

22nd August 2013**REPORT OF THE PORTFOLIO HOLDER FOR ECONOMY AND EDUCATION****The Creation of a Greater Birmingham and Solihull Local Enterprise Partnership
Supervisory Board and Scrutiny Arrangements****EXEMPT INFORMATION**

None

PURPOSE

To inform the Cabinet of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) proposed Governance arrangements in relation to the management of the Single Local Growth Fund.

RECOMMENDATIONS

That Cabinet agree:-

1) to the establishment of a Joint Committee in accordance with Article 12 of the Constitution, the Localism Act 2011, and the Local Government Acts 1972 and 2000 for the purposes of acting as a Supervisory Board for the GBSLEP for decisions on any funds devolved from government as part of a Single Local Growth Fund;

2) that the GBSLEP draft constitution, terms of reference and scrutiny arrangements as detailed in the documents attached in the Appendices be referred to Council for approval in accordance with the Constitution and Article 11 thereof ;

3) that the Solicitor to the Council and Monitoring Officer be authorised to make any amendments to the relevant documents and finalise the detail for the GBSLEP Constitution, terms of reference and scrutiny arrangements as the proposals are developed between the LEP and local authority members of the Joint Committee;

4) to delegate to the Leader and in his absence the Portfolio Holder for Economy and Education the membership position on the GBSLEP as contained in the Terms of Reference with full voting rights on all Supervisory Board matters.

EXECUTIVE SUMMARY

In October 2012 Lord Heseltine published his Independent report with recommendations on how to increase UK growth. Lord Heseltine was concerned that the variety of funding streams impacted on the ability to deliver growth. He recommended:

“Recommendation 1: Central government should identify the budgets administered by different departments which support growth. These should be brought together into a single funding pot for local areas, without internal ring fences.”

In its report, ‘The Greater Birmingham Project: the Path to Local Growth’, the Greater Birmingham and Solihull Local Enterprise partnership (GBSLEP) committed to forming a Supervisory Board comprised of the nine elected local authority leaders, if a substantial Single Pot of funding was created. The report stated that the Supervisory Board would:

- Provide clear political accountability for the management of the Single Pot.
- Operate a cabinet style of accountability and will be a formal governance structure between a Joint Committee and a Combined Authority.
- Empower the LEP Board through formal decision making and a scheme of delegated authority.

In the Government’s response to Lord Heseltine’s ‘No Stone Unturned’ it states that the strength of governance arrangements in place, including decision-making structures for local authorities and for joint LEP and local authority decision-making on spend will be a key criteria in the negotiations around accessing the Single Local Growth Fund.

The report stipulates that: “Local authorities will manage and account for the localised funding through binding and long-lived decision-making structures such as joint leaders committee as a minimum, or combined authority (preferable), or other similar arrangement”.

There is therefore a clear expectation that robust governance arrangements will be in place for each LEP, regardless of the scale of the Single Pot.

Work has been undertaken by GBSLEP over the past few months to develop proposals for the Supervisory Board. Various options were discussed by GBSLEP Leaders on the 13th June. The draft Constitution attached at Appendix 1 reflects the outcome of this discussion.

The proposal is to establish the Supervisory Board as a Joint Committee with each Council delegating functions to it.

Terms of reference have been drafted and are in Appendix B. A paper detailing the Draft Scrutiny arrangements is in Appendix C.

Once each local authority has the appropriate approvals, the LEP Board’s Articles of Association should be reviewed and amended as necessary to reflect the new governance model. It is intended that the Supervisory Board should be in operation by end of September 2013.

RESOURCE IMPLICATIONS

None identified at this stage

LEGAL/RISK IMPLICATIONS BACKGROUND

The Legal implications are detailed in the report. There are no identified risk implications at this stage.

SUSTAINABILITY IMPLICATIONS

None identified

BACKGROUND INFORMATION

None

REPORT AUTHOR

Matthew Bowers, Head of Planning and Regeneration x276

LIST OF BACKGROUND PAPERS**APPENDICES**

A – Draft constitution

B – Terms of reference

C – Scrutiny arrangements

This page is intentionally left blank