifestyle choices that assist with addressing health issues through the adoption of policies such as the Workplace Wellbeing Charter.
- Promote diversity and inclusiveness, not discriminate in respect of recruitment, compensation, access to training, promotion, termination of employment or retirement based upon race, caste, national origin, religion, age, disability (including learning disability), mental health issues, gender, marital status, sexual orientation, union membership or political affiliation.
- Not operate exploitative zero hour contracts
- Have and comply with a whistle blowing policy, safeguard against harassment or intimidation

## **Green and Sustainable**

Charter signatories will commit to protecting the environment, minimising waste and energy consumption, using resources efficiently and contributing towards Birmingham's Clean Air Zone. These commitments will also apply to their supply chain.

- Reduce Carbon footprint – be aware of main impacts on carbon emissions including the indirect carbon used in manufacturing processes and the direct impact of operations and logistics.
- Measure carbon emissions and ensure a plan to reduce emissions, where possible, is being implemented using carbon measurement tools. Specific targets to be included in major contracts.
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy.
- Be a good neighbour, minimise negative local impacts (noise, air quality), improve green areas (e.g. biodiversity, visual attractiveness).
- Protect the environment and minimise adverse impacts and instil this approach throughout the supply chain.

## **Ethical Procurement**

Charter signatories will commit to the highest ethical standards in their own operations and those within their supply chain.

- Work to the highest standards of business integrity and ethical conduct.
- Pay their fair share of taxes
- Ensure the well-being and protection of work forces in the supply chain, which must be supported by robust systems and procedures.
- Uphold the principles of the Universal Declaration of Human Rights and the Fundamental International Labour Organisation Conventions; including the use of child and forced labour
- Adopt best practice when procuring goods and services, e.g. procure low energy products, buy Fairtrade and avoid the use of rainforest timber from unmanaged sources.
- Pay suppliers no later than the terms stated in the primary contract if contracted to the Council, otherwise adopt a similar policy such as the Prompt Payment Code.

## **Implementation:**

Charter signatories will consider and describe, in an action plan, how they can improve the economic, social and environmental well-being of their locality that result from their activities. This includes indirect outcomes through the supply chain.

Approved projects that address the Council’s key priorities and are relevant to the contract will be provided for inclusion in action plans. Supporting these projects will need to be the primary focus of the action plans.

The Council requires all of its suppliers and grant recipients to adopt this Charter subject to thresholds below and invites all other organisations to do so voluntarily. The Charter will be applied proportionately according to the table below:

	<b>Tier 1</b> Charter does not apply	<b>Tier 2</b> Light touch application tailored by contract or grant type	<b>Tier 3</b> Fully consider Social Value and all action plan measures
Contract value or grant value as appropriate			
Contracts for Services	<£200k	£200k to £750K	Over £750K
Contracts for supply of Goods	< £1m	£1m to £5m	Over £5m
Contracts for execution of Works	< £1m	£1m to threshold in Article 4(a) Directive 2014/24/EU*	Over threshold in Article 4(a) Directive 2014/24/EU*
Grants	< £200k	£200k to £750K	Over £750K

\* For current EU thresholds refer to [www.ojeu.eu/thresholds.aspx](http://www.ojeu.eu/thresholds.aspx)

Where the contract is a mixed contract [e.g. a contract for the supply of goods and services], then the contract type that characterises the main subject matter of the contract in question will apply.

All Contractors, subcontractors and grant recipients are required to adhere to the Council’s Living Wage Policy.

Action plans need to include commitments and actions that are proportionate, relevant to the contract, specific and measurable and cover the contracted period. Progress on them will be monitored via an annual report. Action plans must be approved prior to the award of contract or issue of grant.

Organisations without a contract or grant are encouraged to sign up to the Charter.

Where a framework agreement is established by the Council that covers an area wider than Birmingham, participating Contracting Authorities are able to achieve social value outcomes for their relevant areas.

What is meant by Local under Local Employment and Buy Local is context dependent, however, as guidance, 30 miles from the point of delivery is reasonable.

Visit [www.finditinbirmingham.com/charter](http://www.finditinbirmingham.com/charter) for further guidance and the action plan template.

**GBSLEP STAKEHOLDER ENGAGEMENT PLAN 2019/20**

Priority	Actions	Deliverables 2019/20				Outcomes/Success Measures
		Q1	Q2	Q3	Q4	
Better connect GBSLEP with industry to improve the quality of our interventions, leading to improved economic growth for Greater Birmingham & Solihull	<p>Formalise existing industry linkages by launching GBSLEP 'Industry Connect'</p> <p>Members will help inform LEP thinking on the needs, challenges and opportunities for business growth in our region, framed within our key sectors focus and delivery plans. Sector groups will provide the LEP a sounding board for designing and developing our interventions through targeted consultation. For the businesses, it will provide a dedicated forum to provide their feedback, thoughts and ideas all year round.</p>	<p>Launch dedicated page on the GBSLEP website, to include;</p> <ul style="list-style-type: none"> <li>i. Information on purpose of Industry Connect initiative</li> <li>ii. Contact information to express an interest.</li> </ul> <p>Launch a light touch social media campaign via twitter &amp; LinkedIn. Message positioning (high-level):</p> <ul style="list-style-type: none"> <li>i. <i>We want to listen to industry perspectives when designing policy</i></li> <li>ii. <i>We are launching the Industry Connect forum to make it easier for businesses to engage with us</i></li> </ul> <p>Contact businesses already engaged in development of sector interventions, to explain the purpose of our Industry Connect initiative and invite them join:</p> <ul style="list-style-type: none"> <li>1. Businesses from our key sectors, recently engagement in the development of LEP delivery plans and WM Local Industrial Strategy</li> <li>2. Businesses who have expressed an interest following the GBSLEP annual conference</li> </ul>	<p>Industry engagement to refresh the LEP's delivery plans:</p> <ul style="list-style-type: none"> <li>i. Sector specific targeted consultation to inform the development of LEP sector delivery plans</li> <li>ii. Cross sector group to consult on cross cutting delivery plans, inc. emerging technologies/innovation, skills, and business support</li> </ul>	<p>Further development of the webpage to:</p> <ul style="list-style-type: none"> <li>1. Showcase participating businesses on our website, recognising them as supporters actively engaged in shaping the regional economy as a private sector collective, via members directory</li> <li>2. Provide a forum for them to connect with each other</li> <li>3. Portal to access research reports, sector intelligence etc. on a curated page</li> </ul>	<p>Launch a dedicated forum for training providers, to increase dialogue around matching regional training provision supply and demand</p> <p><i>Example of working in practice: Life Sciences</i> Through its industry engagement GBSLEP has identified a skills gap in a lack of Lab Technicians, and limited local training provision, despite there being an approved apprenticeship standard since 2014. GBSLEP currently is unaware of why employers are not utilising the standard. The Industry Connect forums would provide a simple mechanism to create new provision to match the employer's demands.</p>	<p><u>Outputs:</u></p> <p>A dedicated forum to engage industry on targeted consultation, as well as an 'open door' to receive industry input, ideas and feedback all year round</p> <p>More businesses engaged in the development and interventions of the LEPs delivery plans</p> <p>Demonstrate commitment to working with our stakeholders to help us identify barriers to growth and working collaboratively to overcome those barriers</p> <p>Baseline measurement of GBSLEP's reputation within key sectors, Target 100 responses.</p> <p><u>Outcomes:</u></p> <p>Businesses feel better listened to, and more able to input into strategy – in turn increasing credibility of LEP interventions</p> <p>Increased awareness of GBSLEP strategy amongst businesses within our key sectors</p> <p>Increased confidence in GBSLEP's strategy amongst businesses within our key sectors</p>
		<p>Create 'baseline' survey to measure business sentiment toward GBSLEP</p> <p>Survey to measure 4 key areas:</p> <ul style="list-style-type: none"> <li>1. Awareness of GBSLEP</li> <li>2. Awareness of GBSLEP strategy</li> <li>3. Confidence in GBSLEP</li> </ul>	<p>Marketing campaign with a stronger push on reaching and appealing to 'new to the LEP' businesses (no previous engagement) to join the initiative</p>	<p>Survey (as Q1) to measure improvement</p>		

**GBSLEP STAKEHOLDER ENGAGEMENT PLAN 2019/20**

Priority	Actions	Deliverables 2019/20				Outcomes/Success Measures
		Q1	Q2	Q3	Q4	
		strategy 4. Understanding of how businesses can input into the strategy				
		Collect survey responses:  1. Share link to survey via social media channels and newsletter  2. LEP Executive to take survey link to events where industry present		Analysis of survey results to inform further development of the engagement strategy		
Better connect GBSLEP with industry to improve the quality of our interventions, leading to improved economic growth for Greater Birmingham & Solihull (continued)	Deliver more high impact events across the GBSLEP geography, as an opportunity to engage stakeholders  1. Launching interventions with potential impact on local businesses  2. Partnering with business representative organisations to host roundtables with the business community on specific topics	Work collaboratively with Business Representative Organisations (BRO), as well sector specific professional bodies and trade associations to plan a small number of co-hosted roundtables/workshops with private sector members across the geography  Roundtables will focus on defined topics, related to specific challenges/opportunities for business growth, and will feed into the development of GBSLEP interventions/provide an opportunity for GBSLEP to update on specific pieces of work				<u>Outputs:</u>  Increased opportunities to listen to industry perspective  Enhanced working relationship with BROs to gain industry input  Businesses feel better listened to, and able to input into strategy  <u>Outcomes:</u>  Increased understanding of GBSLEP strategy amongst BROs, who will be better equipped to communicate GBSLEP strategy to their membership  Increased awareness of GBSLEP strategy amongst businesses within our key sectors  Increased confidence in GBSLEP's strategy amongst businesses within our key sectors
		Work collaboratively with the Federation of Small Businesses (FSB) to plan a small number of roundtable events, focused on topics relating to areas of challenge/opportunity for members  <i>E.g. Small businesses accessing university support programmes</i>  Roundtable event co-hosted with FSB  Identify and approach further BRO partners / topics  Create events schedule for 2019	Roundtable event (topic/partner tbc)	Roundtable event (topic/partner tbc)	Roundtable event (topic/partner tbc)	
		Date/venue secured for the Annual Conference 2019  Theme(s) agreed for Annual conference 2019	Annual conference 2019 (June)	Annual conference evaluation and planning for 2020		

**GBSLEP STAKEHOLDER ENGAGEMENT PLAN 2019/20**

Priority	Actions	Deliverables 2019/20				Outcomes/Success Measures
		Q1	Q2	Q3	Q4	
<p>Increase level of visibility of GBSLEP interventions and impact, to build credibility, and feeling of relevance within our target business community</p>	<p>Increased schedule of thought leadership pieces from Board Directors and the LEP Executive, in line with launching interventions/projects from GBSLEP</p> <p><i>A new approach to sharing information:</i> alongside detailed pieces of work, clear and informative 'bite size' content will also be shared, for example infographics and videos, to ensure that impact is easily understood</p>	<p>Infographics campaign to run alongside KPI achievements press release</p> <p>Launch 1001 Trades report, accompanied by summary piece and video from GBSLEP Young Person's NED</p> <p>Launch Towns and Local Centres Framework</p> <p>Future of regional funding</p>	<p>BPFS: Apprenticeships - Invite BPFS business leader to contribute to thought leadership piece on apprenticeships as an alternative route into the sector</p> <p>SME focus: inclusive business support</p> <p>Energy Technologies: Energy Innovation Zones /Launch of TEP refuelling station</p>	<p>Life Sciences: Local Industrial Strategy sector action plan/cluster development plan</p> <p>Funding for Growth</p> <p>Creative Industries: Local Industrial Strategy creative industries sector action plan</p>	<p>Advanced Manufacturing: Diversification - Invite the Rail Alliance to contribute to thought leadership piece, incorporating learnings from one year of Rail Mentor work with businesses</p> <p>Innovation: demand-led innovation</p>	<p><u>Outputs:</u></p> <p>Provide higher level of visibility of GBSLEP interventions, as well as 'expertise' and impact, to build credibility, trust and feeling of relevance within our target business community</p> <p>Clearer &amp; informative information to ensure that GBSLEP interventions and impact is easily accessible and more widely understood</p> <p><u>Outcome:</u></p> <p>Raise the profile of GBSLEP within our target business community</p>
<p>Increase integration and alignment of GBSLEP and the GBSLEP Growth Hub communications, to enhance the reputation of the LEP as a credible delivery partner within the business community</p>	<p>Input into the development of a refreshed marketing strategy for the Growth Hub, particularly focused on reaching our key sectors, and increased visibility of the Growth Hub's impact within the SME community</p> <p>Better utilise the Growth Hub database to provide a better quality of data insight and evidence from SMEs when developing interventions</p>	<p>Organise a 'marketing workshop' with key individuals involved in Growth Hub marketing &amp; communications to agree approach</p> <p>Update the GBSLEP website to provide better signposting to the Growth Hub</p> <p>Update the GBSLEP website to strengthen messages on Growth Hub impact</p>	<p>'Advocacy Pilot' focused on creating a network of business supported by the Growth Hub, who will become advocates for the Growth Hub services/impact amongst our key sectors:</p> <p>Decide the scope/purpose and best platform for communication/how regularly to communicate – to integrate with the development of the Growth Hub peer to peer learning network(s)</p> <p>Develop content plan, focused on providing information and tools to best enable individuals to provide advocacy for the Growth Hub</p> <p>Pilot: Invite businesses participating in the Mentoring for Growth programme to become advocates for the GBSLEP Growth Hub - providing a forum to maintain engagement post 12 months of support via the MfG programme</p>	<p>Invite wider network of businesses supported by the Growth Hub to become advocates for the GBSLEP Growth Hub - providing a forum to maintain engagement post diagnostic and referral</p>	<p><u>Outputs:</u></p> <p>Raise the profile of GBSLEP as a credible delivery partner</p> <p>Raise the profile of GBSLEP Growth Hub amongst key sector businesses</p> <p>Businesses supported by GBSLEP Growth Hub become advocates for the Growth Hub services, leading to increased credibility</p> <p>Better quality of insight gained to inform design of business support interventions</p> <p><u>Outcomes:</u></p> <p>Increase in reputational credibility of Growth Hub</p> <p>Increase in companies contacting Growth Hub following direct referral from business</p>	

**GBSLEP STAKEHOLDER ENGAGEMENT PLAN 2019/20**

Priority	Actions	Deliverables 2019/20				Outcomes/Success Measures
		Q1	Q2	Q3	Q4	
<p>Meaningfully engage our young people - the next generation of this region's leaders - in the next generation of the Greater Birmingham economy</p>	<p>Develop and launch the GBSLEP 'Future Economy' initiative: A recognised forum to engage with young people, with a particular focus on designing policy interventions in relation to the future of our economy, including topics:</p> <ul style="list-style-type: none"> <li>i. Jobs of the future</li> <li>ii. Future Economy Delivery Plan: interventions focused on designing an economy that benefits all of our young people</li> </ul>	<p>Identify and invite partner organisations to take part.</p> <p>Identify in more specific detail which groups of young people we'd like to engage with for this initiative, for example, groups that have been traditionally disengaged with developing the economy, and identify partners who have particular expertise or strong existing engagement with the identified groups</p> <p>Invite identified partners to a project Advisory Group, chaired by GBSLEP Young Person's NED</p> <p>Identify members of small dedicated project group to take the project forward</p> <p>Soft launch in Q2</p>	<p>Develop schedule for a series of engagement events, to take place in venues outside of the city centre, facilitated by project partners</p> <p>Q4: Develop PR and wider stakeholder engagement strategy to launch full project Q1 2020</p>	<p><u>Outputs:</u></p> <p>Young people feel that they are able to affect change and input into the GBSLEP strategy</p> <p>Young people directly inform policy design, leading to better quality interventions, particularly those affecting the future of the GBSLEP economy</p> <p>Better quality of insight gained to inform design of interventions</p> <p><u>Outcomes:</u></p> <p>Future Economy initiative informs interventions across LEP Delivery Plans</p> <p>Production of Future Economy Delivery Plan with key interventions identified</p>		





## **Protocol for Joint Working between Greater Birmingham & Solihull LEP and Stoke & Staffordshire LEP**

The Stoke on Trent and Staffordshire LEP (SSLEP) and Greater Birmingham and Solihull LEP (GBSLEP) are committed to working together to deliver maximum value and effectiveness from the work that they undertake. Both LEPs will set out their strategic priorities for the next 5-10 years in their Strategic Economic Plans and European Structural and Investment Fund Strategies. These documents provide a robust, clear and connected strategic framework from which both LEPs will develop specific detailed solutions and proposals to meet the needs of the business community. However, in pursuing their respective ambitions, as set out in these documents, the LEPs will have shared areas of interest where they can work together to deliver results to mutual benefit, especially to meet the needs of businesses located in the overlapping areas of Cannock, Tamworth, Lichfield and East Staffordshire.

The SSLEP and GB&S LEP have forged a mutually constructive working relationship since their inception. Chairs, Board Members and Executive Officers exchange views and participate in respective workshops and Sub Groups on a regular basis. Cannock Chase, Tamworth, Lichfield, East Staffordshire have representation on LEP Boards and at officer level there has been extensive liaison during the development of both Strategic Economic Plans and EU Investment Strategies. This formal agreement sets out how the two LEPs will continue to work together and make joint decisions, with a focus on utilising existing governance arrangements rather than creating an additional layer of decision making.

**Protocol Aim:** SSLEP and GBSLEP work together to achieve economic growth and job creation in both LEP areas, with a particular focus on the overlapping area comprising Cannock Chase, Tamworth, Lichfield and East Staffordshire.

This formal agreement will join up common programmes and initiatives to strengthen business and job opportunities as well as respecting unique LEP offers which would meet diverse needs in specific localities in either LEP. The agreement will also seek to ensure that there will be neither duplication nor gaps in services and offers by both LEP activities and priorities. This agreement is intended to cover any joint working regardless of funding mechanism. Joint projects may be funded by a variety of means, including (but not limited to) European Structural Funds, Local Growth Fund, and Growing Places Fund.

### **Principles for Joint Working:**

When working together the LEPs will:

- determine shared priorities and focus resources accordingly;
- will seek the delivery of mutually agreed outcomes;
- seek to maximise the value of interventions and avoid duplication;
- ensure value for money through a co-ordinated approach;
- work with respective governance mechanisms and avoid creating additional decision making structures.

In order to achieve the Protocol aim both LEPs will:

- Co-ordinate strategic ambitions, and sectoral and delivery priorities where possible. Specifically LEPs will share information in order to jointly identify shared priorities and opportunities for collaboration (primarily in, but not limited to, the overlapping area), based on the work they have each undertaken on SEPs and EU Investment Strategies; this includes; where possible working together to help with consistency of asks and making efficient use of resources to help avoid duplication to partners;
- Recognise that LEPs have their own governance and management arrangements regarding calls under the EU Investment Strategies that will need to be taken account of. DCLG will advise on cross LEP potential projects proposed and cross lep mechanisms for dealing with implementation of these projects;
- Maintain open, inclusive and regular dialogue with Cannock, Tamworth, Lichfield and East Staffordshire to ensure complementary priorities and programmes are developed under the EU Investment Strategies;
- When considering any new work streams / projects consider whether there is an opportunity for joint working as part of the project appraisal process;
- Share information about emerging priorities and new ideas for potential future projects on an ongoing basis to allow for joint working and, even where there is no specific opportunity for joint working, to avoid duplication, in particular where projects impact the overlapping area; agree a fair and transparent mechanism to resolve any differences with all those partners effected;
- Agree a common local mechanism to consult and liaise with partners, local people, interests and organisations on mutual business growth, skills and jobs ambitions, initiatives, proposals, programmes and innovations;
- Undertake joint liaison with government on initiatives of mutual interest; and
- As each LEP's separate negotiations with the major National Opt-In Programmes are confirmed, establish an aligned, co-ordinated and consistent approach to project development, funding and delivery.

Where joint projects or programmes are identified specific arrangements will be agreed, including:

- highlighting the most appropriate funding source and mechanisms for preparing joint funding bids in consultations with local partners
- identification of respective "LEP leads, LEP Support" roles
- development of a consistent programme and project development appraisal process and criteria for European Monies, government or local funding purposes where projects are of mutual interest
- development of an appropriate performance management system which incorporates efficient monitoring, review and reporting of programme and project delivery to both LEP Boards

### **Protocol Working Mechanisms**

The GB&S LEP and SSLEP will consolidate established LEP-to-LEP dialogue and will:

- Create a group to jointly determine potential joint projects and develop proposals regarding how they will be managed. These proposals will then be channelled through

the individual LEP governance arrangements for formal endorsement. Membership of this group will be drawn from relevant existing groups (to ensure agendas remain aligned and make use of the governance arrangements that are already in place) and will include representation from across the over-lap area, as well as the two LEPs

- Decisions will ultimately channelled through the individual LEP governance arrangements for formal endorsement;
- Continuous LEP-to- LEP liaison will be maintained through both Executive Teams.

The principles of this protocol will be reviewed periodically by both LEPs and, if necessary, adjusted accordingly to reflect changing strategic priorities and the requirements of EU and UK funding opportunities.



## **Greater Birmingham & Solihull LEP and Worcestershire LEP Protocol**

With the North Worcestershire area (comprising Bromsgrove, Redditch and Wyre Forest districts) being part of both the WLEP and the Greater Birmingham and Solihull LEP areas, collaboration across the two LEPs is fundamental in ensuring the effective and efficient investment in the overlapping area. Both LEPs have complementary offers and the common aim is to reinforce each LEP's ambitions as well as establish maximum advantage for local businesses.

### **Working Together**

The WLEP and Greater Birmingham and Solihull LEP have forged a mutually constructive working relationship since their inception where Chairs, Board Members and Executive Officers exchange views and participate in respective workshops and Sub Groups on a regular basis. North Worcestershire is represented on both LEP Boards, as well as through officer level involvement in parallel mechanisms, which have overseen the development and delivery of both SEP and ESI Fund Strategies. This arrangement has already proved invaluable in supporting initiatives of joint interest such as aligning co-funding through Growing Places to support the Hoobrook Link Road Scheme in the Wyre Forest District Council area which opens up significant employment and housing land opportunities.

The primary concern of both LEPs is to stimulate economic growth and create jobs. In doing this they recognise that businesses must be able to access prompt, assured and consistent support services, help and advice whichever sign posted route they pursue. It is the confirmed intention of both LEPs that the operating landscape for businesses is simple, co-ordinated and effective and responsive and there is a mutual LEP commitment in delivering results and achieving real impacts to meet business needs.

Both LEPs have established excellent engagement with business networks and representative organisations across the private sector in Worcestershire. It is also significant that both Birmingham Chamber of Commerce and Herefordshire and Worcestershire Chamber of Commerce have established a formal agreement and are working together collaboratively alongside both LEPs which means that private sector interests are represented in a consolidated way.

A Protocol Agreement has been developed and agreed by both LEPs as illustrated below. It will join up common programmes and initiatives to strengthen business and job opportunities as well as respecting unique LEP offers which would meet diverse needs in specific localities in either LEP. The agreement will also ensure that there will be neither duplication or gaps in services and offers by both LEPs' activities. The agreement provides a robust framework within which barriers to growth will be removed, innovations nurtured and mutually beneficial outcomes realised which is testament to our good working relationship. The formal agreement will be countersigned by both LEP Chairs following final approval by the GBS LEP and WLEP Boards either at their next meetings or virtually.

**Protocol Agreement Aim:** WLEP and GBSLEP working together to achieve economic growth and job creation in North Worcestershire

**Protocol Principles:** The framework for respective LEP commitments to North Worcestershire are based on the following principles:

- co-ordinating strategic ambitions, sectoral and delivery priorities where possible;
- synchronising business support by aligning LEPs' local programmes and services to provide consistent responses and delivery to businesses as much as practically possible;
- working jointly through local business engagement mechanisms with North Worcestershire;
- joint liaison with government on initiatives of mutual interest;
- agreeing the most appropriate mechanisms for preparing funding bids;
- agreeing respective "LEP leads, LEP Support" roles for common programmes;
- as each LEP's separate negotiations with the major National Opt-In Programmes are confirmed, establishing alignment, co-ordinated and consistent support and signposting where possible;
- managing resources and programmes to maximum mutual effect;
- where there is commonality across the LEPs, agreeing a consistent programme and project development appraisal process and criteria for ESI, government or local funding purposes; and
- agreeing an appropriate performance management system which incorporates efficient monitoring, review and reporting of programme and project delivery to both LEP Boards

**Working Mechanisms:**

- A joint GBSLEP -WLEP Panel which will meet three times annually or as/when significant issues arise requiring joint resolution
- Joint Panel to comprise two nominated LEP Board representatives and Executive Director from each LEP, ideally one from the private sector and one from the public sector
- Continuous liaison between both LEPs will be maintained through both Executive Teams
- Depending on agenda items to be subject of Panel discussion, LEP Board representatives will be invited to contribute specialist knowledge and LEP intelligence i.e. chairs of respective Place Sub Groups if considering development sites or infrastructure schemes
- Panel will submit joint reports to respective LEP Boards on Panel meeting outcomes, programme/project updates as well as performance management culminating in an annual review of progress and a forward look to the next year
- Panel will escalate any substantive issues of non-agreement to respective LEP Chairs via both Executive Teams in the first instance and ultimately respective LEP boards
- Panel will recommend joint decisions on programmes, projects, funding or issues arising to both LEP Boards for formal approval
- Panel will use the North Worcestershire Economic Development & Regeneration (NWEDR) Portfolio Holders, service and North Worcestershire Business Leaders mechanisms as channels for wider consultation with local businesses, interests and

organisation

- Panel will require the support of the NWEDR service to co-ordinate the delivery of joint priority objectives, programmes and projects to ensure effective use of combined resources, impacts and outcomes as well as avoiding duplication
- Panel will nominate one LEP to lead a common programme theme on behalf of both LEPs where appropriate i.e. first confirmed arrangement will be WLEP (as well as Stoke and Staffordshire LEP) managing the GBS LEP EAFRD funds (£1.14m) in a tri-partite alliance delivering projects which fulfil respective SEP strategic objectives and rural priorities and align fully with WLEP and SS LEP EAFRD funding

# **SCHEDULE 1 – CITY CENTRE ENTERPRISE ZONE ACCOUNTABLE BODY**

## **MEMORANDUM OF UNDERSTANDING**

### **Background**

This paper describes the BCC governance arrangements for how the Enterprise Zone (EZ) business rate uplift and any subsequent BCC investment will be managed.

