

GREATER BIRMINGHAM & SOLIHULL SUPERVISORY BOARD

Thursday 13th April 2017 at 09:30
Committee Room 6, Council House
Victoria Square, Birmingham B1 1BB

AGENDA

	<u>PART I – OPEN ITEMS</u>	
	(Open to the Press and Public)	
1.	Welcome and Apologies for Absence from current Supervisory Board Chair	
2.	Notes of the last meeting and matters arising	Attached
3.	Ratification of the decisions of the last meeting	Attached
4.	Local Growth Fund Programme Progress Report	Attached
5.	Business Rates Pool funding to deliver the Strategic Economic Plan	Attached
	Day and Time of Meetings <ul style="list-style-type: none">• Thursday 29th June, 14:00 – 17:00• Thursday 3rd August, 14:00 – 17:00• Thursday 12th October, 14:00 – 17:00• Thursday 7th December, 14:00 – 17:00	
	PART II – EXEMPT ITEMS NIL	

Greater Birmingham & Solihull Supervisory Board

8th February 2017 at 14:00 hrs

Committee Room 6, Council House, Birmingham

PRESENT

Lichfield	Cllr Mike Wilcox (Chair, Voting Member)
Redditch	Cllr Bill Hartnett (Deputy Chair, Voting Member)
Solihull	Cllr Bob Sleigh (Voting Member)
Wyre Forest	Cllr Marcus Hart (Voting Member)
Tamworth	Cllr Steve Claymore (Voting Member)
Bromsgrove	Cllr Geoff Denaro (Voting Member)

APOLOGIES

Birmingham	Cllr John Clancy
Cannock Chase	Cllr George Adamson
East Staffordshire	Cllr Richard Grosvenor
Katie Trout	GBSLEP Director

IN ATTENDANCE

Mark Rogers	Birmingham, CEO and Supervisory Board Secretary
Diane Tilley	Lichfield, CEO
Mike Parker	Wyre Forest, Director Economic Prosperity & Place
Richard Cowell	Birmingham, Assistant Director Regeneration
Nick Glover	GBSLEP Executive Manager
Tom Fletcher	GBSLEP Programme Manager
Iain Mansell	GBSLEP Executive Officer
Theodora Tsang	GBSLEP Intern (Support)

1.	Welcome and apologies for absence
	<p>Councillor Mike Wilcox, Chair of the Supervisory Board, welcomed those present to the meeting. Apologies were as noted as above. As no representative attended to represent Birmingham City Council, the required quorum was not met and the Supervisory Board was not able to make decisions at this meeting. It was agreed that the meeting should still proceed, with the decisions being ratified at the next meeting in April.</p> <p>The Supervisory Board also extended its congratulations to Cllr Bob Sleigh on being awarded the rank of Officer of the Order of the British Empire.</p>
57	RESOLVED:

i	The decisions sought from the Supervisory Board at the February meeting will be ratified at the next meeting in April.
2.	Agree notes of the Last Meeting on 6th October 2016 and Matters Arising
	The minutes were approved as an accurate record.
58	RESOLVED:
i	The minutes were approved as an accurate record
3.	Enterprise Zone Investment Plan Progress Report
	<p>Richard Cowell presented the six-monthly report, noting overall positive progress in implementing the Investment Plan. Particular highlights included the agreement to the extension of the Enterprise Zone to include the Curzon Investment Plan and to run until 2046, with the potential to generate up to £2bn of business rates uplift. Funding has already been allocated to the Midland Metro Extension from East Birmingham to North Solihull, linking the HS2 station sites. In addition, the existing element of the Enterprise Zone continue to make good progress, with key sites such as Paradise starting to commence construction.</p> <p>In the discussion, the Supervisory Board was keen that a presentation is given on the HS2 Supply Chain programme, and that proposals to invest the funding allocated in the Enterprise Zone Investment Plan for wider LEP development are brought to future meetings.</p>
59	RESOLVED:
	The Supervisory Board:
i	Noted the progress made in delivering the Enterprise Zone Investment Plan.
ii	Asked the LEP Executive to arrange for an item on the Midlands HS2 Growth Strategy at a future meeting.
4.	Local Growth Fund Programme Progress Report
	<p>Tom Fletcher presented this item, which included the ratification of decisions taken to approve projects in between meetings and updates on the progress of the programme. Tom noted that whilst the programme makes good progress overall, there are challenges in delivering skills outputs that mean the LEP Executive is keen to reprofile the target with Government. Tom noted that the programme management review is moving forward with new processes being put in place and the procurement of a programme management system, bolstered by additional resources to manage and support projects. Several projects are encountering issues – meaning the programme faces a net £25m slippage in 2016/17, which has presented the opportunity to put in place a Revolving Investment Fund that meets the needs of many partners.</p>

