

# **BIRMINGHAM CITY COUNCIL**

## **ECONOMY, SKILLS AND CULTURE OVERVIEW AND SCRUTINY COMMITTEE**

**WEDNESDAY, 12 JUNE 2024 AT 10:00 HOURS**  
**IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,**  
**BIRMINGHAM, B1 1BB**

### **A G E N D A**

1 **NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 **APOLOGIES**

To receive any apologies.

3 **DECLARATIONS OF INTERESTS**

Members are reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

Information on the Local Government Association's Model Councillor Code of Conduct is set out via <http://bit.ly/3WtGQnN>. This includes, at Appendix 1, an interests flowchart which provides a simple guide to declaring interests at meetings.

4 **MEMBERSHIP OF ECONOMY, SKILLS & CULTURE OVERVIEW AND SCRUTINY COMMITTEE**

To note the resolution of the City Council meeting appointing the Committee, Chair and Members to service on the Committee to the period ending with the Annual Meeting of City Council 2025.

**Labour (4 +1 vacancy):**

Councillors Katherine Iroh (Chair); GurdialSingh Atwal, Shafique Shah, Lisa Trickett.

**Conservatives (2):**

Councillors Meirion Jenkins; Simon Morrall.

**Liberal Democrats (1):**

Councillor Jon Hunt

5 **ELECTION OF DEPUTY CHAIR**

To elect a Deputy Chair, for the purposes of substitution for the Chair, if absent, for the period ending with the Annual Meeting of the City Council in 2025.

**5 - 24**

6 **ECONOMY, SKILLS & CULTURE OVERVIEW AND SCRUTINY COMMITTEE TERMS OF REFERENCE AND WORK PROGRAMME 2024/25**

To note the Committee's terms of reference and agree issues for the Committee's work programme.

**25 - 28**

7 **MINUTES**

To confirm the minutes from the meeting held on 17th April 2024.

**29 - 30**

8 **ECONOMY, SKILLS & CULTURE OVERVIEW AND SCRUTINY COMMITTEE ACTION TRACKER**

To review and note the actions from previous Economy, Skills & Culture Overview and Scrutiny Committee meeting(s).

**31 - 88**

9 **SCRUTINY OF THE INTEGRATION OF GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP (GBSLEP) FUNCTIONS INTO BCC**

To scrutinise the integration of the LEP functions into Birmingham City Council including administration of the legacy funds and Enterprise Zone. James Betjemaan, Head of Curzon and Enterprise Zone Development; Jane Smith, Enterprise Zone Programme Manager and Yasmin Sulaman, Programme Champion will be in attendance.

10 **SCHEDULE OF MEETING DATES FOR COMMITTEE MEETINGS AND SCRUTINY WORK**

To note the scheduled dates for 2024/25:

2024

10 July

4 September

16 October

27 November

2025

8 January

12 February

2 April

7 May

11 **DATE AND TIME OF NEXT MEETING**

To note the next meeting is scheduled for 10 July 2024.

12 **REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

To consider any request for call in/councillor call for action/petitions (if received).

13 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.



# Birmingham City Council.

## Report to Economy, Skills and Culture Overview and Scrutiny Committee

12 June 2024



<b>Title:</b>	<b>ECONOMY, SKILLS AND CULTURE OVERVIEW AND SCRUTINY COMMITTEE TERMS OF REFERENCE AND WORK PROGRAMME</b>
<b>Lead Cabinet Portfolio:</b>	Councillor Rob Pocock, Cabinet Member for Transformation, Governance and HR
<b>Relevant Overview and Scrutiny Committee:</b>	Not Applicable
<b>Report Author:</b>	Amelia Wiltshire, Overview and Scrutiny Manager Legal and Governance 0121 303 9844 amelia.wiltshire@birmingham.gov.uk
<b>Authorised by:</b>	Christian Scade, Head of Scrutiny and Committee Services Legal and Governance
<b>Is this a Key Decision?</b>	Not Applicable
<b>If this is a Key Decision, is this decision listed on the Forward Plan?</b>	Not Applicable
<b>Reason(s) why not included on the Forward Plan:</b>	Not Applicable
<b>Is this a Late Report?</b>	No
<b>Reason(s) why Late:</b>	Not Applicable
<b>Is this decision eligible for 'call in?'</b>	Not Applicable
<b>If not eligible, please provide reason(s):</b>	Not Applicable

**Has this decision been included on the Notification of Intention to consider Matters in Private?** Not Applicable

**Reasons why not included on the Notification:** Not Applicable

## **1 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to enable the Economy, Skills and Culture Overview and Scrutiny (OSC) Committee to agree key issues to be considered by the Committee during 2024/25 and the scrutiny methods that will be used to undertake this work.
- 1.2 A key aspect of the work of all Overview and Scrutiny Committee's will be the continued focus on the delivery of savings agreed in the 24/25 Council budget and the relevant programmes within the Council's Improvement and Recovery Plan (IRP) where the Committee can add value.

## **2 COMMISSIONERS' REVIEW**

- 2.1 No comments were received by the Commissioners for this report.

## **3 RECOMMENDATIONS**

### **That the Committee:**

- 3.1 Notes the Committees Terms of Reference as set out in Section 4.4.
- 3.2 Agrees the issues to be considered at a July Task and Finish Group meeting or subsequent meetings on the impact and implications of savings as set out in paragraphs 4.10 – 4.14.
- 3.3 Agrees the work programme outlined in Appendix A.
- 3.4 Notes, subject to further input from the Chair and Deputy Chair outside of the meeting, its proposed work programme will be submitted to Corporate and Finance Overview and Scrutiny Committee to enable work to be planned and co-ordinated throughout the year.
- 3.5 Notes the establishment of the Task and Finish Group outlined in Section 4.6 that will enable members to have the information to further develop the work programme during 2024/25.

## **4 KEY INFORMATION**

### **Context**

- 4.1 The Statutory Guidance for Overview and Scrutiny Committees [Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/124442/Overview_and_scrutiny_statutory_guidance_for_councils_combined_authorities_and_combined_county_authorities_-_GOV.UK_(www.gov.uk).pdf) was updated in April 2024 and re-affirms the role of overview and scrutiny in holding an authority's decision-makers to account remains fundamentally important to the functioning of local democracy.
- 4.2 Effective Overview and Scrutiny should:
  - provide constructive 'critical friend' challenge
  - amplify the voices and concerns of the public

- be led by independent people who take responsibility for their role
- drive improvement in public services and strategic decision-making

4.3 The Council's Constitution Part B 11 sets out the procedures and functions of Overview and Scrutiny Committees:

[Constitution Part B Roles Functions and Rules of Procedure March 2024 AF \(1\).pdf](#)

4.4 The terms of reference for the Economy, Skills and Culture Overview and Scrutiny Committee are:

4.4.1 To fulfil the functions of an Overview as they relate to any policies, services and activities concerning regeneration and infrastructure projects, Council assets, economic growth, employment, skills, arts, culture, heritage, tourism, partnership with Business Improvement Districts (BIDs), major sporting events and events development. This includes:

4.4.2 Major physical regeneration and infrastructure projects in the city

4.4.3 Oversight of Council-owned land and property strategy and facilities, assets, amenities and services including markets

4.4.4 Promotion of the city and inward investment

4.4.5 Economic growth and jobs

4.4.6 Partnership with Business Improvement Districts (BIDs)

4.4.7 Major sporting events and events development

4.4.8 Skills expansion for key growth sectors along with lifelong learning for post 14 skills and lifelong learning

4.4.9 Access to employment and delivery of local employment plans

4.4.10 Arts, culture and tourism

4.4.11 Museums

4.4.12 Promotion of the city's heritage and investment in the city.

4.5 The work programme of all Overview and Scrutiny Committees will align to the priorities within the Council's Improvement and Recovery Plan (IRP).

### **Economy, Skills and Culture Overview and Scrutiny Committee Work Programme 2024/25**

4.6 The work programme for 2024/25 will develop during the year and a Task and Finish Group has been established that will consider what information members will need to identify further issues.

4.7 An initial outline work programme is attached as Appendix A that includes:

- Programmes from the Council's Improvement and Recovery Plan within the Committee's terms of reference



- Scrutiny of the implications of savings agreed in the Council’s budget including equality and equity issues arising from the budget as set out in Paragraph 4.10 below.
- Safe and effective delivery of key services supporting vulnerable people
- Monitoring recommendations from previous Scrutiny Inquiries and Task and Finish Group work
- Critical performance issues emerging by exception (this will be defined through work with the Centre for Governance and Scrutiny)

4.8 The Centre for Governance and Scrutiny is providing support to the Council which includes developing a framework which will enable the work of Overview and Scrutiny Committee’s to add value to the Council’s improvement journey.