EZ guidance requires the local authority and Local Enterprise Partnership (LEP) to have local arrangements in place that ensure that business rate revenue arising from the EZ is spent in line with economic priorities. This should recognise that there may be borrowing against future revenues that will need to be reimbursed or paid back through retained business rates before any remaining funds are used to support wider economic priorities.

The Birmingham City Centre EZ investment priorities are set out within the EZ Investment Plan 2014. The Investment Plan sets out programme of projects worth £275m up to the financial year 2022/23.

The principles of EZ Accountable Body arrangements are contained within the EZ Prospectus (March 2011). In respect of the retention of business rates these are set out below:

- Business rates growth within the EZ will be retained by the Billing Authority.
- The Billing Authority and its LEP partners should put in place local arrangements to ensure this revenue is spent in line with economic priorities as supported by the LEP Board.
- The uplift in business rate receipts as a result of the introduction of the EZ will be used by the LEP for key economic priorities, related to the Zone itself or elsewhere within the LEP boundaries.
- Retained business rates will continue to be viewed by government as public funds. As such a local authority should act as the responsible organisation for audit and accounting purposes.
- In line with expectations for the treatment of other public funding, it is expected that LEP partnerships will take responsibility collectively for ensuring that there is transparency in the way retained business rates are spent. The local authority should retain a degree of oversight of transparency arrangements for the total pot of retained business rates.

### **Roles and responsibilities**

#### **Local Enterprise Partnership (LEP) Board**

The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) was allocated an EZ and chose the City Centre as its location. The LEP Board therefore takes overall responsibility for the delivery of the EZ. It does this by setting an overarching investment strategy whilst ensuring that there are clear governance, management and delivery arrangements in place.

Specifically the Board will ensure that:

- There is an approved Investment Plan in place that will help unlock sites for development and enable the delivery of growth, jobs and uplift in business rates
- It receives and considers regular reports on the financial position and performance of the Investment Plan;
- Monitoring arrangements and subsequent performance reports are adequate and appropriate, considering both quantitative and qualitative aspects of performance;
- It nominates a Board Member to be the “LEP Champion” for the EZ. The Champion will ensure that the LEP Board are kept informed of progress on a regular basis and escalates any significant risks and issues.

### **Birmingham City Council as the Accountable Body**

Whilst the EZ was allocated to the GBSLEP, management and redistribution of business rate growth requires a single body from the GBSLEP Partnership to take on the role of “Accountable Body”. This Body must be a legal entity, nominated to act on behalf of the GBSLEP for the receipt and correct usage of business rate growth and uplift within the EZ designation. Birmingham City Council (BCC) accepted this role in respect of the Birmingham City Centre EZ from 30 July 2012.

To help manage the responsibility of being the Accountable Body, BCC will ensure that:

- There is an approved Investment Plan in place that is focussed upon delivering schemes that will support business rate growth in order to provide an investment source for LEP investment;
- Detailed business rate uplift modelling is in place to support the level of borrowing and up-front expenditure;
- As per Communities and Local Government (CLG) Guidance, local arrangements are in place to manage the disbursement of funds. This should recognise that there may be borrowing against future revenues that will need to be reimbursed or paid back through retained business rates;
- There are systems of delegated authority, financial procedure and policy that are structured within the framework of the local authority;
- A set of financial principles are in place for the EZ that will provide limits to the extent of borrowing and creates a contingency fund to manage the risks associated with the flow of business rate income;
- There are robust appraisal and approval processes in place to ensure that individual business cases are sound and will contribute to GBSLEP economic priorities as described within the Investment Plan;
- It co-ordinates all monitoring activities on behalf of the GBSLEP.
- BCC will also nominate a Chief Officer [currently Waheed Nazir] to ensure that liaison is maintained with the LEP. The Chief Officer will be the City’s main driving force behind delivery of the EZ and will have sufficient authority to ensure that internal approval issues are identified and controlled.

### **EZ Executive Board**

An Executive Board has been established to oversee delivery of the Investment Plan. The GBSLEP will be represented by two LEP Board members including a nominated Board Member [currently Christopher Webster] who will act as the “LEP Champion” and will ensure that the LEP Board is kept informed of progress on a regular basis.

BCC will be represented by a Chief Officer together with other senior officers who have overall responsibility for key aspects of the EZ. This representation of officers will be replicated by other LEP local authority partners in due course as investment takes place outside of the EZ.

Specifically the Executive Board will ensure that:

- The Investment Plan is delivered in accordance with agreed milestones and targets;
- It receives and considers regular reports on the financial position and performance of the Investment Plan and is informed of any key risks or issues with implementation;
- Key issues and risks are either addressed or escalated to the LEP Board;
- It approves / rejects / makes recommendations on business cases contained within the approved Investment Plan.

### **EZ Directors’ Board**

BCC has set up a Directors’ Board in order to provide management of the EZ Investment Plan in terms of resources and project delivery. It will be headed up by BCC’s nominated Chief Officer and will include representation from senior level BCC officers who have responsibility for the delivery and financial management of the EZ.



Specifically the Director's Board will ensure that:

- The Investment Plan is effectively managed in terms of delivery and resource;
- It receives and considers regular reports on the financial position and performance of the Investment Plan;
- Any key obstacles on EZ project and programme delivery are either addressed or escalated to the Executive Board.
- It manages EZ financial position in accordance with the EZ financial management principles
- It approves and / or rejects Project Definition Documents and Outline, and Full Business Cases for the use of EZ Resources where they exceed BCC Chief Officer delegations;
- Key issues and risks are either managed or escalated to the Executive Board.

### **EZ Portfolio Board**

BCC has set up a Portfolio Board, which will provide day-to-day management of the EZ Investment Plan.

Specifically the Portfolio Board will ensure that:

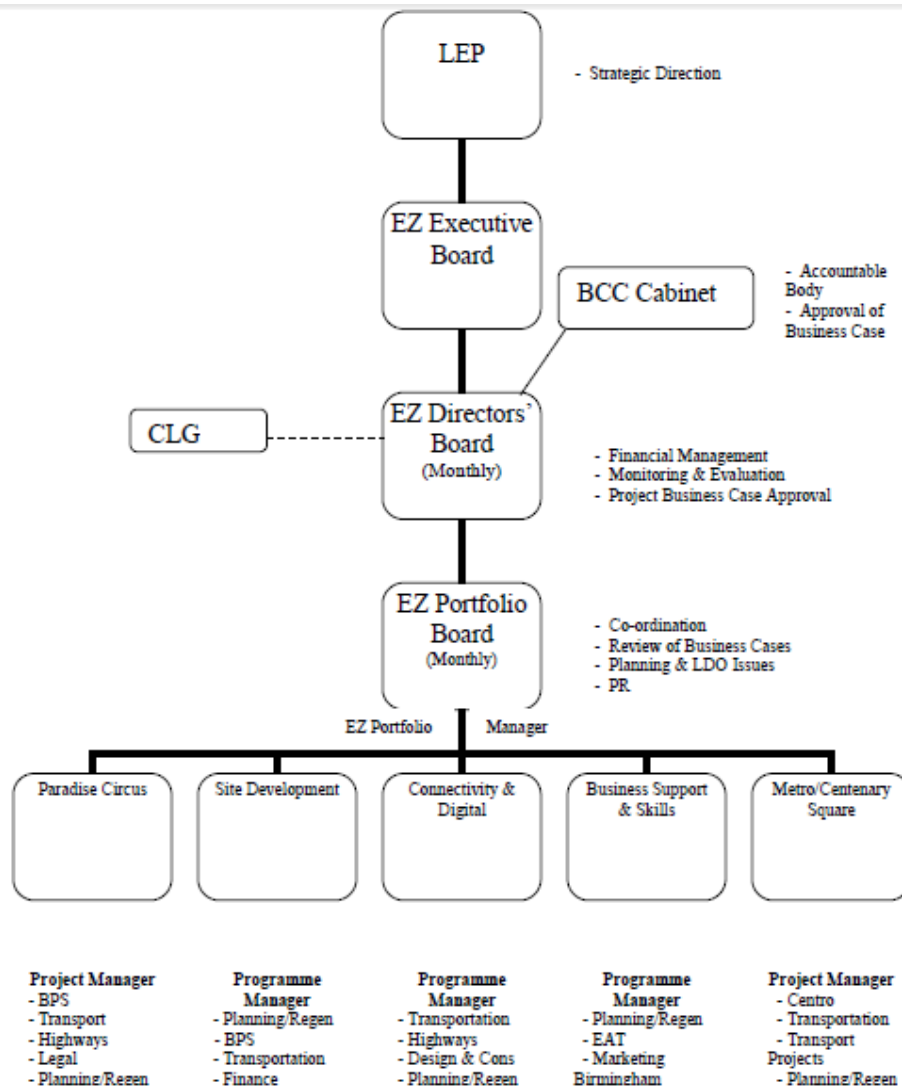
- The human resources of the City Council are effectively managed to support project delivery;
- Regular updates are given to the Directors Board and Executive Board on the performance management framework for monitoring progress towards the 10-year outcomes as described within the Investment Plan;
- It prepares regular reports on the financial position and performance of the Investment Plan, identifying any significant variation in Investment Plan performance, for consideration by the Director's Board and Executive Board;
- It receives and considers regular reports on the financial position and performance of the individual Project Boards;
- It considers and make decisions on Business Cases up to BCC Chief Officer delegation levels
- It receives and makes recommendations on Project Definition Documents, Outline and Full Business Cases for the use of EZ resources
- Key issues and risks are either managed or escalated to the Director's Board;
- Marketing and PR activity is effectively co-ordinated;
- It is kept abreast of key planning and property issues within the EZ designation.

### **EZ Project Board(s)**

BCC has established a series of individual Project Boards that will be responsible for developing the key areas of the Investment Plan, namely: Paradise Circus; Site Development; Connectivity & Digital; Business Support & Skills; Metro & Centenary Square; and Individual Boards will have responsibility for developing projects against their approved allocation as set out in the Investment Plan.

Key issues and risks are either managed or escalated to the Portfolio Board.

## Governance framework



### Financial Management

The Accountable Body will apply a series of financial management principles as set out below:

#### 1. Income Safety Margins

For reasons of prudence, particularly during the early years of EZ business rate uplift, only a prudent proportion of net business rate income will be taken into account in determining expenditure commitments, including borrowing and operating costs. The intention is to provide a safety margin due to the associated risks of business rate income levels not matching their profiled income levels.

In order to ensure that there are sufficient reserves to meet short term falls in income or increased costs, a sum equivalent to 15% of the annual EZ income will be set aside on a cumulative basis to meet uncertainties. Once EZ business rate income levels start to materialise in line with their forecasts, then consideration will be given to releasing the surplus reserve generated from the application of this approach to support further LEP investment proposals.

## 2. Borrowing repaid within life of the EZ

The business rates income stream will cease after 25 years (i.e. by 31st March 2038). All associated borrowing must therefore be repaid within this term in order to ensure that the borrowing is prudent, affordable and sustainable. Consequently capital projects commencing in Year 2 of the Programme will be borrowed using an annuity which allows the capital sum borrowed to be repaid over a 24 year term, whilst projects commencing in Year 3 will effectively be borrowed and repaid over a 23 year term, etc.

This means that capital intensive investments which are approved and borrowed for over a longer time frame will have a lesser financial impact in terms of affordability against the annual EZ Programme than if they were undertaken over a shorter period (i.e. the longer the borrowing term the smaller the annuity charge to the revenue account). On-going monitoring of the EZ programme resources and the financial implications resulting from approved projects in the investment programme will provide a valuable tool against which an assessment can be made as to the level of future capital investments that the EZ can support in later Investment Plan periods.

All EZ investment decisions are considered and only endorsed by the Accountable Body subject to their being affordable.

## 3. Utilising Assets under Construction Policy

In accordance with CIPFA guidelines Local Authorities can roll up interest charges for assets under construction. For infrastructure and other capital projects this offers the advantage to smooth out cost and income cashflows so that income from business rates arises in the same financial period as the revenue costs of the project which BCC has to account for.

## 4. Site-by-site business cases as well as LEP-wide business cases

Proposed expenditure commitments for individual developments will be financially appraised against the expected business rates impact arising from that development through individual business cases.

## 5. Financial commitments aligned to development commitments

For EZ developments, and wherever feasible, financial commitments will only be made following legal agreement with the developer/landowner once development projects have been committed to. This will provide assurance that the business rates income stream is reasonably secure.

## 6. Prudential Borrowing

In borrowing for LEP EZ funded projects, BCC is subject to legal constraints and statutory guidance in relation to the borrowing. This includes compliance with the Authority's accounting and debt repayment policies. BCC will consider the financial implications of any LEP EZ proposals, as part of its overall budget (for example, in setting its Prudential Borrowing indicators and limits) and in complying with the CIPFA Prudential Code.

## 7. Income provided to support wider LEP Investments

Whilst the City Council will support and fund approved EZ investment decisions made by the LEP, both the City Council and other local authority partners will ultimately be responsible for their own projects, associated cost control and other financial risks. In the event that project costs exceed those approved by the LEP then any additional costs incurred or to be incurred above those supported through EZ income will become the financial responsibility of the delivery partner and not the EZ or Birmingham City Council in its Accountable Body role. This is particularly relevant

for the LEP Investment Fund and HS2 Growth Strategy investments which could fund projects outside of the BCC area.

#### 8. Management and monitoring of resources

The delivery of the Approved and Additional Investment Programmes will depend on having robust processes in place to manage and monitor income and expenditure for the EZ. This will be undertaken as part of the regular reporting to the LEP through the Governance arrangements to provide ongoing updates to the financial model and to ensure risks to delivery are highlighted.

Whilst the LEP approves individual capital investment and revenue proposals for EZ support, the Accountable Body will ultimately endorse these projects going forward subject to the viability of the investment proposal in terms of overall affordability. This assessment will be based on the future availability of secured, but uncommitted, EZ business rate income resources. Consequently it may be necessary for the City Council, in its Accountable Body role;

- a) to seek a re-profiling of proposed expenditure levels so that accord with available resources, or
- b) to endorse projects for EZ funding only when there are sufficient secured and appropriate levels of business rate income in place.

#### **Investment Plan Priorities and Targets**

##### **Projections of Enterprise Zone income**

A detailed financial model has been created for the EZ reflecting both expected income (revenue) based on modelling of development and take-up, and expenditure associated with the delivery of the Investment Plan. Sensitivity testing has been carried out in order that risk is addressed in an informed way in structuring this financial strategy. The baseline projection of revenue is based on a level of take up in line with long term trends in the property market and assumes a significant level of EZ investment. As development is delivered the amount of available income increases. The assumed level of business rates income for the EZ is highly sensitive to anticipated levels of development activity. Should development fail to materialise in line with projections, investment at desired levels may not be achievable. Similarly, increased project costs or borrowing costs would be detrimental to the achievement of proposed investment. As such, robust principles for financial and project management are required within the EZ where capital expenditure is to be financed from borrowing by BCC as the accountable body. The revenue costs of borrowing will be met from EZ revenue resources; BCC will calculate the borrowing costs based on existing BCC arrangements for recharging interest costs and statutory requirements for debt repayment costs.

#### **Project and Approval Processes**

##### **Birmingham City Council**

All projects to deliver the EZ are subject to BCC Governance structures. This requires a Project Definition Document (PDD) for approval to authorise project development and feasibility. Once PDD approval has been reached, activity can commence to formulate the Full Business Case to authorise the release of funds and formal project approval. All existing BCC Financial and Project controls will be in place and projects will be managed in accordance with these agreed processes, policies and procedures.

The Enterprise Zone Directors Board will authorise the use of resources to develop PDD's and Full Business Cases.

Project Boards will ensure that they develop an annual programme of project activity that will deliver against their approved financial and non-financial targets as contained within the Investment Plan. They will prepare PDD, Outline and Full Business Cases for the use of EZ resources for consideration by the EZ Programme Board. They prepare progress reports and key decisions reports for the Portfolio Board.

Risk Management of the overall Portfolio of Enterprise Zone activities and individual Project Risk Management will be carried out in accordance with established BCC policies, procedures and practices.

### **GBSLEP Board**

The LEP Board takes overall responsibility for the delivery of the EZ. It does this by having an up to date Investment Plan whilst ensuring that there are clear governance, management and delivery arrangements in place. The LEP will receive regular reports on the implementation of Investment Plan.

The various EZ Boards will work on behalf of the GBSLEP Board and ensure that the release of EZ funds for projects contained within the Investment Plan is authorised through an approved Business Case.

### **Performance Management**

In order to assist the management of the EZ and the delivery of objectives set out in the Investment Plan, performance management arrangements have been put in place by BCC as accountable body which:

- Provide appropriate information to the LEP Board to enable it to assess the performance of the EZ on a regular basis;
- Provide CLG with the monitoring information it requires as set out in its Monitoring Framework.

### **GBSLEP Board**

The LEP Board will receive monitoring reports on a twice yearly basis using agreed Governance Pack report templates. This will include:

- Overall Financial Summary
- Overall Position on Output Indicators
- Project Specific Updates

Specifically the LEP Board will receive twice yearly updates against the following indicators:

- Number of new employment positions filled within the EZ since 1st April 2012
- Number of new enterprises on the EZ since 1st April 2012
- Amount of land developed or redeveloped in the EZ since 1st April 2012 (ha)
- New/refurbished floorspace created in the EZ since 1st April 2012 (gross internal area in sqm)
- Public sector capital investment into the EZ since 1st April 2012 (gross, in £s)
- Private sector capital investment into the EZ since 1st April 2012 (gross, in £s)

The Board will also receive an annual report which will include a review of the Investment Plan and make recommendations regarding adjustments for the following year for approval by the Board.

The annual report will also contain more detailed information, particularly regarding outputs, i.e. new enterprises by sector and jobs by occupation to assist in reviewing the Investment Plan.

### **Communities & Local Government (CLG)**

CLG will receive monitoring reports on a quarterly basis as required by its Monitoring Framework.

**Making the agreement work**

The GBSLEP Chair, LEP Champion, BCC operational lead for the EZ and BCC financial lead have signed this agreement on the understanding that each party is fully committed to making it work and maximising the benefit to the LEP of the EZ designation.

Joint monitoring meetings can be called specifically in respect of the operation of this framework to take account of any change to the EZ.

SUPERSEDED - NEW DRAFT IN DEVELOPMENT

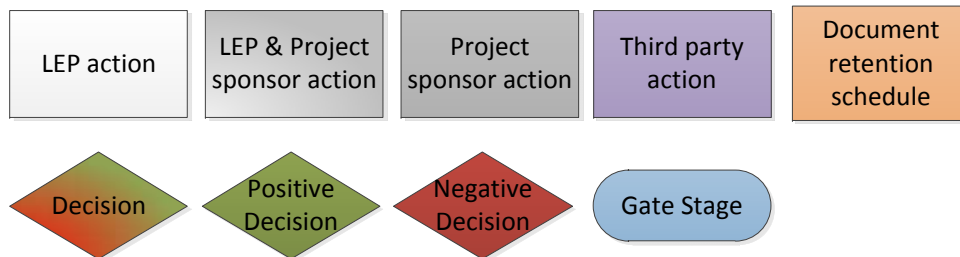
## GBSLEP Growth Deal Funding: Stage Gateway Process

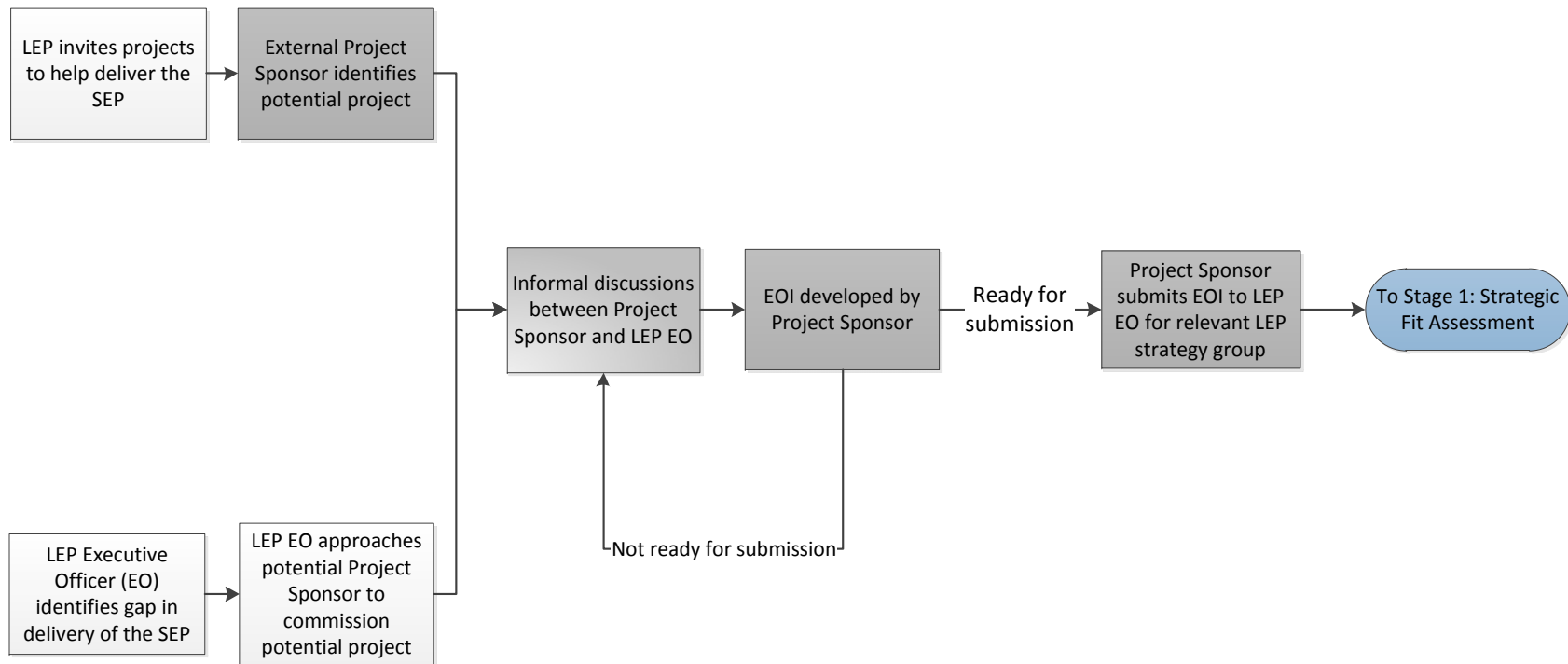
### Workflow Summary:

Gates: Stages:

- 0 Pre-application
- 1 Strategic fit assessment
- 2 Outline Business Case (Programme entry) assessment
- 3 Full Business Case assessment
- 4 Contracting
- 5 Delivery
- 6 Project completion
- 7 Evaluation