	<p>On Growth Deal 3, Tom noted that the allocation is likely to be around £50m and that the Executive is working with high-priority projects to bring forward outline business cases.</p> <p>In the discussion, the Supervisory Board discussed the geographical spread of projects coming through the pipeline. It was noted that most of the higher priority projects are within Birmingham and Solihull, and options to further improve the strategic assessment of schemes in the district authorities were discussed. It was noted that the forthcoming Towns & Local Centres Strategy being developed by the GBSLEP Executive should add further weight to those schemes.</p> <p>The Supervisory Board was also keen to understand how the Revolving Investment Fund would align with existing funds, noting that it would be managed by Finance Birmingham and that the LEP Executive would test projects' need for grant versus loan when assessing the commercial case.</p>
60	<p>RESOLVED:</p> <p>The Supervisory Board:</p> <ul style="list-style-type: none"> i Noted the approvals of the Snow Hill Growth Strategy and STEAMhouse Phase 2 projects taken in between meetings ii Noted the progress in delivering the Local Growth Fund programme iii Noted the update on Growth Deal Round 3 and the process being taken to prioritise the pipeline of schemes iv Noted the agreement of the LEP Board to use the £25m of Local Growth Fund (LGF) underspend to create a 'Revolving Investment Fund' pilot scheme
5.	Innovation Challenge Forum
	<p>Iain Mansell presented this item, noting the intention to create an Innovation Challenge Forum comprised of buyers of innovation to bring a stronger "market voice" to stimulate and prioritise demand-led innovation initiatives.</p> <p>In the discussion, the Supervisory Board welcomed that participants would be drawn from across the area and was keen to understand how the efficacy of the Forum would be tested in future.</p>
61	<p>RESOLVED:</p> <p>The Supervisory Board:</p> <ul style="list-style-type: none"> i Approved an estimated annual cost of up to £20,000 from the retained Business Rates levy allocated to GBSLEP, to be reviewed in future years, and with the Nominations Committee delegated to agree guidelines for payment of incentives. ii Agreed that proposals for reviewing the efficacy of the Forum should be brought to a future meeting.
AOB	Dates of next meetings

	<ul style="list-style-type: none">• Thursday 29th June, 14:00 – 17:00 (AGM)• Thursday 3rd August, 14:00 – 17:00• Thursday 12th October, 14:00 – 17:00• Thursday 7th December, 14:00 – 17:00
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The meeting closed at 14:40 hrs.

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CHAIRMAN

DRAFT

Report to the Greater Birmingham & Solihull Supervisory Board

13th April 2017

RATIFICATION OF THE DECISIONS TAKEN AT THE PREVIOUS MEETING

Purpose of the report

To approve the recommendations made to the Supervisory Board at the meeting on 8th February 2017, which was not quorate.

Recommendations

The Supervisory Board is recommended to:

1. Approve the minutes of the meeting on 6th October 2016;
2. Note the progress made in delivering the Enterprise Zone Investment Plan;
3. Ask the LEP Executive to arrange for an item on the Midlands HS2 Growth Strategy at a future meeting;
4. Note the approvals of the Snow Hill Growth Strategy and STEAMhouse Phase 2 projects taken in between meetings;
5. Note the progress in delivering the Local Growth Fund programme;
6. Note the update on Growth Deal Round 3 and the process being taken to prioritise the pipeline of schemes;
7. Note the agreement of the LEP Board to use the £25m of Local Growth Fund (LGF) underspend to create a 'Revolving Investment Fund' pilot scheme;
8. Approve an estimated annual cost of up to £20,000 from the retained Business Rates levy allocated to GBSLEP, to be reviewed in future years, and with the Nominations Committee delegated to agree guidelines for payment of incentives;
9. Agree that proposals for reviewing the efficacy of the Forum should be brought to a future meeting.

Background

10. The Supervisory Board meeting held on 8th February 2017 was not quorate, although the decision was made to proceed with the meeting.
11. Each of the agenda items discussed and decisions reached in principle; the purpose of this paper is to formally ratify those decisions so that offices can give effect to them.

Minutes of the meeting on 6th October 2016

12. The Supervisory Board is recommended to approve the minutes of the meeting held on 6th October 2016.

Enterprise Zone Investment Plan Update

13. The Supervisory Board is recommended to note the progress made in delivering the Enterprise Zone Investment Plan, and ask the LEP Executive to arrange for an item on the Midlands HS2 Growth Strategy at a future meeting.

Local Growth Fund Programme Update

14. The Supervisory Board is recommended to:

- Note the approvals of the Snow Hill Growth Strategy and STEAMhouse Phase 2 projects taken in between meetings;
- Note the progress in delivering the Local Growth Fund programme;
- Note the update on Growth Deal Round 3 and the process being taken to prioritise the pipeline of schemes; and
- Note the agreement of the LEP Board to use the £25m of Local Growth Fund (LGF) underspend to create a 'Revolving Investment Fund' pilot scheme.

