



GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP

**ASSURANCE FRAMEWORK
2017-2018**

Contents

Introduction	3
Purpose, structure and operating principles	4
Greater Birmingham and Solihull Local Enterprise Partnership arrangements	4
Geography	4
Roles and responsibilities	4
Transparency and engagement	9
Cross-LEP working and engagement	12
Growth Deal Programme Management	13
Strategic Fit	13
Outline Business Case	15
Full Business Case	17
Local governance processes	18
Independent Evaluation	Error! Bookmark not defined.
Transparent decision-making	19
Complaints from scheme promoters	19
Complaints from wider stakeholders	20
Programme management, risk and monitoring information	20
Project Completion and Evaluation	21
Financial accountability	22
The Accountable Body	22
Cost control, funding awards and release of funding	23
Independent audit and scrutiny	24
List of Appendices	25

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 the necessary systems and processes in place to ensure delegated funding is managed effectively and efficiently.

It sets out the LEP's overarching role and structure, together with the governance structures for overseeing all programmes of work including the Growth Deal, City Deal, Growth Hub and Enterprise Zone.

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

Purpose, structure and operating principles

Greater Birmingham and Solihull Local Enterprise Partnership arrangements

1. Greater Birmingham and Solihull Local Enterprise Partnership (“GBSLEP”, or “the LEP”) was constituted as a company limited by guarantee in May 2011. The LEP has a number of Company Members – the nine local authorities and six business representative organisation members (the Greater Birmingham Chambers of Commerce, the Herefordshire and Worcestershire Chambers of Commerce, the Federation of Small Businesses, the Engineering Employers Federation, the Royal Institution of Chartered Surveyors and the National Farmers Union). The LEP has an Annual General Meeting every year in June, which presents an opportunity for the LEP Board to report on progress and for company members and wider stakeholders to hold Directors to account for performance.
2. The LEP’s Articles of Association are included as **Appendix A** to this document.

Geography

3. The LEP covers the geographical boundaries of the Districts of Birmingham, Solihull, East Staffordshire, Lichfield, Tamworth, Cannock Chase, Bromsgrove, Redditch and Wyre Forest.

Roles and responsibilities

4. **The Supervisory Board**
5. 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.
6. The Supervisory Board empowers the LEP Board and provides it with the democratic accountability required to invest public money. As such, it may ask the LEP Board to re-think investment decisions and, ultimately, reject them.
7. The Supervisory Board also provides transparency regarding the LEP’s decision-making process, as set out in **Transparent decision-making** below.
8. The Terms of Reference for the Supervisory Board are included as **Appendix B**.
9. **The Joint Scrutiny Committee**
10. As the Supervisory Board performs executive functions, 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. The Joint Scrutiny Committee has nine members, one from each local authority.

11. The Terms of Reference for the Joint Scrutiny Committee are at **Appendix C**.

12. The LEP Board

13. The LEP Board has 19 Directors: ten from the business community, seven from local authorities, and one each representing further and higher education. An additional representative for young people is currently being recruited.

14. Business community representatives have been recruited with the aim of reflecting different sizes and sectors of commerce and industry, and the geography of the area. This includes a representative with responsibility for engaging with small businesses. Each of them leads on a particular LEP workstream, shown in the table below.

Private Sector	Public Sector
Tim Pile Chair	Cllr Ian Ward Birmingham City Council
Chris Loughran Deputy Chair for Delivery	Cllr George Adamson Cannock Chase District Council
Anita Bhalla Creative City Partnership	Cllr Patricia Ackroyd East Staffordshire Borough Council
Andrew Cleaves Improving Skills	Cllr Mike Wilcox Lichfield District Council
Pat Hanlon Access to Finance	Cllr Bob Sleight Solihull Metropolitan Borough Council
Saqib Bhatti Growing Business	Cllr Steve Claymore Tamworth Borough Council
Mike Lyons Improving Connectivity	Cllr Greg Chance Wyre Forest District Council (representing North Worcestershire authorities)
Simon Marks Optimising Assets and Enterprise Zone Champion	Higher and Further Education
Matthew Rhodes Stimulating Innovation	Sir David Eastwood Key Sectors (representative of the GBSLEP)

	universities)
Sophie Drake Young People	Mike Hopkins South & City College (representing GBSLEP's further education institutions)

