



# GBSLEP ASSURANCE FRAMEWORK

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Signed by:	Signed by:
	
Chief Executive 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 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 : [hello@gbsolep.co.uk](mailto:hello@gbsolep.co.uk)

## 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, except where the Amendment is Administrative, where approval can be given by the LEP Chief Executive.

### **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 Chief Executive**

- 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 Accountable Body is Birmingham City Council.

#### **The Section 151 Officer**

- Attends the LEP Board or nominates an Alternate
- 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

## List of appendices

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Appendix 34	Growth Hub Board Terms of Reference
Appendix 35	EZ Pipeline and Pipeline Assessment Panel Terms of Reference
Appendix 36	Expression of Interest Template (Projects and Schemes)



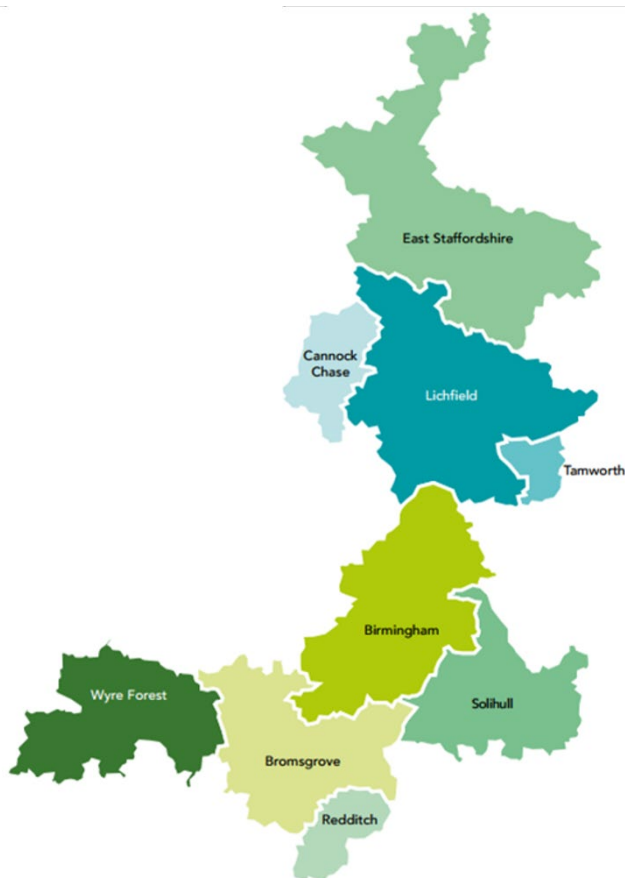
# Structure and operating principles

## *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, Make UK (previously known as the 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.