4.9 When considering the issues to be included in the work programme members are also asked to agree the Scrutiny method that will be used. This can include:

- **Committee meeting single item**, or items, on a public committee agenda: this fits more closely the “overview” aspect of the Scrutiny function and has limited opportunity for effective scrutiny.
- **Committee meeting single theme** at a public committee meeting: This has the capacity to enhance the previous option by taking evidence from a number of witnesses.
- **Task and Finish Group in day**: provided that these are properly focused, they ensure Councillors can swiftly reach conclusions and make recommendations and are effective even for complex topics. The work of a Task and Finish Group will be agreed by the relevant Overview and Scrutiny Committee. The Task and Finish Group meeting is not public. The outcome of the Task and Finish Group will be reported to a public committee meeting.
- **Multiple Task and Finish Group meetings**: to consider an issue in depth over four or six meetings spread over a limited number of months.
- **Site Visit**: Members visit services or organisations to inform the work of the Committee.
- **Inquiry Evidence Gathering**: Evidence for Scrutiny Inquiries may take place at public committee meetings, Task and Finish Groups or Site Visits
- **Briefings**: for members to be updated on specific issues.

### **Scrutiny of the Impact of Savings**

4.10 The Budget Scrutiny Task and Finish Group recommended that each OSC receives a report following the approval of the Budget and Medium Term Financial Plan (MTFP) on the implications of the budget and savings on the services within their terms of reference. This recommendation was accepted by the Executive and agreed at City Council on 5 March 2024. The Council’s Improvement and Recovery Plan (IRP) Governance Principles sets out that there

should be clear oversight via forums including Overview and Scrutiny. It also highlights that Scrutiny and decision making is timely and informed, and there is proactive management of risks, actions, issues and dependencies.

4.11 Based on the work previously undertaken through the Budget Scrutiny Task and Finish Group (November 2023 – January 2024) and the Savings Delivery Task and Finish Group (April 2024) and together with discussion with the Committee Chair, it is recommended that the Committee considers the following issues in its July Task and Finish Group:

- Service Redesign and Restructure and Reduction in Supplies (Saving 106 and 110)
- Reduction in Central Administrative Buildings (CAB) Premises (saving 107)
- European Affairs and Business Enterprise Teams to be self-financing and funded from external grant (Saving 108)
- Income generation (combination of lease and rent reviews for commercial portfolio and increase in planning fee income) (Saving 109)
- Savings related to reductions in funding to cultural organisations (Savings 61 and 61)
- Refocus of Events and City Centre team onto contracted and commercial events (Saving 76)

4.12 Cabinet Members and senior directorate officers will attend the July Task and Finish Group meeting.

4.13 The Corporate and Finance Overview and Scrutiny Committee will receive a report in July 2024 on the financial delivery of savings.

4.14 Recommendations and issues from the Savings Implications Task and Finish Group will be reported to the Corporate and Finance Overview and Scrutiny Committee in September 2024.

4.15 The Council’s latest Forward Plan: <https://June 2024> assist Members in identifying future topics. The following reports are of particular relevance to this Overview and Scrutiny Committee:

Deputy Leader and Cabinet Member for Economy & Skills			
Reference Item	Title	Date Proposed	First Published
012717/2024	Update on Relocation for Control Centre to Enable the Decommissioning of Lancaster Circus	14 May 2024	25 Mar 2024
012798/2024	Q4 Corporate Performance and Delivery report against the Corporate Plan	25 June 2024	29 April 2024

012966/2024	Perry Barr Residential Scheme - Disposal of Plots 6, 7 & 8 report	26 Jun 2024	15 May 2024
012970/2024	Selection of Developer/Bid for the former Tower Ballroom Site	25 Jul 2024	17 May 2024
012997/2024	Arden Cross Ltd Development Agreement, Business Plan and Budget for Q3 and Q4 24/25	12 Sep 2024	24 May 2024
<b>Leader</b>			
Reference Item	Title	Date Proposed	First Published
009483/2022	Disposal of Surplus Properties	26 Jun 2024	01 Dec 2022
010635/2023	Paradise Phase 3	03 Sep 2024	07 Nov 2022
011225/2023	Sale of 10 Woodcock Street, Birmingham B1 1BR	26 Jun 2024	14 Mar 2023
012121/2024	Perry Barr Residential Scheme - Disposal of Plots 2, 3, 4 & 5	25 Jul 2024	06 Nov 2023
012260/2024	NEC Masterplan and Property Strategy	25 Jul 2024	01 Dec 2023
012296/2024	The Birmingham Local Plan – Consultation on 'Preferred Options' Document	25 Jun 2024	11 Dec 2023
012296/2024	Revision of terms of Head Lease for 10 Gough Street, Birmingham	25 Jul 2024	15 Jan 2024
012505/2024	Proposed Sale of Surplus Freehold Property Assets by Public Auction – Standing Item	25 Jul 2024	31 Jan 2024
012506/2024	Proposed Sale of Property Assets – Standing Item	25 Jul 2024	31 Jan 2024
012640/2024	Proposed Sale of Surplus Freehold Property Assets by Public Auction	25 Jul 2024	04 Mar 2024
012689/2024	Sale of Land at Fox Street, Birmingham	26 Jun 2024	18 Mar 2024
012690/2024	Sale of Land at Staniforth Street, Birmingham	26 Jun 2024	18 Mar 2024
012745/2024	Disposal of Land at Peddimore Estate, Minworth	26 Jun 2024	25 Mar 2024
012761/2024	Arena Central	25 Jul 2024	08 Apr 2024
012776/2024	Grant Funding from Government - Standing Item	25 Jun 2024	09 Apr 2024
012806/2024	Smithfield Birmingham Application for Enterprise Zone Funding	23 Jul 2024	15 Apr 2024

012822/2024	Provisional Financial Outturn 2023/24	23 Jul 2024	19 Apr 2024
012862/2024	Smithfield: Authority to Make CPO	15 Oct 2024	03 May 2024
Cabinet Member for Digital, Culture, Heritage and Tourism			
Reference Item	Title	Date Proposed	First Published
012972/2024	Outline Business Case: Birmingham Museum & Art Gallery National Lottery Heritage Fund Proposal	23 Jul 2024	17 May 2024

## 5 RISK MANAGEMENT

- 5.1 The Council's Governance and Stabilisation Plan identified the need to strengthen the working relationships between the Chairs of Overview and Scrutiny Committees and the Chair of the Audit Committee to lead and direct the function. This will include the development of a Memorandum of Understanding that will include the respective roles of Overview and Scrutiny Committees and Audit in relation to the Council's management of risk.

## 6 IMPACT AND IMPLICATIONS

### Finance

- 6.1 There are no immediate financial implications from this report as the Committee has been asked to review the implications and impact of the budget savings on the services within the terms of reference, not to challenge or change the financial delivery of the savings themselves. An update report on the performance of the council in delivering the financial savings will instead be taken to the Corporate and Finance Overview and Scrutiny Committee in July 2024.

### Legal

- 6.2 There are no legal implications arising from the recommendations in the report.

### Equalities

- 6.3 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 6.4 The protected characteristics and groups outlined in the Equality Act are: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion and Belief; Sex, and Sexual Orientation.
- 6.5 The Committee should ensure that it addresses these duties by considering them during work programme development, the scoping of work, evidence gathering and making recommendations. This should include considering: How policy issues impact on different groups within the community, particularly those that share a relevant protected characteristic; Whether the impact on particular groups is fair and proportionate; Whether there is equality of access to services and fair representation of all groups within Birmingham; Whether any positive opportunities to advance equality of opportunity and/or good relations between people are being realised.
- 6.6 The Committee should ensure that equalities comments, and any recommendations, are based on evidence. This should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

### **People Services**

- 6.7 There are no staffing implications resulting from the recommendations in this report.

### **Climate Change, Nature and Net Zero**

- 6.8 Overview and Scrutiny Committee's will consider the climate change, nature and Net Zero issues relevant to the work programme items.

### **Corporate Parenting**

- 6.9 Overview and Scrutiny Committee's will consider the corporate parenting responsibilities and opportunities relevant to the work programme.