### Key:

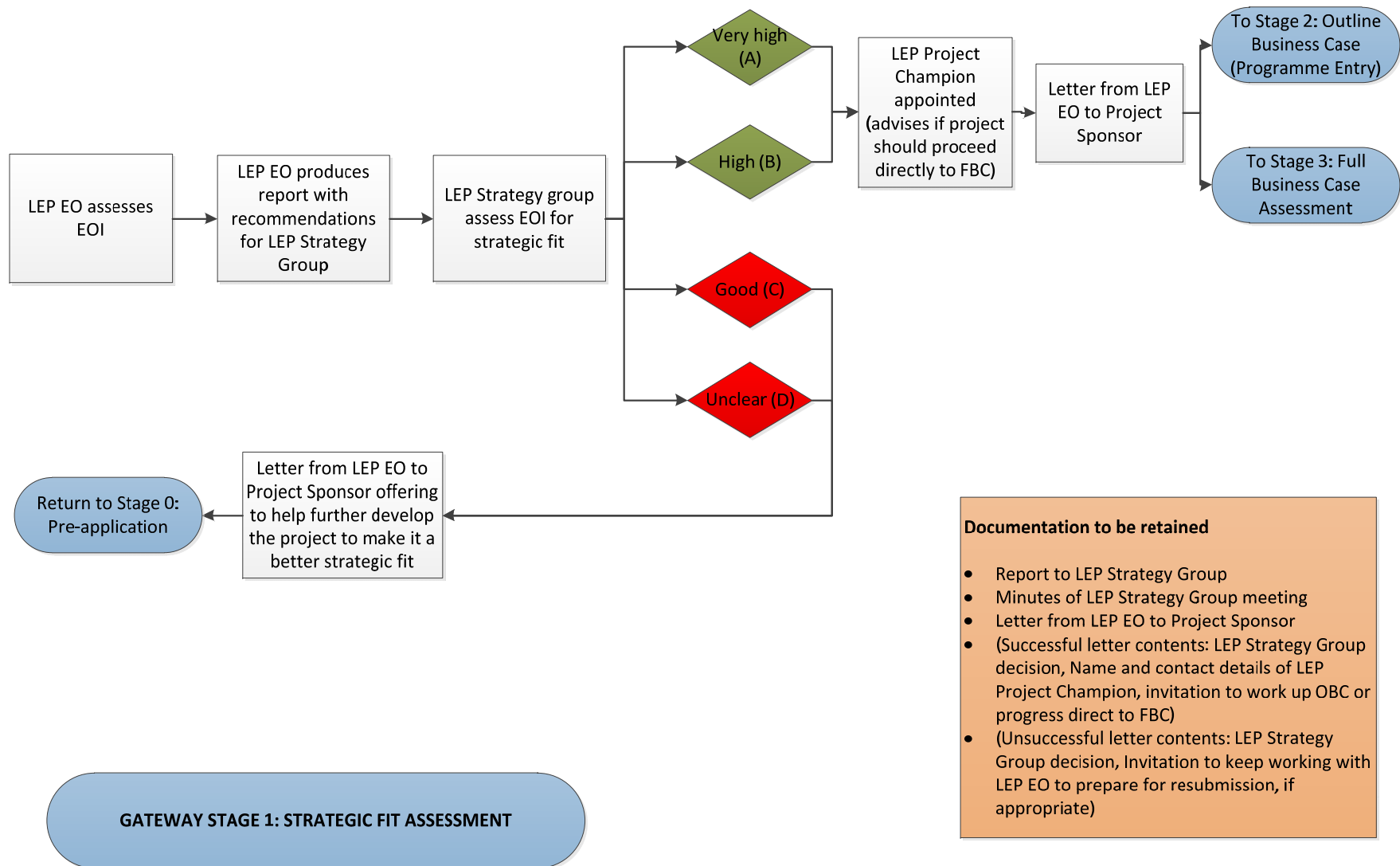


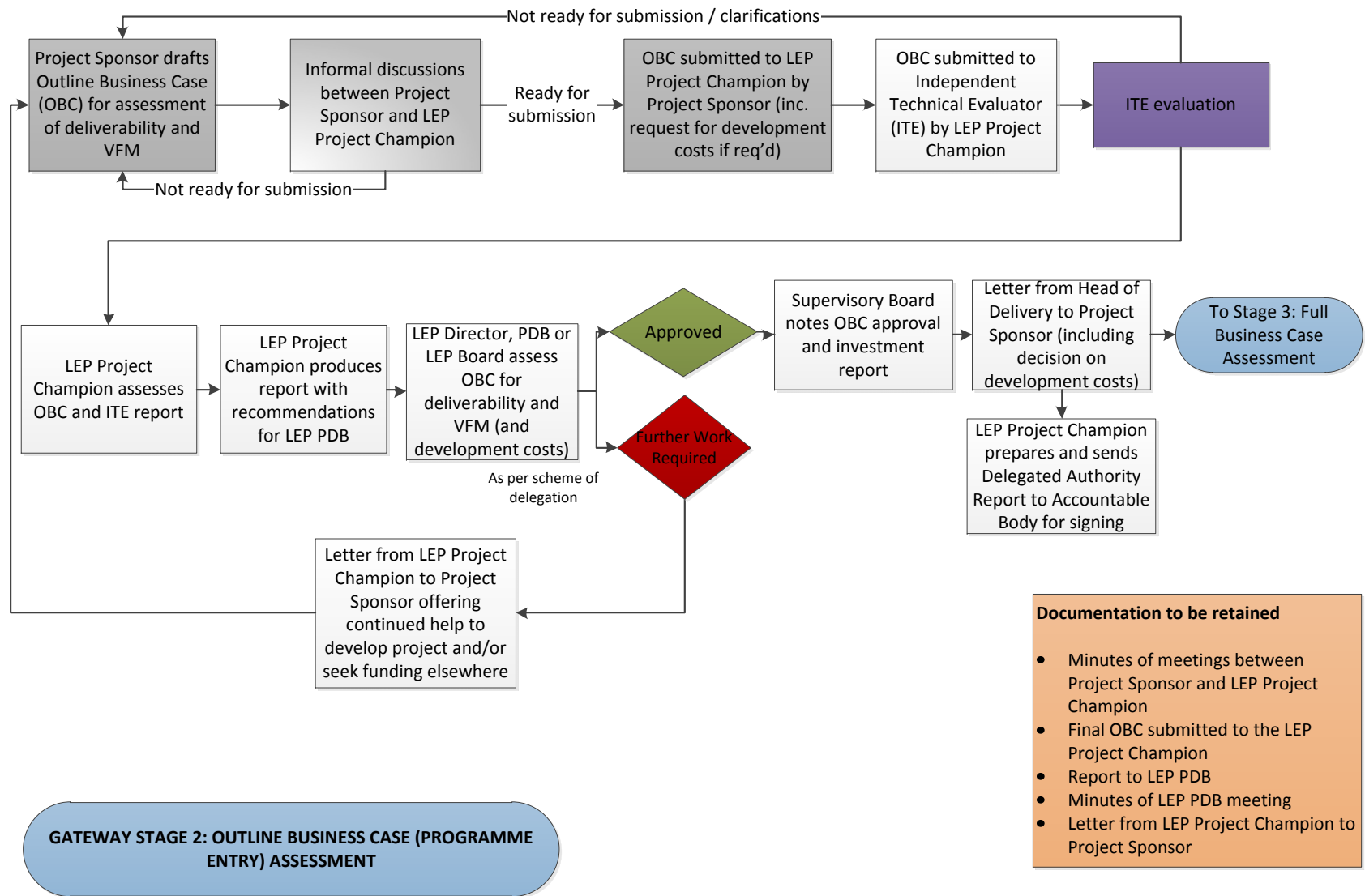


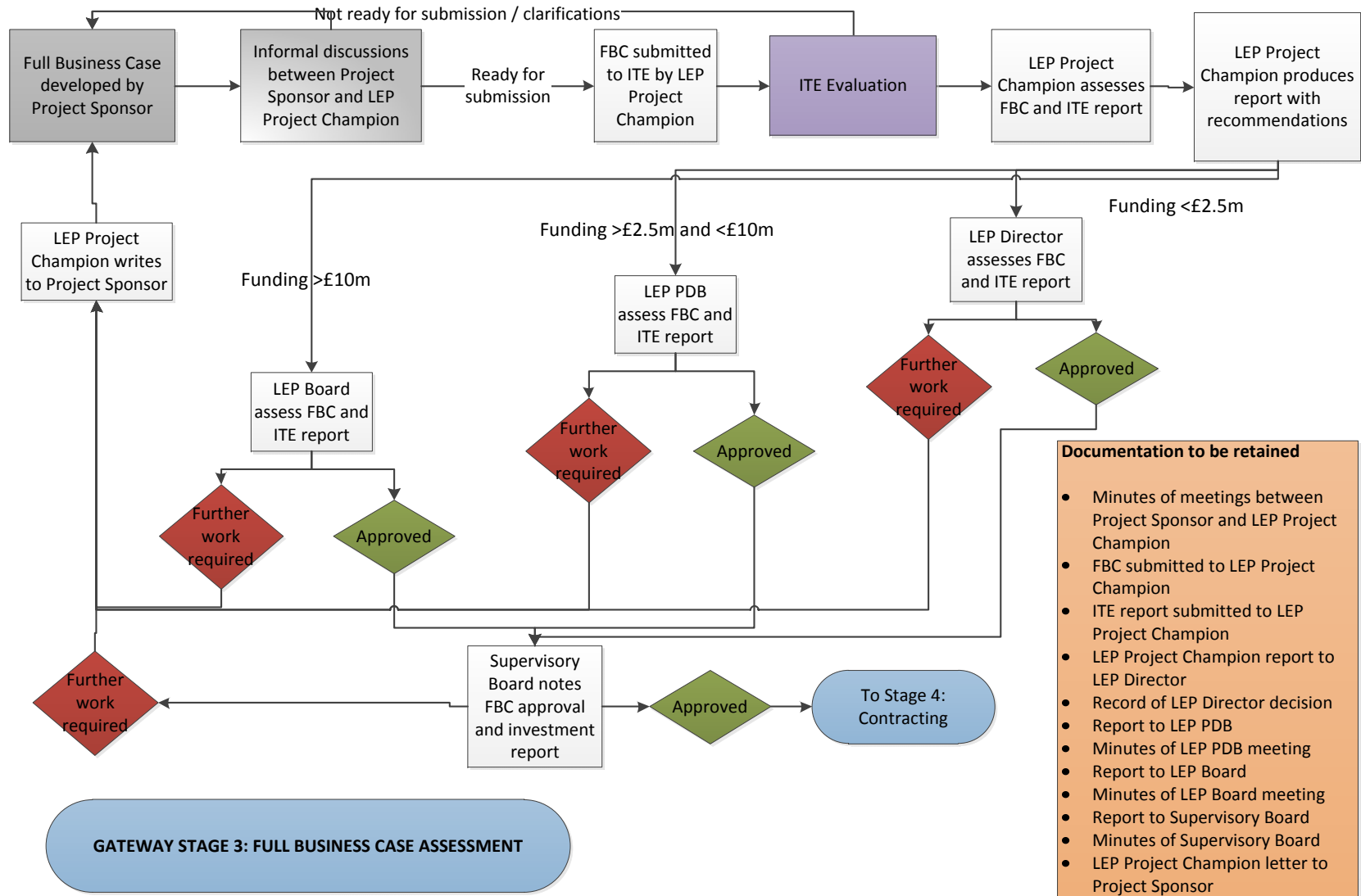
**GATEWAY STAGE 0: PRE-APPLICATION**

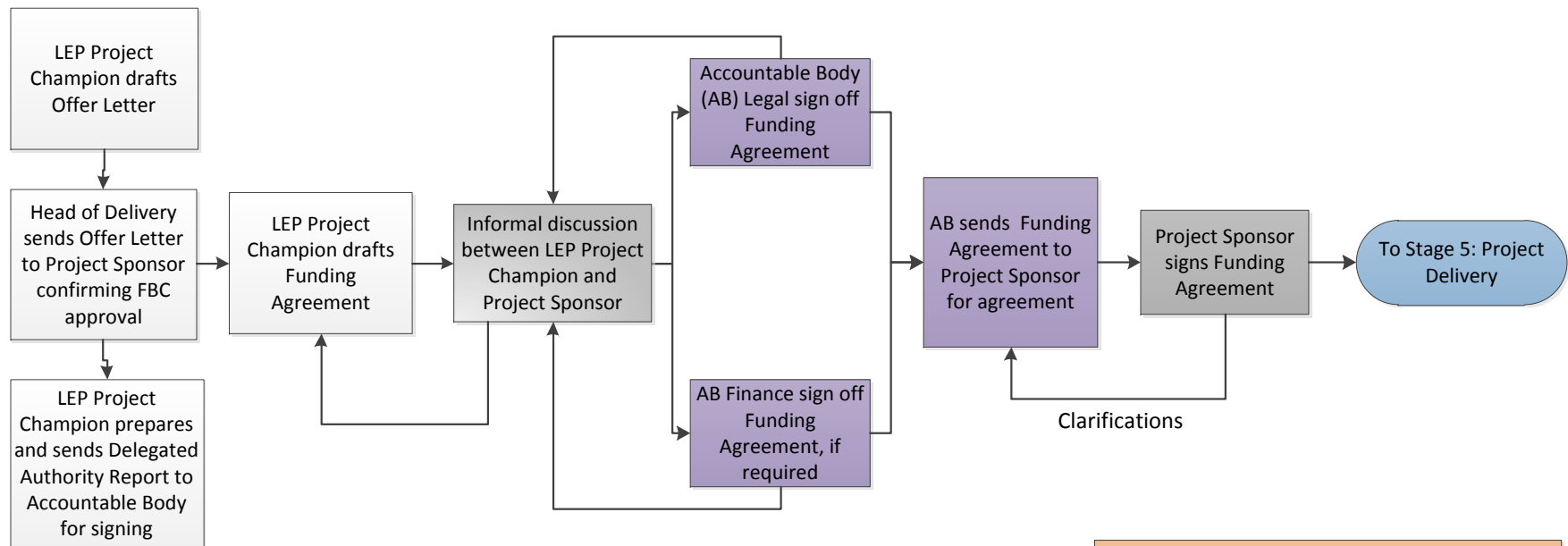
- Documentation to be retained**
- Call for projects
  - Notes of rationale for identifying gap in SEP delivery
  - Minutes of meetings between LEP EO and Project Sponsor
  - Submitted version of EOI







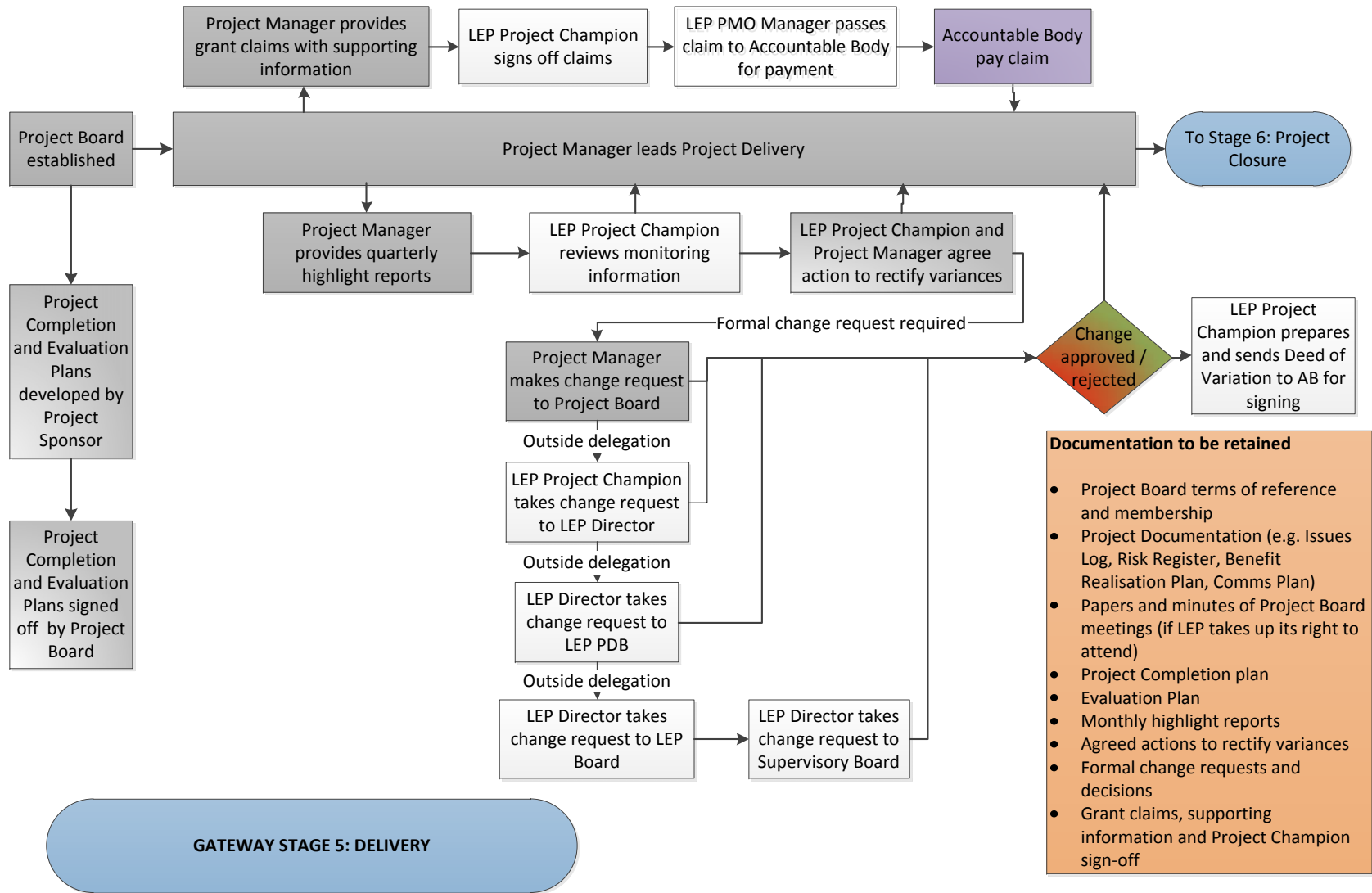


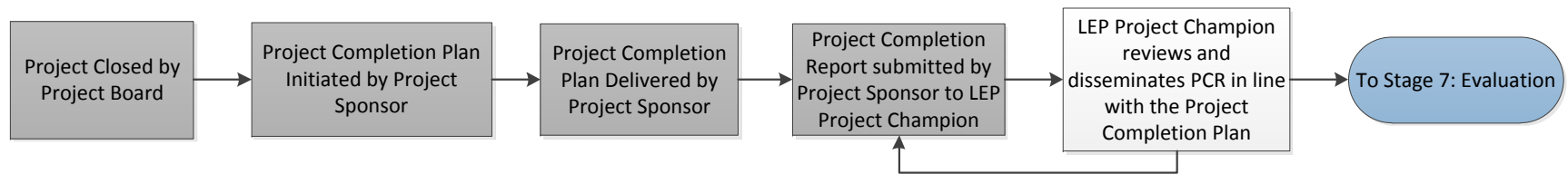


**GATEWAY STAGE 4: CONTRACTING**

**Documentation to be retained**

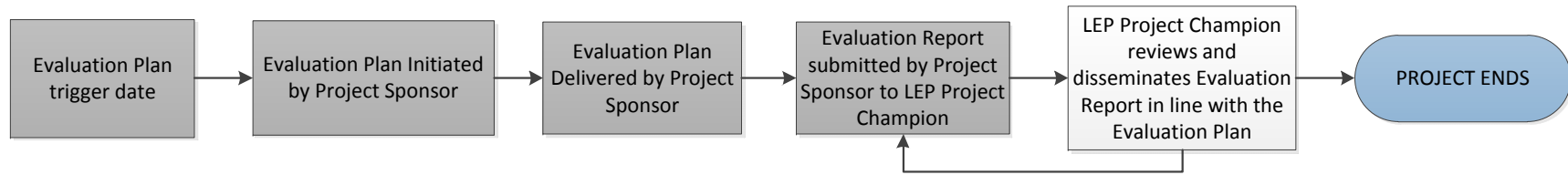
- Offer Letter from LEP Director to Project Sponsor
- Minutes of any meetings between LEP Project Champion and Project Sponsor
- Legal sign off of offer letter and funding agreement
- Finance sign off of offer letter and funding agreement
- Signed Funding agreement
- Confirmation from Project Sponsor that they have authority to accept funding





**GATEWAY STAGE 6: PROJECT CLOSURE**

- Documentation to be retained**
- Project Completion Report



**GATEWAY STAGE 7: EVALUATION**

- Documentation to be retained**
- Evaluation Report

# ACCOUNTABLE BODY – FINANCE & LEGAL SERVICES JOINT WORKING PROTOCOL (SERVICE LEVEL AGREEMENT)

## Purpose

This document represents a Joint Working Protocol as a pre-cursor to a more detailed service level agreement (SLA) between the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) and Birmingham City Council (BCC) as the LEP's Accountable Body, for the provision of financial and legal services necessary to deliver GBSLEP's capital Growth Programme, including how the Executive is able to claim eligible capital spend from the Local Growth Fund held by BCC. In addition, this protocol incorporates the City Centre Enterprise Zone – Accountable Body Memorandum of Understanding agreed between the LEP Board and Birmingham City Council in July 2014.

## Objectives

To ensure that commitments are in place for BCC to provide GBSLEP with a consistent standard of service, to enable the LEP to deliver its outcomes. This agreement therefore provides clear reference to service ownership, accountability and roles and responsibilities; and a clear, concise and measurable description of the services to be provided.

## Responsible officers

BCC	GBSLEP
<p><b>Clive Heaphy – Section 151 Officer and GBSLEP Company Secretary</b></p> <p>Clive is the lead officer representing Birmingham City Council as the Accountable Body for GBSLEP and attends the LEP Board in that capacity.</p>	<p><b>Katie Trout – GBSLEP Director</b></p> <p>Katie is the LEP's most senior officer and the client lead on behalf of GBSLEP.</p>
<p><b>Alison Jarrett – Assistant Director, Development and Commercial Finance</b></p> <p>Alison is the day-to-day principal point of contact within BCC and attends the Programme Delivery Board, representing the Accountable Body.</p>	<p><b>Tom Fletcher – Head of Delivery</b></p> <p>Tom has day-to-day responsibility for the Growth Programme and is the principal point of contact within GBSLEP for capital matters.</p>
<p><b>Connie Price – Head of Legal Services</b></p> <p>Connie is the principal point of contact within</p>	<p><b>Nick Glover – Executive Manager</b></p> <p>Nick is the LEP Executive's lead on</p>



BCC with regards to legal matters.

governance and operational matters.

## Scope

The following services are covered by this agreement:

- Legal services - advising on, drafting and executing capital and revenue grant and loan agreements, including SLA where BCC is the recipient, and any appropriate securities to manage financial risks associated with these agreements. Additionally, advising, drafting and executing variations to the agreements will also be part of the services.
- Financial services – providing treasury management services, including the processing and payment of grant claims and loan instalments, and satisfying assurance requirements with Government, such as Growth Deal Monitoring Reports
- Satisfying Accountable Body governance procedures - drafting, clearing and signing of Delegated Authority or associated reports for LEP investment decisions into projects at outline approval and full approval, and for BCC investment decisions into Enterprise Zone projects

For the purposes of this agreement, the services that the Accountable Body provides as host of the Executive, including HR, payroll, legal services related to the role of Company Secretary, procurement and corporate finance, are out of scope.

## GBSLEP requirements

GBSLEP requires that, once a project has been fully approved by the LEP, the project will be in contract within 20 working days.

GBSLEP anticipates that there will be exceptional circumstances where this is not possible and expects BCC to escalate any issues at the earliest opportunity.

In addition, GBSLEP requires that BCC officers are accessible and will reply to correspondence within 2 working days.

GBSLEP further requires BCC to fund the Executive from LGF funds for the costs incurred in managing the LGF programme and providing LGF project support

## BCC requirements

Birmingham City Council requires that GBSLEP acts in accordance with its Local Assurance Framework at all times.

In addition, in order to ensure that the 20 day target can be met as a matter of course, BCC requires that GBSLEP provides one briefing session per month to identify projects proceeding through its pipeline, clearly identifying low, medium and high risk/complexity projects and their required timelines.

BCC requires that key officers from GBSLEP's Programme Team are accessible and will reply to correspondence within 2 working days.

## **Resourcing**

The GBSLEP Board has agreed that up to £1.9m from the Local Growth Fund held on its behalf by BCC is available to provide resources for the delivery of the LGF Programme.

GBSLEP has full autonomy to determine the level of resources it requires at any time to form the Programme Management team to properly manage the high volume of projects and to enhance the governance arrangements that GBSLEP has in place with regards to appraising and monitoring projects at various stages of their cycle.

On or before the start of each financial year, the GBSLEP and the Accountable Body shall agree an amount estimated to be claimed by the GBSLEP delivery team to reimburse eligible costs of management and operation of the Growth Deal.

GBSLEP shall use the funding only for the enhancement of the governance arrangements it has in place with regards to appraising and monitoring the Local Growth Fund projects. The funding shall not be used for any other purpose without the prior written agreement of the Accountable Body.

GBSLEP acknowledges that the funding is for, and shall only be used to fund the capitalisation of agreed costs directly related to management of the Local Growth Fund.

This extends to the functions performed by staff at the Accountable Body where costs are incurred in the discharge of its duties.

## **City Centre Enterprise Zone – Accountable Body Memorandum of Understanding**

In addition to the Growth Deal programme, the City Council also acts as the Accountable Body for GBSLEP's City Centre Enterprise Zone.

In July 2014, a Memorandum of Understanding was agreed between GBSLEP and the City Council regarding its role as Accountable Body. That Memorandum of Understanding is incorporated here as Schedule 1.

## **Performance management and escalation**

The Executive will monitor performance against the Protocol both informally (raising any issues during monthly meetings with the Section 151 Officers) and formally (at quarterly review meetings with representatives of the Accountable Body).

In the first instance, the Executive will escalate performance issues to the Programme Delivery Board if found wanting at any quarterly review meeting; and to the LEP Board if two there are consecutive periods of poor performance

## **Signatures**

Signed for and on behalf of GBSLEP by:

**Katie Trout**

**Date**

Signed for and on behalf of BCC by:

**Clive Heaphy**

**Date**

# Greater Birmingham and Solihull Local Enterprise Partnership

## Application for Local Growth Funding

### Outline Business Case

<b>Project name</b>	
---------------------	--

About the Applicant	
<b>Name of the lead organisation</b>	<i>the organisation that proposes to be the Grant Recipient</i>
<b>Name of the project lead / main contact</b>	
<b>Contact number</b>	
<b>Contact email</b>	
<b>Senior Responsible Owner</b>	

About the Project	
<b>Location of the project</b>	
<b>Postcode</b>	<i>of the specific site or close proximity to the project location</i>
<b>Project start date</b>	<i>earliest possible start date post approval and funding contract signature</i>
<b>Project completion date</b>	<i>the date in which any works will be signed off as part of construction and practical completion</i>
<b>Project Longstop date</b>	<i>the date in which any outcomes are expected to be delivered post completion date.</i>
<b>Total project cost</b>	
<b>Total Local Growth Funding (LGF) <i>loan</i> funding contribution requested</b>	
<b>Total LGF capital <i>grant</i> funding contribution requested</b>	
<b>Are you seeking to apply for development costs as part of your application?</b>	Yes / No <i>If 'yes', please state here the amount requested and complete Section H – Development Costs. Eligibility criteria apply.-</i>

#### Revision History

Please keep record of the document's Revision History using the table below:

Version Number	File Name	Date submitted	Summary of changes made compared to previous version <i>(please refer to previously received feedback and how issues have been addressed)</i>

## Introduction

This document provides a template for an Outline Business Case (OBC) in support of Greater Birmingham and Solihull Local Enterprise Partnership's (GBSLEP) investment in a project to be funded through the Local Growth Fund.

The main purpose of the OBC is to: put forward the strategic case for change and the preferred way forward identified in previously submitted Expression of Interest; which establishes the option which optimises value for money; outlines the deal and assesses affordability; and demonstrates that the proposed scheme is deliverable.

In practice, you will find this entails updating the strategic case; undertaking investment appraisal within the economic case; and completing the commercial, financial and management cases, along with supporting risk register.

Please note that this template should be completed following the principles laid out in HM Treasury's Green Book and Supplementary Guidance which can be found at: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>.

The OBC should cover the five cases – the Strategic case, the Economic case, the Commercial case, the Financial case and the Management case.

The amount of work and detail put in to this OBC and any subsequent Full Business Case should be **proportionate** to the scale of the project or programme and the expenditure involved.

Please send completed Outline Business Case templates to [tom.fletcher@birmingham.gov.uk](mailto:tom.fletcher@birmingham.gov.uk) in Microsoft Word format and include a scan of the signed original in PDF format.

All the Applicant's costs and charges incurred as a result of making this outline application shall be for the Applicant's account, but can be claimed as part of the development costs of the project should the application be successful (*eligibility criteria applies and is outlined in Section H*).