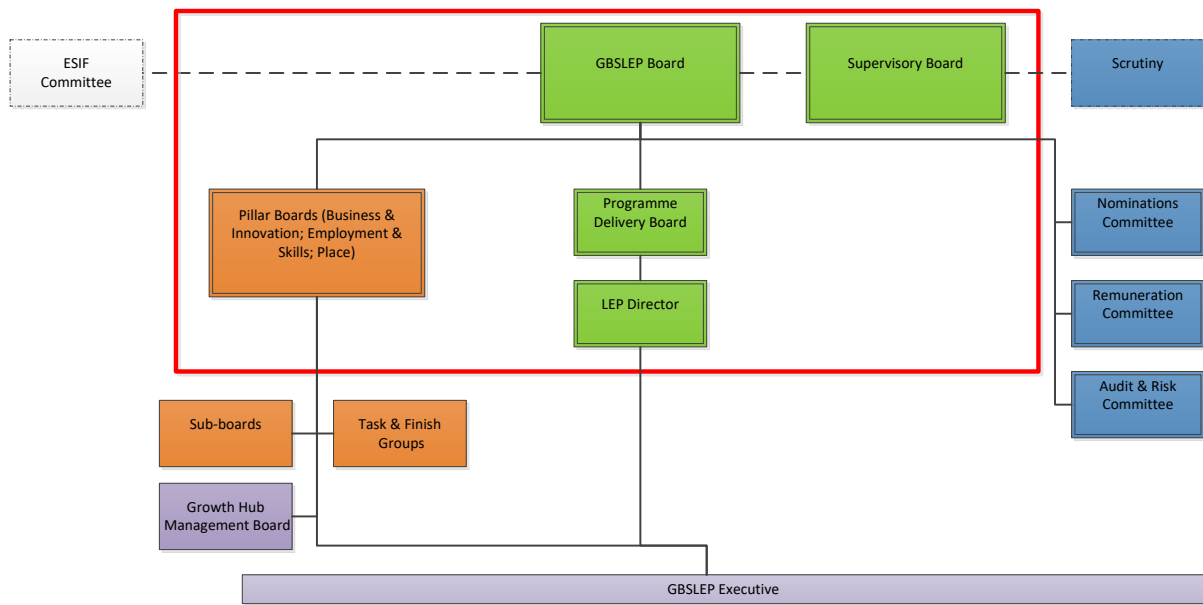
## *Geography*

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:



## *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 currently has 17 Directors: nine from the business community (with one vacancy), six from local authorities, and one each representing further and higher education. A Chair and Deputy are appointed from the business community representatives. The roles and responsibilities of the Chair are included at **Appendix 32**.
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. A number of them lead on a particular LEP workstream, as shown in the table below.

Private Sector	
Anita Bhalla	Interim GBSLEP Chair / Creative Industries Lead / Diversity Champion
David Hardman	Interim Deputy GBSLEP Chair / Stimulation Innovation Lead

Louise Brooke-Smith	Chair – Place Pillar Board
Sophie Drake	Young People Lead
Michael Lyons	Acting Chair – Programme Delivery Board
Christine Oates	
Michael Steventon	
Ian Tandy	Access to Finance Lead
Ewa Truchanowicz	SME Champion
<b>Public Sector</b>	
<b>Birmingham City Council</b> Cllr Ian Ward	
<b>Cannock Chase District Council</b> Cllr Bryan Jones	
<b>East Staffordshire Borough Council</b> Cllr George Allen	
<b>Lichfield District Council</b> Cllr Iain Eadie	
<b>Redditch Borough Council (representing North Worcestershire authorities)</b> Cllr Matthew Dormer	
<b>Solihull Metropolitan Borough Council</b> Cllr Ian Courts	
Tamworth Borough Council currently has Observer Status	
<b>Higher and Further Education</b>	
Philip Plowden Birmingham City University Key Sectors (representing the GBSLEP universities)  Chair – Business and Innovation Pillar Board	

Dawn Ward Burton and South Derbyshire College (representing GBSLEP's further education institutions)
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8. Birmingham City Council and Solihull Metropolitan Borough Council each sends one representative to the LEP Board. The North Worcestershire Districts (Bromsgrove, Redditch and Wyre Forest), select one representative between them, to represent their interests on the LEP Board. The South Staffordshire Districts (Cannock Chase, East Staffordshire, Lichfield and Tamworth) send three representatives, with the fourth district stepping down from the LEP Board each year but maintaining observer status at Board Meetings.
9. In addition to the membership set out above, the Section 151 Officer of the Accountable Body or an Alternate attends the LEP Board in that capacity. The LEP Executive undertakes a limited number of roles previously undertaken by a Company Secretary, to support the operation of the Company.
10. The Quorum for the Board is defined within the Company's Articles of Association.

### **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 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 Chief Executive 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
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 Chief Executive, 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 will generally 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. An additional set of Terms of Reference have also be agreed to allow the creation of a Growth Hub Board, these are included at **Appendix 34**.