Innovation Challenge Forum

15. The Supervisory Board is recommended to approve an estimated annual cost of up to £20,000 from the retained Business Rates levy allocated to GBSLEP, to be reviewed in future years, and with the Nominations Committee delegated to agree guidelines for payment of incentives; and agree that proposals for reviewing the efficacy of the Forum should be brought to a future meeting

Conclusions

16. This paper seeks the ratification of the decisions reached in principle at the meeting of the Supervisory Board on 8th February 2017. The Supervisory Board is recommended to ratify those decisions.

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Executive Manager - Place

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Date: 5th April 2017

Report to the Greater Birmingham & Solihull Supervisory Board

13th April 2017

LOCAL GROWTH FUND PROGRAMME UPDATE

Purpose of the report

To note and discuss the progress made in delivering the Local Growth Fund programme.

Recommendations

The Supervisory Board is recommended to:

1. Note the progress in delivering the Local Growth Fund programme;
2. Note the project approvals that have taken place since that last meeting;
3. Ratify project approvals that were previously noted by the Supervisory Board via written procedure in between meetings;
4. Note the update on Growth Deal Round 3;
5. Approve the adoption of the revised Assurance Framework;
6. Note the adoption of a Programme Management Charge; and
7. Note the operational terms of reference for the Revolving Investment Fund, and note the agreement to transfer all 2016/17 underspend into the Fund.

Background

8. The Supervisory Board received a report on the Growth Programme at its last meeting on 8th February 2017. That report noted the approval of the Snow Hill Growth Strategy and STEAMHouse Phase 2 projects, progress in delivering the programme, the latest available information regarding an allocation of funds as part of Growth Deal Round 3, and the establishment of the Revolving Investment Fund (RIF).

Local Growth Fund programme update

9. Proposed actions agreed at the last Programme Delivery Board meeting to address key issues and risks are being implemented. This has helped address existing issues around budget, slippage and underspend. Delays in bringing in additional staffing and implementing the Programme Management System (PMS) remain significant gaps in the ability to proactively manage the programme. These same delays also help to create the most significant risks to the programme, lessening our ability to ensure projects remain on track and that decisions are made on the basis of accurate data.
10. Overall, the programme is expected to meet or exceed most forecast outputs and outcomes. However, following the withdrawal of two major skills-related capital projects from the programme in 2015, skills targets remain challenging.

11. Projects across the board have continued to slip since the last meeting. This will result in around an additional £3m not being utilised for project delivery as originally intended this year. However, project sponsors are now submitting change requests for more realistic timelines for their projects, which should lead to improved delivery performance next financial year.
12. Cumulatively, project delays have created a forecast underspend position of circa £28m. The creation of the RIF (below) helps to address this issue.
13. A number of smaller projects have now moved from the contracting to the delivery stage, and two major projects (Ashted Circus and Hagley Road SPRINT) received Full Business Case (Stage Gate 3) approval at the Programme Delivery Board (PDB) meeting on 23rd March. These will now go forward to Contracting (Stage Gate 4).

Project approvals to note

14. The Programme Delivery Board approved a capital grant investment of up to £8,100,000 into the Hagley Road SPRINT transport scheme at its meeting on 23rd March 2017. Further details on this scheme are included in **Appendix 4a**.
15. The Programme Delivery Board approved a £5,545,000 capital grant investment into the Ashted Circus, Birmingham Ring Road scheme at its meeting on 23rd March 2017. Further details on this scheme are included in **Appendix 4b**.
16. The Supervisory Board is asked to note the above decisions.
17. The Supervisory Board previously noted several Full Business Case approvals for LGF investment in between meetings via written procedure over autumn / winter 2016/17. The project approvals were made by the LEP Director, following an independent appraisal of the Full Business Cases. The project approvals that have been noted via written procedure are:
 - a. Birmingham Centre for Clinical Haematology project – £2,427,000 capital grant approval to University Hospitals Birmingham NHS Foundation Trust;
 - b. Expansion of Changan Research & Development Centre project – £1,610,000 capital grant approval to Changan Automotive UK;
 - c. West Midlands Safari Park Skills Academy – £65,850 capital grant approval to West Midlands Safari Park;
 - d. Virtual Reality and Robotics Development Centre – £188,867 capital grant approval to Solihull College and University Centre; and
 - e. Food and Drink Advanced Manufacturing Facility – £25,000 capital grant approval to Birmingham Metropolitan College.
18. The Supervisory Board is asked to ratify the noting of these decisions. The reports previously circulated to Supervisory Board members regarding each of the above projects are available upon request.

Growth Deal Round 3

19. On 9th March 2017, Government announced the details of Growth Deal 3 allocations to LEPs in the Midlands Engine. GBSLEP was awarded £54.2m, taking the total value of the Growth Deal Programme to £433m to deliver vital capital projects across Greater Birmingham & Solihull up to 2021.
20. The GBSLEP Executive is currently working with high priority projects to bring forward Outline Business Cases as part of the second stage of the prioritisation exercise. The programme is currently circa 170% over-programmed, which is a healthy position given the underspend position in 2016/17.
21. Growth Deal 3 funding has not yet been conditionally allocated to any schemes proceeding through the pipeline. Funding allocations will only be considered following appraisal of an Outline Business Case, as a minimum.