## Outline Business Case Template Structure

This application is divided into the following sections:

- A. Project Overview
- B. Strategic Case
- C. Economic Case
- D. Commercial Case
- E. Financial Case
- F. Management Case
- G. Declaration
- H. Development Costs

## A. Project Overview

### A1. Summary of the Project (300 words max)

*Please be specific about what the project will do and achieve (who, what, where, how)*

*Please append a map of the project location, if available.*

**A2. Has the project been submitted to another LEP for funding?**

*If yes, please give details.*

**A3. Has the project been submitted to any other organisation or funding body for funding or co-funding?**

*If yes, please give details.*

### A4. What is the current position of the project and what has changed since the Expression of Interest was submitted? (500 words)

*Please provide a summary of any changes to objectives, scope, funding sources and financial costs, expected outputs and outcomes, timescales, risks and stakeholder relations.*

**A5. Please list any other organisations involved in delivery of the project and their roles**

Partner Name	Role

**B. The Strategic Case**

**B1. Why is the project required? (300 words max)**

**B2. How does the project support the delivery of the GBSLEP Strategic Economic Plan 2016-2030? (300 words)**

Please see <http://centreofenterprise.com/wp-content/uploads/2016/11/SEP-FINAL.pdf>



**B3. How does the project fit with national, sub-regional and local investment plans and strategies? (300 words)**

*For instance, this may be the HMG Industrial Strategy, West Midlands Combined Authority Strategic Economic Plan or that of a neighbouring LEP, Midlands Connect, a Local Plan, etc.*

**B4. Why is public sector intervention required? What evidence is there of market failure? (300 words)**

**B5. Who are the intended beneficiaries of the project? (200 words)**

**B6. What stakeholder consultation has been undertaken / support received? (300 words)**

**B7. Is the project dependent upon any other projects or investment? (200 words)**

**C. The Economic Case**

**C1. What are the critical success factors for the project? (200 words)**

**C2. What ways and options have been considered for delivering the project?**  
*N.B. this question relates to e.g. size, scope, location, costs, outputs and outcomes.*  
*Please briefly outline the different ways forward, if appropriate, and several different options to address the problem / opportunity.*

<b>Reference Case</b>	<i>the position in terms of outcomes and benefits that would occur if the project did not proceed</i>
<b>Proposed Option</b>	<i>As set out in Section B above</i>
<b>Alternative Option 1</b>	<i>This may be based on changes to the scale, scope and cost of the proposed option</i>

*Insert further Alternative Options as required*

**C3. What is the preferred option and why? (300 words)**

**C4. Please explain how your preferred option represents value for money.**  
*If a cost-benefit analysis has been carried out, please briefly describe the outcome of this and append details of the calculations in a separate document. If not, please briefly summarise the expected costs and benefits of the preferred option.*

**For the remainder of this document, please answer in relation to the preferred option.**

**C5. Please state what outputs and outcomes you expect the project will achieve.**  
*Please leave blank those which do not apply.*

Output / outcome	2017/18 forecast	2018/19 forecast	2019/20 forecast	2020/21 forecast	21/22 – 24/25 forecast	Total forecast
<b>Jobs created or safeguarded</b> <i>Permanent paid FTE that are newly created as a <b>direct</b> result of the intervention</i>						
<b>Jobs created or safeguarded</b> <i>Permanent paid FTE that are newly created as an <b>indirect</b> result of the intervention</i>						

<b>Housing units – No. <i>directly</i> completed as a result of project</b>						
<b>Housing units - No. <i>indirectly</i> completed as a result of project</b>						
<b>Commercial / employment floorspace created (m<sup>2</sup>)</b>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
<b>Skills – Number of new learners assisted (in courses leading to a full qualification)</b>						
<b>Skills – Area of new or improved learning / training floorspace (m<sup>2</sup>)</b>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
<b>Skills – Number of new apprenticeships delivered as a direct result of the project</b>						
<b>Transport Projects</b> <i>BCR and vfm category</i>						

**C6. Please explain the assumptions used in your output and outcome assessment**  
*Transport Projects – Please outline any additional actions you are taking to ensure your project is WebTAG compliant*

**C7. Please briefly describe any other specific outputs or outcomes not listed, including any non-quantifiable benefits**  
*Please also consider what the social or environmental impact may be from the project*

## D. The Commercial Case

**D1. What is the evidence of demand or market interest? (300 words)**  
*Please include any details on market testing and any private sector negotiations or discussions where possible, and how this demonstrates that the proposal will be commercially feasible / deliverable.*

**D2. If private development partners will be required to deliver project outputs, at what stage are discussions / negotiations? (200 words)**

**D3. Detail any 3rd party services that will be used to deliver this project, e.g. Legal, Finance, other consultancy (200 words)**

**D4. Please outline what procurements will need to be undertaken and provide evidence that you have a robust contracting and procurement strategy in place that takes into account all appropriate UK and EU regulations (200 words)**

## E. The Financial Case

### E1. What is the estimated total project cost and the amount of LGF funding being applied for?

Please note that Local Growth Funding is capital funding and only available until 2020/21 financial year. Please insert additional future years into the table as required.

	Previous years	2017/18	2018/19	2019/20	2020/21	Future years	Total
<b>Capital funding (£000s)</b>							
Local authority							
Other public sector							
Private sector							
Third sector							
GBSLEP LGF Loan funding requested	-						
GBSLEP LGF Grant funding requested	-						
GBSLEP LGF Development funding requested ( <i>eligibility applies</i> )	-						
<b>Total capital cost</b>							
<b>Revenue funding (£000s)</b>							
Local authority contribution							
Other public sector contribution							
Private sector contribution							
Third sector contribution							
<b>Total revenue cost</b>							
<b>Total project cost</b>							

### E2. What assumptions have you made in your total project cost and funding estimates? Please provide evidence of match funding being secure or how any funding gap will be bridged

Please provide an overview of assumptions such as how the costs have been estimated, any optimism bias or contingencies included in your cost estimates, and any timing interdependencies of funding.

If you are applying for loan funding, then please outline your proposal for repayment.

**E3. Please provide evidence of match funding being secure or how any funding gap will be bridged**

**E4. Please outline the overall affordability and financial sustainability of the project**

**E5. Why is LGF funding required? What specifically would it be used for? (200 words)**

**E6. How would the project proceed without LGF funding? (200 words)**

**E7. What other means of financing the project have been explored?**

**E8. If you are requesting capital grant funding, then please explain why LGF loan funding is not suitable to deliver the project? (200 words)**

**F. The Management Case**

**F1. Please outline your project management and delivery arrangements, including the project reporting structure and the roles and responsibilities of partners and key personnel**



**F2. Why is your organisation the best placed to deliver this project? What is your track record of delivering similar projects? (200 words)**

**F3. Please provide a summary of key project milestones.**

*If you have a Gantt chart available, please also include this as an appendix.*

Date	Milestone
	<i>e.g. anticipated external funding award date, issue tender documents, contract award, start on site, works completed, etc.</i>

**F4. Which of the following (or their nearest equivalents) have been completed?**

Description	Complete?	Brief details and date
Concept study		
Feasibility		
Preliminary design		
Detailed design		
Risk register		
Quantified risk assessment		
Environmental appraisal		
Planning application		
Statutory approvals / planning permission		
Consultation with key stakeholders		
Internal or external funder strategic / outline business case		
Internal/other funder business case with benefit-cost ratio or established value for money case		
Quotes for work to be undertaken		

**F5. Please briefly detail any other relevant preparatory work completed**

**Please complete the risk register provided in Appendix A**

*Guidance on risk management is provided in the HMT Orange Book, which is available at <https://www.gov.uk/government/publications/orange-book>*

**F6. Please briefly explain if any of the following dependencies and potential risks/barriers apply**

Issue	Applicable	Comments
Land ownership	yes / no	
Requirement for Compulsory Purchase Order powers		
Requirement for major statutory instruments (e.g. TWA, Side Road Orders, DCO)		
Requirement for planning consents		
Known environmental impacts (e.g. SSSIs, Heritage sites, Ancient Monuments)		
Match funding / partner commitment		
Any other contingencies or dependencies		

**F7. If there are specific constraints on the project's start / end dates, please state these below:**

	Date	Details
Project cannot start before		<i>Brief description why</i>
Project must be completed by		

**F8. Please state how your project complies with State aid Regulations without contravening the State Aid Legislation.**

*Please outline what advice (e.g. legal advice) you have had in relation to State Aid. All applicants need to take steps to satisfy themselves that any LEP funding approved does not amount to unlawful State Aid. A declaration of compliance with EU State Aid regulations will be required prior to any LEP funding being provided.*

## G. Declaration

**Please confirm whether any information in this Outline Business Case is commercially sensitive.**  
*Please outline why if so.*

### Section 151 / Chief Financial Officer Declaration

As Section 151 Officer / Chief Financial Officer, I hereby submit this request for Local Growth Fund allocation on behalf of *[name of organisation]* to support the delivery of *[name of project]* and confirm that I have the necessary authority to do so.

Name:	Signed:
Position:	
Date:	

### Appendices

## H. Development Costs

Please only complete this section if you wish to apply for a funding contribution towards the development costs of this project.

**Your application for a funding contribution towards development costs will only be progressed if your OBC is assessed to meet the required criteria to proceed through to Full Business Case.**

Please note that applications for development costs are only open to Local Authorities, TfWM, Universities and Colleges, and public sector health organisations.

<b>Total Development Costs for this project</b> <i>(up to and including Full Business Case submission)</i>	
<b>LGF contribution sought towards the Development Costs for this project</b>	<i>This can only be to a maximum of 10% of the total LGF funding requested</i>

**Please describe and provide a financial breakdown of the Development Work to be undertaken**  
*Please include specifically what the LGF funding will be used for, key milestones towards the production of the Full Business Case, and governance arrangements, including any local gateway processes, change control and risk management for the delivery of the Full Business Case.*

<b>Estimated Full Business Case submission date</b>	

By signing below, you certify that the above information is true and accurate.

Should your application for Development Costs be granted, you agree that the Local Growth Fund will be defrayed to you on the following conditions:

- The Local Growth Fund will be defrayed as an interest-free, repayable grant. The funding will be defrayed as capital, and should only be used for expenditure that can be capitalised.
- The funding will be defrayed from your projected capital allocation to your project as set out in the GBSLEP Growth Deal 3.
- Upon full approval, the balance of the total capital allocation to your scheme will be defrayed in accordance with the processes described in the GBSLEP Growth Deal Assurance Framework, i.e. quarterly in arrears on production of actual expenditure.
- After your submission of the Full Business Case, should full approval for the project not be granted, you will return all previously received LGF Development Costs to GBSLEP in full.
- You will include GBSLEP in the process for any decisions to be made regarding the scope, cost or timeframe for this project.
- You will provide regular update reports to GBSLEP on progress with the development of the full business case for the project, commencing from the date you sign this letter and at a frequency to be agreed.

Sign:	Sign:
Name:	Name:
Date:	Date:
<b>Senior Responsible Owner</b>	<b>Chief Financial Officer</b>

DATED.....

**PROJECT DEVELOPMENT FUNDING AGREEMENT**

Relating to the

**[INSERT PROJECT NAME]**

made between

**BIRMINGHAM CITY COUNCIL  
ACTING AS ACCOUNTABLE BODY FOR THE LOCAL GROWTH FUND**

and

**[INSERT RECIPIENT]**

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NOTES

**IT IS IMPORTANT TO CHECK THE WHOLE DOCUMENT TO IDENTIFY WHETHER ALL THE CONDITIONS ARE RELEVANT TO THE CIRCUMSTANCES. WORDING HIGHLIGHTED IS OPTIONAL AND SHOULD BE REMOVED IF NOT RELEVANT /REQUIRED IN RELATION TO THE PROJECT.**



THIS DEED is dated

2018

## **PARTIES**

- (1) **BIRMINGHAM CITY COUNCIL** of The Council House, Victoria Square Birmingham B1 1BB (**Funder**).
- (2) **[Insert Name and Company number]** whose registered address is **[Insert full address]** (**Recipient**).

## **BACKGROUND**

- (A) The Funder acts as accountable body on behalf of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for the Local Growth Fund (LGF).
- (B) The Recipient has made a successful application to GBSLEP for Project Development Funding relating to the Project. The Recipient has submitted a successful Outline Business Case (OBC) which has been approved by GBSLEP and is in the process of developing the Project's Full Business Case (FBC). The Funder, in its capacity as accountable body for the LGF, proposes to pay the Project Development Funding to the Recipient under the terms of this Agreement.
- (C) This Agreement sets out the terms and conditions on which the Project Development Funding is made available by the Funder to the Recipient.
- (D) These terms and conditions are intended to ensure that the Project Development Funding is used for the specific purpose for which it is awarded.

## **AGREED TERMS**

### **1. DEFINITIONS**

In this Agreement the following terms shall have the following meanings:

**Agreement:** means this document and the Schedules attached to it.

**Bribery Act:** the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

**Commencement Date:** **[insert date]**

**Condition Precedents:** means the conditions specified in Part 1 of Schedule 5.

**"CEDR"** means the Centre for Effective Dispute Resolution, International Dispute Resolution Centre, 70 Fleet Street, London EC4Y 1EU

**Claim:** means the claim by the Recipient for draw down of the Project Development Funding in a form required by the Funder and set out in Schedule 3.

**Claim Form:** means the form to be used by the Recipient to submit a Claim as attached at Part 2 of Schedule 3.

**Data Protection Legislation:** the Data Protection Act 2018 or any successor legislation, and (for so long as and to the extent that the law of the European Union has legal effect in the UK) the General Data Protection Regulation ((EU) 2016/679) and any other directly applicable European Union regulation relating to privacy.

**Full Business Case (FBC)** means the application made to the GBSLEP for the Total Project Allocation in relation to the Project. Such application to be made using a compliant template as provided by the GBSLEP and in accordance with specified timescales.

**FBC Approval:** means written confirmation of approval of the FBC being received by the Recipient from GBSLEP/the Funder in the form of an approval letter

**FBC Submission Date:** means [insert date]

**Funder's Representative** means [NAME], [TITLE] or such other person as notified to the Recipient in writing by the Funder

**Funding Period:** the period for which the Project Development Funding is awarded starting on the Commencement Date and ending on [insert date]

**Governing Body:** the governing body of the Recipient including its directors or trustees.

**Grant:** means the maximum sum of [£ ] (amount in words), which, if approved, will be paid to the Recipient under the terms of the Grant Agreement

**Grant Agreement:** means a grant agreement in the form attached at Schedule 6 and made between the Funder and the Recipient detailing payment of the Grant, if approved, in relation to the Project.

**Intellectual Property Rights:** all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.

**Key Milestones:** means those milestones identified in Schedule 4.

**Know-How:** information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.

**Material Breach:** means a breach of this Agreement which the Funder, acting reasonably, deems to be serious and substantial.

**Outline Business Case (OBC):** means the business case contained within the Recipient's application for Project Development Funding dated [ ] which has been approved on [ ] and is included at Schedule 7

**Outputs:** means the outputs and outcomes and corresponding dates to be achieved set out in Schedule 2

**Professional Team:** means an individual or individuals appointed from a relevant professional body who has the necessary experience and skill to undertake a valuation of work carried out as part of the Project.

**Prohibited Act:** means:

- (a) Entering into any other contract with a third party in relation to this Agreement where a commission has been paid as an inducement or reward for:
  - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Funder; or
  - (ii) showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Funder;
- (b) entering into this Agreement or any other contract with third party where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been fully disclosed in writing to the Funder;
- (c) committing any offence:
  - (i) under the Bribery Act;
  - (ii) under legislation creating offences in respect of fraudulent acts; or
  - (iii) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the Funder; or
- (d) defrauding or attempting to defraud or conspiring to defraud the Funder.

**Project:** the project described in **Schedule 1**.

**Project Development Funding:** means the maximum sum of £[ ] (amount in words) to be paid to the Recipient in accordance with this Agreement and which forms part of the Total Project Allocation

**Project Manager:** the individual who has been nominated to represent the Funder for the purposes of this Agreement.

**Qualifying Expenditure:** means costs which the Funder is satisfied have been verified and reasonably, properly and necessarily incurred and paid by the Recipient after the Commencement Date of this Agreement for the purpose of procuring the Outputs.

**Recipient's Representative** means [NAME] or such other person as notified to the Funder in writing by the Recipient

**State Aid** means any finding of the European Commission that any payment made pursuant to this Agreement is in breach of the State Aid Rules

**State Aid Rules** means the provisions of Article 107 and 108 of the Treaty of the Functioning of the European Union OJ C 83/47 of 30.03.2010 (TFEU) including any regulations, directives, decisions, communications and case law pertinent thereto.

**Total Project Allocation:** means the maximum sum of £[ ] (amount in words) which is the total sum of the Grant and the Project Development Funding together.

**Working Day** means any day other than a Saturday, Sunday or public holiday in England.

## 2. PURPOSE OF THE PROJECT DEVELOPMENT FUNDING

- 2.1 The Recipient shall use the Project Development Funding for all reasonable and proper costs incurred by the Recipient in preparation of the FBC to include the development of plans, drawings or other documents prepared to support the FBC and made in accordance with the terms and conditions set out in this Agreement. The Project Development Funding shall not be used for any other purpose without the prior written agreement of the Funder.
- 2.2 The Recipient shall not use the Project Development Funding for costs relating to preparation, analysis or consideration of any options appraisals relating to the Project.
- 2.3 The Recipient shall not make any significant change to the Project without the Funder's prior written agreement.
- 2.4 Where the Recipient intends to apply to a third party for other funding for the Project, it will notify the Funder in advance of its intention to do so and, where such funding is obtained, it will provide the Funder with details of the amount and purpose of that funding. The Recipient agrees and accepts that it shall not apply for duplicate funding in respect of any part of the Project or any related administration costs that the Funder is funding in full under this Agreement.

### 3. PAYMENT OF PROJECT DEVELOPMENT FUNDING

- 3.1 Subject to clause 12, the Funder shall pay the Project Development Funding to the Recipient in accordance with Schedule 3 and the Recipient shall submit a Claim for payment in accordance with the provisions of Schedule 3.
- 3.2 No amount of Project Development Funding shall be paid unless any Condition Precedent set out in Schedule 5 has been complied with to the reasonable satisfaction of the Funder.
- 3.3 No amount of Project Development Funding shall be paid unless and until the Funder is satisfied by the production of documentary evidence that such payment has been used for proper expenditure in the delivery of the Outputs in preparation of the FBC for the Project in accordance with this Agreement.
- 3.4 The amount of the Project Development Funding shall not be increased in the event of any overspend by the Recipient in preparation of the FBC or the Project
- 3.5 The Recipient shall promptly repay to the Funder any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Project Development Funding monies have been paid in error before all conditions within this Agreement have been complied with by the Recipient.

### 4. USE OF THE PROJECT DEVELOPMENT FUNDING

- 4.1 The Project Development Funding shall be used by the Recipient in accordance with the Payment Summary set out in **Schedule 3**. For the avoidance of doubt, the amount of Project Development Funding that the Recipient may spend on any item of expenditure listed shall not be exceeded without the prior written agreement of the Funder.
- 4.2 Where the Recipient has obtained funding from a third party in relation to the preparation of the FBC (including without limitation funding for associated administration and staffing costs), the amount of such funding shall be clearly identified in **Schedule 3** together with a clear description of what that funding shall be used for.
- 4.3 The Recipient will:
  - (a) comply with the obligations contained in **Schedule 1**;

- (b) act in good faith to meet the Outputs identified in **Schedule 2** and in addition to the other reporting obligations in this Agreement will at the request of the Funder promptly provide evidence to the Funder of compliance with this Clause 4.3(b)
- (c) act in good faith to meet the Key Milestones in **Schedule 4** and in addition to the other reporting obligations in this Agreement will at the request of the Funder promptly provide evidence to the Funder of compliance with this Clause 4.3(c).
- (d) comply with all applicable EU Procurement Requirements in connection with the procurement of any works or services relating to the preparation of the FBC and ensure that any procurement carried out shall be based on value for money.

4.4 The Recipient shall not use the Project Development Funding to:

- (a) make any payment to members of its Governing Body;
- (b) purchase buildings or land;
- (c) pay for any expenditure commitments of the Recipient entered into before the Commencement Date; or
- (d) for any other purpose other than for the purposes of developing the FBC,

unless this has been first approved in writing by the Funder.

4.5 The Recipient shall not spend any part of the Project Development Funding on the delivery of the Project after FBC Approval has been received.

4.6 Should any part of the Project Development Funding remain unspent at FBC Approval, the Recipient shall ensure that any unspent monies are returned to the Funder within 7 days of demand by the Funder.

## **5. ACCOUNTS AND RECORDS**

5.1 The Project Development Funding shall be shown in the Recipient's accounts as a restricted fund and shall not be included under general funds.

5.2 The Recipient shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Project Development Funding received by it.

5.3 The Recipient shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Project Development

Funding for a period of at least twelve years following receipt of any Project Development Funding to which they relate. The Funder shall have the right to review, at the Funder's reasonable request, the Recipient's accounts and all records that relate to the expenditure of the Project Development Funding and to verify any claim for Project Development Funding and shall have the right to take copies of such accounts and records.

- 5.4 The Recipient shall comply with, and facilitate the Funder's compliance with, all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and the Funder.

**6. MONITORING AND REPORTING**

- 6.1 The Recipient shall closely monitor the development of the FBC throughout the Funding Period to ensure that the outputs and outcomes contained within Schedule 2 are being met and that this Agreement is being adhered to.
- 6.2 The Recipient will immediately inform the Funder in writing if at any stage during the Funding Period, concerns as to the feasibility of the Project become apparent.
- 6.3 The Recipient shall provide the Funder with [quarterly] financial evaluation and monitoring reports on the use of the Project Development Funding in the form of the template provided at Schedule 3 and on the dates as set out in Schedule 3. The Recipient shall include within each submission details of any third party funding used to deliver the Project.
- 6.4 Where the Recipient has obtained funding from a third party for its delivery of the FBC, the Recipient shall include the amount of such funding in its financial reports together with details of what that funding has been used for.
- 6.5 The Recipient shall implement an appropriate process for managing risk and make the results and recommendations of any such reviews available to the Funder regarding scope, cost or time;
- 6.6 Along with its first [quarterly] monitoring report, the Recipient shall provide the Funder with a risk register and insurance review in the format provided by the Funder. The Recipient shall address the health and safety of its staff in the risk register.

- 6.7 The Recipient shall submit all evidence of invoices and receipts in relation the Project Development Funding within 7 working days of a request by GBSLEP or the Funder.
- 6.8 The Recipient shall upon request provide the Funder with such further information, explanations and documents as the Funder may reasonably require in order for it to establish that the Project Development Funding has been used properly in accordance with this Agreement.
- 6.9 The Recipient shall permit any person authorised by the Funder such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations from them.
- 6.10 The Recipient shall permit any person authorised by the Funder for the purpose to visit the Recipient once every quarter to monitor the development of the FBC. Where, in its reasonable opinion, the Funder considers that additional visits are necessary to monitor the development of the FBC, it shall be entitled to authorise any person to make such visits on its behalf.

## **7. GRANT AGREEMENT FOR THE TOTAL PROJECT ALLOCATION**

- 7.1 Upon receiving FBC Approval, the Recipient shall enter into a Grant Agreement with the Funder together with any such other terms and conditions as the Funder may require in relation to of the remainder of the Total Project Allocation.

## **8. ACKNOWLEDGMENT AND PUBLICITY**

- 8.1 The Recipient shall acknowledge the Project Development Funding in its annual report and accounts, including an acknowledgement of the Funder as the source of the funding.
- 8.2 The Recipient shall not publish any material referring to the Project or the Funder without the prior written agreement of the Funder. The Recipient shall acknowledge the support of the Funder in any materials that refer to the Project and in any written or spoken public presentations about the Project. Such acknowledgements (where appropriate or as requested by the Funder) shall include the Funder's name and logo (or any other name or logo or future name or logo as specified in the branding and communications guidelines provided by the Funder), using the templates provided in the branding guidelines.



- 8.3 In using the Funder's name and logo (or any other name and logo requested by the Funder), the Recipient shall comply with all reasonable branding guidelines issued by the Funder from time to time.
- 8.4 The Recipient agrees to participate in and co-operate with promotional activities relating to the Project that may be instigated and/or organised by the Funder.
- 8.5 The Funder may acknowledge the Recipient's involvement in the Project as appropriate without prior notice.
- 8.6 The Recipient shall comply with all reasonable requests from the Funder to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Funder in its promotional and fundraising activities relating to the Project.

## **9. INTELLECTUAL PROPERTY RIGHTS**

- 9.1 The Funder and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the Funder or the Recipient before the Commencement Date or developed by either party during the Funding Period, shall remain the property of that party.
- 9.2 Where the Funder has provided the Recipient with any of its Intellectual Property Rights for use in connection with the Project (including without limitation its name and logo), the Recipient shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or destroy such Intellectual Property Rights as requested by the Funder.

## **10. CONFIDENTIALITY**

- 10.1 Subject to clause 11 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.

- 10.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:
- (a) at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
  - (b) is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
  - (c) is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

## 11. FREEDOM OF INFORMATION

11.1 The Recipient acknowledges that the Funder is subject to the requirements of the Freedom of Information Act 2000 (**FOIA**) and the Environmental Information Regulations 2004 and shall assist and co-operate with the Funder (at the Recipient's expense) to enable the Funder to comply with these information disclosure requirements.

11.2 The Recipient shall:

- (a) transfer the request for information to the Funder as soon as practicable after receipt and in any event within two Working Days of receiving a request for information;
- (b) provide the Funder with a copy of all information in its possession or power in the form that the Funder requires within five working days (or such other period as the Funder may specify) of the Funder requesting that information; and
- (c) provide all necessary assistance as reasonably requested by the Funder to enable the Funder to respond to a request for information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations 2004.

11.3 In order to meet its obligations to comply with the FOIA the Funder shall be responsible for determining at its absolute discretion whether the information:

- (a) is exempt from disclosure in accordance with the provisions of the FOIA or the Environmental Information Regulations 2004;

- (b) is to be disclosed in response to a request for information, and in no event shall the Recipient respond directly to a request for information unless expressly authorised to do so by the Funder.

11.4 In no event shall the Recipient respond directly to a request for information unless expressly authorised to do so by the Funder.

11.5 The Recipient acknowledges that the Funder may, acting in accordance with the Secretary of State for Constitutional Affairs' Code of Practice on the discharge of public authorities' functions under Part 1 of FOIA (issued under section 45 of the FOIA, November 2004), be obliged under the FOIA or the Environmental Information Regulations 2004 to disclose information:

- (a) without consulting with the Recipient; or
- (b) following consultation with the Recipient and having taken its views into account,

provided always that where clause 11.5(b) applies the Funder shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Recipient advanced notice, or failing that, to draw the disclosure to the Recipient's attention after any such disclosure.

11.6 The Recipient shall ensure that all information produced in the course of the Agreement or relating to the Agreement is retained for disclosure and shall permit the Funder to inspect such records as requested from time to time.

## **12. DATA PROTECTION**

In order to meet its obligations to comply with Data Protection Legislation issues which arise in connection with this Agreement the Recipient shall (and shall procure that any of its staff involved in connection with the activities under the Agreement shall) comply with any notification requirements under the Data Protection Legislation and both Parties will duly observe all their obligations under Data Protection Legislation, which arise in connection with the Agreement.

