

Report of:	Head of Planning and Regeneration
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Key Decision:	Yes
Report Track:	Cabinet: 22/07/13 Council: 25/09/13

**CABINET
22 AUGUST 2013
GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP
– SUPERVISORY BOARD**

1 Purpose of Report

- 1.1 To consider agreeing and recommending to full Council that it agrees to join the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Supervisory Board; the terms of reference for the Supervisory Board; to delegate decision making authority to its nominees on the Supervisory Board; and amends the Council's constitution accordingly.

2 Recommendations

- 2.1 That the creation of a Joint Committee, to be known as the Supervisory Board, with the local authorities who are members of the Greater Birmingham and Solihull Local Enterprise Partnership with the Terms of Reference set out in Appendix 1 is agreed,
- 2.2 That any necessary Executive Functions are delegated to the Joint Committee to give the Committee effectiveness.
- 2.3 That the Solicitor and Monitoring Officer is authorised to agree and enter into all necessary legal agreements to give effect to the above decisions.
- 2.4 That the Councils representatives on the Supervisory Board be authorised to vote on behalf of the Cabinet on any matters relating to Executive Functions.
- 2.5 That Council is recommended to agree to pass resolutions in the same form as 2.1 to 2.4 above in respect of Council Functions and to appoint its nominees to sit on the Supervisory Board

3 Key Issues and Reasons for Recommendation

- 3.1 Work has been undertaken over the past few months to develop proposals for a Supervisory Board of local authority Leaders as part of the structure of the GBSLEP. The purpose of the Supervisory Board is to provide democratic accountability for the spending decisions of the LEP in readiness for the Single Local Growth Fund that will be managed by LEPs. Various options were discussed by LEP Leaders in June. A draft Constitution was agreed at the GBSLEP Board meeting on 26 June.
- 3.2 The proposal is to establish the Supervisory Board as a Joint Committee with each Council delegating functions up to it.
- 3.3 Terms of Reference have been produced and these are attached at Appendix 1 Detailed Scrutiny arrangements will be developed.
- 3.4 It is intended that the Supervisory Board should be in operation by end of September 2013.
- 3.5 The new Supervisory Board will operate on a 'one Leader, one vote' principle and is intended to meet immediately following a GBSLEP Board. It is recommended that Cabinet recommends participation in the Supervisory Board to Council. This will require giving delegated decision making power to the Council's nominees on the Supervisory Board.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Prosperity – economic development and resilience. LEPs are seen by Government as vehicles for driving economic growth and from 2015 will receive substantial funding from Government including the Single Local Growth Fund and EU investment funds. If the Council wishes to influence the way this funding is spent and the work of the GBSLEP it should take its place on the Supervisory Board being established by the GBSLEP as part of its new governance structure.

5 Report Detail

- 5.1 In its report, 'The Greater Birmingham Project: the Path to Local Growth', the GBS LEP committed to forming a Supervisory Board comprised of the nine elected local authority leaders, if a substantial Single Pot 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.
- 5.2 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.
- 5.3 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.

Conclusion

- 5.4 The Proposals for the establishment of a Supervisory Board have been developed to further strengthen the current governance arrangements of GBS LEP and provide the necessary democratic accountability for the management of LEP funding streams such as the Single Local Growth Fund. If the Council is to influence the work of the GBSLEP and the way in which it manages the funds under its control, it is recommended that it participates in the new Supervisory Board.

6 Implications

6.1 Financial

There are no material direct financial implications arising from the report. Additional expenses may arise from the existence of a Supervisory Board and these will be apportioned between the Councils in proportion to the population of each Council in the Greater Birmingham and Solihull Local Enterprise Partnership area. Any such expenses, however, can be accommodated within existing resources.

The creation of a supervisory Board will also have indirect financial implications for the Cannock Chase Area since the Supervisory Board is to provide effective decision making and clear political accountability for management of the Single Local Growth Fund and other significant funding streams that cover the full GBS LEP geography as agreed with the LEP Board.