Assurance Framework

22. At its meeting on 31st January 2017, the LEP Board approved an update to the Assurance Framework to take account of a number of issues that have arisen over the course of the programme:
 - Birmingham City Council's Audit of management arrangements, and the management response to the audit, both identified a number of areas where the Assurance Framework needed to be clarified
 - GBSLEP's programme management workflow has evolved as a result of knowledge gained through the operation of the programme over the last twelve months
 - The Department for Communities and Local Government (DCLG) have issued an updated National Assurance Framework that places new obligations on LEP Assurance Frameworks. The s151 officer for the Accountable Body was required to write to DCLG by the end of February to confirm that these new obligations have been incorporated. Without this written confirmation, DCLG will not release further Growth Funds.
23. A summary of the substantive revisions to the Assurance Framework is attached at **Appendix 4c**, while the revised Framework is published here: <http://centreofenterprise.com/wp-content/uploads/2016/09/GBSLEP-Assurance-Framework-2017-182.pdf>
24. The Accountable Body has confirmed that the revised Framework meets the new obligations from the National Assurance Framework in a letter to DCLG.
25. The Supervisory Board is therefore recommended to approve the adoption of the Assurance Framework.

Programme Management Charge

26. The LEP Board previously agreed that effective management of the LGF programme requires additional resources to that contained within the LEP's core running cost budget. In September 2015, £1.9m was approved from the capital programme through to 2020 for this purpose. This funding was due to start being drawn down this financial year.
27. Furthermore, at the Growth Team meeting in November 2016, additional staffing was agreed for more proactive programme management and to support sponsors to develop and secure funding for their projects – subject to their costs being capitalised from the agreed £1.9m.
28. Since then, following discussions with the Accountable Body, it has become clear that capitalisation is not a practical method of covering the full range of costs incurred by the LEP in managing the programme – now estimated at around £0.6m per annum against a capital programme of £433m. This figure takes into account current and proposed staffing levels, the introduction of the new programme management system, the comprehensive evaluation of the programme, and the procurement of independent appraisal and other professional services required for the smooth running of the programme. It also recognises the need for staff across the Executive to contribute some of their time to drive the pipeline of projects necessary to sustain the programme in years to come.
29. Introducing a programme management charge does enable the LEP to raise the resources required to effectively manage the programme. Calculations suggest that a charge of 1.75% of total grant on individual projects would raise around £1.9m to 2020, and a further £0.5m in 2021. The Supervisory Board should note there is inherently some uncertainty around these figures, and the timing is subject to change, as the charge for new projects would only be levied once they are in contract.
30. While paying this charge would be a condition of grant, project sponsors would be able to apply for additional grant from the LEP to cover these professional fees. Therefore the net cost to each individual project would be zero.
31. Introducing the charge enables the £1.9m currently earmarked to support programme management to be released back into the programme. This reduces the net impact to the programme, through to 2020, to zero or close to zero.
32. For new projects, the charge would be incurred once the grant funding agreement is signed and contracts exchanged. Projects that do not make it through this stage gateway would not incur any charge. For existing projects, the Executive would discuss with project sponsors introducing a variation to their existing grant funding agreement to enable them to draw down additional funding to pay their fees. Projects that have already drawn down all their allocation would not be subject to the charge.
33. Independent legal advice has been received from Pinsent Mason, confirming the LEP's ability to impose a programme management fee.
34. The introduction of the charge was agreed by the LEP Board at its meeting on 31st March 2017. The Supervisory Board is asked to note the adoption of the programme management charge.

Revolving Investment Fund

35. The draft operational terms of reference (TOR) for the RIF are attached. The Accountable Body and Finance Birmingham (as managers of the WMCA Collective Investment Fund) were consulted on the draft. This has helped create an approach consistent with other recyclable funds. The TOR were agreed by the Programme Delivery Board (PDB) at their meeting on 23rd March. The Supervisory Board is recommended to note the adoption of the TOR by the LEP Board at its meeting on 31st March 2017.
36. The Supervisory Board should note that although the RIF is primarily focused on the public sector, Finance Birmingham, or other suitably qualified external support, will be used to assess any private sector requests into the fund.
37. The initial proposal was to launch the RIF with £25m. This took into account the uncertainty around appetite amongst project sponsors for the fund and the forecast level of 2016/17 underspend. Initial discussions with project sponsors have now taken place. These suggest that there is considerable appetite for the fund. As the underspend is now expected to be around an additional £3m, it is therefore proposed that the RIF is increased to incorporate all of the eventual 2016/17 underspend. The exact size of this underspend will be confirmed following financial closedown.
38. This was agreed by the LEP Board at its meeting on 31st March 2017. The Supervisory Board is recommended to note that agreement.