## **13. WITHHOLDING, SUSPENDING AND REPAYMENT OF PROJECT DEVELOPMENT FUNDING**

13.1 The Funder's intention is that the Project Development Funding will be paid to the Recipient in full. However, without prejudice to the Funder's other rights and remedies, the Funder may at its discretion withhold or suspend payment of the Project Development Funding and/or require repayment of all or part of the Project Development Funding if:

- (a) the Recipient uses the Project Development Funding for purposes other than those for which they have been awarded;
- (b) the Funder considers that the Recipient has not made satisfactory progress with the development of the FBC;
- (c) the Recipient is, in the reasonable opinion of the Funder, acting in a negligent manner;
- (d) the Recipient makes any changes to the overall cost, scope or design of the Project which the Funder considers to be material, particularly where such changes would affect the value for money;
- (e) the Recipient fails to submit the final FBC by the FBC submission date;
- (f) the FBC Approval is not achieved;
- (g) following the FBC Approval, the Recipient fails to enter into a Grant Agreement with the Funder within 28 days or such longer period as the Funder may agree at its complete discretion
- (h) the Recipient obtains duplicate funding from a third party for the Project;
- (i) the Recipient obtains funding from a third party which, in the reasonable opinion of the Funder, undertakes activities that are likely to bring the reputation of the Project or the Funder into disrepute;
- (j) the Recipient provides the Funder with any materially misleading or inaccurate information;
- (k) the Recipient commits or committed a Prohibited Act;
- (l) any member of the governing body, employee or volunteer of the Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Funder, bring or are likely to bring the Funder's name or reputation into disrepute;
- (m) the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- (n) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- (o) the Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 20 days of receiving written notice detailing the failure;

(p) the Grant Agreement is terminated for any reason.

13.2 Wherever under the Agreement any sum of money is recoverable from or payable by the Recipient (including any sum that the Recipient is liable to pay to the Funder in respect of any breach of the Agreement), the Funder may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Recipient under the Agreement or under any other agreement or contract with the Funder.

13.3 The Recipient shall make any payments due to the Funder in full within 7 working days of receipt of a repayment notice from BCC, without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

13.4 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with this Agreement it will notify the Funder as soon as possible so that, if possible, and without creating any legal obligation, the Funder will have an opportunity to provide assistance in resolving the problem or to take action to protect the Funder and the Project Development Funding.

#### **14. ANTI-DISCRIMINATION**

14.1 The Recipient shall comply with the Equality Act 2010 and not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.

14.2 The Recipient shall take all reasonable steps to secure the observance of clause 14.1 by all servants, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Project.

#### **15. SOCIAL RESPONSIBILITY**

The Recipient shall as part of its commitment to social responsibility take all reasonable steps to become a signatory to the Birmingham Business Charter for Social Responsibility as attached at Part 2 of Schedule 5 of this Agreement. The Recipient acknowledges that no monies shall be payable until it has complied with the obligations set out in this clause 15.

#### **16. LIMITATION OF LIABILITY**

16.1 The Funder accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient preparing the FBC, running

the Project, the use of the Project Development Funding or from withdrawal of the Project Development Funding.

- 16.2 The Recipient shall indemnify and hold harmless the Funder, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the negligent actions and/or wilful misconduct of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.
- 16.3 Subject to clause 16.1, the Funder's liability under this Agreement is limited to the payment of the Project Development Funding.

## **17. WARRANTIES**

- 17.1 The Recipient warrants, undertakes and agrees that:
- (a) it has all necessary resources and expertise to deliver the Project including the preparation of a suitable FBC (assuming due receipt of the Project Development Funding and in turn the remainder of the Total Project Allocation );
  - (b) there have been no changes to any aspect of the Project since approval of the OBC;
  - (c) it has not committed, nor shall it commit, any Prohibited Act;
  - (d) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Funder immediately of any significant departure from such legislation, codes or recommendations;
  - (e) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
  - (f) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
  - (g) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
  - (h) all financial and other information concerning the Recipient which has been disclosed to the Funder is to the best of its knowledge and belief, true and accurate;
  - (i) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise

which may prevent or materially impede it from meeting its obligations in connection with the Project Development Funding;

- (j) it is not aware of anything in its own affairs, which it has not disclosed to the Funder or any of the Funder's advisers, which might reasonably have influenced the decision of the Funder to make the Project Development Funding on the terms contained in this Agreement; and
- (k) since the date of its last accounts there has been no material change in its financial position or prospects.

17.2 If at any time the Recipient becomes aware that any warranty given by it under clause 17.1 has been breached, is untrue or is misleading, it shall immediately notify the Funder in writing.

## **18. INSURANCE**

18.1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement, including death or personal injury, loss of or damage to property or any other loss (the **Required Insurances**).

18.2 The Required Insurances referred to above include (but are not limited to):

- (a) public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Project; and
- (b) employer's liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project.

The Recipient shall (on request) supply to the Funder a copy of such insurance policies and evidence that the relevant premiums have been paid.

## **19. DURATION**

19.1 Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until the 12<sup>th</sup> anniversary of expiry of the Funding Period or for so long as any Project Development Funding monies remain unspent by the Recipient, whichever is longer.

19.2 Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

**20. TERMINATION**

20.1 The Funder may terminate this Agreement where the Recipient is in breach of this Agreement and such breach is in the reasonable opinion of the Funder incapable of being remedied. Where the breach is in the reasonable opinion of the Funder remediable, it shall issue a written notice to the Recipient setting out the breach and a reasonable time limit within which to remedy it. Failure to remedy within the time specified shall entitle the Funder to terminate this Agreement.

20.2 The Funder may terminate this agreement and any Grant payments, for any reason, on giving the Recipient three month's written notice.

**21. ASSIGNMENT**

The Recipient may not, without the prior written consent of the Funder, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Project Development Funding.

**22. WAIVER**

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

**23. NOTICES**

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, or mailed (first class postage prepaid) to the address of the relevant party for the attention of the Funder's Representative or Recipient's Representative (as appropriate). If personally delivered all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing.

**24. DISPUTE RESOLUTION**

24.1 In the event of any complaint or dispute (which does not relate to the Funder's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for



resolution to the Funder's Representative or any other individual nominated by the Funder from time to time.

24.2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the Funder's Representative or other nominated individual, as the case may be, either party may refer the matter to the Chief Executive of the Funder and the Chief Executive of the Recipient with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the Funder and the Recipient.

24.3 In the absence of agreement under clause 24.2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

**25. NO PARTNERSHIP OR AGENCY**

This Agreement shall not create any partnership or joint venture between the Funder and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

**26. STATE AID**

The Recipient shall indemnify and pay on demand to the Funder against recovery by the European Commission of the Project Development Funding in whole or part and any interest charged thereon as a result of any finding that the Project Development Funding or any part of it constitutes State Aid.

**27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

**28. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

**29. VARIATION**

This Agreement may not be amended, released, discharged, abandoned, changed or modified in any manner except by an instrument in writing signed by a duly authorised officer or representative of each of the parties hereto.

**30. SEVERANCE**

The provisions of this Agreement are severable and distinct from one another, and, if at any time any of the provisions is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions will not in any way be affected or impaired.

**31. MERGER, TAKEOVER OR CHANGE OF CONTROL**

31.1 The Recipient shall immediately inform the Funder in writing of any proposal or negotiations which may or will result in a merger, take-over, change of control, change of name or status, or the Recipient (being a company as defined in the Companies Act 2006) shall inform the Funder of any such change as defined in section 416 of the Income and Corporations Taxes Act 1988. The Recipient shall comply with any request by the Funder for information arising from this Clause.

31.2 If the Recipient notifies the Funder under Clause 30.1, the Funder may by written notice to the Recipient, withhold, suspend payment, or require repayment of all or part of the Project Development Funding due and payable on the date specified by the Funder in the notice given under Clause 31.2.

**32. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes all prior agreements understandings or discussions between the parties other than representations made fraudulently.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**Schedule 1 - The Project (brief description)**

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**Schedule 2 – Outputs and Outcomes**

<b>Output Number</b>	<b>Output description</b>	<b>Method of independent verification</b>	<b>Delivery Date</b>

<b>Outcome Number</b>	<b>Outcome description</b>	<b>Method of independent verification</b>	<b>Delivery Date</b>

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### Schedule 3- Payment Schedule

Item of Expenditure	Claim Schedule	Amount of Grant Claimed (£)	Amount of match funding (£)
	FY2018/19 Q1		
	FY2018/19 Q2		
	FY2018/19 Q3		
	FY2018/19 Q4		
	<b>Total FY2018/19</b>		
	FY2019/20 Q1		
	FY2019/20 Q2		
	FY2019/20 Q3		
	FY2019/20 Q4		
	<b>Total FY2019/20</b>		
	FY2020/21 Q1		
	FY2020/21 Q2		
	FY2020/21 Q3		
	FY2020/21 Q4		
	<b>Total FY2020/21</b>		
	<b>Total All FY</b>		

The Applicant will submit Claim Forms to the Funder on a quarterly basis as per the Payment Schedule above. Subject to the terms of this Agreement, the Project Development Funding shall be paid into the BACS Payment Account specified at Part 3 of Schedule 3.

1. When making a Claim for Qualifying Expenditure the Recipient shall provide to the Funder:

1.1 a breakdown of Qualifying Expenditure for which the Project Development Funding is being claimed.

1.2 supporting evidence of Qualifying Expenditure which shall include final papers, reports and invoices for substantive amounts of expenditure (every invoice is not required), copies of the top 4 or 5 invoices in terms of value, lists generated by

the Contractor's finance management system of invoices paid relating to Qualifying Expenditure for the Project or other documentation that will provide evidence of Project expenditure.

1.3 evidence of the valuation of work completed at the time of the Claim which shall be verified where appropriate by a member of the Professional Team.

2. At all time when submitting Claims, the Recipient will comply with the GBSLEP's claim's policy provided to the Recipient (including any amendments or updates thereto).

3. The Funder reserves the right, in its sole discretion, to view any specific document to confirm evidence of Qualifying Expenditure before making a payment.

3. The Recipient must have complied with the conditions, including any - Conditions Precedent, if any, in this Agreement. For the avoidance of doubt, 'third parties' referred to in the Agreement exclude the Recipient's parent company.

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# GBSLEP Local Growth Fund Grant Claim Form



Claimant organisation :  
 Project :

Date :

IS EXPENDITURE: <u>PAID, PART OF THIS CLAIM, OR AGREED FUTURE SPEND ?</u>	PRIOR YEAR	CURRENT FINANCIAL YEAR: 2018/19				Total
		Qtr 1 (Apr-Jun)	Qtr 2 (Jul-Sep)	Qtr 3 (Oct-Dec)	Qtr 4 (Jan-Mar)	
TOTAL PROJECT EXPENDITURE (Actual / Future Spend)						-
CLAIMED						-

FUTURE YEAR GRANT PROFILE			TOTAL PROJECT FORECAST	PROJECT BUDGET	VARIANCE
2019-2020	2020-2021	Future Years			
			-		-
			-		-

AMOUNT CLAIMED THIS QUARTER

If you require a Reference Number to be quoted when the claim is paid, please detail

I certify that to the best of my knowledge and belief, the entries on this statement are correct and that all grant has been used for the purpose which it was awarded.

RELEVANT BUDGET  
HOLDER/FINANCE  
OFFICER (SIGN & DATE)

RESPONSIBLE PROJECT  
MANAGER (SIGN & DATE)

Schedule 3 Part 3 – Recipient BACS Account

<b>Bank Name</b>	
<b>Bank Address</b>	
<b>Account Number</b>	
<b>Sort Code</b>	

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Schedule 4 – Key Milestones

Project Milestones	
Task	Completion Date

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## Schedule 5 - Conditions Precedent

### **Part 1**

1. The OBC has been approved by the Funder for the Project
2. The Recipient has provided written confirmation to the Funder that the Total Project Allocation includes the Project Development Funding
3. The Recipient has provided the Funder with evidence that the Project does not infringe EU rules relating to state aid, by commencement of the Project, including but not limited to, evidence that the requirements of Article 56 have been met by the Recipient.
4. The Recipient has in implementing and undertaking the FBC, complied with all relevant laws, regulations and codes of practice and obtained all relevant permissions to the extent applicable, including, but not limited to, the Construction (Design and Management) Regulations 2015, European Union and United Kingdom procurement legislation and the Town and Country Planning Act 1990.
5. The Recipient shall provide evidence that it has become a signatory to the Birmingham Business Charter for Social Responsibility, by commencement of the Project.

**(“BIRMINGHAM BUSINESS CHARTER FOR SOCIAL RESPONSIBILITY”)**

**Birmingham Business Charter for Social Responsibility**

The Birmingham Business Charter for Social Responsibility (Charter) is a set of guiding principles which the Council adheres to and invites all organisations to adopt as a mechanism for managing how they deliver social value.

Charter signatories will consider and describe how they can improve the economic, social and environmental well-being of Birmingham that result from their activities. This includes indirect outcomes through commissioning and procurement.

Commissioning and contracting decisions will take account of the principles of this Charter and it forms part of the terms of new BCC contracts, and Conditions of Grant Aid (COGA).

The strategic context for the Social Value outcomes identified in this Charter is derived from the key Council policy drivers. These are:

- Children, A great city to grow up in. We want to make the best of our unique population and create a safe and secure city for our children to learn and grow up in.
- Homes, A great city to live in. Provide housing in a range of types and tenure, to meet the housing needs of all of the current and future citizens of the city.
- Jobs & Skills, A great city to succeed in. By 2031 Birmingham will be renowned as an enterprising, innovative and green city.
- Health, A great city to lead a healthy and active life. Helping people become healthier, especially relating to physical activity and mental wellbeing.

**Charter Principles:**

- Local Employment
- Buy Local
- Partners in Communities
- Good Employer
- Green and Sustainable
- Ethical Procurement

**Local Employment**

Charter signatories will create employment and training opportunities for local people especially in target areas:

- Commit to create employment and training opportunities for local residents, targeting areas of high unemployment and groups facing disadvantage, including people with disabilities through activities such as work experience placements, apprenticeships, internship and mentoring.

- Seek opportunities to work with schools and colleges to help to ensure that the local young people are equipped with the right skills to match the requirements of the labour market.
- Advertise employment opportunities through the Employment & Skills Services at the Council to ensure that those opportunities are targeted at those furthest from the job market.

### **Buy Local**

Charter signatories will take account of the social, environmental and economic impacts of buying locally when commissioning and contracting, thereby reducing unemployment and raising the skill level of the local workforce.

- Support the local economy by choosing suppliers close to the point of service delivery where possible.
- Use Find it in Birmingham as the primary method of sourcing suppliers for contracts in Birmingham, increasing the accessibility of opportunities to local businesses throughout the supply chain.
- Encourage their suppliers to endorse the principle of Buy Local throughout their supply chains.
- Where possible, commit to purchasing from businesses on the Find it in Birmingham website and from social enterprises and small businesses.

### **Partners in Communities**

Charter signatories will play an active role in the local community and support organisations, especially in those areas and communities with the greatest need.

- Build capacity by supporting community organisations with resources and expertise in areas with the greatest need, for example mentoring and working with youth organisations and services.
- Make a local impact by improving local facilities and areas, for example staff volunteering schemes.
- Provide support to third sector organisations and work with third sector organisations to deliver services and contracts.
- Have a shared sense of responsibility; consider good citizenship and safeguarding issues relating to children and vulnerable adults.
- Work with schools and colleges, offering work experience and business awareness to students, especially those from disadvantaged areas or communities.
- Make accessible all sub-contracting opportunities to a diverse supply base including the third sector and local suppliers and provide mentoring and support to assist these organisations to tender for and deliver these supply opportunities where necessary.
- Help to support the health and wellbeing of communities in which the business operates by for example linking with local schools and colleges, other local businesses and residents' groups to help run or sponsor activities / events, which will directly benefit those living there.

### **Good Employer**

Charter signatories will support staff development and welfare within their own organisation and within their supply chain.

- Ensure that employees are given a fair reward for their labours and help foster a loyal and motivated workforce by adhering to the Council's Birmingham Living Wage Policy.
- Recognise employees' rights of freedom of association and collective bargaining, including not using blacklists in recruitment processes.
- Provide a safe and hygienic working environment.
- Shows a clear intent and positive commitment to the health and wellbeing of employees, which encourages healthy lifestyle choices that assist with addressing health issues through the adoption of policies such as the Workplace Wellbeing Charter.
- Promote diversity and inclusiveness, not discriminate in respect of recruitment, compensation, access to training, promotion, termination of employment or retirement based upon race, caste, national origin, religion, age, disability (including learning disability), mental health issues, gender, marital status, sexual orientation, union membership or political affiliation.
- Not operate exploitative zero hour contracts
- Have and comply with a whistle blowing policy, safeguard against harassment or intimidation

### **Green and Sustainable**

Charter signatories will commit to protecting the environment, minimising waste and energy consumption, using resources efficiently and contributing towards Birmingham's Clean Air Zone. These commitments will also apply to their supply chain.

- Reduce Carbon footprint – be aware of main impacts on carbon emissions including the indirect carbon used in manufacturing processes and the direct impact of operations and logistics.
- Measure carbon emissions and ensure a plan to reduce emissions, where possible, is being implemented using carbon measurement tools. Specific targets to be included in major contracts.
- Eliminate unnecessary waste by adopting the “reduce, reuse, recycle” philosophy.
- Be a good neighbour, minimise negative local impacts (noise, air quality), improve green areas (e.g. biodiversity, visual attractiveness).
- Protect the environment and minimise adverse impacts and instil this approach throughout the supply chain.

### **Ethical Procurement**

Charter signatories will commit to the highest ethical standards in their own operations and those within their supply chain.

- Work to the highest standards of business integrity and ethical conduct.
- Pay their fair share of taxes
- Ensure the well-being and protection of work forces in the supply chain, which must be supported by robust systems and procedures.
- Uphold the principles of the Universal Declaration of Human Rights and the Fundamental International Labour Organisation Conventions; including the use of child and forced labour

- Adopt best practice when procuring goods and services, e.g. procure low energy products, buy Fairtrade and avoid the use of rainforest timber from unmanaged sources.
- Pay suppliers no later than the terms stated in the primary contract if contracted to the Council, otherwise adopt a similar policy such as the Prompt Payment Code.

**Implementation:**

Charter signatories will consider and describe, in an action plan, how they can improve the economic, social and environmental well-being of their locality that result from their activities. This includes indirect outcomes through the supply chain.

Approved projects that address the Council’s key priorities and are relevant to the contract will be provided for inclusion in action plans. Supporting these projects will need to be the primary focus of the action plans.

Where the contract is a mixed contract [e.g. a contract for the supply of goods and services], then the contract type that characterises the main subject matter of the contract in question will apply.

All Contractors, subcontractors and grant recipients are required to adhere to the Council’s Birmingham Living Wage Policy.

Action plans need to include commitments and actions that are proportionate, relevant to the contract, specific and measurable and cover the contracted period. Progress on them will be monitored via an annual report. Action plans must be approved prior to the award of contract or issue of grant.

Organisations without a contract or grant are encouraged to sign up to the Charter.

Where a framework agreement is established by the Council that covers an area wider than Birmingham, participating Contracting Authorities are able to achieve social value outcomes for their relevant areas. What is meant by Local under Local Employment and Buy Local is context dependent, however, as guidance, 30 miles from the point of delivery is reasonable. Visit [www.finditinbirmingham.com/charter](http://www.finditinbirmingham.com/charter) for further guidance and the action plan template. The Council requires all of its suppliers and grant recipients to adopt this Charter subject to thresholds below and invites all other organisations to do so voluntarily. The Charter will be applied proportionately according to the table below:

	<b>Tier 1</b> Charter does not apply	<b>Tier 2</b> Light touch application tailored by contract or grant type	<b>Tier 3</b> Fully consider Social Value and all action plan measures
	Contract value or grant value as appropriate		
Contracts for Services	< £200k	£200k to £750K	Over £750K
Contracts for the	< £1m	£1m to £5m	Over £5m

supply of goods			
Contracts for execution of works	< £1m	£1m to threshold in Article 4(a) Directive 2014/24/EU*	Over threshold in Article 4(a) Directive 2014/24/EU*
Grants	< £200k	£200k to £750K	Over £750K

Where the contract is a mixed contract [e.g. a contract for the supply of goods and services], then the contract type that characterises the main subject matter of the contract in question will apply.

All Contractors, subcontractors and grant recipients are required to adhere to the Council's Birmingham Living Wage Policy.

Action plans need to include commitments and actions that are proportionate, relevant to the contract, specific and measurable and cover the contracted period. Progress on them will be monitored via an annual report. Action plans must be approved prior to the award of contract or issue of grant.

Organisations without a contract or grant are encouraged to sign up to the Charter.

Where a framework agreement is established by the Council that covers an area wider than Birmingham, participating Contracting Authorities are able to achieve social value outcomes for their relevant areas.

What is meant by Local under Local Employment and Buy Local is context dependent, however, as guidance, 30 miles from the point of delivery is reasonable.

Visit [www.finditinbirmingham.com/charter](http://www.finditinbirmingham.com/charter) for further guidance and the action plan template.

**Schedule 6 – Grant Agreement**

DRAFT



**Schedule 7 – Outline Business Case**

DRAFT

EXECUTED as a DEED  
by affixing the COMMON SEAL of  
**BIRMINGHAM CITY COUNCIL**  
in the presence of:

.....  
Authorised Signatory

EXECUTED as a DEED  
By affixing the COMMON SEAL of  
[Insert Name]  
In the presence of:

.....  
Director

.....  
Director

OR

EXECUTED as a DEED  
By [ ]  
Acting by two Directors or  
Director and Secretary

.....  
Director

.....  
Director/Secretary

## Greater Birmingham and Solihull Local Enterprise Partnership Business Case

<b>Project Name</b>	
---------------------	--

About the Applicant	
<b>Name of the lead organisation (applicant)</b>	<i>the organisation that proposes to be the recipient of funding</i>
<b>Name of the project manager / main contact</b>	
<b>Contact number</b>	
<b>Contact email</b>	
<b>Senior Responsible Owner</b>	

About the Project	
<b>Location of the project</b>	
<b>Postcode</b>	<i>of the specific site or close proximity to the project location</i>
<b>Project start date</b>	<i>earliest possible start date post approval and funding contract signature</i>
<b>Project completion date</b>	<i>the date in which final works will be signed off as part of construction and practical completion</i>
<b>Project longstop date</b>	<i>the final date by which any outcomes are expected to be delivered post completion date</i>
<b>Total project capital cost</b>	£
<b>Total GBSLEP loan funding contribution requested</b>	£
<b>Total GBSLEP grant funding contribution requested</b>	£
<b>Are you seeking to apply for development costs as part of your application?</b>	Yes / No <i>If 'yes', please state here the amount requested and complete Section C- Development Costs. Eligibility criteria apply</i>
<b>Current gateway stage</b>	<b>Outline Business Case (OBC) / Full Business Case (FBC)</b>

## Contents

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## A. Introduction

This document provides a template for an Outline Business Case (OBC) and Full Business Case (FBC) in support of Greater Birmingham and Solihull Local Enterprise Partnership's (GBSLEP) investment in a project. The business case acts as the application for funding from the GBSLEP, continuing on from the Expression of Interest.

The main purpose of the document is to understand the proposed project sufficiently to assess and make an informed decision on whether the GBSLEP should provide funding or not. The Business Case should provide assurance to the GBSLEP that the project:

- provides strategic fit and is supported by a compelling case for change;
- will maximise public value to society through the selection of the optimal combination of components, products and related activities;
- is commercially viable and attractive to the supply side;
- is affordable and is fundable over time; and
- can be delivered successfully by the organisation and its partners.

This template should be completed following the principles laid out in HM Treasury's Green Book: Appraisal and Evaluation in Central Government, Business Case Guidance for Projects and supplementary guidance. Links to these documents and further guidance is included in Appendix B – Resources at the end of this document.

The amount of work and detail put in to the Business Case should be **proportionate** to the scale of the project or programme and the expenditure involved.

Once completed the business case will be reviewed by the GBSLEP Executive and will be assessed by an Independent Technical Evaluator. Please submit completed Business Case templates in Microsoft Word format and include a scan of the **signed** original in PDF format.

The applicant is responsible for costs and charges incurred as a result of preparing the OBC; eligible costs for preparation of the FBC may be claimed as part of the development funding should the OBC application be successful (NB eligibility criteria and application are outlined in Section C).

## B. Project Overview

### B.1 Summary of the Project (300 words max)

*Be specific about what the project will do and achieve (who, what, where, how, when).*

--

### B.2 Is the project expected to be going through another assurance process (by another LEP or funding body)?

*If yes, please give details.*

--

### B.3 What is the current position of the project and what has changed between the submission of the Expression of Interest and OBC or between OBC and FBC? (dependent on which stage this template is being completed)

*Provide a summary of any changes to objectives, scope, funding sources and financial costs, expected outputs and outcomes, timescales, risks and stakeholder relations.*

--

### B.4 List any other organisations involved in project delivery and their roles (add lines if required)

Partner Name	Role

### B.5 Revision History

Version Number	File Name	Date submitted	Summary of changes made compared to previous draft version <i>(please refer to previously received feedback and how issues have been addressed)</i>
0.01			

## 1. Strategic Case

The Strategic Case for the project provides the need for intervention, setting out the problem or opportunity, fit with local, regional and national policy, including the GBSLEP Strategic Economic Plan, to provide the 'case for change'. The Strategic Case is typically almost complete at OBC stage for the project, demonstrating a clear and evidenced narrative for proceeding with the development of the project. This should be updated at FBC.