6.2 Legal

The legal implications are referred to throughout the report.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

None

6.8 Equality & Diversity

None

6.9 Best Value

None

7 Appendices to the Report

Appendix 1

Draft Terms of Reference for the GBSLEP
Supervisory Board

Previous Consideration

None

Background Papers

None

APPENDIX 1**Supervisory Board: Draft Terms of Reference****1. Governance**

- 1.1 The Supervisory Board acts as a Joint Committee under ss 101, 102 Local Government Act 1972 and s 20 Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012
- 1.2 Political Proportionality rules will not apply to the Supervisory Board as so constituted.

2. Host Authority

- 2.1 The Supervisory Board will be hosted under local government arrangements by Birmingham City Council and the Chief Executive or nominated Strategic Director of Birmingham City Council shall be Secretary to the Supervisory Board. The Host Authority will also provide s151 and Monitoring Officer roles to the Joint Committee.

3. Objects of Supervisory Board

- 3.1. To provide effective decision making and clear political accountability for management of the Single Local Growth Fund and other significant funding streams that cover the full GBS LEP geography as agreed with the LEP Board;
- 3.2. To empower the GBSLEP Board;
- 3.3 To oversee and review the activities of the GBSLEP Board;
- 3.4. To co-ordinate and liaise with GBS Local Transport Board; and
- 3.5 To consider any further measures necessary to strengthen the GBSLEP Board.

4. Membership

- 4.1. One member from each constituent authority. Such member to be the Leader (or other appointed member) from each constituent authority (voting).
- 4.2. The Chair of GBSLEP (non-voting).
- 4.3 Each Supervisory Board member to identify an alternate.

5. Voting

- 5.1. One member one vote for local authority members.
- 5.2. Normal rules as to declarations of interest to be applied in accordance with the law and regulations governing pecuniary interests and Birmingham City Council Code of Conduct. The Chair has the right to decide whether observers declaring an interest can observe the meeting or should be asked to leave.
- 5.3. No ability to vote for private sector members.
- 5.4. In the event of any voting member of the Committee ceasing to be a member of the Council which appointed him/her, the Council shall forthwith appoint another voting member in his/her place.

- 5.5 Except as otherwise provided by the Local Government Acts 1972 and 1985, all questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a Member of the Committee.

6 Quorum

- 6.1. Four members present (one from Birmingham City Council, one from Solihull MBC, one District from Staffordshire and one District from Worcestershire).

7 Meetings

- 7.1. The Chair of the Meeting will be elected at the first meeting and then each Annual Meeting of the Supervisory Board (usually on the same day as the LEP's AGM) and if the Chair is not present at any meeting within 10 minutes of the start of the meeting then those present will elect a Chair to act for that meeting.
- 7.2 Only a voting member is entitled to be elected as Chair or Vice-Chair of the Committee.
- 7.3 Each person entitled to attend will send an alternate as per para 4.3 in the event of his or her unavailability. The Secretary for the Supervisory Board shall be informed prior to the commencement of the meeting of any alternate members attending.
- 7.4 The Supervisory Board will normally meet on the same day and immediately following the GBSLEP Board meeting, but meetings can be called at other times as needed. A meeting of the Supervisory Board must be convened by the Chair within 28 days of the receipt of a requisition of any two voting members of the Supervisory Board addressed to the Secretary to the Supervisory Board. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.

8 Standing Orders

- 8.1. Standing Orders for the Supervisory Board shall be the Standing Orders from time to time of Birmingham City Council

9 Administration

- 9.1 (i) The Secretary shall keep proper accounts of the money received and expended by the Supervisory Board.
- 9.1 (ii) The Secretary shall apportion the expenses of the Supervisory Board between the Councils in proportion to the population of each Council in the Greater Birmingham and Solihull Local Enterprise Partnership area.
- 9.2 This Terms of Reference and, subject as hereinafter mentioned, the functions of the Supervisory Board may be amended at any time by the unanimous agreement of the voting members of the Supervisory Board.