## **7 APPENDICES**

- 7.1 Appendix A: Economy, Skills and Culture OSC Work Programme June 24
- 7.2 Appendix B: Summary of Savings within the Economy, Skills and Culture Overview and Scrutiny Committee Terms of Reference

## **8 BACKGROUND PAPERS**

- 8.1 [Governance Review of Birmingham City Council by Centre for Governance and Scrutiny: Cabinet 12 December 2023](#)

8.2 [Improvement and Recovery Plan: Cabinet 4 April 2024](#)

**Economy, Skills and Culture Overview and Scrutiny Committee Work Programme 2024 / 25**

<b>Month</b>	<b>Item/Topic Link with Corporate Priorities</b>	<b>Aims and Objectives</b>	<b>Scrutiny Method</b>	<b>Cabinet Member/ Lead Officer</b>	<b>Other Witnesses</b>	<b>Additional Information and Outcome*</b>
June 24	Local Enterprise Partnership (LEP) transfer of functions to Birmingham City Council	To scrutinise the integration of the LEP functions into Birmingham City Council including administration of the legacy funds	Committee Meeting single item: Agenda item, 12 June 24  Deadline for reports: 28 May 24  Venue: Council House, Committee Room 6	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director Place, Prosperity and Sustainability	James Betjemann, Head of Enterprise Zones and Curzon Delivery  Jane Smith, Enterprise Zone Programme Manager  Yasmin Suleman, Programme Champion	This item was identified in 23-24 and has been carried forward.
June 24	Work Programme Report  <b>IRP Programme: Deliver Savings and Balance the Budget</b>  <b>Governance Stabilisation Plan Priority:</b> Scrutiny will play an active part in the 24/25 Budget development process.	Agree the Committee's work programme including identification of issues to consider at future meetings regarding impact of delivery of savings based on previous scrutiny of budget and savings delivery.	Committee Meeting single item: Agenda item, 12 June 24  Deadline for reports: 28 May 24  Venue: Council House, Committee Room 6	Christian Scade, Head of Scrutiny and Committee Services	Amelia Wiltshire, Overview and Scrutiny Manager	This is a standard item for all future Committee meetings.

June 24	Asset Disposals  <b>IRP Programme: Deliver Savings and Balance the Budget</b>	Consider proposed decision. Make recommendations to the Executive for consideration when making their decision.	Pre Decision Scrutiny: Informal meeting	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director Place, Prosperity and Sustainability	Kathryn James, Assistant Director Investment and Valuations	This item was identified in 23-24 and has been carried forward. There are two asset disposals scheduled for pre decision scrutiny in June: Land at Peddimore, Sutton Coldfield and Woodcock Street Council Offices. They are scheduled for Cabinet Committee – Property on 26 June. It is intended that these two proposed decisions will be considered following the OSC meeting on 12 June.
July 24	Asset Disposal Programme Update  <b>IRP Programme: Deliver Savings and Balance the Budget</b>	Provide an update to the Committee on progress to date	Committee Meeting single item: Agenda item, 10 July 24  Deadline for reports: 24 June 24  Venue: Council House, Committee Room 6	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director Place, Prosperity and Sustainability	Kathryn James, Assistant Director Investment and Valuations	This item was agreed as a standard quarterly item in 23-24. The first report came to the OSC in April 24.
July 24	Asset Disposals  <b>IRP Programme: Deliver Savings and Balance the Budget</b>	Consider proposed decision. Make recommendations to the Executive for consideration when making their decision.	Pre Decision Scrutiny: Informal meeting	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director	Kathryn James, Assistant Director Investment and Valuations	This item was identified in 23-24 and has been carried forward. There is one asset disposal scheduled for pre decision scrutiny in July: Perry Barr Residential



				Place, Prosperity and Sustainability		Scheme. It is scheduled for Cabinet Committee – Property on 25 July. It is intended that this one proposed decision will be considered following the OSC meeting on 10 July.
July 24	<p>Overview of Savings within Committees Terms of Reference</p> <p><b>IRP Programme: Deliver Savings and Balance the Budget</b></p> <p><b>Governance Stabilisation Plan Priority:</b> Scrutiny will play an active part in the 24/25 Budget development process.</p>	Consider the impact from delivery of savings	Task and Finish Group	To be confirmed	To be confirmed	Savings to be considered at the July meeting will be agreed by the Committee in June. Future items o Budget Savings and Financial Recovery are to be scheduled.
September 24	Local Enterprise Zones and Business Rates Maximisation	Consider how Birmingham can maximise the income opportunities through these zones to drive wider economic benefits for the city.	<p>Committee Meeting single item: Agenda item, 4 September 24</p> <p>Deadline for reports: 19 August 24</p> <p>Venue: Council House, Committee Room 6</p>	<p>Deputy Leader, Councillor Sharon Thompson</p> <p>Philip Nell, Strategic Director Place, Prosperity and Sustainability</p>	<p>James Betjemann, Head of Enterprise Zones and Curzon Delivery</p> <p>Jane Smith, Enterprise Zone Programme Manager</p>	This item has been carried forward from 23-24.

October 24	Asset Disposal Programme Update  <b>IRP Programme: Deliver Savings and Balance the Budget</b>	Provide an update to the Committee on progress to date	Committee Meeting single item: Agenda item, 16 October 24  Deadline for reports: 30 September 24  Venue: Council House, Committee Room 6	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director Place, Prosperity and Sustainability	Kathryn James, Assistant Director Investment and Valuations	This item was agreed as a standard quarterly item in 23-24. The first report came to the OSC in April 24 followed by July 24.
January 25	Asset Disposal Programme Update  <b>IRP Programme: Deliver Savings and Balance the Budget</b>	Provide an update to the Committee on progress to date	Committee Meeting single item: Agenda item, 8 January 25  Deadline for reports: 18 December 24  Venue: Council House, Committee Room 6	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director Place, Prosperity and Sustainability	Kathryn James, Assistant Director Investment and Valuations	This item was agreed as a standard quarterly item in 23-24. The first report came to the OSC in April 24, followed by July and October 24.
April 25	Asset Disposal Programme Update  <b>IRP Programme: Deliver Savings and Balance the Budget</b>	Provide an update to the Committee on progress to date	Committee Meeting single item: Agenda item, 2 April 25  Deadline for reports: 17 April 25	Deputy Leader, Councillor Sharon Thompson  Philip Nell, Strategic Director	Kathryn James, Assistant Director Investment and Valuations	This item was agreed as a standard quarterly item in 23-24. The first report came to the OSC in April 24, followed by July, October and January.

			Venue: Council House, Committee Room 6	Place, Prosperity and Sustainability		
--	--	--	--	--------------------------------------	--	--

### Menu of Issues for Consideration

The following items had been identified as potential topics for future consideration. This approach enables the Overview and Scrutiny Committee to remain flexible and respond in a timely manner to emerging issues.

This is a live work programme work programme. New items may be added, or items removed during the course of the year. Proposed aims and objectives as well as scrutiny methodology may also be subject to change.

Item/ Topic	Proposed Aims and Objectives	Proposed Scrutiny Method	Additional Information
Inquiry: Council owned assets	Review progress on recommendations in inquiry	Committee meeting – single item	Council agreed the recommendations for this inquiry in March 22. A subsequent report on progress towards recommendations was agreed by Finance and Resources committee in November. Two recommendations remain outstanding.  Proposed this item is scheduled for September 24.
Inquiry: Employment and Skills for Young People	Review progress on recommendations in inquiry	Committee meeting – single item	This inquiry reported to Council in April 23. A subsequent report on progress towards recommendations was agreed by the Economy and Skills OSC on 11 October 2023.

			Proposed this item is scheduled for September 24.
--	--	--	---

\*Outcome: This will be populated once the item/topic has been completed. It will identify the added value and impact.