### 1.1 Aims and objectives

#### 1.1.1 Project aim

*Describe the aim of the proposed project in relation to the existing problem or opportunity.*

#### 1.1.2 Investment objectives

*Provide details on the project's objectives, ensuring they fit the 'SMART' criteria (Specific, Measurable, Achievable, Relevant and Time-constrained). Add lines as required.*

Objective	Quantity / Scope	By when

#### 1.1.3 Alignment with GBSLEP strategic objectives

*Describe how the project supports the delivery of GBSLEP's [Strategic Economic Plan 2016-2030](#) and relevant sector delivery plans, including sector-specific investment criteria.*

### 1.2 Project context

#### 1.2.1 PESTLE analysis

*Outline the current situation in terms of relevant Political, Economic, Social, Technological, Legal and Environmental factors; confirm what the drivers for change are, and why the change needs to happen now.*

#### 1.2.2 Organisational context

*Outline the organisation's strategic objectives and how the project aligns with these. Reference how the project relates to any organisational strategic documents here and if required provide a link or append the document.*

#### 1.2.3 Policy context

*Outline how the project fits with national, sub-regional and local policy and investment plans and strategies, such as West Midlands Industrial Strategy, West Midlands Combined Authority or a*

*neighbouring LEP's Strategic Economic Plans, or Midlands Connect. Provide a referenced excerpt or link to the key relevant sections in such document.*

#### 1.2.4 Links to other projects

*Does the project link with other GBSLEP, other LEP, WMCA or Local Authority supported projects? If so, how?*

### 1.3 Project benefits

#### 1.3.1 Logic model

*Provide a logic model for how the outcomes and impacts will be achieved. A separate appendix including the model can be referred to.*

#### 1.3.2 Evidence of what works

*Confirm how the project draws on what has worked in the past or in other similar contexts.*

#### 1.3.3 Equality impact

*Outline how the project would affect the social well-being of the relevant area and how it could be modified to further improve this.*

#### 1.3.4 Environmental impact

*Outline what impact the project will have on the environment. If an Environmental Impact Assessment has been undertaken, append it and summarise the proposed risks, issues and mitigation measures here. If the project involves constructing a building/extension, include proposed energy rating and reference any sustainable water management measures or use of green materials.*

### 1.4 Constraints and dependencies

#### 1.4.1 Constraints and barriers to change

*Provide details of the external conditions and parameters (policy decisions, ethical and legal considerations, rules and regulations, timescales, spend limits) that constrain project delivery.*

#### 1.4.2 Dependencies

*Confirm how the project's success depends on factors outside its control, be that internal to the organisation, across implementing partners or in the external environment.*



**1.4.3 If there are specific constraints on the project's start / end dates, please state these below**

	<b>Date</b>	<b>Details</b>
Project cannot start before		<i>Brief description why</i>
Project must be completed by		

## 2. Economic Case

The Economic Case assesses options considered to identify all their potential impacts – both beneficial and adverse – and summarises the resulting value for money. The level of appraisal included will be determined based on the type of project. The Economic Case considers impacts on the economy, environment and social impacts using monetised information, qualitative and quantitative assessment. At OBC it is expected that the Economic Case will be 75% complete. The FBC will therefore revisit and update the Economic Case in relation to the shortlisted options and based on finalised scope and target costs of the preferred option to be contracted subject to approval of the business case.

### 2.1 Critical success factors

*Explain what criteria have been used for selecting the option that would achieve project objectives. A sample list of critical success factors is included in **Appendix 1**; add more project-specific factors as required.*

### 2.2 Options appraisal – longlist

#### 2.2.1 Longlist of options

*Use **Appendix 2** to list a wide range of possible ways (options) that have been considered for delivering project objectives (an alternative template can be used providing it satisfies this as minimum criteria). The longlist should reflect a range of solutions in terms of size, scope, location, costs, outputs and outcomes, and include the “do nothing / do minimum” and “do maximum” options. Describe each option’s advantages and disadvantages in terms of project’s critical success factors.*

#### 2.2.2 Options shortlisting

*Describe the process and methodology of shortlisting the options, providing a clear justification for why the discarded options were ruled out. Include who was involved in this process and how the decision was endorsed.*

### 2.3 Options appraisal – short list

#### 2.3.1 Cost-benefit analysis

*Provide a cost-benefit analysis for each shortlisted option, ensuring that:*

- *both capital and operating costs are included;*
- *costs cover the entire benefit realisation period;*
- *appropriate discounting techniques are applied; and*
- *optimism bias is shown in the calculation of both costs and benefits.*

***Appendix 3** provides a template to detail the cost-benefit analysis (CBA) of shortlisted options. Alternative templates that satisfy this as minimum criteria can be used.*

*The analysis must follow the standard appraisal practice for the type of intervention, such as DfT or*

MHCLG.

### 2.3.2 Assumptions

*Describe assumptions underpinning the above analysis, including the rationale for the proposed benefit realisation period, optimism bias and contingency.*

### 2.3.3 Unquantifiable benefits

*Describe unquantified benefits of each shortlisted option. What evidence is available that these benefits will be realised?*

## 2.4 Options appraisal – preferred option

### 2.4.1 Scope of work

*Provide a description of the preferred option in terms of what it will deliver, over what time period, and what the acceptance criteria will be.*

### 2.4.2 Value for money

*Explain how your preferred option represents value for money, referencing the Net Present Value (NPV) and Benefit Cost Ratio (BCR) measures. If the preferred option is not the one with highest BCR, explain how unquantified benefits justify the cost.*

### 2.4.3 Sensitivity analysis

*Describe what sensitivity tests have been applied to the cost-benefit analysis and how they impacted the BCR.*

### 2.4.4 Associated issues and risks

*Outline the key issues and risks to project delivery and benefit realisation.*

### 2.4.5 Proposed outputs and outcomes

*In the table below insert a summary of the proposed outputs and outcomes that are expected to be achieved as a result of the project. Add further rows to the tables as required.*

*Provide a detailed profile of forecast outputs and outcomes in **Appendix 4**. This appendix includes definitions for a series of set outputs that the GBSLEP monitors performance against.*

#### Proposed outputs

Output	Output description	Output quantity	Method of independent verification	Delivered by date
--------	--------------------	-----------------	------------------------------------	-------------------

1				
2				
3				
4				
<b>Proposed outcomes</b>				
<b>Outcome</b>	<b>Outcome description</b>	<b>Outcome quantity</b>	<b>Method of independent verification</b>	<b>Delivered by date</b>
1				
2				
3				
4				

## 3. Commercial Case

The Commercial Case provides evidence of the commercial viability of a project and the procurement strategy that will be used to engage the market – providers, developers and suppliers to deliver the project. The OBC should be based on pre-procurement discussions and the FBC should document the final outcome of the procurement process.

### 3.1 Procurement

#### 3.1.1 Procurement scope

*Outline what procurement needs to be / has been undertaken if private development partners or suppliers are required to deliver project outputs.*

#### 3.1.2 Procurement strategy

*Describe the project procurement strategy, including: regulatory / mandatory / best practice standards incorporated; process to be undertaken; evaluation criteria; and the contractor selection timetable.*

#### 3.1.3 Evidence of demand or market interest

*Describe any private sector negotiations or discussions undertaken as part of testing the development or supplier market.*

#### 3.1.4 Third party services

*Detail any third party services that will be used to deliver the project (legal, finance, any other consultancies).*

### 3.2 Contract management and risk allocation (FBC stage only)

#### 3.2.1 Contract management arrangements

*Describe contract management and assurance arrangements. Provide evidence of how the procured contractor provides value for money.*

#### 3.2.2 Contract milestones

*Include contract milestones such as internal or external decisions and approvals and completion dates of project phases.*

#### 3.2.3 Risk allocation

*Summarise key risks relating to the management of delivery contract(s) and who has been involved in identifying these risks. Include details on the transfer or sharing of risks with the contractor, risk owners, and mitigation / contingency arrangements (these should be fully detailed in the Risk Register in **Appendix 6**).*

### **3.3 Accountancy treatment and service requirements (FBC stage only)**

#### **3.3.1 Assets**

*Describe long-term future of assets, including approach to a change of circumstances (e.g. organisation / asset changes purpose or ceases trading).*

#### **3.3.2 Operational service considerations**

*Outline any operational service considerations and their sustainability. If there are any personnel implications (including TUPE), then please describe how they will be addressed here.*

## 4. Financial Case

The purpose of the Financial Case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required. This should include the capital and revenue costs and the consequential costs of the project.

### 4.1 Project budget

*Insert additional future years into the table; name each contributing funder and add lines as required. GBSLEP allocates funding to projects for specific financial years (April to March) at the time the funding must be drawn down by projects to cover eligible defrayed costs.*

*Include a detailed breakdown of project costs that relates to the below project budget as an appendix.*

*Loans are offered on commercial terms. The rate of interest charged, security and other conditions are determined independently in accordance with investment industry standards, taking into account that the GBSLEP's funding programme's primary objective is to enable or accelerate development of priority projects. The maximum repayment term is three years.*

*Further information on and the application for development funding is included at Section D.*

*Provide a detailed proposed funding profile by populating **Appendix 5**. This will be indicative at OBC and should be finalised at FBC stage.*

	Previous years	2019/20	2020/21	2021/22	2022/23	Future years	Total
<b>Capital funding (£000s)</b>							
Local authority							
Other public sector							
Private sector							
Third sector							
GBSLEP Loan funding requested							
GBSLEP Grant funding requested							
GBSLEP Development funding requested ( <i>eligibility applies</i> )							
Funding source to be established							
<b>Total capital cost</b>							
<b>Revenue funding for project delivery (£000s)</b>							
Local authority							
Other public sector							
Private sector							

Third sector							
Funding source to be established							
<b>Total revenue cost for delivery</b>							
<b>Revenue consequences for benefit realisation (£000s)</b>							
Local authority							
Other public sector							
Private sector							
Third sector							
<b>Total revenue consequences for benefit realisation</b>							
<b>Total project cost</b>							

## 4.2 Affordability

### 4.2.1 Options for financing the project

*Outline what other means of financing the project have been explored, including which funding sources have been considered / approached and why they were discarded.*

### 4.2.2 Match funding

*Confirm which sources of match funding have been secured. For funding that is not yet secure, provide details on the strategy and timeline for securing it.*

### 4.2.3 Grant versus loan

*If capital grant funding is applied for, explain why loan funding not is deemed suitable.*

### 4.2.4 Loan arrangements

*If loan is applied for, outline the proposed repayment arrangements and timescales.*

### 4.2.5 Availability of GBSLEP funding

*How would the project proceed if GBSLEP funds are not available?*

## 4.3 Due diligence



#### **4.3.1 Applicant organisation's financial status** *(GBSLEP to advise if information is required)*

*Provide full accounts for the last three financial years, as well as current financial forecasts.*

#### **4.3.2 Partners' financial status** *(GBSLEP to advise if information is required)*

*Provide full accounts for the last three financial years, as well as current financial forecasts.*

#### **4.3.3 Independent assurance**

*Outline any independent assurance that will be place for the project, such as gateway or key stage reviews throughout delivery.*

### **4.4 Financial risks**

#### **4.4.1 Cost overruns**

*Outline the arrangements for any cost overruns in the project. Any grant approved by GBSLEP will be a maximum capped amount and the applicant will be responsible for any expenditure above that amount.*

#### **4.4.2 State Aid**

*State how the project complies with State Aid regulations without contravening the State Aid legislation. Outline what advice (e.g. legal advice) has been received to confirm that any grant funding approved does not amount to unlawful State Aid.*

*Any project activity GBSLEP funds must meet public sector financial rules and comply with the rules governing State aid. Grants found to be in contravention of State Aid rules must be repaid with interest so it is in your interest to ensure that any project you bring forward for consideration complies with these regulations.*

## 5. Management Case

The purpose of the Management Case is to demonstrate that the preferred option is capable of being delivered successfully, in accordance with recognised best practice. It tests project's planning, governance structure, risk management, communications and stakeholder management, benefits realisation and monitoring and evaluation. The Management Case should be over halfway complete at OBC stage; at FBC, in addition to general updates to all questions Monitoring and Evaluation processes need to be finalised.

### 5.1 Project planning

#### 5.1.1 Project development and statutory requirements (OBC stage only)

*List the key project development milestones, including local authority consents or statutory approvals needed for the project to proceed. Indicate which have been obtained and the timeline for obtaining the rest. Add / delete lines as appropriate.*

Description	Planned / actual date	Details
Concept study		
Feasibility		
Preliminary design		
Detailed design		
Quantified risk assessment		
Environmental appraisal		
Planning application		
Statutory approvals / planning permission		
Consultations with key stakeholders		
Internal or external funder strategic / outline business case		
Internal or external funder full business case with benefit-cost ratio or established value for money case		
Quotes for work to be undertaken		
Compulsory Purchase Order powers		
Major statutory instruments (e.g. Transport and Works Act Orders, Side Road Orders, Development Consent Orders)		
Known environmental impacts (e.g. SSSIs, Heritage sites, Ancient Monuments)		
Equality Impact assessment		

Other – describe		
<b>5.1.2 Project delivery plan</b>		
<i>At OBC, outline project delivery plan; at FBC, append a detailed programme and summarise key milestones here (add lines as appropriate).</i>		
<b>Task</b>		<b>Completion Date</b>
<b>5.1.3 Critical path</b>		
<i>Outline the key review and go / no-go decision points and what would happen at each point.</i>		

<b>5.2 Organisation</b>
<b>5.2.1 Track record</b>
<i>Outline your organisation's and identified project team's track record of delivering similar projects. Include skills / experience of key staff involved in the project.</i>
<b>5.2.2 Use of external consultants</b>
<i>List key consultants (individuals and organisations) involved and outline their track record.</i>
<b>5.2.3 Succession arrangements</b>
<i>Outline the arrangements in place to ensure continuity of resource and retention of organisational memory.</i>

<b>5.3 Governance</b>
<b>5.3.1 Project management</b>
<i>Outline the proposed project management structure including roles and responsibilities.</i>
<b>5.3.2 Project governance</b>
<i>Provide details on the proposed project governance and assurance, including:</i> <ul style="list-style-type: none"> <li>• <i>decision levels;</i></li> <li>• <i>escalation arrangements;</i></li> <li>• <i>project board composition and terms of reference; and</i></li> <li>• <i>project board members' relevant experience (if not included at 5.2.1).</i></li> </ul>

### 5.3.3 Change management

*Outline the proposed change management strategy for the project, including escalation procedures and thresholds.*

## 5.4 Stakeholder management

### 5.4.1 Stakeholder engagement

*Outline how the stakeholders will be involved and managed. Append a stakeholder management plan if available.*

### 5.4.2 Partnership arrangements

*Outline key roles and responsibilities of all partner organisations in the project, where not covered in commercial case or above.*

### 5.4.3 Communications and marketing plan

*At OBC, outline your proposed approach to project communications and marketing. At FBC, append a full communications plan and summarise it here.*

## 5.5 Monitoring and evaluation

*At OBC, outline the proposed approach to project monitoring and evaluation. At FBC, append a detailed plan for monitoring and evaluating project outputs and outcomes, including assigned responsibilities and budgeted costs. Note the GBSLEP will be collecting monitoring information until at least March 2025.*

## 5.6 Risk management

*Append a fully assessed Risk Register to include RAG rating, risk owner, mitigation and contingency arrangements (minimum requirements in template at in **Appendix 6**).*

*Further guidance on risk management is provided in the HMT Orange Book, available at <https://www.gov.uk/government/publications/orange-book>.*

## C. Declarations

### C1. Document Confidentiality Statement

*Please confirm whether any information in this Business Case is commercially sensitive and considered exempt from release under Section 41 of the Freedom of Information Act 2000. If so, please provide details.*

### C2. Declarations

Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?	<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--

Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors	<input type="checkbox"/> Yes <input type="checkbox"/> No
---	--

Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--

If the answer is “yes” to any of these questions please give details on a separate document of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded GBSLEP funding.

### C3. Senior Responsible Owner Declaration

As Senior Responsible Owner for [PROJECT NAME] I hereby submit this request for [FUND NAME] allocation on behalf of [NAME OF APPLICANT ORGANISATION] and confirm that I have the necessary authority to do so.

In making this application, I agree that the information provided by me in this application is to the best of my knowledge correct. I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend must be compliant with the Grant Conditions and State Aid requirements.

I understand that this application does not form or imply any contract to provide funding.

I am content for information supplied here to be stored electronically, shared with the GBSLEP Independent Technical Evaluator, and other parties who may be involved in considering the business case to enable enquiries on this application so as the GBSLEP can satisfy themselves of its completeness and accuracy.

I understand that a copy of the main Business Case document will be made available on the GBSLEP website. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for

### C3. Senior Responsible Owner Declaration

exemption. Where scheme promoters consider information to fall within the categories for exemption they should provide a separate version of the main Business Case document, which highlights the proposed Business Case redactions.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

<b>Name:</b>	<b>Signed:</b>
<b>Position</b>	
<b>Date</b>	

### C4. Section 151 Officer / Chief Financial Officer Declaration

As Section 151 Officer (or Chief Financial Officer) for [PROJECT NAME] I hereby agree that this request for [FUND NAME] allocation on behalf of [NAME OF APPLICANT ORGANISATION] is financially compliant and confirm that I have the necessary authority to do so.

I declare that the project cost estimates quoted in this application are accurate to the best of my knowledge and that [NAME OF APPLICANT ORGANISATION]:

- has allocated sufficient budget to deliver this project on the basis of its proposed funding contribution;
- has undertaken a risk assessment which identifies all substantial project risks known at the time of Business Case submission and this is included within the cost estimate;
- accepts responsibility for meeting any costs over and above the GBSLEP contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties;
- accepts responsibility for meeting any ongoing revenue requirements in relation to the project;
- accepts that no further increase in GBSLEP funding will be considered beyond the maximum contribution requested;
- confirms that the authority has the necessary governance / assurance arrangements in place and the project has met our assurance guidelines; and
- funding is compliant with central government guidance; and
- confirms that the procurement strategy for the project is legally compliant and is likely to achieve the best value for money outcome.

<b>Name:</b>	<b>Signed:</b>
<b>Position</b>	
<b>Date</b>	

## D. Development Costs

Only complete this section if you wish to apply for a funding contribution towards the development costs of this project. The application for a funding contribution towards development costs will only be progressed if the OBC is assessed to meet the required criteria to proceed through to FBC. Applications are assessed on a risk basis and typically provided to public sector organisations only.

**If the project is unsuccessful with its application for funding, the development funding will be required to be repaid.**

<b>Total Development Costs for this project</b> <i>(up to and including FBC submission)</i>	
<b>GBSLEP funds contribution sought towards the Total Development Costs</b>	<i>Typically up to 10% of the total GBSLEP funding requested</i>

**Please describe and provide a financial breakdown of the Development Work to be undertaken**  
*Please include specifically what the GBSLEP funds will be used for, key milestones towards the production of the FBC, and governance arrangements, including any local gateway processes, change control and risk management for the delivery of the FBC.*

<b>Full Business Case submission date</b>	

By signing below, you certify that the above information is true and accurate.

Should your application for Development Costs be granted, you agree that the GBSLEP funding will be defrayed to you on the following conditions:

- The GBSLEP funds will be defrayed as an interest-free, repayable grant. The funding will be defrayed as capital, and should only be used for expenditure that can be capitalised.
- The funding will be defrayed from your projected capital allocation to your project.
- Upon full approval, the balance of the total capital allocation to your scheme will be defrayed in accordance with the processes described in the GBSLEP Assurance Framework, i.e. quarterly in arrears on production of actual expenditure.
- After your submission of the FBC, should full approval for the project not be granted, you will return all previously received funding towards Development Costs to GBSLEP in full.

- You will include GBSLEP in the process for any decisions to be made regarding the scope, cost or timeframe for this project.
- You will provide regular update reports to GBSLEP on progress with the development of the FBC for the project, commencing from the date you sign this letter and at a frequency to be agreed.

Sign:	Sign:
Name:	Name:
Position:	Position:
Date:	Date:
<b>Senior Responsible Owner</b>	<b>Chief Financial Officer</b>



## E. Appendices

### List of Appendices

#### I. Reference

- a. Definitions and acronyms
- b. Additional resources

#### II. Templates

1. Options appraisal: critical success factors
2. Options appraisal: longlist
3. Options appraisal: cost-benefit analysis of shortlisted options
4. Output and outcomes forecast profile (excel spreadsheet, supplied separately)
5. Funding profile (excel spreadsheet, supplied separately)
6. Risk register (excel spreadsheet, supplied separately)

#### III. Further appendices as applicable

- Logic Model
- Project map 1 (location)
- Project map 2 (site plan)
- Feasibility studies
- Relevant organisational strategic documents
- Industry-relevant stage reports and plans
- Environmental Impact Assessment
- Distributional impact appraisal
- Confirmation of match funding (conditional or full)
- Statement of financial viability
- Detailed cost plans
- Consultation reports
- Project programme
- Communications plan
- Monitoring & Evaluation plan
- Organisation organogram
- Project organogram
- Procurement contract (at FBC)
- Letters of support / Memoranda of Understanding from project stakeholders

## Appendix A – Definitions and acronyms

BCR	Benefit - Cost Ratio
BEIS	Department for Business, Energy and Industrial Strategy
Benefits	Positive economic, social and environmental impacts expected to be realised as a result of the project being delivered. This is in addition to what is considered business as usual
CBA	Cost - Benefit Analysis
Delivery Plan	A detailed, typically sector specific, plan to support the delivery of the GBSLEP Strategic Economic Plan
DfT	Department for Transport
Eoi	Expression of Interest
FBC	Full Business Case
GVA	Gross Value Added
HMT	Her Majesty's Treasury
LIS	Local Industrial Strategy
MHCLG	Ministry for Housing, Communities and Local Government
NPV	Net Present Value
OBC	Outline Business Case
Optimism Bias	The proven tendency for appraisers to be too optimistic about project costs, duration and benefits delivery, which require adjustments to correct for
Outcomes	<p>Direct outcomes are the short- and intermediate-term effects or changes that occur or will occur as a direct result of the project activity.</p> <p>An indirect outcome is the intermediate to long-term effect or changes of a project, i.e. the longer term consequence of the project. They may be expected to follow the project activity, but cannot be guaranteed due to a range of factors.</p>
Outputs	Outputs are usually pre-defined (e.g. a target) and can be accurately measured (e.g. a number). Outputs are sometimes referred to as deliverables – they are the direct, immediate-term, quantifiable results associated with a project.
QRA	Quantitative Risk Assessment
SEP	Strategic Economic Plan
SOC	Strategic Outline Case
SRO	Senior Responsible Owner
WebTag	DfT's Transport Appraisal Guidance that provides information on the role of transport modelling and appraisal

## Appendix B – Resources

GBSLEP Strategic Economic Plan

<https://gbslep.co.uk/resources/reports/strategic-economic-plan-2016-30>

GBSLEP Assurance Framework

<https://gbslep.co.uk/resources/reports/assurance-framework>

GBSLEP Towns and Local Centres Framework

<https://gbslep.co.uk/what-we-do/place/develop-thriving-towns-local-centres>

Investing in Culture: Enhancing Opportunities across the GBSLEP Region

<https://gbslep.co.uk/cultural-investments-gbslep>

West Midlands Local Industrial Strategy

<https://www.wmca.org.uk/what-we-do/industrial-strategy/>

HM Treasury Green Book: Central Government Guidance on Appraisal and Evaluation

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

HM Treasury Green Book: Guide to Developing the Project Business Case

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/749086/Project\\_Business\\_Case\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf)

Department for Communities and Local Government: Appraisal Guide

<https://www.gov.uk/government/publications/department-for-communities-and-local-government-appraisal-guide>

Department for Transport: Transport analysis guidance

<https://www.gov.uk/guidance/transport-analysis-guidance-webtag>

HM Treasury Magenta Book: Guidance for Evaluation

<https://www.gov.uk/government/publications/the-magenta-book>

HM Treasury Orange Book: Management of Risk – Principles and Concepts

<https://www.gov.uk/government/publications/orange-book>

Management of Risk in Government: Framework

<https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

## Appendix 1: Options appraisal - Critical Success Factors

Key Critical Success Factors	Description
<b>Strategic fit and meets business needs</b>	How well the option: <ul style="list-style-type: none"> <li>• achieves the identified objectives to maximise an opportunity or resolve an issue</li> <li>• meets the agreed spending objectives, related business needs and service requirements</li> <li>• provides holistic fit and synergy with other strategies, programmes and projects</li> </ul>
<b>Potential Value for Money</b>	How well the option: <ul style="list-style-type: none"> <li>• optimises value (social, economic and environmental), in terms of the potential costs, benefits and risks</li> </ul>
<b>Supplier capacity and capability</b>	How well the option: <ul style="list-style-type: none"> <li>• matches the ability of potential suppliers to deliver the required services</li> <li>• appeals to the supply side</li> </ul>
<b>Potential affordability</b>	How well the option: <ul style="list-style-type: none"> <li>• can be financed from available funds</li> <li>• aligns with sourcing constraints</li> </ul>
<b>Potential achievability</b>	How well the option: <ul style="list-style-type: none"> <li>• is likely to be delivered given an organisation's ability to respond to the changes required</li> <li>• matches the level of available skills required for successful delivery</li> </ul>

Source:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685903/The\\_Green\\_Book.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf)

## Appendix 2: Options appraisal - longlist of options

<b>What ways and options have been considered for delivering the objectives?</b> <i>Briefly outline the different ways forward and options to address the problem / opportunity.</i>	
<b>Reference Case (mandatory)</b> <i>(the position in terms of required outcomes and benefits that would occur if the project did not proceed)</i>	<b>Description</b> <i>Full details of the option under consideration.</i>
	<b>Main Advantages</b> <i>Strengths and opportunities in terms of the critical success factors.</i>
	<b>Main disadvantages</b> <i>Weaknesses and threats in terms of the critical success factors.</i>
	<b>Conclusions</b> <i>Overall assessment of how well the option meets the project spending objectives and critical success factors and whether it is the preferred way forward, should be carried forward or discounted in respect of the short-list.</i>
<b>Option 1</b>	<b>Description</b> <i>Full details of the option under consideration.</i>
	<b>Main Advantages</b> <i>Strengths and opportunities in terms of the critical success factors.</i>
	<b>Main disadvantages</b> <i>Weaknesses and threats in terms of the critical success factors.</i>
	<b>Conclusions</b> <i>Overall assessment of how well the option meets the project spending objectives and critical success factors and whether it is the preferred way forward, should be carried forward or discounted in respect of the short-list.</i>
<b>Option 2</b>	<b>Description</b> <i>Full details of the option under consideration.</i>
	<b>Main Advantages</b> <i>Strengths and opportunities in terms of the critical success factors.</i>
	<b>Main disadvantages</b> <i>Weaknesses and threats in terms of the critical success factors.</i>
	<b>Conclusions</b> <i>Overall assessment of how well the option meets the project spending objectives and critical success factors and whether it is the preferred way forward, should be carried forward or discounted in respect of the short-list.</i>
<b>Insert further Options as required</b>	<b>Description</b> <i>Full details of the option under consideration.</i>
	<b>Main Advantages</b> <i>Strengths and opportunities in terms of the critical success factors.</i>
	<b>Main disadvantages</b> <i>Weaknesses and threats in terms of the critical success factors.</i>
	<b>Conclusions</b> <i>Overall assessment of how well the option meets the project spending objectives and critical</i>

	<i>success factors and whether it is the preferred way forward, should be carried forward or discounted in respect of the short-list.</i>
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### Appendix 3: Options appraisal - cost-benefit analysis (CBA) of shortlisted options

	Option 1: Reference Case (Do Nothing)	Option 2: Do Minimum	Option 3: Preferred way forward	Option 5: Do Maximum	Option X: Add columns as required
<b>Brief description of the option</b>					
<b>Costs (£000)</b>					
Capital costs (excluding VAT)					
Revenue costs					
Total costs					
Discounted costs (Present Value of Costs) (1)					
Significant unmonetisable costs					
<b>Benefits (£000)</b>					
Benefit A					
Benefit B					
Benefit C					
Total benefits					
Discounted benefits (Present Value of Benefits) (2)					
Significant unmonetisable benefits					
<b>Cost benefit analysis</b>					
Net Present Value (=2-1)					
Benefit-cost ratio (=2/1)					



# Greater Birmingham & Solihull Local Enterprise Partnership

## Local Growth Fund

### Change Management Policy

Author	Rehana Watkinson
Date	31 <sup>st</sup> May 2018
Version	Final

#### Purpose

1. This document details the process that the Greater Birmingham & Solihull Enterprise Partnership's (GBSLEP) follows to manage change on the Growth Programme (Local Growth Fund, Growing Places Fund and Revolving Investment Fund). The Change Management Policy for the Growth Programme has been developed within the framework of the GBSLEP's existing Assurance Framework. All future documents, procedures, codes of practice, forms or guidelines related to change management are developed in line with this policy.
2. It is not unusual for circumstances to alter in such a way that a project can no longer be delivered as originally forecast. In the event of a variation to a project – in its scope and benefits, time or cost – the variation must be reported to the LEP Executive. Usually, this will take the form of a formal change request which the LEP Executive will consider in light of the fact that the agreed expectations of the project will now not be met.
3. Understanding variations on individual projects within the Growth Programme is integral to its successful management and ultimately the delivery of the benefits expected from the programme as a whole.
4. These variations include when grant funding will be utilised by projects. The GBSLEP is allocated Local Growth Funding from Government on an annual basis, during which period it must be utilised. The ability to do this is used as a performance measure for the programme, with underperformance risking withholding withdrawal of grant funding from Government. Therefore any financial slippage across individual projects must carefully be considered by the LEP Executive as it impacts on the programme as a whole and it may not always be possible to accommodate it.
5. Additionally changes to individual projects may create a reputational risk to the LEP, which would need to be managed and may impact on delivery of other projects within or external the Growth Programme.