Conclusions

39. This paper sets out the current status of the programme, including recent project approvals, and the latest position with Growth Deal 3, and sets out proposals for the introduction of a Programme Management Charge and operational arrangements for the Revolving Investment Fund. It also seeks approval for the revised Assurance Framework. The Supervisory Board is asked to proceed with the recommendations above.

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Date: 4th April 2017

Report to the Greater Birmingham & Solihull Supervisory Board

13th April 2017

Hagley Road SPRINT Project Approval

Purpose of the Report

To update the Supervisory Board on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Board on the 23rd March 2017, in relation to Local Growth Fund (LGF) funding for the Hagley Road SPRINT scheme, to the value of £4.7m.

Recommendations

1. The Supervisory Board members are asked to note the agreement to fund the LGF grant and the manner in which the funding will be defrayed.

Background

1. The Hagley Road SPRINT transport scheme was granted entry into the LGF programme in 2015. It is promoted by Transport for West Midlands (TfWM) (previously Centro) and Birmingham City Council (BCC). TfWM will be the grant recipient of the fund and also the Delivery Agent for the scheme. Birmingham City Council will lead on the design and implementation of the highway infrastructure.
2. Hagley Road Sprint will provide a high quality rapid transit service, linking west Birmingham to the Enterprise Zone sites and wider transport links in the city centre (including potentially to HS2). It will provide a major uplift in public transport provision and launches the first route of an envisaged Bus Rapid Transit network along key corridors across the region.
3. This initial Sprint scheme will operate from Birmingham city centre towards the west of the city, along the Hagley Road to Quinton. The scheme will provide a major upgrade to public transport in this corridor and links to key areas of Birmingham city centre such as Broad Street, Paradise Circus, New Street and Moor Street stations and in the longer term Curzon Street HS2.
4. The scheme will help to support key local and national policies such as reducing congestion, lowering carbon levels and supporting economic growth by provision of high quality public transport linking key sites with residential areas, improving travel opportunities for employees and visitors.
5. The Full Business Case for Hagley Road SPRINT was considered at the November 2016 meeting of the Growth Team (now Programme Delivery Board). Growth Team members were minded to approve the scheme which was seeking a Local Growth Fund grant of £8.1m, subject to the project sponsors confirming its wider strategic benefits. Confirmation of this was delegated to the Interim Head of Delivery.
6. TfWM as the project sponsor is seeking, in parallel, the necessary approvals from the West Midlands Combined Authority (WMCA) for their contribution to the scheme. It

was due to be considered at the Investment Advisory Group on 3rd April. A verbal update of the Groups decision will be provided at the Supervisory Board meeting.

Additional information

7. TfWM, as the project sponsor, has provided a full response to satisfy the questions raised by the Growth Team. However, before approving the scheme, the Interim Head of Delivery requested further information about deliverability and phasing.
8. Following discussions with TfWM and BCC, an addendum to the Full Business Case was provided expand further on the deliverability and propose an alternative means by which to phase the scheme. This has resulted in a change to the funding profile and a review of the phasing of the bus requirement, in light of the uncertainty caused by the delay in receiving approval from Department for Transport for 24m busses. In the short term, these changes will effectively free up £3.4m to spend elsewhere in the programme. A formal change request will be sought by TfWM before proceeding with any bus procurement.
9. Due to the significant changes proposed to the project since November, it was considered appropriate for the Programme Delivery Board members to reaffirm their approval for the Full Business Case at their meeting on the 23rd March 2017. The Board agreed to provide a £4.7m LGF capital grant over 2015/16 - 2019/20 and to review the full £8.1m should the funding be required at a later date. The total project cost is expected to be £14.65m.

Conclusions

10. The Hagley Road SPRINT scheme is a key part of the connectivity strategy for both the Greater Birmingham and Solihull, and the wider West Midlands Combined Authority areas. The additional information provided by TfWM clarified the strategic benefits and removes the uncertainty caused by the delay in receiving approval from the Department for Transport for the 24m buses. Based on the satisfactory Full Business Case, the £4.7m LGF grant has been approved for the project.

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Date: 6th April 2017

Report to the Greater Birmingham & Solihull Supervisory Board

13th April 2017

Ashted Circus Project Investment

Purpose of the Report

To update the Supervisory Board on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Board on the 23rd March 2017, in relation to Local Growth Fund funding for the Ashted Circus, Birmingham Ring Road, to the value of £5.545m.

Recommendation

1. The Supervisory Board members are asked to note the agreement to fund the LGF grant and the manner in which the funding will be defrayed.