**Scrutiny Method Options:**

Committee meeting - single item

Committee meeting - single theme

Task and Finish Group

Inquiry Evidence Gathering

Site Visit

Briefing

Pre Decision Scrutiny

**Corporate Priorities, Performance and Outcomes**

**Corporate Priorities 2022 – 26:**

- |  |   |
|--|---|
| 1 Support inclusive economic growth                          | 11 Increase affordable, safe, green housing                       |
| 2 Tackle unemployment  | 12 Tackle homelessness  |
| 3 Attract inward investment and infrastructure               | 13 Tackle health inequalities                                     |
| 4 Maximise the benefits of the Commonwealth Games            | 14 Encourage and enable physical activity and healthy living      |
| 5 Tackle poverty and inequalities                            | 15 Champion mental health   |
| 6 Empower citizens and enable citizen voice                  | 16 Improve outcomes for adults with disabilities and older people |
| 7 Promote and champion diversity, civic pride and culture    | 17 Improve street cleanliness                                     |
| 8 Support and enable all children and young people to thrive | 18 Improve air quality  |
| 9 Make the city safer  | 19 Continue on the Route to Zero                                  |

10 Protect and safeguard vulnerable citizens

20 Be a City of Nature

21 Delivering a Bold Best in Class Council

## Appendix B: Economy & Skills Committee - 24/25 Savings Summary

### Summary

The Council's 2024/25 budget was agreed by City Council on 5 March 2024. The budget included 166 specific savings proposals designed to deliver £149.765m during 2024/25 and a further £76.323m in 2025/26.

Below (see Table 2) is the list of savings that fall under the Economy, Skills & Culture Committee Portfolio. A summary description of each of the savings proposals has also been included below.

There are 11 proposals totalling £13.302m savings that fall under this Committee. £9.823m of this needs to be delivered in 24/25 and a further £3.479m in 25/26. Five of these proposals totalling £11.150m relate to services within the Place, Prosperity & Sustainability directorate and the remaining Six, totalling £2.152m, are from the City Operations directorate.

The delivery status of each of these proposals is currently being reviewed and further information on progress will be shared with the Committee at the next savings update session.

As part of the monitoring process each proposal will be risk rated using the RAG approach to indicate the level of confidence we currently have in achieving the full target in year. The RAG definitions and criteria are included below for reference (see Table 1). Savings of high value and those assessed as high risk will be subject to a more detailed monitoring and assurance process that will be overseen by the Council's Portfolio Management Office and Finance to ensure risks are identified early and appropriate actions are taken swiftly.

Relevant service delivery leads and finance business partners will be available at future meetings to talk through progress on the proposals and the action being taken to ensure successful delivery of the agreed savings targets.

**Table 1: Criteria for determining the RAG status of savings**

RAG Assessment Guidance				
Assessment Criteria	High Risk	Medium Risk	Low Risk	Delivered
<b>Savings RAG</b>	Saving / income delivery plan unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <b>Major risk of not delivering saving / income within agreed timeframe, leading to slippage or non-delivery.</b>	Saving or income delivery plan lacks some clarity and / or not detailed at an adequately granular level <b>but agreed plan in place to resolve and being actively managed.</b> - and / or - Some risk of not delivering full saving within agreed timeframe, leading to slippage.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income realised and evidence provided that costs have been reduced or income achieved.
<i>Headcount Example</i>	<i>Headcount saving proposed, but specific post to be deleted or timescales not yet agreed. No work is currently progressing to resolve this.</i>	<i>Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget but this has not happened yet or is delayed.</i>	<i>Timescales and the specific posts to be vacated / deleted have been agreed and on track.</i>	<i>Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.</i>

**Table 2: List of Savings that fall under Economy, Skills & Culture Committee**

**Directorate: Place, Prosperity & Sustainability**

Ref	Service	Title	Savings Description	2024/25 Target (£m)	2025/26 Target (£m)
106	Directorate wide	Service re-design and restructure	This saving arises from a planned service re-design and re-structure and includes removal of vacancies, the deletion of posts and a review of recharging that contributes towards the savings to General Fund.	4.365	5.325
109	Planning / Investment and Valuation	Income generation (combination of lease and rent reviews for commercial portfolio and increase in planning fee income)	The income will be generated from a combination of an increase in planning fees (in line with Government's statutory guidelines allowing an increase in planning and pre-application fee) and through a programme of rent and lease reviews covering the commercial portfolio.	1.500	2.000
107	Corporate Landlord	Reduction in Central Administrative Buildings (CAB) Premises (Saving from operating costs when the buildings are decommissioned)	It is proposed that this will be achieved by the closure of Centrally Administered Building (CAB) Estate buildings including Woodcock Street, Sutton New Road and New Aston House, migrating occupying services and other building users to alternative space optimising use of the wider estate for an interim period into 25/26 until such time as future operational demand can be better interpreted so as to identify a more optimum and sustainable asset profile. This will therefore bring savings from property related operating costs.	1.000	2.325
108	Planning and Development	European Affairs and Business Enterprise Teams to be self-financing and funded from external grant	Historically both the European Affairs Team and Business Enterprise Teams have had an element of corporate funding to support staffing costs. It is proposed to move to a target model of self-funding to reduce the cost to the General Fund. This means, moving forward from 24-25, the staff will be funded via project costs that are funded by external grants.	0.800	0.800
110	Directorate wide	Reduction in supplies	Savings arising as a result of reducing the available budget to commission supplies and services.	0.700	0.700
			<b>TOTAL: Place, Prosperity &amp; Sustainability</b>	<b>8.365</b>	<b>11.150</b>

**Directorate: City Operations**

Ref	Service	Title	Savings Description	2024/25 Target (£m)	2025/26 Target (£m)
61	Neighbourhoods	Cultural Organisation Grant reductions	Excluding the B:Music premises grant, reduce other grants by 50% in year 1 and 100% in year 2.	0.630	1.261
62	Neighbourhoods	Cease funding for cultural projects	Deliver two historical cultural project grants in year 1 ceasing the rest including Local Arts Forums. Cease all cultural project grants in year 2.	0.452	0.487
70	Neighbourhoods	Changes to Business Improvement District Service	Introduce 3% revenue account management fee (collection charge) for Business Improvement Districts Service. Release remaining budget for BID establishments and ballots and reduce BID officers & high street officers	0.167	0.190
57	Neighbourhoods	Increase income from commercial events	Increase in income for Frankfurt Christmas Market and new income for Summer Music Event	0.095	0.075
60	Neighbourhoods	Review Film Birmingham	Implement cost reductions and increase income	0.089	0.089
63	Neighbourhoods	Restructure culture delivery team	Restructure team to reflect reduction in service activity	0.025	0.050
76	Neighbourhoods	Align Events & City Centre Teams – Refocus on contracted and commercial events		0.400	0.400
158	Neighbourhoods	Reduce tourism budget		0.025	0.025
			<b>TOTAL: City Operations</b>	<b>1.883</b>	<b>2.577</b>



## BIRMINGHAM CITY COUNCIL

## ECONOMY AND SKILLS O&amp;S COMMITTEE

1000 hours on 17<sup>th</sup> April 2024, Committee Rooms 3&4, Council House

---

**Present:**

Councillors Katherine Iroh (Chair), Jon Hunt, Lisa Trickett, Simon Morrall, Richard Parkin, Jamie Tennant

**Also Present:**

Philip Nell, Strategic Director, Place, Prosperity and Sustainability

Kathryn James, Assistant Director, Investment and Valuation

Amelia Wiltshire, Overview and Scrutiny Manager

Baseema Begum, Scrutiny Officer

---

**1. NOTICE OF RECORDING/WEBCAST**

The Chair, Councillor Iroh, advised those present that the meeting would be webcast for live and subsequent broadcast and that Members of the press/public may record and take photographs except where there are confidential or exempt items.

**2. APOLOGIES**

An apology was received from Cllr Bushra Bi.

**3. DECLARATIONS OF INTEREST**

There were no declarations of interest submitted.

**4. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 6<sup>th</sup> March 2024 be approved as a correct record and signed by the Chair, Councillor Iroh.

**5. ACTION TRACKER**

**RESOLVED:** That the action tracker be noted.

## **6. COMMISSIONER'S REVIEW AND COMMENTS ON THE AGENDA**

**RESOLVED:** It was noted that no comments had been received.

## **7. ASSET DISPOSAL PROGRAMME UPDATE**

The Chair, Cllr Iroh welcomed Philip Nell, Strategic Director, Place, Prosperity and Sustainability and Kathryn James, Assistant Director, Investment and Valuation who were in attendance for this item.

Cllr Iroh explained that the report would need to be discussed in private session with the exclusion of the press and public and moved the recommendation under Exempt Information (category 3) as outlined in the Council's Constitution, Part C that was agreed by the Committee.