## The Change Process

6. Throughout the development of a project, the Project Sponsor will work with the GBSLEP Programme Team and have a named LEP Project Champion and Project Support Officer. Any changes to the proposed project – from Outline to Full Business Case and contracting – will be managed with the Project Sponsor and Programme Team in a proportionate way. This may be through meetings or discussions to understand what changes are proposed and what their impact on delivering the proposed project will be. At this time, all funding allocations are strictly provisional.
7. Once the contracting stage has been completed, and only then, LEP funding allocations are committed to a project. This is when formal Change Management Processes come into effect.
8. Upon the conclusion of the contracting stage, the Project Sponsor will receive:
  - I. The **GBSLEP Change Management Policy** (this document)
  - II. **Scheme of Delegation Document** setting out the types of variation and what actions and what decisions need to be taken (**Appendix A**)
  - III. **Project Exception Report** which projects will need to produce and present to the GBSLEP Programme Delivery Board (PDB) in the event of very significant change or risk (**Appendix B**)
  - IV. **Change Request Template** for formal submission of any changes that materially affect the scope and benefits, time or cost of the project (**Appendix C**)
9. Where a material variation is expected to occur on a project, the Project Sponsor must notify the LEP Executive at the earliest opportunity by contacting their named LEP Project Champion or Project Support Officer.
10. At this point, the LEP Project Champion will advise on how the change process will work and what action the Project Sponsor needs to take. Details of the format for reporting variations are provided within the 'Recording Change' section below.
11. Effective handling of change requests is critical to the smooth running of the Growth Programme. The proposed thresholds make clear where responsibility lies for these decisions, providing a balance between the need for scrutiny and swift action.
12. Where a major change is requested, which has a significant negative impact on
  - scope and benefits (*more than 10% from forecast*);
  - time (*slippage over financial years*); or
  - cost (*more than 10% and/or £100,000 from forecast*),approval is required from the Programme Delivery Board.
13. Minor changes, below 10% variation to benefits or cost and slippage within the financial year, require approval from the Head of Delivery.
14. All change requests will be reported to PDB and, for projects above delegation, to the LEP Board. Further details of the scheme of delegation are included in **Appendix A**.

15. In exceptional circumstances, contracted projects may, with the agreement of the Programme Delivery Board, have their funding removed and reallocated elsewhere within the programme.
16. This is likely to be an exceptional event where, following detailed discussion between GBSLEP and the Project Sponsor, a project can no longer deliver the planned benefits within an agreed timeframe, or can no longer be expected to deliver the agreed outcomes because of a change in external circumstances.

### **Recording Change**

17. We have various ways of reporting and recording changes to projects depending on the nature of the change. The Project Champion and Project Support Officer will advise on what is the most appropriate action to take. Recording change can take one or more of these forms:
  - i. Project Management Reports (PMR) – this is the tool project manager’s use to report, on a quarterly basis, on the status of their project. Any and all variations should be recorded by the project with the next submission of its PMR to the LEP. This includes changes that may not require the formal change process i.e. slippage across quarters but not financial year.
  - ii. File Notes – on occasion, very minor variations to the agreed project parameters may not warrant a formal change request. There should still be clearly recorded as a change to what was agreed in the Business Case and Grant Agreement. In these instances, following notification by the Project Sponsor of the change, the LEP Project Champion will produce a File Note and send it to the Project Sponsor.
  - iii. Change Requests – where changes will materially affect the scope and benefits, time or cost of the project, the Project Sponsor will need to notify the LEP Executive and submit a formal change request. This document will detail the change and enable GBSLEP to consider the effect of this and whether it is acceptable or not.
  - iv. Exceptions Report – where a project has experienced more significant change, or the change is not considered acceptable by the LEP Programme Team and Head of delivery they will be required to produce and present an exceptions report to the GBSLEP Programme Delivery Board for consideration.
  - v. Deed of Variation – If the project is in contract i.e. a signed Grant Agreement or Service Level Agreement is in place, all approved change requests will also need to be supported by a variation to contract. This will be done via a Deed of Variation to the existing Grant Agreement or Service Level Agreement.
18. The GBSLEP Programme Team will work to support projects to manage and control change in order that they are able to meet the delivery of their projects in the most timely and cost effective way in the context of the Growth Programme.
19. Any inquiries regarding change management and any part of this Policy, or accompanying guidance and templates, should be directed to the GBSLEP PMO, at GBSLEP, Baskerville House, 2 Centenary Square, Broad Street, Birmingham, B1 2ND. Telephone inquiries are to be directed to 0121 303 9861 and all email inquiries to [GBSLEP@birmingham.gov.uk](mailto:GBSLEP@birmingham.gov.uk)

**Greater Birmingham & Solihull LEP Local Growth Fund  
Project Change Request**

<b>Project Name</b>			
<b>Organisation</b>			
<b>Date of Request</b>			
<b>Project Manager</b>		<b>Project SRO</b>	
<b>Project Manager contact details</b>		<b>Project SRO contact details</b>	
<b>Project Manager signature</b>		<b>Project SRO signature</b>	

**Section 1: Project Progress to date**

Please include a brief outline of project progress to date. (E.g. milestones achieved expenditure to date and challenges faced.)

## **Section 2: Change requested**

<b>Type of change requested</b>	
<i>Check each that apply</i>	
<input type="checkbox"/> Project Scope <input type="checkbox"/> Project outputs/outcomes <input type="checkbox"/> Project finances <input type="checkbox"/> Programme/Timescales <input type="checkbox"/> Other	
<b>Description of change</b>	
<b>Reason for change request</b>	
<b>Alternative options considered: with reasons why the recommended option is the most appropriate.</b>	
<b>Detail of stakeholder consultation regarding change request</b>	

### **Section 3: Impact of recommended change**

<p><b>Please provide a description of the impact of the recommended change including: Project cost, Timescales, Resourcing, Benefits, Quality, Scope</b></p>	<p><b>For guidance – find table in grant agreement or business case.</b></p>
<p><b>Steps required to deploy change</b></p>	
<p><b>Is there an impact on Communication planning?</b></p>	

## **Section 4: To be completed by GBSLEP**

<b>Date required for response</b>	
<b>Deed of Variation required?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Recommendation from GBSLEP</b>	<input type="checkbox"/> Approved <input type="checkbox"/> Rejected <input type="checkbox"/> Deferred (detail: )
<b>Justification of decision</b>	
<b>Decision date</b>	
<b>Does this change impact SEP objectives?</b>	
<b>Does the business case need to be reviewed and updated, in light of the change?</b>	
<b>Signed LEP Programme Manager/ Project Champion</b>	
<b>Dated</b>	



# Project Exception Report

<b>Project Name:</b>		<b>Project Sponsor:</b>			
<b>Project Manager:</b>		<b>LGF Approved Date</b> <i>(actual/forecast)</i>			
<b>Project Start On Site Date:</b>		<b>Report Completed by</b> <i>(Sponsor/PM)</i>		<b>Report Date</b>	
<b>Background</b> <i>Context of project and funding including current status and reason for change</i>					



# Project Exception Report

Funding Agreement/SLA <b>Project End Date</b>	DD / MM / YYYY	Current Forecast <b>Project End Date</b>	DD / MM / YYYY	Variance + / - (months)	
Reason for time variance					
Funding Agreement/SLA <b>Forecast Total Project Cost</b>	£	Current Forecast <b>Total Project Spend</b>	£	Variance + / -	£
Funding Agreement/SLA <b>Total LGF Allocation</b>	£	Current Forecast <b>Total LGF Required/Allocated</b>	£	Variance + / -	£
Reason for required/allocated <b>LGF variance</b>					
Funding Agreement/SLA <b>Forecast LGF Claims to date</b>	£	<b>Actual LGF Claimed to date</b>	£	Variance + / -	£
Reason for claim variance					
<b>Forward LGF Forecast £'000's</b>					
<b>2017/2018</b>	Q1	Q2	Q3	Q4	Total
SLA/Funding agreement profile					
Current Profile					
<b>2018/2019</b>	Q1	Q2	Q3	Q4	Total
SLA/Funding agreement profile					
Current Profile					
<b>2019/2020</b>	Q1	Q2	Q3	Q4	Total
SLA/Funding agreement profile					





# Project Exception Report

Current Profile					
2020/2021	Q1	Q2	Q3	Q4	Total
SLA/Funding agreement profile					
Current Profile					
Key Risks and Issues <i>(showstoppers)</i>			Planned mitigation / contingency		
Critical milestones completed this quarter/year					
Critical milestones DUE but NOT completed this quarter/year			Reason not completed and planned date(s) for completion		



# Project Exception Report

Critical milestones to still be completed		Date for completion
Forecast Outputs (inc date(s), as per SLA/Funding Agreement)	Forecast variance to outputs	Reason for variance
Decision required		
<p><i>Define any decision required from PDB e.g. agreement to slip funding or changes to outputs or scope including rationale and impact should agreement not be given;</i></p>		



# Project Exception Report

## Supporting information

*Insert/Append any supporting documents/visuals/site plan here*



# Project Exception Report

GBSLEP use only				
LEP Project Champion:		Project Support:		Report Received Date
<b>Programme Team Review</b>				
<b>PDB Decision</b>				<b>Date</b>

## ACTIONS

	Action	By who	By when	Status
1				
2				
3				
4				

## Project Risk RAG

Risk type	RAG
Time	
Benefits	
Cost	

RAG Status key:	
<b>Green</b>	On target to hit original forecast (including within agreed tolerance)
<b>Amber</b>	Current - No longer on target to meet original forecast & minor impact on the overall project Future – At risk of missing original forecast & minor impact on the overall project
<b>Red</b>	Current - No longer on target to meet original forecast & significant impact on the overall project Future – At risk of missing original forecast & significant impact on the overall project

## Change Management Policy – Appendix A – Scheme of Delegation

Appendix A - Types of Variation and the Scheme of Delegation			
What's the type of project variation	What's the scale of the variation	What action does the project need to take?	Who makes the decision?
Cost	A <b>decrease in the total cost</b> of the project and reduction in the amount of the LEP funding allocation to be drawn down by the project.	Report the variation via email and record in the PMR. The LEP Executive will produce a Project File Note.	N/A
	Costs increase: <ul style="list-style-type: none"> <li>of items of expenditure or cost categories, but with <b>no increase in the overall project cost</b>; or</li> <li>of the total project, but the cost increase is covered by an <b>increase in the amount of match funding</b>.</li> </ul>	Record in the PMR	N/A
	A decrease in the total cost of the project and a request to <b>re-allocate the unused LEP funding</b> (up to a maximum of £100,000) to increase the scope and benefits of the project. Any request above this value would be treated as a new project and would be subject to a new funding application.	Submit a Change Request	Head of Delivery
	Increase in total cost of the project that cannot solely be covered by an increase in match funding, resulting in a request to increase the LEP funding allocation by <b>under 10% and £100,000</b> .	Submit a Change Request	Head of Delivery

	<i>Any request to increase the LEP funding allocation will also be dependent upon there being other projects under-claiming across the LEP's programmes].</i>		
	<p>Increase in total cost of the project that cannot solely be covered by an increase in match funding, resulting in a request to increase the LEP funding allocation by <b>over 10% and £100,000</b>.</p> <p><i>Any request to increase the LEP funding allocation will also be dependent upon there being [other projects under-claiming across the LEP's programmes].</i></p>	Submit a Change Request	Programme Delivery Board
	<p>Accessing contingency</p> <p>In general, the LEP's funding contribution towards the project will not include contingency allocation as this should be covered by the Project Sponsor in addition to the match funding.</p> <p>In instances where the LEP's funding contribution does include part of the contingency allocation, the case must be made by the Project Sponsor to access the contingency funding up to the agreed amount.</p>	Submit a Change Request	Head of Delivery
<b>Time</b>	Slippage of milestones with no effect on start date, completion date or the grant claim profile.	Record in the PMR	N/A
	Slippage of milestones and grant claim profile of <b>less than 3 months</b> which can be contained within financial years.	Report the variation via email and record in the PMR. The LEP Executive will produce a Project File Note.	Head of Delivery
	Slippage of milestones and grant claim profile <b>over 3 months and contained within financial years</b> , or requiring minor re-profiling across financial years (up to 10% of the value of the LEP funding allocation).	Submit a Change Request	Head of Delivery
	Slippage of milestones and grant claim profile over 3 months that requires <b>major re-profiling</b>	Submit a Change	Programme

	<b>across financial years</b> (over 10% of the value of the LEP funding allocation).	Request	Delivery Board
<b>Scope</b>	An increase in the scope and forecast benefits of the project.	Record in the PMR	N/A
	A decrease of <b>up to 10%</b> in the scope and forecast benefits of the project.	Report the variation via email and record in the PMR. The LEP Executive will produce a Project File Note.	Head of Delivery
	A decrease of <b>over 10%</b> in the scope and forecast benefits of the project.	Submit a Change Request	Programme Delivery Board
<b>Reputation</b>	Local media attention that lasts longer than 3 days or national media attention	Contact Programme Team immediately to agree a strategy to jointly deal with the situation	Head of Delivery to escalate as appropriate
	External criticism (e.g. politician or notable figures)		
	Change in confidence or satisfaction of shareholders		
	Loss of confidence – stakeholders, partners or community		

## 6. Project Completion Report

We ask all Project Managers to complete this Project Closure Report on the financial and practical completion of their project. We are asking you to complete this form as part of the process to identify the successes and challenges of projects. This will support our learning across the programme and help other projects to benefit from your experiences. Therefore please complete all relevant sections and questions in this form.

Project Name			
Date report completed (dd.mm.yyyy):		Report completed by:	

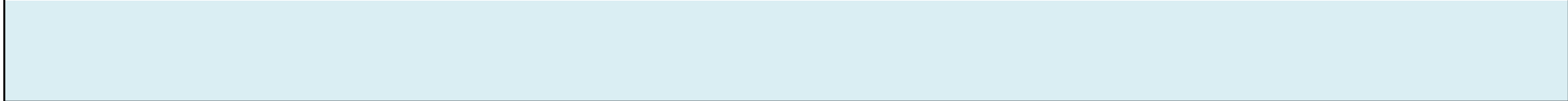
Date work on site started:		Date work on site completed:	
Forecasted Project End Date:		Actual End Date:	
Date of Overall Financial Completion:		Date of LGF Financial Completion:	
Date of Practical Completion:		List any attachments/appendices:	

1. Please provide a comprehensive description of the work completed on your project. Include information on aspects which did not go as planned or were delivered over and above expectations. Please attach photographs of your completed project.

2. Has the project delivered the benefits/outcomes or is it on track to deliver the benefits identified within the business case and the Grant Funding Agreement? Please include outcomes, if any, that were not included in the Grant Agreement but will be delivered as a result of this project completing. Please include dates of actuals and forecasts.

3. How will you continue to measure, monitor and report on your outcomes after the completion of your project? Please include how you will evidence this and where you think your project has made an impact.





4. Consider the key lessons learnt through delivering this project. Please be candid in your response as this information will be used as part of the evaluation of your project. It is also useful for future projects across the Greater Birmingham and Solihull area.

**Project Planning and Design**

What worked well	What didn't work as well	What would you do differently

**Scope, Approach and Requirements (consider resources and financials)**

What worked well	What didn't work as well	What would you do differently

**Risk and Issue Management**

What worked well	What didn't work as well	What would you do differently

**Delivery Including Overall Pace and Timescales**

What worked well	What didn't work as well	What would you do differently

**Roles and Responsibilities (consider governance, ways of working, resource management)**

What worked well	What didn't work as well	What would you do differently

**Communications in and out of project team (consider reporting, press, stakeholders, meetings, branding, publicity)**

What worked well	What didn't work as well	What would you do differently

**Consideration of other factors & interdependencies**

What worked well	What didn't work as well	What would you do differently

**Other – anything else you would like to add**

What worked well	What didn't work as well	What would you do differently

**When will you be conducting an evaluation of the project? Please include your evaluation plan below, or as an attachment.**

**6. If there are any plans for future comms please indicate below.**

**GBSLEP Joint Scrutiny Committee – Terms of Reference**

**1. Governance**

The Joint Scrutiny Committee will act as a Joint Committee under sections 101 and 102 Local Government Act 1972 and s 9F Local Government Act 2000 (as amended).

**1.2 Access to Meetings**

Normal rules apply as to public access i.e. as a Joint Committee the public has access except for exempt business.

**1.3 Host Authority**

1.3.1 The Joint Scrutiny Committee will be hosted under local government arrangements by Solihull Metropolitan Borough Council and the Chief Executive of Solihull Metropolitan Borough Council shall be Secretary to the Joint Scrutiny Committee.

1.3.2 Solihull Metropolitan Borough Standing Orders will apply to the Joint Scrutiny Committee (save for section 5 below).

1.3.3 The Host Authority will also provide s151 and Monitoring Officer roles to the Joint Scrutiny Committee.

**2. Objects of Joint Scrutiny Committee**

2.1 To review and/or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Supervisory Board

2.2 To make reports or recommendations to the Supervisory Board with respect to the discharge of any functions which are the responsibility of the Supervisory Board.

**3. Membership**

3.1 One member from each constituent authority. Each authority will also appoint an Alternate Member.

3.2 Power for the committee to co-opt other members as it sees fit [this can include further councillors but also covers ability to co-opt members from the private sector etc.]

**4. Voting**

4.1 One member one vote for local authority members i.e. nine in total.

4.2 No ability to vote for non-local authority members or Members co-opted under (3.2).

4.3 Conflicts of Interest will be dealt with in accordance with the Members Code of Conduct of the Host authority.

## **5 Quorum**

5.1 Four members present (one from Birmingham City Council, one from Solihull MBC, one District from Staffordshire and one District from Worcestershire).

## **6 Meetings**

6.1 The Chair of the Meeting will be elected at the first meeting of the Committee at the start of each municipal year. A Vice Chair shall also be elected at the same meeting.

6.2 Meetings are to take place when there is a valid call-in of a decision and also when the Committee considers it expedient to have an overview of the overall expressed purpose and intended outcomes of the GBSLEP provided that a minimum of one meeting of the Joint Scrutiny Committee shall be held in each municipal year.

# GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

11<sup>th</sup> April 2019

## GBSLEP FUTURE OPERATING MODEL

### Recommendation

The Supervisory Board is recommended to:

1. Note the approval of the GBSLEP Board on 27<sup>th</sup> March 2019 for GBSLEP Ltd to become a fully independent, operating company.

### Background

1. At its meeting on 13<sup>th</sup> September 2018, the Board agreed to the Executive undertaking further work exploring the GBSLEP becoming an independent, operating company limited by guarantee in order to more fully address the requirements in the LEP Review to have a legal personality and a secretariat independent of local government.
2. A series of proposals have been developed by the Executive and were considered by the Board at an informal briefing on 24<sup>th</sup> January 2019, when it was agreed that a sub-committee of the Board would be established to consider the proposals in detail.
3. The Future Operating Model (FOM) Committee met five times during February and March, and consisted of the following members:
  - Tim Pile
  - Pat Hanlon
  - Saqib Bhatti
  - Cllr Bob Sleigh
  - Cllr George Adamson
4. The Committee's work programme included detailed consideration of the following issues:
  - People matters, including TUPE
  - Finance & back office, including costs, treasury management and financial controls, and IT and systems
  - Governance, including the establishment of new committees to support and oversee GBSLEP's operations

5. This report reflects the outcomes of the discussions with the Committee and includes their recommendations to the Board.

## Case for change

6. GBSLEP is constituted as a company limited by guarantee but the Board has never considered it to be 'active' as it has not had a bank account nor employed any staff. Instead, GBSLEP's staff are employed on Birmingham City Council (BCC) contracts, BCC is GBSLEP's Accountable Body (AB), holding all of its funding (both capital and revenue), and its funding is expended in accordance with BCC's standing orders.
7. While Government considers GBSLEP to be sufficiently independent of local government for the purposes of the LEP Review, a number of challenges have been identified with the current arrangements that require resolution:
  - The LEP has been making its own decisions, but adopting BCC processes for delivery. This has contributed to the blurring of boundaries, a high level of bureaucracy (and associated opportunity costs) and delays.
  - Staff in the LEP Executive are employed on BCC contracts but are responsible to the LEP; a private limited company. This arrangement could leave both BCC and GBSLEP at risk of employment issues.
  - Present processes result in delays with procurement, revenue expenditure and recruitment and, with BCC reducing the number of employees, it is unlikely that the current level of service will be able to be maintained, despite the intentions of BCC staff.
  - BCC job evaluation processes and salary structures may limit the flexibility to create roles and remuneration packages required to source specialist skills in an open market.
  - As an active private company, GBSLEP must abide with State Aid rules; therefore current arrangements with BCC cannot be sustained in their present form.
  - BCC is seeking to review the current arrangements due to financial and resource pressures; ultimately, there will be additional costs to GBSLEP if it preferred to maintain current arrangements.
  - GBSLEP funds need to be accounted for through GBSLEP Ltd
8. Having considered what GBSLEP is aiming to achieve, the Committee endorsed the following objectives for the FOM:
  - Be a strategy-led organisation, with structures and processes that support agile delivery.
  - Be seen as a separate entity with a clear identity, its own culture and its own risk appetite.
  - Be able to determine job roles, pay and reward commensurate with the market rate, and to be able to attract and retain employees.

- Have the freedom and agility to respond to customer demand and opportunity.
9. The Committee's conclusion, having reviewed the position in detail, is that to fully address the challenges and realise the objectives, GBSLEP should become a fully independent, operating company. The rest of this report sets out how this can be realised, with a series of recommendations relating to People; Finance & Back-office; and Governance.

## People

10. The GBSLEP Executive currently consists of 18 members of staff, the majority of whom are employed on fixed-term contracts owing to the relative uncertainty of funding available for LEPs. In addition, the Executive is currently carrying six vacancies (including two colleagues who are due to leave the Executive soon).
11. At the time of writing, nine of those staff are considered to have "permanent" employment rights given their length of service; at the end of their current contracts, all but one of the Executive will have "permanent" employment rights.
12. The FOM Committee considered a number of options for how best to proceed, supported by detailed legal advice. It was concluded that the most effective and lowest risk option is to accept in principle the TUPE transfer of staff from BCC to GBSLEP Ltd.
13. The GBSLEP Board therefore agreed to ask BCC Cabinet to agree to undertake formal consultation on the TUPE transfer of staff, with an effective date of transfer of 1<sup>st</sup> July 2019.
14. The TUPE consultation will be led by BCC, whose Cabinet will be recommended to agree to commence consultation in either April or May 2019.
15. As per the regulations, successful conclusion of the consultation will mean that GBSLEP accepts BCC terms and conditions (T&Cs) for current staff, including pay, pensions and leave entitlement. Policies have been amended to ensure that they are commensurate with GBSLEP's structure.
16. The Committee also considered the structure of the Executive moving forwards. It was recognised that this will need to evolve to reflect delivery arrangements for the Local Industrial Strategy, requirements of the Programme Management Office now that the Enterprise Zone is being managed through it and in light of available funding. However, it was acknowledged that two new posts are required urgently – a Chief Operating Officer or similar (COO; 1x FTE); and a Head of Governance (HoG; 0.6x FTE). The LEP Director is giving further thought to the exact remit of the first role following feedback from the Committee. The individual will be the Executive's finance director, but may also take on other responsibilities. Both of these roles are crucial to the FOM and, given the urgency with which they are required, it is proposed that they are appointed on terms & conditions that mirror those of BCC; in terms of salary (COO = £80 to £85k plus on-costs; HoG = £55k to £71k plus on-costs)

17. The GBSLEP Board endorsed the immediate commencement of recruitment for those two positions, on terms that mirror BCC's.
18. With regards to staff pensions, BCC will assume responsibilities for any surplus or liabilities up until the effective date of transfer. Thereafter, pensions will become GBSLEP's responsibility. BCC is modelling potential future pension liabilities and this data will be made available to GBSLEP 28 days before transfer.
19. The Board agreed that GBSLEP should apply for admitted body status to West Midlands Pension Fund.