15. Each of the Local Authorities in GBSLEP sends one representative to the LEP Board, with the exception of the north Worcestershire Districts (Bromsgrove, Redditch and Wyre Forest). Those three Districts select one representative between them, to represent their interests on the LEP Board.
16. Board Directors were initially given terms of office of one, two or three years (to ensure that not all Directors finished at the same time); however, all new Directors are given a three year term of office.
17. The Board meets every two months and meetings are generally hosted by local businesses. These meetings are held in private, but the agendas and minutes are made public.
18. The LEP Board is responsible for setting the LEP's strategic agenda (e.g. developing the Strategy for Growth, Strategic Economic Plan and ESIF Strategy) and for making decisions regarding programme entry, and full approval, for projects seeking greater than or equal to a £10m Growth Deal contribution. Such decisions will be reported to the Supervisory Board.
19. In addition to the membership set out above, an open invitation has been extended to the Section 151 Officer and Monitoring Officer of the Accountable Body to attend meetings of the LEP Board.
- 20. The Strategic Economic Plan (SEP) Steering Group**
21. The SEP Steering Group is responsible for the ongoing refreshes of GBSLEP's SEP, to ensure that it reflects progress to date, current macroeconomic policy and headwinds, and can take into account future opportunities.
22. The Terms of Reference for the SEP Steering Group are at **Appendix D**.
- 23. Pillar Boards**
24. The GBSLEP Board has established three Pillar Boards to provide strategic vision with respect to each of their areas:
- Business & Innovation
 - People
 - Place

25. 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.
26. They will identify the strategy to be taken in pursuit of that vision and oversee its implementation through a work programme, putting appropriate measures in place for the monitoring and evaluation of work programmes and business plans, and will ensure that key issues identified are addressed in future iterations of the strategy.
27. To enable this, Pillar Boards are able to create enabling sub-boards 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.
28. The Chair is appointed by the LEP Board and must be drawn from one of the private sector Board Directors.
29. Members of the Pillar Board include other private sector Board Directors as relevant, but are otherwise determined by the Chair.
30. The Terms of Reference and Memberships of the Pillar Boards are included as **Appendix E** to this document.

31. **Sub-Boards**

32. 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.
33. The roles and membership of each Sub-Board is therefore determined by the Pillar Board – the Terms of Reference and Memberships of the current Sub-Boards are included as **Appendix F** to this document.
34. The Innovation Challenge Forum has been established by the Innovation Sub-Board to provide advice on innovation to the LEP from the perspective of the market. The Terms of Reference of the Innovation Challenge Forum is included as **Appendix G** to this document.

35. **Task & Finish Groups**

36. 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.

37. **GBS Programme Delivery Board**

38. The GBS Programme Delivery Board is charged with ensuring the delivery of the Growth Deal (Local Growth Fund and Revolving Investment Fund) to help achieve the objectives of the Strategic Economic Plan. It also oversees progress on delivery of the City Deal and Growing Places Fund.
39. As well as ensuring effective management of the existing Growth Deal programme, the Programme Delivery Board is empowered to grant full approval to projects seeking a Growth deal contribution of up to £10m, and will report such decisions taken to the Supervisory Board.
40. The Membership and Terms of Reference for the Programme Delivery Board are included as **Appendix H**.
- 41. The Enterprise Zone Executive Board**
42. The Enterprise Zone Executive Board provides strategic oversight for investment and the programme of projects within the Enterprise Zone Investment Plan. It is supported in this role by the officer-level Enterprise Zone Directors' Board. Management and monitoring arrangements have mirrored, as far as possible, those adopted for the Growth Deal.
43. The Membership and terms of reference for the Enterprise Zone Executive Board and Directors' Board are included as **Appendix I**.
- 44. The Nominations & Governance Committee**
45. The Nominations & Governance Committee has been established to lead on Board Director recruitment and oversight of the LEP's corporate governance. The terms of reference are included as **Appendix J**.
- 46. The LEP Director**
47. The LEP Director will have delegated authority to grant full approval for projects seeking up to a threshold of £2.5m of Growth Deal contribution, and will report decisions taken to the Supervisory Board.
48. The LEP Director will also be responsible for ensuring all LEP programmes are managed in accordance with the processes set out within this document.
- 49. The Growth Hub**
50. Phase 2 of the Growth Hub, part-funded by ERDF, went live on 1 December 2016. It is run by a consortium of Birmingham Chamber of Commerce and Industry Ltd (BCCI), Aston University, Birmingham City University and GBSLEP. BCCI is the accountable body for the ERDF funding.
51. At the operational and delivery level, partners come together with local authorities, other universities and relevant business support organisations within the LEP area through the Growth Hub Management Board. At the strategic level,