Background

2. Ashted Circus is a junction of high strategic importance on the Birmingham ring road, A4540. The junction links Eastside, one of the most deprived areas of central Birmingham, to the ring road and junction 5 of the M6, via major business and retail destinations such as Fort Dunlop and Star City. Most notably, the junction forms the key access point for Aston University and development within the Birmingham Curzon HS2 Masterplan, including the planned High Speed 2 railway station and the proposed development of a knowledge quarter based around Birmingham Science Park and nearby educational establishments.
3. The junction is one of a number identified pinch points on the ring road causing congestion, particularly during peak periods. The approaches to Ashted Circus experience particularly severity, with delays doubling journey time on some approaches and junction flows of over 5000 in 2004, rising to 6100 in 2026 in the AM peak.
4. The current pedestrian and cycle facilities are below-grade, and provide an unwelcome environment with a high perception of crime. Severance is experienced by users of the underpass through this poor urban realm, restricting movement between areas of high deprivation in east Birmingham and areas of growth and opportunities in the city centre.
5. The proposed works will upgrade the current un-signalised roundabout to a full signalised crossroads, with accompanying pedestrian and cycle crossing facilities. Several key benefits will be realised as a result of the Ashted Circus scheme most notably:
 - Reduction in journey times in peak periods;
 - Improved connectivity and access to Birmingham Curzon HS2 Masterplan area;
 - New pedestrian and cycle facilities;
 - Increased junction safety; and
 - Extension of asset lifespan.
6. Ashted Circus forms part of a package of five ring road improvement schemes to enhance

the operation of the ring road and deliver additional capacity for growth. The completion of this scheme will ensure the maximum benefit realisation of all five schemes, which includes Bordesley Circus, Curzon Circle and Haden Circus (completed March 2016) and Holloway Circus (planned completion autumn 2017).

7. The outcomes below reflects the contribution Ashted Circus will make towards the package of five ring road improvement schemes to enhance the operation of the ring road and deliver additional capacity for growth.

Description Outcome	Expected Delivery Date
600,000m ² gross development	2026
14,000 net jobs (estimated)	2026
GVA impact of £1,300m (post scheme completion)	per annum

Funding Profile

8. Match funding has been secured and the scheme is expected to start construction September 2017. The funding profile is set out below:

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
DfT Pinch Point	0.227	0.27	0	0	0	0.254
Enterprise Zone	0	0	0.3	1.0	0.998	2.298
ITB	0.003	0	0	0	0	0.003
LGF	0	0.162	0.599	3.314	1.470	5.545
TOTAL	0.23	0.189	0.899	4.314	2.468	8.100

Conclusions

9. The Ashted Circus will support growth and connectivity across the city centre, addressing the severance of economic opportunities from some of our most deprived communities. The Supervisory Board are asked to note the granting of £5.545m LGF funding for Ashted Circus, Birmingham Ring Road.

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Date: 6th April 2017

ITEM 4C – ASSURANCE FRAMEWORK CHANGES SUMMARY

GBSLEP Assurance Framework: Substantive revisions 2017

Section	Revision	Rationale
Front page	New title page	Brings into line with corporate style
Introduction	Reference added to GBSLEP's other programmes	National Assurance Framework requirement
Introduction	Email address provided for public feedback	To help drive continuous improvement and provide clearer acknowledgement that this is a public document
Roles and responsibilities (para.6)	Additional sentence added on the relationship between the Supervisory and LEP Boards	National Assurance Framework requirement
LEP Board (para.13-14 & table)	Names/Number of Board members updated. Reference to the recruitment of young person's representative added. Reference to small business representative added	Update and National Assurance Framework requirement
GBS Growth Team (paras. 36-39)	Amended to reflect change to Programme Delivery Board	Update
Enterprise Zone Board (paras. 40-43)	Additional text to set out the role of the EZ Board	National Assurance Framework requirement
Growth Hub (paras. 49-52)	Additional text to set out management arrangements for the Growth Hub	National Assurance Framework requirement

ITEM 4C – ASSURANCE FRAMEWORK CHANGES SUMMARY

Structure diagram	Governance changes since the last Assurance Framework incorporated	Update
Recruitment and appointment (para. 54)	Added commitment to equality and diversity, including private sector membership reflecting the local business community	National Assurance Framework requirement
Registration and declaration of interests (para. 59)	Reference added to Nolan principles	National Assurance Framework requirement
Programme management approach (para. 90)	Additional text to clarify GBSLEP's approach to programme management	In line with new programme management workflow
Programme management approach (para. 91)	New programme management workflow to replace previous project lifecycle. Diagrams moved to an appendix	In line with new programme management approach, and BCC audit recommendations
Strategic prioritisation (paras. 92-98)	Process updated and information provided on the open call for projects	In line with new programme management workflow
ESIF (para. 101)	Reference added to potential post-Brexit funding	Update
Outline Business Case (paras. 102-106)	Removed reference to sequential list, clarifies need to demonstrate GBSLEP funding is necessary for delivery, and recognizes the need to consider the risk profile of the programme. The process for approving outline business cases is also set out	In line with new programme management workflow