Following the private session the following recommendations were noted: -

### **RESOLVED: -**

1. That the report be noted.
2. Request Commissioners attend the Committee to understand the role of the Commissioners on achieving best value from asset sales.
3. Request the view from the City Solicitor on the role of the Commissioners in the asset sales programme.
4. Request dates/times and contents of meetings between Commissioners, the West Midlands Mayor and the buyers.
5. Seek assurance on the independence of the local planning authority on the asset disposal programme.

## **8. DATE AND TIME OF NEXT MEETING**

Cllr Iroh confirmed that this was the last scheduled meeting of the municipal year.

## **9. WORK PROGRAMME**

Cllr Iroh noted that the Committee were anticipating briefings on the disposal of key assets including Woodcock Street. It was anticipated that this may take place in May. There was also the opportunity for Members to receive a briefing on the Our Future City Plan before it is presented to Cabinet in May.

### **RESOLVED: -**

1. That the report be noted.

## **10. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

There were no requests for Call In received.

**11. OTHER URGENT BUSINESS**

None.

The meeting ended at 11:15 hours.



**ECONOMY AND SKILLS O&S COMMITTEE**  
**ACTION TRACKER 2024-25**

Minute Number	Date	Agenda Item	Action	Update
	17 <sup>th</sup> April	Asset Disposal Programme Update	<ul style="list-style-type: none"> <li>a) Request Commissioners attend the Committee to understand the role of the Commissioners on achieving best value from asset sales.</li> <li>b) Request the view from the City Solicitor on the role of the Commissioners in the asset sales programme.</li> <li>c) Request dates/times and contents of meetings between Commissioners, the West Midlands Mayor and the buyers.</li> <li>d) Seek assurance on the independence of the local planning authority on the asset disposal programme.</li> </ul>	<p>In progress:</p> <p>Scrutiny Office have submitted a request to the Commissioner’s Office. City Solicitor will be attending the July meeting.</p>



# Birmingham City Council

## Report to Overview and Scrutiny Committee

12 June 2024




---

<b>Title:</b>	<b>Scrutiny of the integration of Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) functions into BCC</b>
<b>Lead Cabinet Portfolio:</b>	Councillor Sharon Thompson, Deputy-Leader of the Council
<b>Relevant Overview and Scrutiny Committee:</b>	Economy, Skills and Culture
<b>Report Author:</b>	Yasmin Sulaman, Programme Champion Place, Prosperity and Sustainability Directorate 07840 712 638 Yasmin.sulaman@birmingham.gov.uk
<b>Authorised by:</b>	Philip Nell, Strategic Director – Place, Prosperity & Sustainability
<b>Is this a Key Decision?</b>	Not Applicable
<b>If this is a Key Decision, is this decision listed on the Forward Plan?</b>	Not Applicable
<b>Reason(s) why not included on the Forward Plan:</b>	Not Applicable
<b>Is this a Late Report?</b>	
<b>Reason(s) why Late:</b>	Not Applicable

**Is this decision eligible for 'call in?'** Not Applicable

**If not eligible, please provide reason(s):** Not Applicable

**Wards:** All wards

**Does this report contain exempt or confidential information?** No



## **1 EXECUTIVE SUMMARY**

- 1.1 The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) was set up in 2011 to encourage local economic growth based on natural economic boundaries in the region. As a part of this role, it was responsible for the management of a number of grant and loan funding programmes.
- 1.2 The GBSLEP like all other LEPS, was required to be established as a separate legal entity. Accordingly, it was incorporated as a Company Limited by Guarantee in 2011. Birmingham City Council is one of the founding (and alongside Solihull MBC one of only two remaining) Members of the Company. The company was dormant until 2018, when a change in Government policy required GBSLEP Ltd to be activated and assets and liabilities to be transferred into the company from Birmingham City Council as its Accountable Body.
- 1.3 In 2022, the UK Government mandated the integration of Local Enterprise Partnerships into local democratically elected institutions. As a consequence, in September 2022 the GBSLEP Board decided on the gradual and controlled tapering down of its operations towards full closure by March 2024.
- 1.4 On 27 June 2023 BCC Cabinet approved the Integration of a number of GBSLEP Legacy Programmes, including the Enterprise Zone to BCC on 1 July 2023. This report sets out the scrutiny of the integration of the GBSLEP functions into Birmingham City Council including the administration of the Ringfenced Legacy funds and the permissible uses of these funds.

## **2 COMMISSIONERS' REVIEW**

- 2.1 This section will be completed by the Commissioners and is mandatory for all reports.

## **3 RECOMMENDATIONS**

### **That the Overview and Scrutiny Committee:**

- 3.1 Review and note current progress in regard to the liquidation of GBSLEP Ltd.
- 3.2 Note the transfer of the Legacy Programme and associated data to be managed through the arrangements set out in this report.

## **4 KEY INFORMATION**

### **Context**

- 4.1 In 2022, the UK Government mandated the integration of Local Enterprise Partnerships into local democratically elected institutions. GBSLEP, along with Black Country LEP and Coventry & Warwickshire LEP, was identified as being in 'Integration Pathway 1'; integrating into existing Combined Authorities or institutions with devolved powers. As a consequence, at its meeting in September 2022 the GBSLEP Board decided on the gradual and controlled tapering down of its operations leading to the appointment of a William Duncan (Business

Recovery) Limited to advise on the liquidation process with their formal appointment as liquidator following in March 2024 for the purposes of the voluntary winding up of the company. This process was captured in the GBSLEP Transition Plan, which was submitted to Government by the West Midlands Combined Authority (WMCA) in February 2023 as an appendix to the WMCA-wide LEP Integration Plan.

4.2 As part of the process, several GBSLEP Functions transferred from GBSLEP to other institutions. The transfer involved.

4.2.1 The transfer of the Enterprise Zone (EZ) funded SuperTech contract and Business Professional Financial Services Cluster project to Birmingham City University completed on 30 June 2023. This involved a deed of Transfer between GBSLEP and Birmingham City University (BCU) and an agreement between BCU, BCC and GBSLEP regarding the novation of the EZ grant. The transfer comprised data associated with the specific function, payment for the remaining GBSLEP match funding for the project, and for costs relating to the transferred staff, and the TUPE transfer of two GBSLEP staff.

4.2.2 The transfer of legacy programmes including EZ and Local Growth Fund to BCC completed on 30 June 2023. This involved a deed of Transfer between GBSLEP and BCC which also covered subsequent transfers of data and of the Growth Hub delivery function. This transfer comprised the TUPE transfer of two GBSLEP staff. Two consultants who previously worked for GBSLEP continued under contract with BCC.

4.2.3 The transfer of functions, data, people and funds from GBSLEP to BCC as its accountable body is set out in the Deed of Transfer executed between GBSLEP and BCC on 30th June 2023, and the Confirmation Deed of Transfer, signed on 30th November 2023.

4.2.4 The GBSLEP Programme Delivery Board (PDB) dissolved, and the newly formed Enterprise Zone Partnership Board (EZPB) took over governance. The membership of this board includes GBSLEP Board members including Councillor Cotton, private sector nominations; Mike Lyons as Chair of the Board, Pat Hanlon, and Louise Brooke-Smith, and a senior officer representing Solihull Metropolitan Borough Council (SMBC) and the other GBSLEP constituent local authorities. Terms of reference of the EZPB included in Appendix A.

4.2.5 The transfer of the Growth Hub delivery team to BCC completed on 30 November 2023. This involved a Confirmation Deed of Transfer between GBSLEP and BCC. The transfer comprised live and archived data from the GBSLEP CRM, as well as the TUPE transfer of 16 staff. The Growth Hub delivery team had already started delivering against the UKSPF output targets for both BCC and SMBC from June 2023 onwards and that work had been governed by a Memorandum of Understanding (MoU) between BCC and GBSLEP in the period up to the transfer on 30 November 2023.