partners are represented on the Growing Business Board. The Chair of the Growing Business Board reports progress to the LEP Board.

52. The LEP Executive

53. The LEP Board, its Board Directors and Sub-groups are supported by the LEP Executive Team. The LEP Executive was formed in May 2011 to support the LEP Board in the development and delivery of the LEP's agenda, including its Strategy for Growth and associated delivery plans. The Executive also provides day-to-day operational management of the LEP and provides a direct link between Birmingham City Council and GBSLEP.

Transparency and engagement

54. Recruitment and appointments

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

56. Non-Executive Directors for the GBSLEP Board are recruited through an open and transparent process. A role description is drawn up and advertised as appropriate, inviting expressions of interest. Those expressions are then considered by GBSLEP's Nominations & Governance Committee.

57. In the first instance, a short list of candidates is drawn up and called to interview. Thereafter, the Nominations & Governance Committee will make an appointment, having regard to the candidates' experience.

58. Representatives of the Further and Higher Education sectors are appointed through a process determined by those institutions.

59. Registration and declaration of interests

60. The conduct of Board Directors is governed by the seven principles of public life, better known as the Nolan principles. Conflicts of interest are managed in accordance with the Companies Act 2006. LEP Board Directors are required to complete and sign a pro forma every year, detailing:

- The directorships and other relevant situations of which the company is already aware;
- Any directorships and other relevant situations not listed in Part 1, including the nature and extent of any direct and indirect interest and any background

information that the director considers may be relevant to the board's assessment; and

- Any direct or indirect interests in proposed or existing transactions with the company.

61. Directors will need to consider carefully whether any of their connected persons hold positions of which they are aware that:

- conflict or possibly may conflict with the interests of the company leading to them being in breach of section 175 of the Act, unless declared to and authorised by the board; or
- mean that the director is directly or indirectly interested in a proposed transaction or arrangement which must be declared to the directors in accordance with section 177 of the Act before such transaction or arrangement is entered into; or
- mean that the director is directly or indirectly interested in an existing transaction or arrangement which must be declared to the directors in accordance with section 182 of the Act as soon as reasonably practicable

62. In addition, Directors have an ongoing obligation to disclose any change in circumstances with regard to the nature or extent of interests already disclosed and of any potential situations that conflict or may possibly conflict with the interests of the Company and to seek authorisation in advance of any such conflict arising.

63. Registers of interest and gifts & hospitality

64. GBSLEP has agreed a Code of Conduct, which sets out how Directors and senior officers will register and declare their interests and the receipt of gifts and hospitality received. See here: <https://gbslep.co.uk/resources/reports/code-of-conduct>

65. Whistleblowing

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

67. Publication of agendas, papers and minutes

68. In line with the Best Practice Guidance, the LEP Board has agreed to publish agendas, papers and minutes for the full Board meeting, for the Pillar Boards and for the Programme Delivery Board. GBSLEP will publicise this Assurance Framework on its website, so that the process for making decisions regarding funding streams managed by the LEP are clearly visible to the general public. In addition, GBSLEP will publicise submissions for future rounds of Growth Deal on its website, and the eventual outcomes of those Deals once agreed with

Government. Funding opportunities will also be publicised as and when they are available.

69. The Supervisory Board will also publish all agendas, papers and minutes, including those pertaining to decisions regarding the Growth Deal (subject to any redactions required to satisfy commercial confidentiality). Those papers will include the decision of the LEP, and the noting of that decision by the Supervisory Board.

70. 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.