ITEM 4C – ASSURANCE FRAMEWORK CHANGES SUMMARY

Full Business Case (paras. 121-130)	Redundant text removed and full business case approval clarified	In line with new programme management workflow
Independent Technical Evaluation (para. 138)	Clarified that ITE may be internal	In line with new programme management workflow
Programme management, risk and monitoring information (paras. 153-155)	Updated documentation requirements and GBSLEP's right to attend Project Board meetings	In line with new programme management workflow and BCC audit recommendations
Change requests (paras. 156-159)	Updated to clarify the requirement for change requests and the circumstances under which resources will be reallocated from projects	In line with new programme management workflow
Project completion and evaluation (paras. 162-164)	New sections to cover the stage gateways for project completion and evaluation	National Assurance Framework requirement and in line with new programme management workflow
Grant funding (para. 167, first bullet)	Clarification that grant claims should not be paid unless supported by required information	BCC Audit recommendation
Cost control and risk management (para.170)	Changed the requirement to develop a risk register from "encouraged to" to "must"	In line with new programme management workflow

Report to the Greater Birmingham & Solihull Supervisory Board8th February 2017**BUSINESS RATES POOL FUNDING TO DELIVER
THE STRATEGIC ECONOMIC PLAN****Purpose of the report**

To approve spend from the GBSLEP's allocation of the retained levy from the Business Rates Pool on key strands of work to deliver the Strategic Economic Plan.

Recommendations

The Supervisory Board is recommended to:

1. Approve an allocation of up to £179,000 over two years from the element of the retained levy of the Business Rates Pool allocated to GBSLEP to deliver the following activities:
 - Foreign direct investment – up to £50,000 per annum for two years to fund lead generation with large companies and advanced manufacturing and automotive firms, led by Marketing Birmingham
 - Skills - £30,000 (plus expenses and equipment) in 2017/18 to contribute towards the salary of an interim Executive Manager for People, plus £14,500 per annum for two years to support the Southern Staffordshire Employment & Skills Board
 - Creative Economy Strategy - £20,000 to map sector businesses and provide an evidence base for future investments
2. Delegate authority to the Chair of the Supervisory Board, in consultation with the Chair of the LEP Board, to approve a further allocation of funding to support the development of a bid for the relocation of Channel 4 to Birmingham.

Background

3. In November 2016, GBSLEP published its Strategic Economic Plan 2016-30 (SEP), with the overarching vision for Greater Birmingham to be a top global city region and the major driver of the UK economy outside of London. The SEP focuses on three strategic priorities:
 - A world leader in innovation and creativity, commercialising cutting-edge research and innovation
 - Taking full advantage of our global connections, exploiting our role as an international gateway
 - Stronger conditions for growth, spreading opportunity to all sections of society
4. To date, total income of the Business Rates Pool allocated to GBSLEP for economic development has been £2.820m, with £0.316m having been invested to date in the Spatial Plan and Sustainability Appraisal, Growth Hub, Growth Deal programme management and delivering the skills agenda. Current commitments against the Pool

are for ongoing contributions to the skills agenda (£0.122m), LEP Executive salaries (£0.386m), and the Innovation Challenge Forum (£0.020m). The uncommitted balance of the allocation to GBSLEP is therefore £1.976m.

5. At its meeting on 31st March 2017, the LEP Board considered and approved a number of proposals to support the delivery of the SEP that require an investment from the element of the Business Rates Pool allocated to GBSLEP (hereafter, “Business Rates Pool” or “the Pool”).
6. At previous meetings of the Supervisory Board, the LEP Executive has committed to bringing forward proposals to invest the funds secured from the element of the Business Rates Pool to deliver the SEP. The proposals set out in this paper should be considered in that context.

Foreign Direct Investment

7. In 2015/16 Greater Birmingham retained its lead in England as the number one LEP area for foreign direct investment (FDI) with 72 investment projects accounting for 4,256 new and 650 safeguarded jobs. In addition, there were 9 further investment projects that landed within the Greater Birmingham LEP area but as these investments were spread across multiple locations in the UK, job numbers cannot be disaggregated across individual locations. This level of FDI was very much consistent with figures from 2014/15. Marketing Birmingham was involved in 35% of these projects.
8. Furthermore, increasing private sector investment – particularly overseas investment – is highlighted as a core objective in the SEP.
9. The decision to leave the European Union has had a major impact on FDI across the UK, including in the GBSLEP area. As a result, it is anticipated that the numbers for FDI (reported by DIT) will be substantially lower this year across the region and the country. To offset this trend, Marketing Birmingham has been targeting UK firms to increase the pipeline into Birmingham. For example, 60% of the investment secured for Birmingham City Council as part of their service level agreement (SLA) with Marketing Birmingham has been derived from UK firms new to the region.
10. FDI lead generation for the region is funded through a range of contracts. The European Regional Development Fund (ERDF) ‘Investing in Greater Birmingham’ programme covering the LEP is focussed on SMEs in certain sectors, whose projects tend to be smaller in terms of jobs number by default. It does not support lead generation at LEP- level for the targeting of advanced engineering or automotive companies, or large companies. It is therefore proposed that a supplementary contract, targeting key, selective international markets via proposition marketing around the region’s strengths in rail, automotive, advanced engineering and tech and creative technologies would be the most appropriate means of increasing the pipeline of FDI in these sectors.
11. At its meeting on 31st March 2017, the LEP Board approved a proposal to invest in an annual programme of lead generation for the LEP to address this issue, and agreed to delegate authority to the GBSLEP Director to put a contract in place to this