- 4.2.6 The transfer of GBSLEP data to BCC commenced in July 2023 and completed mid-March 2024. This was covered in the deed of Transfer and subsequent Confirmation Deed of Transfer between GBSLEP and BCC.
- 4.2.7 Data comprised of the latest Management and Financial data, the data relating to the European Social Fund (ESF) project, Sharepoint, Zoho books and Verto and will enable BCC to respond to any Subject Access Requests or requests under the Freedom of Information Act as well as to continue operations of the Enterprise Zone, Legacy Programmes and Business Support functions.
- 4.3 GBSLEP appointed William Duncan (Business Recovery) Limited in a consultancy capacity in April 2023 to ensure that all GBSLEP's known liabilities, including any tax and pension liabilities, were settled before March 2024. On 7 March 2024, the GBSLEP Members resolved to enter into a 'Members Voluntary Liquidation' (MVL) and Steven Wright, Insolvency Practitioner of William Duncan (Business Recovery) Limited was formally appointed as liquidator. The company was solvent when it entered into MVL.
- 4.4 The MVL follows a set process, in which BCC Members and officers played a key role in three capacities:
- 4.4.1 as a Director on the GBSLEP Board, Councillor Cotton signed a declaration of solvency statement for the company in February 2024; and
- 4.4.2 as a Member of the GBSLEP (alongside SMBC), BCC passed the resolution to put the company into liquidation on 7 March 2024; and
- 4.4.3 as GBSLEP's Accountable Body for EZ and Legacy Programmes, and in accordance with guidance from the Government's Cities and Local Growth Unit (CLGU), BCC were required to receive and retain the GBSLEP corporate Records in line with the agreed retention schedule, and to receive GBSLEP's Residual Funds of circa £1.9m to use as set out in 7.1 below.
- 4.4.4 All costs associated with the MVL (including the Liquidator's fees) are to be funded by GBSLEP from its own resources. Once GBSLEP's outstanding debts and liabilities have been satisfied and the liquidation concluded, there is forecasted to be a residual fund of circa £1.9m. In accordance with the company's Articles of Association, funds not already held by BCC in its Accountable Body role, will be released by the liquidator William Duncan (Business Recovery) Limited on conclusion of the liquidation and transferred to BCC. Funds are to be held and ringfenced under accountable body arrangements as a new Legacy Fund arising from the Company. These funds are to be held separately to the Council's General Funds as ringfenced.
- 4.5 A number of additional permissible uses by BCC of the GBSLEP residual funds is set out in the Deed of Transfer and the Confirmation Deed of Transfer signed between BCC (Transferee) and GBSLEP (Transferor) on 30th June 2023 and 30th November 2023 respectively. This stipulates permissible use by BCC as:

- 4.5.1 any costs properly incurred during the period expiring at the end of 31 March 2025 as a result of redundancy (including associated pension strain costs) in respect of any Transferring Employee who remains in the same post or role to which they transferred on the Growth Hub Spoke Transfer as a result of the cessation, reduction and changes in the provision of Business Support. This is calculated as not exceeding £250,000; or
  - 4.5.2 any costs properly incurred as a result of management of the Legacy Projects transferring from the Transferor to the Transferee, including but not limited to any clawback of funding; or
  - 4.5.3 any costs properly incurred as a result of enquiries and requests for information from any Managing Authority to the Transferee in respect of funding provided to the Transferor through any of the EU Funded Projects; or
  - 4.5.4 any costs properly incurred by the Transferee as a result of the clawback of any funding provided to the Transferor through any of the EU Funded Projects and which funding has been paid back to such Managing Authority by the Transferee; or
  - 4.5.5 any costs properly incurred as a result of a successful claim under the Insurances being paid by the insurer net of any applicable excess amount due to be paid by the Transferor under the applicable policy, in which circumstances the relevant amount of the excess can be reimbursed either to the Transferee or other duly appointed custodian of the Insurances which receives such insurance claim amount.
- 4.6 BCC is GBSLEP's guarantor in the West Midlands Pension Fund. As such, when GBSLEP ceased to exist and exits the WMPF, all assets and liabilities will be assessed on a minimum risk basis for WMPF. It has been confirmed, if the value is a surplus or a liability, it will not be paid or received by GBSLEP. Rather, it will be subsumed by BCC as guarantor and will not be capable of being differentiated from the more general surplus or deficit of BCC's own pension fund balance. The latest actuarial valuation of GBSLEP's defined benefit pension liability issued by WMPF at the end of March 2023 shows a surplus of £600k.
- 4.7 The transfer of staff from GBSLEP to BCC (and previously to WMCA and BCU) was undertaken under the Transfer of Undertakings Protection of Employment Regulation 2006.
- 4.8 The transfer of data and records from GBSLEP to BCC is governed by regulations relating to data protection and privacy, including GDPR.

### **Proposal and Reasons for Recommendations**

- 4.9 On 31st March 2022, the Department for Levelling Up, Housing and Communities (DLUHC) and the Department for Business, Energy and Industrial Strategy (BEIS) issued a joint letter and accompanying guidance to the Chairs of the LEPs in England and to the Mayors of Combined Authorities setting out their proposals

for the roles and functions of LEPs to be integrated into local democratic institutions, whether individual local authorities or combined authorities. The proposals also set out that the decision as to which function transferred to which successor body was a matter for local discretion.

- 4.10 Over the last decade, GBSLEP have developed a portfolio of assets and liabilities. The July Economic Growth Board confirmed that West Midlands Combined Authority (WMCA) will not seek to take on any legacy funds.
- 4.11 In 2022, the UK Government mandated the integration of Local Enterprise Partnerships into local democratically elected institutions. GBSLEP, along with Black Country LEP and Coventry & Warwickshire LEP, was identified as being in 'Integration Pathway 1'; integrating into existing Combined Authorities or institutions with devolved powers. As a consequence, the GBSLEP Board at its meeting in September 2022 decided on the gradual and controlled tapering down of its operations towards full closure in March 2024.

#### **Other Options Considered**

- 4.12 Not applicable

### **5 RISK MANAGEMENT**

- 5.1 Risk is managed through the Enterprise Zone Assurance Framework (Appendix A). This framework sets out the detailed governance arrangements for the EZ and GBSLEP legacy programmes. The Framework sets out the detailed governance arrangements for the EZ including six appendices detailing; EZ Partnership Board Terms of Reference, EZ Programme Board Terms of Reference, EZ Oversight Board Terms of Reference, EZ Project Assessment Panel Terms of Reference, EZ Financial Principles and EZ Change Policy.
- 5.2 The framework will continue to be reviewed and updated as required. Cabinet approved as part of the Governance EZ Framework report, on the 14 of May 2024, to delegate the review and approval of further updates to the S151 Officer or delegate.
- 5.3 There are financial risks associated with the Accountable Body role, the main one being failure of the EZ to deliver sufficient business rates uplift to cover the level of borrowing and up-front revenue expenditure incurred by the City Council
- 5.4 Financial risk has and will continue to be managed primarily through detailed financial modelling, with regular reporting to BCC and the Enterprise Zone Partnership Board.
- 5.5 All projects are required to produce robust risk strategies as part of their full business case. These will be maintained throughout the life cycle of the project in line with BCC performance management requirements.

## 6 CONSULTATION

6.1 In 2022, the UK Government mandated the integration of Local Enterprise Partnerships into local democratically elected institutions. GBSLEP, along with Black Country LEP and Coventry & Warwickshire LEP, was identified as being in 'Integration Pathway 1'; integrating into existing Combined Authorities or institutions with evolved powers. As a consequence, the GBSLEP Board at its September 2022 meeting considered all options and decided on the gradual and controlled tapering down of its operations towards full closure in March 2024. This process was captured in the GBSLEP Transition Plan, which was submitted to Government by the West Midlands Combined Authority (WMCA) in February 2023.

## 7 IMPACT AND IMPLICATIONS

### Finance

7.1 The transfer of the Enterprise Zone (EZ) and GBSLEP Legacy funds to the Council completed on 27th June 2023. Upon transfer to BCC, the funds continue to be held separately to the Council's General Funds as ringfenced funds and are managed by BCC as accountable body. Both the Enterprise Zone and GBSLEP Legacy funds are monitored and reported regularly to the Enterprise Zone Partnership Board who oversee and make decisions on the use of these funds. The balances held as EZ funds and GBSLEP Legacy Funds as of 31st March 2024 are shown in table 1 below and overleaf.

TABLE 1 - Fund	Balance as at 31/03/24
	£
<b>GBSLEP Legacy Funds:</b>	
NEW Growing Places - CAP	(417,063)
NEW Growing Places - Rev	(112,411)
LGF Recycled	(353,152)
LEP Pension Bond (Ringfenced)	(177,000)
<b>Total Legacy</b>	<b>(1,059,626)</b>
<b>Enterprise Zone Funds (Surplus)</b>	<b>(18,660,831)</b>

7.2 In addition to these funds, a further balance of up to £1.9m is anticipated to be transferred to BCC upon the conclusion of the liquidation of the GBSLEP that is expected to be completed at a later date during the 2024/25 financial year. This will be added to the available GBSLEP Legacy Fund to be used as set out above.