71. As above, GBSLEP is constituted as a company limited by guarantee and, as such, is not subject to requests made under the Freedom of Information Act 2000. Any Freedom of Information requests, Environmental Information Requests or similar requests received will be dealt with in accordance with the relevant legislation of the organisation to which the request pertains.

72. Stakeholder engagement

73. From its inception, GBSLEP has sought to engage widely and in as much detail as possible.

74. For the recent refresh of the SEP, three principal channels of communication were used to promote the consultation. These were:

- An online survey, to which there have been 93 responses from a range of stakeholders
- A series of meetings with key stakeholders across Greater Birmingham & Solihull
- A social media campaign, which made over 47,000 impressions.

75. Twenty written responses were also received.

76. GBSLEP will continue with its strong track record of engagement as part of its normal course of business and will ensure a high-level of stakeholder buy-in to future Growth Deal submissions.

77. It is anticipated that as part of future rounds of Growth Deals, as a minimum, GBSLEP will engage proactively with a broad range of stakeholders by holding meetings across Greater Birmingham & Solihull on the direction that the Growth Deal is taking. GBSLEP will also engage via its website and through social media.

78. Furthermore, having secured programme entry approval, public consultation will be required by many schemes as part of local authority governance processes.

Cross-LEP working and engagement

79. Collaboration with Stoke-on-Trent & Staffordshire and Worcestershire LEPs

80. 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 M** and **Appendix N** respectively.

81. Management arrangements for projects that are joint-funded by two LEPs will be set out on a per-project basis.

82. 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.

83. Cross-LEP engagement

84. 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.

85. 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.

86. Cross-LEP sub-groups also meet to focus on specific issues such as transport and access to finance.

87. West Midlands Combined Authority (WMCA) and Midlands Engine

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 SEP, Making Our Mark, sets out how we will use our combined capacity and devolution to go further and faster in enabling economic growth for the benefit of communities across the West Midlands.

89. 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.

Growth Deal Programme Management

90. The following section provides details of the arrangements for developing, prioritising, appraising and approving projects, and the programme management arrangements throughout the project stage gateways.
91. The Growth Deal Programme has the following stage gateway process:
- Pre-application
 - Expression of Interest - strategic fit assessment
 - Outline Business Case (Programme entry) assessment
 - Full Business Case assessment
 - Contracting
 - Delivery
 - Project completion
 - Evaluation
92. A programme management workflow, based on a stage gateway approach, is set out at **Appendix O**.

Expression of Interest - Strategic Fit

93. GBSLEP has adopted a strategically-led approach to programme management for the Growth Deal (Local Growth Fund and Revolving Investment Fund). This means identifying the interventions critical to achieving SEP strategic objectives, and supporting their delivery through all available LEP powers. This includes using financial assistance where this is essential, however, GBSLEP is a funder of last resort, and will only consider contributing money to a project if it can be demonstrated that it is essential for delivery, and that no other sources can be identified.
94. **Developing the “long list” of schemes and strategic fit prioritisation to create a Programme Pipeline**
95. Project promoters were invited to submit a standard expression of interest pro forma as part of GBSLEP’s bid for Growth Deal 3 funding. The expression of interest template is attached at **Appendix P**. These submissions have been reviewed for strategic fit by the Sub-Boards of the Pillar Boards and allocated into one of four categories:
- (A) Essential to the strategy – projects that are paramount to the achievement of the SEP ambitions
 - (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
96. To ensure consistency across the Sub-Boards, given the large volume of projects assessed as part of the Growth Deal 3 bid, their respective Chairs finalised ratings across all projects at a moderation meeting in January 2017. These ratings were considered by the LEP Board at their January meeting, who approved all category A projects onto the Programme Pipeline and invited them to submit outline business cases. It was also agreed that Category B projects would be able to submit outline business cases.
97. Where a project is allocated into category B or below, it can be further developed by the promoter and resubmitted for re-assessment by the relevant Sub-Board. Any revised allocation will be reported to the LEP Board to note acceptance onto the Programme Pipeline.
98. Following the conclusions of the Growth Deal 3 process, GBSLEP has adopted the policy of having an open call for projects. Promoters are encouraged to speak to the LEP Executive before submitting projects. 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 the same four categories as Growth Deal 3 projects. This category allocation will be reported to the LEP Board to note acceptance onto the Programme Pipeline.
99. The Programme Pipeline will be reviewed every six months to ensure projects remain in the correct strategic category.
100. The Programme Pipeline development process outlined here was introduced in preparation for the Growth Deal Round 3 allocation from Government in March 2017. Further detail on the GBSLEP Prioritisation Model that was used in the development of the Growth Deal 1 and 2 programmes is included as **Appendix Q**.
101. **European Structural & Investment Funds (ESIF)**
102. Strategic alignment between the Growth Deal and ESIF programmes is of crucial importance to GBSLEP. It is therefore the LEP's intention to ensure that the strategic development of the pipelines for both of these significant funding streams is taken forward in the most coordinated fashion possible.