### **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, together with other Capital Funding Schemes which HM Government may introduce from time to time 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. The Growth Hub, is currently part-funded by ERDF. It is run by a consortium of Birmingham Chamber of Commerce and Industry Ltd (BCCI), Aston University, Birmingham City University and GBSLEP. GBSLEP is the accountable body for the ERDF funding.
28. At the strategic level, partners are represented on the Business and Innovation Pillar Board. The Growth Hub Director and the Chief Executive report day to day progress to the LEP Board.
29. Terms of Reference have been agreed to allow the Strategic Management of the Growth Hub by a separate Pillar Board. These are included at **Appendix 34**.

## **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 Chief Executive**

37. The Chief Executive (previously titled 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 Chief Executive 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 also provides the link between Birmingham City Council (as the Accountable Body) and GBSLEP.

40. Officers within the LEP Executive are generally employed on GBSLEP contracts and have delegated authority to spend revenue funding in line with the GBSLEP Assurance Framework.
41. Certain roles such as Treasury Management are provided by the Accountable Body on terms set down in the Legal Framework put in place in 2019 when GBSLEP became an active company independent of Birmingham City Council.

### ***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. The Covid-19 pandemic together with the current LEP Review has given rise to such exceptional circumstances.
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, diversity and inclusion in all its services and operations and has developed policies based upon those of its 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. Details of Expenses paid and/or accrued are available on the GBSLEP website.

## ***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 has been made available to 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**. A Code of Conduct has also been introduced for Pillar Boards and Advisory Groups. See **Appendix 33**.

## ***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 Chief Executive, has completed a Register of Interests which is shown on our website. The Registers of Interests are being 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**. Details of Gifts and Hospitality offered and taken are available on the GBSLEP website.

## ***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 normally 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. (This is currently via the GBSLEP website). 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 directly 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 may also 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. This Policy also covers Delegated Authorities.

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 Board 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 adoption of the Birmingham Business Charter for Social Responsibility, included as **Appendix 17**.

## 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 Communications and Engagement Plan for the current year – 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 in its current iteration 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) and played a leading role in the development and adoption of the West Midlands Local Industrial Strategy (LIS), with a particular focus on a number of key sectors and industries, which continues following adoption.

## **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 four 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 (including the Department for Transport Returned Funding)
- The Getting Building Fund and any subsequent HM Government Funding initiatives

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 may 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. Such Expression of Interest will adopt the format included at **Appendix 36**. 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 any appropriate Programme Pipeline. In respect of the Enterprise Zone a Registration Submission Format and Assessment Panel Terms of Reference have been adopted. These are included at **Appendix 35**.
100. The Programme Pipeline will be reviewed at least 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 Chief Executive 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, Getting Building 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 Chief Executive, 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 Chief Executive with monitoring and reporting conformity of individual projects

- Maintain the official record of all GBSLEP proceedings and hold all GBSLEP documents, to the extent these are not maintained by the LEP itself.
  - Record the decisions of GBSLEP in approving projects, to the extent these are not maintained by the LEP itself.
  - 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 Chief Executive 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**. The same format may be utilised for a Strategic Outline Business Case in those situations in which the GBSLEP Board has indicated that it will accept the same.
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 Chief Executive 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 Chief Executive 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 Chief Executive 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 25**. An additional template to be used in respect of Small Scale Projects has been agreed and this is included at **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 Chief Executive.
139. For example, where a project is seeking £5m of Growth Deal from GBSLEP, GBSLEP will require that – as a minimum – the key elements of **Appendix 25** will be completed in full, attached to the third-party format business case and that the LEP Chief Executive 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 information barrier protocols 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 Chief Executive, 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 Chief Executive 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 Chief Executive 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 Chief Executive will report on progress to the GBS Programme Delivery Board who will, in turn, report as appropriate 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. Historically a separate evaluation report template was adopted. From January 2021 a common template has been adopted for evaluation and project completion. This is attached at **Appendix 29**.
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 Chief Executive. 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 geography.

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.