### Legal

7.3 Integration of identified GBSLEP functions into the Council in accordance with the Central Government direction, was made pursuant to the general power of competence contained in s1 Localism Act 2011.

## **Equalities**

- 7.4 The liquidation of GBSLEP does not carry with it any specific equalities implications. The GBSLEP is not a Public Authority under the terms of the Equality Act but has sought to follow the principles as relevant to its activities. The GBSLEP has a strong track record of supporting businesses from all backgrounds and as the Growth Hub function transfers to BCC, performance in this area will default to BCC as it delivers business support as part of the UKSPF-funded regional Business Growth West Midlands service.

## **Procurement**

- 7.5 There are no procurement implications related to the recommendation in this report. Any projects with procurement implications arising from the legacy programme projects will be covered in separate reports and follow the Council's procurement and contract governance rules and the Public Contracts Regulations 2015 or the Procurement Act 2023 where applicable.

## **People Services**

- 7.6 There are no People Services implications related to the recommendations in this report.

## **Climate Change, Nature and Net Zero**

- 7.7 There are no Climate Change, Nature and Net Zero implications related to the recommendations in this report.

## **Corporate Parenting**

- 7.8 There are no implications or opportunities implications in relation to The Corporate Parenting responsibility from the recommendation in this report.

## **Other**

- 7.9 There are no implications related to the recommendation in this report.

## **8 APPENDICES**

- 8.1 Appendix A – EZ Assurance Framework and appended papers.

## **9 BACKGROUND PAPERS**

- 9.1 Integration of Greater Birmingham Local Enterprise Partnership to BCC 27 June 2023
- 9.2 EZ Management Levy Cabinet Report 19 March 2024





## BIRMINGHAM CITY COUNCIL ENTERPRISE ZONE ASSURANCE FRAMEWORK

**Date** 15 February 2024

**Version** 10.9.2

### Table of Contents

SECTION 1 .....	3
Enterprise Zone Programme and Teams .....	3
1.1 Purpose .....	3
1.2 Geography .....	3
1.3 Birmingham City Council Programme Teams .....	4
1.3.1 BCC as Accountable Body .....	4
1.3.2 BCC EZ Programme Management team .....	5
1.3.3 BCC EZ Programme Management team Structure .....	6
1.3.4 BCC EZ Project Sponsor .....	6
1.3.5 Specialist Theme Leads .....	6
1.3.6 BCC Project Managers.....	7
SECTION 2 .....	9
Transparent Enterprise Zone Governance and Decision Making.....	9
2.1 The Enterprise Zone Partnership Board .....	9
2.2 The Enterprise Zone Programme Board.....	10
2.3 EZ Pipeline Assessment Panel (PAP).....	11
2.4 Programme Governance .....	12
2.4.1 Project Development Stages .....	12
2.4.2 Project Governance .....	13
SECTION 3 .....	14
Transparent Decision Making.....	14
3.1 Governance Overview .....	14
3.2 Registration and Declaration of Interests.....	14
SECTION 4 .....	15
Accountable Decision Making .....	15
4.1 Status and Role of Accountable Body.....	15
4.2 Audit and Scrutiny .....	15
4.3 EZ Oversight Board.....	15
4.4 Strategic Objectives and Purpose.....	15

4.5 Complaints and Whistleblowing .....	16
SECTION 5 .....	17
Ensuring Value for Money. Prioritisation, appraisal, business case development and risk management .....	17
5.1 Approval Process.....	17
5.1.1 Initial Proposal .....	17
5.1.2 Expression of Interest.....	17
5.1.3 Strategic Outline Business Case .....	17
5.1.4 Outline Business Case .....	17
5.1.5 Full Business Case .....	17
5.1.6 Exception Report.....	17
5.1.7 Change Request .....	18
5.1.8 Project Status Report .....	18
5.1.9 Financial Claims Process.....	18
5.1.10 Project Closure Report.....	18
5.2 The Five Case Model.....	18
5.3 Project Register .....	19
5.4 Project Prioritisation .....	19
5.5 Strategic Fit with SEP Objectives.....	19
5.6 Value for Money.....	19
5.7 BCC Client Role.....	20
5.8 Delivery Timing and Risk.....	20
5.9 Complaints Procedure .....	22
SECTION 6 .....	23
Financial Risk Management .....	23
6.1 Financial Strategy .....	23
6.2 Financial Principles .....	23
Appendix 1 – EZ Partnership Board Terms of Reference	
Appendix 2 – EZ Programme Board Terms of Reference	
Appendix 3 – EZ Oversight Board	
Appendix 4 – EZ Project Assessment Panel	
Appendix 5 – EZ Financial Principles	
Appendix 6 – EZ Change Policy	

## SECTION 1

### Enterprise Zone Programme and Teams

#### 1.1 Purpose

The EZ provides a mechanism to accelerate development and maximise growth. By utilising the uplift in business rates generated by development the EZ and investing it in priority schemes the EZ is a unique tool to drive economic success. The programme will unlock the major growth opportunities by removing barriers to development, creating a supportive environment for sustainability, investment and good place-making, job creation and growing the city and regional economy. It will be supported by a set of financial principles by which investment decisions to allocate EZ resources are made and robust governance arrangements to oversee the programme. The key areas for investment will be strategic site investment; infrastructure; and business support.

The purpose of the Assurance Framework is to set out the governance management and monitoring arrangements of the EZ Programme. This includes the financial management of the Programme and decision making to ensure affordability during the lifetime of the EZ, through an agreed set of financial principles. The principles set out an acceptable level of borrowing to meet financial commitments. It also sets out the level of contingencies and reserves required to be able to respond to risks and opportunities.

The Enterprise Zone (EZ) was created in line with legislation approved by Government in 2011. Between 2011 and 2022 the EZ was managed jointly by the Greater Birmingham and Solihull LEP (GBSLEP) and Birmingham City Council (BCC), which also acted as Accountable Body for the programme. Following the publication of the Levelling Up White Paper in January 2022 which confirmed that the GBSLEP will close, and all services would transition to either the West Midlands Combined Authority or relevant local authority, Birmingham City Council is now responsible for delivery of the EZ, and this Assurance Framework builds on the good practice established within the GBSLEP to ensure the programme is managed effectively.

This framework has been structured to ensure the governance of the EZ remains separate from the Council's wider delivery role and there are clearly defined roles and responsibilities for officers and Board members.

This Assurance Framework has been created primarily for the purpose of delivering the Enterprise Zone programme, however, it's also recognised that a number of legacy funding programmes are transferring from the GBSLEP, and whilst most projects are complete its important to have a structure for ongoing monitoring and administration. The structures and process within the Assurance Framework will also apply to these legacy programmes as required.

#### 1.2 Geography

The EZ includes 39 sites within Birmingham City Centre covering 113 hectares of new and existing development space, as shown below.