103. Therefore, where applicable, Pillar Boards and Sub-Groups will be proactively engaged in the development of the pipeline and any associated strategic frameworks for any future rounds of European funding and any UK Government replacement post-BREXIT.

Outline Business Case

104. 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 R**.

105. 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.

106. 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, while for skills projects they will be based on the number of learners and the potential GVA generation.

107. 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.

108. The route to approval of the outline business case and the conditional funding allocation depends on the total GBSLEP contribution towards the project. The following scheme of delegation will be used:

- Projects seeking a total contribution of less than £2.5m will be required to develop a business case to be taken to the LEP Director for approval.
- Projects seeking a total contribution of greater than or equal to £2.5m but less than £10m will require approval from the Programme Delivery Board.
- Projects seeking a total contribution of greater than or equal to £10m will require LEP Board approval.

109. 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.

110. Value for money

111. GBSLEP will ensure that value for money is achieved with each of its prioritised schemes.

112. 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.

113. 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.

114. The appraisal and modelling submitted by the promoter will be scrutinised by GBSLEP, independently of the promoter.

115. Preparatory costs approval

116. 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.

117. As agreed by the Programme Delivery Board, the LEP Director has the authority to defray up to 25% of the total quantum of Growth Deal sought on production of a satisfactory application.

118. Applications seeking in excess of 25% of their total allocation will be referred to the Programme Delivery Board.

119. The amount awarded will be deducted from the total capital available following approval of the full business case.

120. 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.

121. 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.
122. 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.

Full Business Case

123. 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.
124. The route to full approval depends on the total GBSLEP contribution towards the project and follows the same scheme of delegation for approval at outline business case.
- Projects seeking a total contribution of less than £2.5m will be required to develop a full business case to be taken to the LEP Director for approval.
 - Projects seeking a total contribution of greater than or equal to £2.5m but less than £10m will also require approval from the Programme Delivery Board.
 - Projects seeking a total contribution of greater than or equal to £10m will additionally require LEP Board approval.
125. 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.
126. All decisions will be reported to the Supervisory Board.
127. **HM Green Book**
128. 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](#).
129. 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](#).
130. Full business case templates for each of the thresholds described above are set out as **Appendix S**, (below £2.5m Growth Deal contribution), **Appendix T**

(between £2.5m and £10m Growth Deal contribution) and **Appendix U** (above £10m Growth Deal contribution).

131. In addition, GBSLEP will consider the submission of business cases in third-party formats only where the checklist for the appropriate standard of business case has been completed, and that the third-party business case addresses all the points to the satisfaction of the LEP Director.
132. For example, where a project is seeking £5m of Growth Deal from GBSLEP, GBSLEP will require that – as a minimum – the checklist at the front of Appendix S is completed in full, attached to the third-party format business case and that the LEP Director agrees that the information provided meets the standards set out in the GBSLEP template.

Independent Appraisal and Due Diligence

133. **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.**
134. The ITE will often be external to GBSLEP. Where the evaluation is conducted internally, appropriate Chinese Walls will be put in place between the team within GBSLEP promoting the project and the ITE.
135. The 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

Local governance processes

136. The processes for approval outlined above do not supersede local governance processes.
137. 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.
138. 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), thereby guaranteeing the local contribution to the scheme and signifying acceptance of risk for all cost increases.

139. Following the granting of full approval from GBSLEP, project sponsors will be required to seek full approval through their own governance process.
140. 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.
141. Where this is not the case, project sponsors must notify GBSLEP prior to seeking full approval from the LEP.

