

## Report to the Greater Birmingham and Solihull Supervisory Board

30<sup>th</sup> July 2014

### Greater Birmingham and Solihull Growth Deal

#### 1. Purpose of the Report

- 1.1. This report sets out the outcome of the Greater Birmingham and Solihull (GBS) Growth Deal and seeks necessary approvals for taking it forward following discussion at the GBS Local Enterprise Partnership Board on 16th July 2014.

#### 2. Recommendations

That Members are asked to:

- 2.1. Note and endorse the GBS Growth Deal (attached at Appendix 1);
- 2.2. Authorise the LEP Board to manage the future development and delivery of the Growth Deal;
- 2.3. Endorse the LEP Board decision on 16<sup>th</sup> July 2014 to delegate authority to the HS2 Strategic Board to deliver outputs defined in the Growth Deal in relation to the £2.5m revenue fund made available to enable the development of the HS2 strategy and delivery body (or bodies) through appropriate governance arrangements;
- 2.4. Agree to receive regular reports on progress in relation to the delivery of the Growth Deal to ensure clear political accountability and transparency of decision-making for management of the Local Growth Fund; and
- 2.5. Endorse the LEP Board decision to invite Birmingham City Council Cabinet to consider becoming Accountable Body for funding received through the Growth Deal.

#### 3. Background

- 3.1. Government announced the outcome of the 39 Local Enterprise Partnership (LEP) Growth Deals on 7th July 2014.
- 3.2. The GBSLEP's Growth Deal brings together local, national and private funding as well as new freedoms and flexibilities to focus on the key priority areas as identified in our Strategic Economic Plan:
  - investing in growth in Greater Birmingham and Solihull
  - maximising the benefits of HS2; and
  - enhancing growth sectors, and supporting and growing businesses.

3.3. The following funding has been allocated:

	2015/16 (£m)	2016 onwards (£m)	Total
Local Growth Fund Award	38.7	58.5	97.2
Previously Committed Funding	24.7	10.3	35
Provisional Allocation to Projects starting in 2016/17 and beyond	0	225.2	225.2
<i>Total</i>	<i>63.4</i>	<i>294.0</i>	<i>357.4</i>

3.4. In addition to this, £2.5m of revenue has been allocated for 2014/15 to enable the development of a HS2 Strategy and local delivery body (or bodies) and £625k revenue for 2015/16 to support the establishment of the GBS Growth Hub.

3.5. The Deal will deliver at least the following outputs:

Measure	Output
Employment space	641,258sq m
Jobs created or safeguarded (#)	13,000
Housing units completed (#)	4,000
People upskilled	7,633

3.6. The Supervisory Board is asked to note and endorse the Growth Deal, including the capital projects that have been approved within it so that full business cases can be developed.

#### 4. Key Issues

4.1. Now that the Growth Deal has been announced, the focus needs to turn to delivery. A number of immediate actions need to be taken including:

- Development of an **Implementation Plan** setting out actions for both GBSLEP and Government Departments and associated milestones to enable the delivery of the Growth Deal;
- Development of an **Assurance Framework**, building on existing local and national frameworks (such as the Local Transport Board Assurance Framework). This will help the GBSLEP to ensure value for money through the development of robust processes to guide local decision-making; and
- Development of **monitoring metrics and reporting arrangements** to ensure implementation and demonstrate success.

4.2. These all need to be agreed with Government, with an indicative timetable for completion of September 2014. A Funding Agreement will also need to be signed with Government, following similar timescales.

4.3. The GBSLEP Board has asked the GBS Growth Team to develop these elements and to report back to its next meeting on 26<sup>th</sup> September 2014.

4.4. The Supervisory Board is asked to authorise the LEP Board to manage future development and delivery of the Growth Deal (including these actions) and to receive regular reports on progress. This is important to ensure clear political accountability and transparency of decision-making for the Local

4.5. The Growth Deal also provides for up to £2.5m of revenue funding to “enable the development of the (HS2) strategy and local delivery body (or bodies)” against a series of specified outputs. This funding is available for 2014/15 and the Deal sets out that the outputs need to be produced in interim form by 30th November 2014 with final plans agreed by 30th April 2015. There is therefore a need to progress with this work very quickly and officers are already working closely with civil servants to take this forward.

4.6. The LEP Board agreed to delegate this work to the HS2 Strategic Board which is already in existence and is chaired by Sir Albert Bore. The Supervisory Board is asked to endorse this decision.

## **5. Financial Implications**

- 5.1. The financial element of the Growth Deal is set out above. The Growth Deal sets out that Government will disburse funds to the LEP annually in advance. A draft funding agreement will be received from Government in early September. This will set out the nature of the grant and any conditions of funding.
- 5.2. The LEP Board had previously agreed to invite Birmingham City Council to become Accountable Body for any funding received via the Growth Deal. On 17th March 2014, Birmingham City Council Cabinet agreed in principle to take on this role but asked that a further report be brought forward when the levels of funding and funding conditions were known. It was also asked that this further report sets out the delivery, governance and financial management arrangements required to administer the fund.
- 5.3. Subject to Supervisory Board endorsement, a further Cabinet report will be developed, informed by the Funding Agreement once it has been published. The Assurance Framework referred to above will outline the governance and financial management arrangements and so should be incorporated into the report.

## **6. Conclusion**

- 6.1. This report sets out the outcome of the Growth Deal and seeks Supervisory Board endorsement of its contents. It also seeks the necessary approvals for the work required to deliver the various elements within the Deal.

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Date Created:         23<sup>rd</sup> July 2014