

**Greater Birmingham and Solihull Local Enterprise
Partnership Limited**

Supervisory Board

The Supervisory Board for the 5th February 2020 was cancelled and instead Board members have been asked to endorse decisions (which are specified as being within the coverage of the Supervisory Board Terms of Reference set out in the GBSLEP Local Assurance Framework) by either the LEP Board, the Programme Delivery Board or the LEP Director utilising a written procedure, with an appropriate deadline for responses. The papers sent for noting and endorsement are attached.

This written procedure allows Supervisory Board members to either endorse or to refuse to endorse the decisions, with a nil response treated as an endorsement.

If the Supervisory Board are unable to endorse the decisions, the escalation process indicated set out in the GBSLEP Local Assurance Framework will be followed.

Supervisory Board members noted and endorsed the decision paper attached.

In addition, any endorsements will be formally ratified at the next full meeting of the Supervisory Board.

Edward Scutt

Head of Governance, GBSLEP

GREATER BIRMINGHAM AND SOLIHULL LEP SUPERVISORY BOARD – PAPER FOR CONSIDERATION BY WRITTEN CORRESPONDENCE

January 2020

Governance

Recommendation

Supervisory Board Members are asked to:

1. Endorse the proposed changes to the Local Assurance Framework in respect of the Supervisory Board, approved at the LEP Board on the 23rd January 2020
2. Endorse the delegation to the LEP Director of the approval of other “administrative” changes to the Local Assurance Framework which may be required, approved at the LEP Board on the 23rd January 2020

Local Assurance Framework

Background

1. As part of National Local Growth Assurance Framework, LEPs are expected to review their Local Assurance Frameworks on an Annual basis. This is intended to cover for structural changes such as, in GBSLEP’s case, the transfer of staff from Birmingham City Council, legal changes, processes and procedures that are improved and errors or omissions that may be determined during the review.
2. A number of potential changes have been identified during the review and most material of which is the proposed change in relation to the Supervisory Board.

Key Issues – Supervisory Board

3. In November 2018, the LEP Board agreed changes to the introductory text of the Local Assurance Framework in relation to the Supervisory Board which better illustrated the intended role of the Joint Committee and included a process for resolving any conflicts that may arise between the Supervisory Board and the LEP Board itself:

“The Supervisory Board

The Supervisory Board empowers the LEP Board and provides it with the democratic accountability required to invest public money. As such, it forms part of a “dual key” arrangement and within the LEP’s governance is required to “note” the decisions of the LEP in order that they can proceed.

It may reject the LEP Board’s decisions. In such an event, the Chair of the Supervisory Board will meet with the Chair of the LEP Board and any other Directors as appropriate to discuss a resolution, with view to a further recommendation to the LEP Board, Programme Delivery Director, LEP Director and/or Supervisory Board as appropriate.

Ultimately, no investment decision will proceed without the endorsement of the Supervisory Board.”

4. Having reviewed this text in light of the decision for GBSLEP Ltd to become a fully active and independent company, a new set of words is proposed which acknowledge the role of the local authorities under the provisions of the Localism Act, but that in doing so recognise that the ultimate decision-making role of the Board as anticipated by the Companies Act remains in place. The intention of this revised text which the Board is **approved** is to provide the sense to an external stakeholder that all parties are working for the common good.

“The Supervisory Board

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 for appropriate use. The Supervisory Board seeks to empower the LEP Board and aims to provide it with a further level of democratic accountability when investing public money. The LEP’s governance requires the Supervisory Board to “note” the decisions of the LEP in order that they can proceed. If the Supervisory Board has issues with the LEP decisions, then an escalation process is in place where the Chair of the Supervisory Board will meet with the Chair of the LEP Board and any other Directors as appropriate to discuss a resolution, with view to a further recommendation to the LEP Board, Programme Delivery Director, LEP Director and/or Supervisory Board as appropriate. The aim of this process is that no investment decision will proceed without the clear support of the Supervisory Board

*The Terms of Reference for the Supervisory Board are included as **Appendix 2.**”*

Key Issues – Administrative Changes

5. In addition to the amendments to the Supervisory Board text, some additional changes were proposed to the Board. These are summarised as follows:
 - Amendments to the Document Introduction – minor amendments such as incorporation of Map of GBSLEP Boundaries, etc.
 - Appendix 7 – Incorporation of Revision to the Audit & Risk Committee Terms of Reference as previously agreed by the Board
 - Appendix 11 – Update of the Gifts and Hospitality Policy to incorporate GBSLEP staff who were formerly covered by Birmingham City Council arrangements and update of

the reporting form, so it captures the receipt of any offer of gift or hospitality as well as any subsequent acceptance.

- Appendix 13 – Complaints & Confidential Complaints Policy – Revisions for the Change of GBSLEP Personnel.
- Appendix 14 – Whistleblowing Policy - Revisions for the Change of GBSLEP Personnel.
- Appendix 24 – Incorporation of the Accountable Body Agreement, this was signed subsequent to sign-off of the Local Assurance Framework in 2019, with the transfer of activities from Birmingham City Council.
- Appendix 32 – Incorporation of the Chair Roles and Responsibilities as previously agreed by the Board.

The Board approved the **delegation** to the LEP Director the approval of these and other “administrative” changes to the Local Assurance Framework which may be required

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