Transparent decision-making

142. The Supervisory Board has approved the whole Assurance Framework, including the delegations process outlined above. This grants the delegations described in the Framework the democratic authority to take decisions within the thresholds.
143. All such decisions will be reported virtually to the Supervisory Board, who will then have 10 working days to respond, either noting the decision or by requiring that the business case be brought to the next scheduled meeting for further review.
144. Noting will be reported by the Chair of the Supervisory Board to the LEP Executive.
145. The Supervisory Board has also been provided with a “screening list” of projects proceeding under delegation, and can opt to have any project brought to the Supervisory Board for approval.
146. A project can be called in should any one of the members of the Supervisory Board require it.
147. The LEP Executive will manage the flow of information between the delegations and the Supervisory Board and will ensure that decisions are communicated swiftly.
148. Where the Supervisory Board declines to support the decision of the LEP, they will inform the LEP Executive of their reasoning. The LEP Executive will then attempt to address the concerns of the Supervisory Board, or will withdraw the recommendation. Ultimately, the LEP will not implement any recommendation not supported by the Supervisory Board.

Complaints from project sponsors

149. Complaints from project sponsors regarding the decisions taken in the approvals process, during either the prioritisation or approvals processes, should be made in writing to the Chair of the LEP Board, via the LEP Executive, Ground

Floor, Baskerville House, Birmingham B1 2ND (or via email to GBSLEP@birmingham.gov.uk).

150. The complaint will be acknowledged within 3 working days. The acknowledgement will include a description as to how the complaint will be addressed and a timescale for issuing a full response, which will depend on the nature of the complaint.
151. GBSLEP will ensure that the complainant is informed as to what is happening with their complaint throughout the process.
152. If, for any reason, it is not possible to issue a full response within the published timescale, GBSLEP will inform the complainant, explain the reasons and, if possible, provide a revised timescale for issuing a response.
153. Should the response be unsatisfactory, the matter will be referred to the LEP Board as the final point of escalation.

Complaints from wider stakeholders

154. GBSLEP has drafted a Complaints Policy for wider stakeholders, including residents on whom the delivery of projects may have a direct impact.
155. The Complaints Policy is set out as **Appendix V**.

Programme management, risk and monitoring information

156. Each scheme included in the programme will be required to provide appropriate documentation to GBSLEP. This will include, but is not limited to, project governance arrangements, a list of key milestones, an expenditure profile, a project plan, a communications plan, a benefits realisation plan, a project completion and evaluation plan, an issues log and a risk register. This information will be updated at key stages throughout the project lifecycle and reported to the LEP Director, who is responsible for identifying and actively managing risk across the programme. GBSLEP reserves the right to attend Project Board meetings.
157. The LEP Director will require financial and delivery information to be provided as part of quarterly monitoring reports from each project sponsor. Monitoring reports will be measured against a set of agreed milestones, which will be set out in the full approval application and GBSLEP's funding offer. Guidance on RAG ratings for milestones will be provided to project sponsors by the GBSLEP Programme Team.
158. While the LEP Director will be responsible for GBSLEP's Growth Deal programme, the ultimate responsibility for the successful delivery of each project within that programme lies with the project's lead.
159. **Change requests**

160. 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. Where a major change is requested, which significantly impacts negatively on scope, schedule or budget, approval is required from the Programme Delivery Board. Minor changes require approval from the LEP Director, and are reported to the Programme Delivery Board.

161. Reallocation of resources

162. 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.

163. Reporting of progress

164. The LEP Director will report on progress to the GBS Programme Delivery Board who will, in turn, report to the LEP Board and Supervisory Board.

Project Completion and Evaluation

165. Once a project is finished, a project completion report 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.

166. 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.

167. 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.