effect. The Board agreed that, subject to the approval of the Supervisory Board, the funds should be drawn from the Business Rates Pool.

12. The Supervisory Board is therefore recommended to agree that £50,000 per annum is allocated from the Pool to support this activity, and that the LEP Director is asked to proceed in making the agreement with Marketing Birmingham.

Skills

13. In 2015, the Supervisory Board approved an allocation of £220,000 of Business Rate Pool funding to provide on-going and additional resource capacity for the employment and skills provision in the LEP Executive team. This funding has been matched with SMBC partner contributions and a successful application to the European Social Fund. The £220,000 funding is forecast to be fully used by the end of the 2017/18 fiscal year.
14. Whilst this funding has increased capacity and the team is working hard to support the agenda, there is not yet sufficient resource in place to make the step change that the Board rightly wants to see.
15. It was not possible to appoint an Executive Manager for People through the recent recruitment exercise. The intention is to try and appoint a permanent individual to the role, but in the meantime it has been agreed that an interim will be appointed for a nine month period. The funding allocated to the post will support two days a week of the interim's time. It is however felt that three days would be optimum to give the agenda the increased leadership capacity and capability that it requires.
16. At its meeting on 31st March 2017, the LEP Board agreed to ask the Supervisory Board to fund this additional day through the LEP's retained levy in the Business Rates Pool. It is anticipated that c£30,000 is required plus any expenses / equipment (excluding travel to and from work).
17. The Supervisory Board is recommended to agree that £30,000 is allocated in 2017/18 for the interim Executive Manager for People.
18. In addition, it has recently become clear that additional support is required for the Southern Staffordshire Employment and Skills Board (ESB) to ensure that it is run effectively and is delivering against its priorities and supporting the overall ambitions of the ESB. This need has been highlighted by the Chair of the Local ESB and also discussed with the Leaders and the Chief Executives of the four district councils. It is felt that officer support of two days a week is required. It is proposed that £14,500 per annum is allocated from the Business Rates Pool to support this. . It is proposed that the funding is allocated for two years initially with regular reviews to ensure that targets are being met.
19. The Supervisory Board is recommended to agree to allocate £14,500 for two years to support this post.

20. At its meeting on 31st March 2017, the GBSLEP LEP Board agreed to the creation of a Creative Economy Strategy strategy. This will form the basis of the GBSLEP implementation plan around Creative & Digital Industries, including optimising cultural assets and the cultural offer, and will set targets and smart objectives for the creative sector to contribute to overall SEP targets. It will enable the LEP to identify gaps in the current project pipeline, for example around the development of some 'big-hitting' creative industry projects, such as a 'Digital Hub'.
21. The strategy development process will be used to re-engage partners in the reformation of the Creative City Partnership (CCP) and to review its membership to include stronger industry representation. Key partners, stakeholders and new CCP members will be involved in the development of the strategy.
22. At its meeting on 31st March 2017, the LEP Board approved a proposal to fund up to £20,000 from the Business Rates Pool to support mapping activity and the production of an evidence base to support the Strategy's development, subject to the approval of the Supervisory Board.
23. The Supervisory Board is therefore recommended to approve the allocation of £20,000 to support this activity.

Channel 4

24. Government is keen to press ahead with the relocation of Channel 4, and GBSLEP is keen to make the strongest possible case for relocation to Birmingham.
25. GBSLEP is therefore keen to submit a bid to Government, the deadline for which will be before the next meeting of the Supervisory Board.
26. It is anticipated that a quantum of funding will be required to put together a bid of an appropriately high standard – however, it has not been possible to scope that bid out in advance of this meeting.
27. The Supervisory Board is therefore recommended to delegate authority to the Chair, in consultation with the Chair of the GBSLEP Board, to approve an allocation of funding from the Business Rates Pool to support the development of a bid for the relocation of Channel 4 to Birmingham.

Conclusions

28. This paper sets out a range of proposals for the delivery of the SEP that require additional funding from the Business Rates Pool. The proposals have been considered and approved by the LEP Board, and the Supervisory Board is therefore recommended to approve the use of Business Rates Pool funding to deliver the activities set out above.

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