## Finance

20. As above, BCC currently holds all of GBSLEP's capital and revenue funding. As part of the FOM, it was proposed that GBSLEP holds its own revenue funding, to be drawn down from BCC on a quarterly basis against an agreed budget and expended in line with its own Financial Controls Policy. BCC will remain GBSLEP's Accountable Body for capital funds.
21. In order to facilitate the establishment of GBSLEP Ltd, the Committee proposed that a small sum of working capital – to be agreed by the LEP Director and BCC – is drawn down as soon as possible following agreement to become an active company by the Board, to facilitate the acquisition of IT and systems.
22. The LEP Board agreed in February 2018 to open a bank account, but given developments at that time, the approval was not implemented. Having reviewed the range of business bank accounts on offer, the Committee proposes that GBSLEP opens a business bank account with Lloyds, who offer competitive rates and provide a local account manager.
23. The LEP Board agreed that GBSLEP holds its own revenue funding to be drawn down from BCC on a quarterly basis, save for a small sum of working capital (to be agreed by the LEP Director and BCC) to be drawn down as soon as possible to facilitate the acquisition of IT and systems. The Board also agreed that GBSLEP should open a business bank account with Lloyds.
24. In order to open a bank account and to give BCC confidence to transfer the funds to GBSLEP Ltd, the latter must have in place a Financial Controls Policy and a Treasury Management Policy.
25. The Treasury Management Policy agreed by the Board is based on CIPFA guidance, and therefore represents good practice. BCC will undertake treasury management of all of GBSLEP's capital, and the portion of revenue that has yet to be drawn down into the company's bank account. The costs for doing so are 5% of the interest received on the funds held.
26. The Financial Controls, in particular, are based on BCC's scheme of financial delegation to officers and are in line with good practice. The Financial Controls have been drafted on the assumption that a COO will be appointed; however, as above, the LEP Director is giving further consideration to the exact remit of the role following feedback from the Committee. Given the primarily financial nature of the role, it may be that a Finance Director is required.



27. The LEP Board agreed to adopt the Financial Controls and Treasury Management policies.
28. When GBSLEP was established as a company limited by guarantee, it was given a financial year end of 31<sup>st</sup> May. BCC has a financial year end of 31<sup>st</sup> March. This has caused challenges in preparing GBSLEP's full accounts. The Committee has concluded that aligning GBSLEP's financial year-end with BCC's would make financial management and accountability significantly easier for both parties.
29. The GBSLEP Board agreed to ask Companies House to amend GBSLEP's financial year-end to 31 March, effective for the financial year 2018/19 (i.e. GBSLEP's next financial year would run from 1 June 2018 to 31 March 2019).
30. Given the FOM significantly alters the relationship between GBSLEP and BCC as its AB, a new AB Agreement is required. The Committee considered a very early draft of a new agreement. Once it has been developed further, it will be shared with BCC and ultimately brought to the LEP Board for adoption. The Committee will continue to oversee the development of the Agreement.

## Back office and operations

31. The Committee considered the following options for the provision of back office and operations:
  - Remaining with BCC
  - Partnering with a similar organisation, such as West Midlands Growth Company (WMGC)
  - Procuring our own
32. On balance, it was concluded that the strongest and most viable options were to procure our own systems, with the exception of payroll which will remain with BCC, albeit on a commercial basis (the City Council provides payroll services to a range of external organisations, and this was felt to be the best option given the need to ensure continuity, particularly for staff having been TUPE transferred).
33. The Executive has undertaken procurement exercises to ensure that staff have access to IT (computers, software and mobile phones) and systems (finance and HR), and will look to ensure that these are in place ahead of the effective date of transfer. The Executive has sought to agree in principle short-term contracts, so that the organisation can adapt should the need to do so arise. The Committee has been consulted on this work and is content for the Executive to proceed, should the Board agree to the recommendations in this report.
34. In addition to the standard Directors' Liability insurance that has been provided for all Non-Executive Directors and officers (which provides insurance payable to the directors and officers as indemnification for losses or defence costs), a suite of new insurance policies will be put in place including:
  - Public liability
  - Employers' liability

- Management liability
  - Property
  - Data
  - Business interruption
35. To date, GBSLEP has been covered by BCC's General Data Protection Regulations (GDPR) policies. In implementing the FOM, this will cease to be the case. The Executive is working with a consultant to put in place a full GDPR policy that will cover both the Executive and the Growth Hub but, in the meantime, recommends the adoption of the Records and Document Retention Policy included in the Assurance Framework report.
36. In addition, the Executive has confirmed with BCC that the data created by the Executive since its inception is owned by GBSLEP, and that GBSLEP will therefore continue to have access to it via a cloud solution.

## Governance

37. In order to ensure appropriate support for and oversight of the Executive in the FOM, the Committee considered GBSLEP's governance structure with specific regard to the company's operating arrangements.
38. To that end, the Committee recommends that the following committees are established:
- Nominations Committee – please see Appendix A for the terms of reference
  - Remuneration Committee – please see Appendix B for the terms of reference
  - Audit & Risk Committee – please see Appendix C for the terms of reference
39. The Board agreed to establish the above committees and to adopt their terms of reference, and to wind up the previously-established Nominations & Governance Committee, which is now redundant.
40. One of the first actions of the Audit & Risk Committee will be to undertake a procurement exercise for external auditors and to make a recommendation on their appointment to the Board.
41. In relation to the Assurance Framework (also on today's agenda), GBSLEP is required to put in place a Risk Management Strategy. The Committee has been consulted on the strategy.
42. In terms of Non-Executive Directors, it was not considered that there are any new requirements arising from the work on the FOM at this time.
43. During one of the Committee's sessions, BCC raised a potential conflict of interest in Clive Heaphy continuing to serve as both the Company Secretary for GBSLEP and the Section 151 Officer once the FOM has been implemented. Following consideration, the Committee proposes that post FOM implementation, Clive should be the Section 151 Officer only and that the role of Company Secretary should transfer to a senior member of staff in the Executive. Both the

S151 Officer and the Company Secretary will be invited to attend LEP Board meetings.

44. The Board agreed that Clive Heaphy steps down from his role as Company Secretary in July 2019 and continues to attend the GBSLEP Board in an advisory capacity as the Section 151 Officer of the Accountable Body. The Board also agreed that the role of Company Secretary is assumed by a senior member of staff in the Executive, at the discretion of the LEP Director.
45. Moving forward, it will be necessary to revise GBSLEP's Articles of Association; however, nothing recommended in this report is in contravention of the current Articles. The Executive is considering the required revisions at present and will report back to the Board in due course.

## Implementation and next steps

46. The Executive has already undertaken much of the work necessary to give effect to the recommendations set out in the above report, should the Board agree.

47. The key next steps will be:

- Commence stakeholder engagement
- Ask BCC to seek Cabinet approval to commence TUPE consultation
- Advertise for COO (or similar) and HoG roles
- Open the bank account with Lloyds
- Agree with BCC to transfer working capital into the account
- Establish Nominations, Remuneration and Audit & Risk Committees
- Procure IT, HR and finance systems
- Train staff on new systems
- If successful, accept transfer of staff into GBSLEP Ltd on 1<sup>st</sup> July 2019
- Secure agreement on a pensions guarantor and gain admitted body status in the West Midlands Pension Fund (this can conclude after the effective date of transfer)

## Costs

48. Development and set-up costs for the FOM have been budgeted as follows:

Item	Budgeted £	2018/19 Forecast outturn £	2019/20 Forecast outturn £
FOM Consultants	125,000	123,000	53,000
Admin support	25,000	0	0
Legal advice (including pensions)	25,000	25,000	0
HR advice	25,000	0	0

Payroll	0	500	0
ICT acquisition	50,000	0	50,000
<b>TOTAL</b>	<b>225,000</b>	<b>148,500</b>	<b>103,000</b>
		<b>251,000</b>	

49. Per annum running costs – in addition to the current running costs of the GBSLEP Executive – are set out below:

Item	Annual Cost £
IT back up, system and desktop support	9,500
Telephony	6,500
Payroll services	2,200
HR support service	2,400
HR system licence fees	2,520
Finance systems licence fees	2,000
Treasury management of capital funds held by BCC	5,000
External treasury management of operational funds	5% of transaction value
External audit	18,400
“COO” (1x FTE) & Head of Governance (0.6x FTE)	150,000
Administrative support	43,000
<b>TOTAL</b>	<b>£241,520</b> + 5% of operational fund transaction value

50. This is affordable within the Medium-term Financial Plan, although the Executive continues to pursue additional capacity funding from Government made available as part of the LEP Review.

51. While there is a provision made above for additional administrative support, the precise level and volume of support has not yet been determined.

## Stakeholder engagement

52. Further engagement with a range of stakeholders will be required, including GBSLEP’s non-local authority company members.

53. In addition, if agreed by BCC’s Cabinet, BCC will lead the formal consultation of staff prior to potential TUPE transfer. It is important that GBSLEP cannot be interpreted to be inducing staff, or seen to be interfering with the process in any way.

## Conclusions

54. This report sets out the case for implementing the FOM, which was approved by the GBSLEP Board on 27<sup>th</sup> March 2019.

55. The Supervisory Board is recommended to note that GBSLEP has agreed to proceed as set out above, in order to meet the effective date of transfer of 1<sup>st</sup> July 2019.

Prepared for: The Future Operating Model Committee

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Date Created: 4<sup>th</sup> April 2019

# APPENDIX A – NOMINATIONS COMMITTEE ToR

## PURPOSE

The purpose of the Nominations Committee (NC) is to advise and make recommendations to the Board on the appointment of Non-Executive Directors to the LEP Board, and the appointment of C-suite officers to the GBSLEP Executive and Board.

The committee will ensure recruitment is undertaken in line with GBSLEP Articles of Association.

## ACTIVITIES

- Regularly review the structure, size and composition, including the skills, knowledge and experience, and diversity required of the GBSLEP Board compared to its current position and make recommendations to the Board with regard to any changes. This should take account of the requirements of GBSLEP Articles of Association and the Government's requirement for 66% of the Board to be from the private sector, and for 33% of the Board to be women by 2020 (increasing to 50% by 2023).
- Give full consideration to succession planning for Non-Executive Directors and the Chief Executive in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - consult with the business community on the role of, and recruitment process for, the Chair and Deputy Chair
  - use open advertising or the services of external advisers, with the commensurate level of skills and experience, to facilitate the search
  - consider candidates from a wide range of backgrounds, having due regard to the balance of genders, ethnicities and other protected characteristics of the Board
  - consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position
  - review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.
  - ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in

terms of time commitment, committee service and involvement outside meetings.

- Make recommendations to the Board concerning:
  - the size, composition and skills of the Board
  - the training and development needs of the Board
  - formulating plans for succession for Non-Executive Directors, the Chair and Deputy Chair
  - the appointment of C-suite officers to the GBSLEP Executive
- Ensure GBSLEP Articles of Association reflect the Boards approach to the recruitment and retirement of Directors

## **MEMBERSHIP**

NC shall comprise a maximum of five members; four drawn from the Board (two each from the public and private sector), and the LEP Board Chair (who will chair the Committee).

The LEP Director and Chief Operating Officer (or equivalent) will also be invited to attend.

## **VOTING RIGHTS**

The NC will operate on the principle of one member, one vote; with the Chair casting the deciding vote in the event of a tie.

## **AUTHORITY**

The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

## **FREQUENCY OF MEETINGS**

The Committee shall meet at least twice times a year and otherwise as required.

Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

# **APPENDIX B – REMUNERATION COMMITTEE TOR**

## **PURPOSE**

The purpose of the Remuneration Group is to advise and make recommendations to the Board on changes to senior officer pay and the Executive's terms and conditions.

## **ACTIVITIES**

- To review the performance of senior officers in the Executive and determine pay awards
- To consider recommendations made by the CEO considering delivery and financial implications and any risks; and in turn to make recommendations to the Board concerning:
  - amendments to staff terms and conditions
  - amendments to pension provision
  - changes to pay
  - changes to structures that require consultation

## **MEMBERSHIP**

The RC shall comprise a maximum of five members; four drawn from the Board (two each from the public and private sector), and the LEP Board Chair (who will chair the Committee).

The LEP Director and Chief Operating Officer (or equivalent) will also be invited to attend.

## **VOTING RIGHTS**

The RC will operate on the principle of one member, one vote; with the Chair casting the deciding vote in the event of a tie.

## **AUTHORITY**

The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

## **FREQUENCY OF MEETINGS**

The RC shall meet at least once per year. Meetings may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.



## **APPENDIX C – AUDIT & RISK COMMITTEE ToR**

### **PURPOSE**

The Audit and Risk Committee (ARC) exists to establish and maintain the governance frameworks for GBSLEP, ensure all risks – including financial risks – are adequately managed and assist the Board in its ongoing oversight of governance and risk. ARC will recommend to the Board enhancements to the LEP’s governance, support the Board in maintaining alignment with regulations, and anticipate critical emerging issues and make recommendations to the Board.

### **ACTIVITIES**

- Make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor
- Agree annual audit program that covers programs, corporate processes, controls, finances and outcomes
- Review audit reports;
- Report and advise the Board on all matters relating to audit;
- Ensure actions arising from audit are undertaken;
- Ensuring adequate and effective risk management and mitigation strategies and monitor their implementation;
- Ensure that the organisation is adequately insured;
- Receiving and reviewing reports regarding risk;
- Ensure risks are being robustly managed and mitigated;
- Report to, and advise, the Board on all matters relating to risk

### **MEMBERSHIP**

ARC shall comprise a maximum of six members.

Membership shall comprise of, as a minimum:

1. The Chair who is an Non-Executive Director (NED)
2. One NED with relevant experience
3. A third NED

The three of whom shall constitute a quorum, and none of whom shall be the LEP Board Chair. Further members from outside the Board can be appointed to the ARC if additional skills and experience are required to augment those of the NEDs.

ARC has the right to co-opt members who shall be non-voting and appointed on an annual basis.

The LEP Director and Chief Operating Officer (or equivalent) will also be invited to attend; while the LEP Board Chair may be called to attend as the agenda requires it.

**VOTING RIGHTS**

The ARC will operate on the principle of one member, one vote; with the Chair casting the deciding vote in the event of a tie.

**TERM OF APPOINTMENTS**

Membership of the committee shall be for a period of 2 years; renewable for one further term.

**AUTHORITY**

- The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any Partner, officer or employee.

**FREQUENCY OF MEETINGS**

The Committee shall meet quarterly and otherwise as required.

Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

# GREATER BIRMINGHAM AND SOLIHULL SUPERVISORY BOARD

11<sup>th</sup> April 2019

## PARADISE CIRCUS

### Recommendations

The Supervisory Board is recommended to:

1. Note the matters considered by the GBSLEP Board on 27<sup>th</sup> March 2019 and the update in meeting the funding conditions set out by the LEP Board in December 2018.
2. Note the update as of the 5<sup>th</sup> April 2019 on meeting the conditions after the Board meeting.
3. Note the approval on the 5<sup>th</sup> April 2019 by the Chair in consultation with the Deputy Chair and LEP Director that the conditions had been met.

### Background

1. In December 2018, the LEP Board approved a further £51.277m investment to BCC for Phases 1 and 2 of the Paradise scheme through the EZ. This was in addition to the £87.79m approved in July 2014.
2. Approval of this additional investment followed detailed review of a Full Business Case (FBC) and advice from consultants (Amion and Cushman & Wakefield, with support from Gardiner & Theobald) which confirmed the need for, and legitimacy of, further public sector investment. That advice included a detailed commentary on “lessons learned” regarding previous lack of oversight and insufficient scrutiny of the project on a regular basis.
3. Whilst accepting that the further investment is justified, represents value for money, and will satisfy State Aid regulations, it was the view of the LEP and its advisors that a number of key conditions should attach to the investment approval. Certain of the conditions require satisfaction before the SLA can be entered into and, therefore, before further finance can be released by BCC to PCLP. These conditions precedent are identified annotated “**cp**” against the relevant conditions in the next section of this report.
4. The Programme Delivery Board was presented on 20<sup>th</sup> March 2019 with an update on the progress being made on the conditions set by the LEP Board as part of the approval granted on 20<sup>th</sup> December 2018. Progress had not been as quick as had been anticipated in December 2018, although the pace has improved during late February and March as resources have become available.
5. The LEP Board will be updated at the meeting on discussions at the Programme Delivery Board and any further updates in completing the conditions.

## Progress with conditions of approval

The LEP investment approval for Paradise - Phase 2 is subject to the following conditions, and progress against each is noted below:

- a) *the satisfactory completion of the revised overage arrangements to be set out in the contractual framework to ensure that the scheme is State aid compliant and meets the requirements in terms of managing public monies, and that the other legal documentation is reviewed and amended to reflect the revised level of Enterprise Zone funding and current scheme proposals; (cp)*

*This information is exempt from disclosure because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).*

Set out below (paras 5 to 9) is further detail around this key topic.

The LEP Board received and agreed the explanatory commentary on the revised overage provisions, which were negotiated by Birmingham City Council (BCC) with Britel prior to the LEP Board decision on 20<sup>th</sup> Dec 2018, and which underpin the advice that the public sector investment at the level now approved will be State Aid compliant;

- b) *a clear, detailed, Memorandum of Understanding (MoU) which sets out the operating arrangements and roles and responsibilities for the remainder of the scheme. This should include, amongst other things, a fully detailed, worked example of how the revised overage structure would operate to avoid confusion and debate in the future; (cp)*

The MoU has been drafted by Amion/C&W, and now shared with PCLP. It is anticipated that it will be agreed and signed-off by all parties (PCLP, BCC, GBSLEP) by end-March. The latest draft is appended for information (Appendix A). *This report is exempt from disclosure because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).*

- c) *the development of a detailed Funding Agreement (SLA) which includes amongst other things:*
- *a clear schedule of works, fees and other costs against which progress and expenditure can be monitored; (cp) and*
  - *a clear basis in the form of a proposed schedule upon which grant is paid against progress made in relation to outputs and costs incurred; (cp)*

Drafts of the SLA have been produced by BCC Legal department (acting, in this case, on behalf of the LEP). Input is required from PCLP in terms of cost information, outcome and output specification. This information is to be made available following the PCLP board meeting on 6<sup>th</sup> March. The capital payment drawdown schedule requires finalisation and independent assessment by Gardiner & Theobald who are to be retained on a short-term-basis to assist with finalisation of the SLA. Their appointment (by GBSLEP with a parallel duty of

care to BCC) has commenced and they are engaging with BCC and PCLP. Finalisation of the SLA is time critical as the provisions within it need parallel reflection into the amended PCLP documentation in order to ensure that BCC can be confident that its financial input into PCLP is back-to-back with its ability to draw down EZ funding against its borrowings.

- d) *the inclusion of a GBSLEP representative as an observer on the PCLP Board; (cp)*

Condition now satisfied by the appointment of the author (PM) to this role. I attended my first PCLP board meeting on 6<sup>th</sup> March, where my appointment to the Board was positively received and I felt appropriately engaged in the business of the board. I recognise that PCLP itself is going through changes to the governance and administration, and look forward to the implementation of updated monitoring arrangements for the long term.

- e) *the establishment of an officer group comprising PCLP, BCC and GBSLEP representatives that would meet ahead of the PCLP Board meetings to review issues and progress; (cp)*

Dates of the PCLP Steering Group which takes place monthly (in the months when there is not a quarterly PCLP board meeting) have been provided to BCC/LEP. PM is now invited to those meetings. BCC project manager is in the process of diarising this officer group meeting, with suitable representation from BCC and LEP.

- f) *monthly reporting of financial and works progress to GBSLEP against targets, along with detailed quarterly reports on financial and physical progress, together with risk management. The monthly reporting should include a joint GBSLEP / BCC meeting held immediately following the monthly PCLP Board meeting; (cp)*

As for the previous condition, BCC project manager is now to diarise.

- g) *the appointment of an independent advisor to review costs, financial and physical progress and to validate interim claims for EZ payment;*

BCC project manager is to invite Acivico Ltd (BCC retained cost-consultants who already advise BCC Finance on the cash-flow aspects of the project) to advise whether they have the skills, capacity and independence to act in this wider role on behalf of GBSLEP. LEP executive have provided a brief against which Acivico are to respond. If Acivico are unable to undertake this role, an option for Gardiner & Theobald to provide these services in the short-term has been included as part of their appointment.

- h) *an audit on final completion of Phase 2 and interim evaluation of performance;*

A draft specification for the appointment of an auditor/audit company to undertake this role is in discussion between the LEP Executive and BCC. The appointment will be made by BCC with the auditor owing a duty of care to both BCC and GBSLEP. It is anticipated that this work will commence during April.

6. In respect of the above the LEP Board noted progress made, with particular reference to the satisfaction of the conditions as above to the LEP investment approval, as reviewed by the Programme Delivery Board on 20<sup>th</sup> March.

7. The LEP Board agreed if sufficient progress in meeting the conditions by the 5<sup>th</sup> April 2019 had been made, agree to delegate to the Chair, in consultation with the LEP Director and the Chair of the Programme Delivery Board (Deputy Chair), authorisation to monitor and agree the completion of all key documentation (including the MOU) required to meet the conditions a to f, as set out below. If not then agree to receive a further report to the April LEP Board. Only once satisfied will the LEP be able to authorise the release of the further funding.

### **Revised overage provisions**

*This information is exempt from disclosure because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).*

### **Full Business Case (18/10/2018)**

8. The LEP Board Directors were made aware that PCLP produced a FBC in support of their request for substantially increased funding from the public sector. The version of the FBC appended to the 20<sup>th</sup> December LEP investment report (dated 02/10/2018) had, in fact, been superseded by a later, and final version (dated 18/10/2018).
9. The variances between the first and final versions were as follows:
  - Revised “lessons learned” section
  - New Appendix A – Quarterly reporting dashboard
  - Revised Market Demand note – Appendix K
  - Amion and Cushman & Wakefield have confirmed that their analysis and report was based on the later, 18/10/2018, version.

The LEP Board noted that the Full Business Case appended to the LEP Investment Report dated 02/10/18, had been superseded by a later version (dated 18/10/2018) that will be appended to, and form a key part of, the Service Level Agreement (SLA) (ie “Funding Agreement”) between the LEP and BCC;

### **Contractual framework**

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## Update to the 5 April 2019

10. Since the LEP Board meeting of the 27<sup>th</sup> March 2019 all parties associated with the Project have met, agreed and concluded the principal conditions a) to e) above and produced the Memorandum of Understanding with agreed overage provisions, and the Grant agreement (service Level Agreement).
11. The update on progress was reported to the Chair, Deputy Chair and LEP Director on the 5 April who agreed that the conditions had been met.

## Conclusion

12. The Supervisory Board is asked to
  - a. Note that the Paradise development remains a strategically important project for the city of Birmingham and the wider GBS area.
  - b. Note progress as reported to the LEP Board on the 27<sup>th</sup> March 2019 and the update given above to reflect progress by the 5 April 2019.
  - c. Note that the conditions have now been met as laid out by the LEP Board on the 20 December 2018 and that a funding agreement (SLA) will be signed to release funding to the Project.

Prepared by: Russell Eacott, Interim Programme Director

Date Created: 5<sup>th</sup> April 2019

# GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

11 April 2019

## PROJECT APPROVAL REPORT – SYMPHONY HALL EXTENSION

### Recommendation

The Supervisory Board is requested to note the:

1. Approval of the capital grant of £6,000,000 (six million pounds) of Local Growth Fund funding to Performance Birmingham Limited for the delivery of the Symphony Hall Extension project. The decision was made by the Programme Delivery Board under delegated authority and in accordance with the GBSLEP Assurance Framework.

### Background

2. In September 2016, Performances Birmingham Limited (PBL) submitted an Expression of Interest (EoI) for the Symphony Hall Extension project as part of the Growth Deal 3 pipeline call. The EoI was assessed as an 'A' strategic fit against GBSLEP's Strategic Economic Plan, and was therefore invited to submit an Outline Business Case (OBC). The OBC was submitted in May 2017 requesting £4.5m against the total project cost of £12.5m and, following Independent Technical Evaluation (ITE) was approved in November 2017.
3. Development funding of £408,148 was applied for in April 2018 and approved in May 2018. This amount was drawn down in May 2018 and is included in the total GBSLEP £6m funding allocation.
4. In August 2018, PBL submitted a Change Request to GBSLEP requesting an increase in conditional funding allocation from £4.5m to £6m. The request was based on the following changes :
  - Following enhanced design of the extension, an increase in proposed project cost from £12.5m to £13.2m; and
  - A £2m funding shortfall as a result of decision not to apply to Heritage Lottery due to Fund's changed priorities.
5. Following the ITE, the Change Request was approved by the in November 2018, on the condition that the £1.5m increased allocation will be treated as a contingency allocated against construction and client costs and the risk allowance.
6. Full Business Case (FBC) was received in December 2018 and was subjected to an ITE, with the final report submitted on 6 March 2019. The FBC was approved by GBSLEP PDB on in March 2019.



## Case for change

7. Birmingham's Symphony Hall (SH) is considered one of the finest concert halls in the world, presenting a world-class programme of music and education, and acting as a major cultural draw for Birmingham. Over 350,000 audiences enjoyed performances at SH in 2015, across a programme of classic, jazz, folk, rock, pop, comedy, and community events.
8. SH needs to react to rapidly declining public funding by becoming a self-sustaining organisation. Extending the building will transform its commercial capability by adding new space, enhancing customer experience, and providing new income streams. This construction project extends and re-models SH's public spaces to create a building that is economically sustainable, vibrant, and connected to the public realm.
9. Key physical components of the development are expected to consist of:
  - An extended glass frontage into Centenary Square and dedicated front entrance;
  - 1,429sqm employment generating floorspace created;
  - Expanded foyers, a double-height performance space, a new daytime cafe, improved bars, a relocated box office, as well as flexible learning, private event and performance spaces.
10. The development of SH is expected to:
  - Increase SH's GVA per annum to £13.3m from the baseline of £8.7m;
  - Increase SH's sustainability through higher earned income;
  - Develop SH as an internationally renowned venue through enhanced front of house performances, private entertainment spaces, and more varied, high quality catering and bar offers;
  - Create new programmes for participation, engagement and training.

## State Aid

11. PBL ascertains that the project complies with State Aid laws and regulations.

## Funding Profile

	Year 0	Year 1	Year 2	Total
	18-19	19-20	20-21	£
	£m	£m	£m	
<b>GBSLEP</b>	£0.4m	£1.8m	£3.8m	£6m
<b>Additional</b>	£1.4m	£2.8m	£3.0m	£7.2m
<b>Total</b>	£1.8m	£4.6m	£6.8m	£13.2m

## Conclusions

12. The Symphony Hall Extension will transform the commercial capability of this major cultural attraction. The Supervisory Board is requested to note the approval of the capital grant of £6,000,000.00 allocation of LGF funding.

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Date: 4 April 2019