Financial accountability

The Accountable Body

168. Birmingham City Council acts as the Accountable Body for LEP funding streams.
169. The Accountable Body will:
- Hold the devolved funding and make payments in accordance with the decisions of the LEP Board, Growth Team and LEP Director, as endorsed by the Supervisory Board, ensuring that all funding agreements or SLAs are in place before any grant claims are paid, and that grant claims which do not contain all of the required information or adequate supporting documentation are not processed or paid until the appropriate details have been provided
 - Account for these funds in such a way that they are separately identifiable from the local authority's own funds, and provide financial statements to GBSLEP as required
 - Ensure that the decisions and activities of GBSLEP conform to legal requirements with regard to equalities, environmental, EU issues and other relevant legislation and guidance
 - Ensure (through the Section 151 Officer) that the funds are used appropriately
 - Ensure that this Assurance Framework is being adhered to by tasking the LEP Director with monitoring and reporting conformity of individual projects
 - Maintain the official record of all GBSLEP proceedings and hold all GBSLEP documents
 - Record the decisions of GBSLEP in approving projects
 - Supply protocol and guidance in relation to transparency and audit to which GBSLEP will adhere
 - Supply a format for unelected voting members to declare interests
 - Supply access to all associated documents
170. 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.

171. 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.

Cost control, funding awards and release of funding

172. 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.
173. Consequently, a fully-quantified risk register must inform the final project cost, and promoters must develop a register that is proportionate to the overall scheme size and risk profile.
174. 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.
175. Notice of funding award will be issued upon the granting of full approval. The LEP Director will notify the Accountable Body that full approval has been granted, and a funding award notification will be issued along with a funding agreement (see below).
176. Unless otherwise agreed at the contracting stage, funding for actual expenditure will be released by GBSLEP quarterly in arrears, and in line with an agreed funding profile.
177. GBSLEP will require financial and delivery information to be provided as part of regular progress reports from each scheme sponsor. Progress 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.
178. GBSLEP will put measures in place to detect incorrect use of funds, misuse of funds or fruitless payments made by scheme sponsors.
179. GBSLEP will enable the recovery of any misused funds. It will also report any such instances in reports to the Government with an explanation of any remedial action taken.
180. In circumstances where the decision is taken by GBSLEP to withdraw funding from a project (in line with the process articulated above), the funding already released to that project will be subject to claw-back.

181. **Funding agreements**

182. Project promoters will be required to enter into a funding agreement, which will set out the funding conditions, outputs/outcomes and milestones, and reporting requirements.

183. Where a project is to be delivered by the same authority which is acting as the Accountable Body, the promoter will enter into a Service Level Agreement (SLA) with the Accountable Body. The template is set out as **Appendix W**.

184. Where a project is to be delivered by another partner, the promoter will be required to sign up to a Condition of Grant Agreement (COGA). The COGA is a legal agreement between the Accountable Body and the promoting authority, and defines the responsibilities partners have to one another, particularly any back-to-back assurances required by the Accountable Body from partners in order to assume the above responsibilities. The template is set out as **Appendix X**.

Independent audit and scrutiny

185. In order to ensure the highest standards of corporate governance, public accountability and transparency in GBSLEP's management of the Growth Deal, GBSLEP will ensure that its performance is subject to audit and will publish the results of that audit on its website.

186. GBSLEP will also explore opportunities for regular independent audit and assurance checks to be undertaken, to verify that GBSLEP is operating effectively and within the terms of its agreed Assurance Framework. The local authority acting as the Accountable Body will be responsible for taking the necessary actions to remedy any shortcomings identified within any such audit.

List of Appendices

A	Articles of Association
B	Supervisory Board Terms of Reference
C	Joint Scrutiny Committee Terms of Reference
D	SEP Steering Group Terms of Reference
E	Pillar Board Terms of Reference
F	Sub-Boards Terms of Reference
G	Innovation Challenge Forum Terms of Reference
H	Programme Delivery Board Terms of Reference
I	Enterprise Zone Boards Terms of Reference
J	Nominations & Governance Committee Terms of Reference
K	Diversity Statement
L	Whistleblowing Policy
M	Stoke and Staffs LEP Protocol
N	Worcestershire LEP Protocol
O	Programme Management Workflow
P	Strategic Fit Expression of Interest Form
Q	Outline Business Case Application Form
R	GBSLEP Prioritisation Model
S	Full Business Case Template <£2.5m
T	Full Business Case Template £2.5m < £10m
U	Full Business Case Template >£10m
V	Complaints Policy
W	Accountable Body Service Level Agreement
X	Condition of Grant Agreement Template