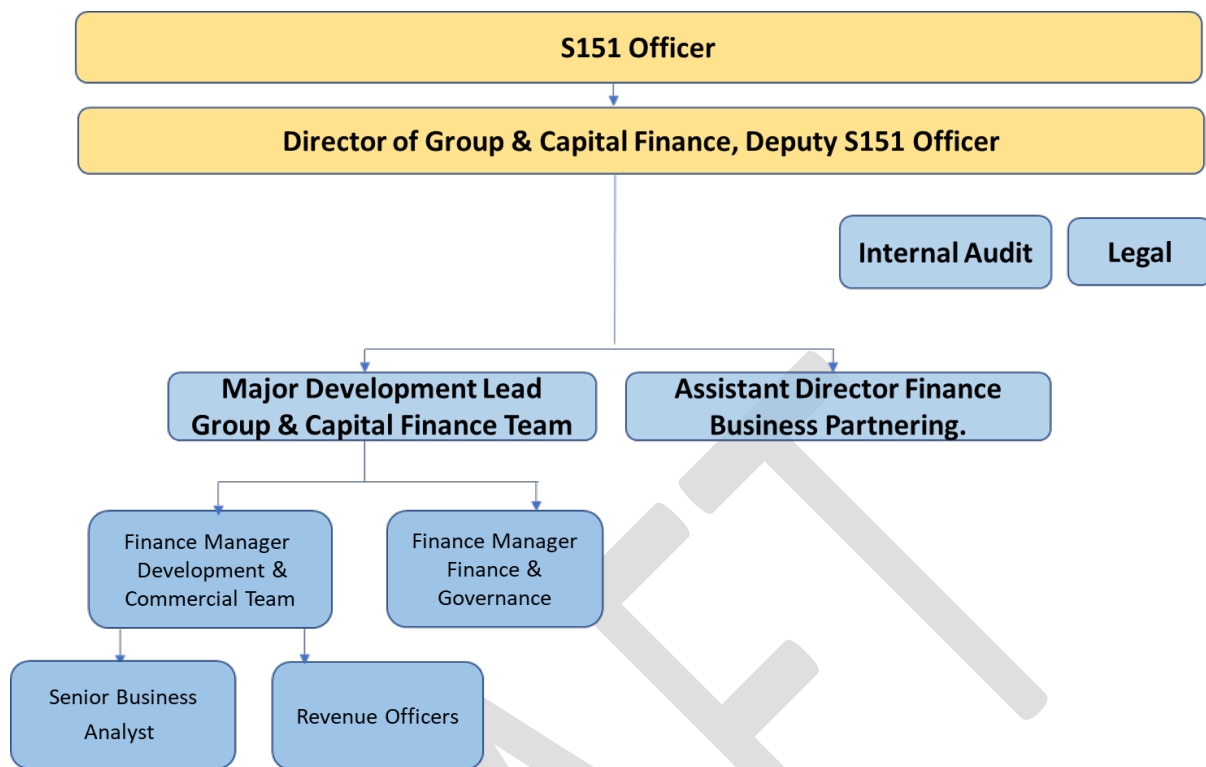
## 1.3 Birmingham City Council Programme Teams

### 1.3.1 BCC as Accountable Body

The management and redistribution of EZ business rate growth is undertaken by Birmingham City Council which will undertake the following roles and responsibilities.

- Collection, management and redistribution of the Business Rates Income (BRI) growth;
- Project delivery agreements in accordance with the terms and conditions of each funding agreement;
- Accounting for transactions and maintaining records pertaining to EZ activity;
- Providing S151 and internal audit oversight of programme governance;
- Development and maintenance of the funding model including overseeing the financial principles and risk management;
- BCC corporate governance undertaken to ensure that regular reports are received on the financial position and performance of the projects;
- Approve borrowing for EZ projects within the agreed Investment Plan (subject to affordability in accordance with the approved financial principles);
- Scrutiny of programme delivery and performance; and
- Administration and monitoring of legacy funding programmes transferred from the GBSLEP.

## Birmingham City Council Accountable Body Structure



### 1.3.2 BCC EZ Programme Management team

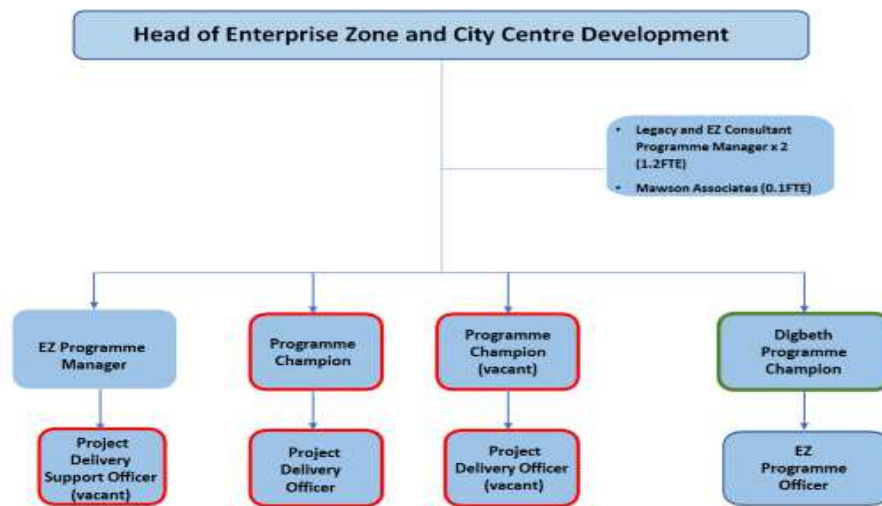
**Aims and Objectives:** The EZ Programme Management team oversees the development and delivery of projects alongside supporting the Council's role as Accountable Body with management of the programme's financial model including projects spends and uplift in business rates income. In delivering the programme of works in-line with the current EZ Investment Plan, the team works with project managers and sponsors to take the projects through the approval process and into delivery.

#### **Roles and Responsibilities:** -

- Monitor, review and report performance against the current EZ Investment Plan aims and objectives;
- Provide overall programme management to support delivery of the objectives in the current EZ Investment Plan and ensure alignment with the West Midlands Combined Authority (WMCA) Regional Economic Plan;
- Develop and regularly review the current EZ Investment Plan to ensure it is up-to-date and fit for purpose;
- Assess affordability of the EZ financial model in accordance with the approved financial principles;
- Oversee the delivery of EZ projects;
- Manage the EZ Project Pipeline;
- Co-ordinate all aspects of appraising funding applications, presenting project investment approvals and change requests to the EZ Programme Board (EZPB) and EZ Partnership Board (EZPSB);
- Ensure that project specific grant agreements are in place;
- Review and report EZ Risk Register to EZ Programme Board;

- Quarterly monitoring of projects;
- Six-monthly reporting of the EZ programme performance to the Cities and Local Growth Unit;
- To develop and implement the £20m Regional Investment Fund programme;
- The monitoring of projects' adherence to subsidy control rules, and reporting of any subsidies;
- Work on communication and promoting the EZ;
- Risk management; and
- Administration and monitoring of legacy funding programmes transferred from the GBSLEP.

### 1.3.3 BCC EZ Programme Management team Structure



### 1.3.4 BCC EZ Project Sponsor

**Aims and Objectives:** For third party projects, a relevant Sponsoring Officer (SO), or Programme Champion will be allocated to the project to act as the key link between BCC Programme Management team and the delivery organisation. The SO will oversee the delivery of the project.

**Roles and Responsibilities:**

- Lead the delivery of BCC EZ projects and provide technical support.
- Source expertise to evaluate project claims; cost consultants, audit; and
- Escalate delivery and governance concerns and issues with the EZ Programme Management team / Boards.

### 1.3.5 Specialist Theme Leads

**Themes:**

The EZ Investment Plan identifies four key sectors which are integral to delivering its aims and objectives. These are the Business, Professional and Financial Services (BPFS), Creative Industries, Financial Technology (FinTech) and Net Zero. To help ensure the priorities of these are represented within the programme, specialist theme leads will be identified for each sector.

**Aims and Objectives:** To provide specialist advice and support to the EZ Boards. To co-ordinate activity and advise on the direction, development, and application of funding in respect of themes.

**Roles and Responsibilities:**

- To attend the EZPB meetings to provide advice and recommendations;
- At the request of the EZPB the specialist theme leads will make observations on individual applications for funding; and
- To attend strategic fit assessment meetings to provide advice and recommendations on Expression of Interest.

### 1.3.6 BCC Project Managers

**Aims and Objectives:** The Project Manager will be directly responsible for the delivery of any allocated projects and will support the development and implementation of individual projects in line with appropriate funding agreements and in accordance with project objectives.

**Project Manager Roles and Responsibilities:**

- To support the development and implementation of EZ funded projects;
- To ensure that projects are delivered in accordance with EZ objectives as set out in the current EZ Investment Plan;
- To ensure that projects are delivered in accordance with BCC Constitution – Part D Finance Procurement and Contract Governance Rules;
- To ensure that the terms and conditions set out in the EZ Funding Offer Letter, Conditions of Grant Aid (COGA), and/or Service Level Agreement (SLA) are fully compliant;
- To obtain, BCC approvals for projects in accordance with Gateway process and procurement regulations / rules, and that this is in place prior to any expenditure being incurred on any project;
- To ensure that where projects are delivered by third parties the appropriate legal agreements, between BCC and the third party, are put in place;
  - COGA, SLA or Contracts must be agreed and signed by the third party and the City Council before any funding is released; and
  - Where the above are used, the Project Manager must also ensure all the requirements of the conditions are complied with, e.g., inspection of accounts, procurement regulations, requirements for capital contracts, legal charges and outputs / outcomes etc.
- To ensure any monitoring returns and claim forms are promptly completed and returned by the due dates. This includes:
  - Providing support to any third-party organisations in completing the monitoring returns and claim forms as appropriate;
  - Ensure that all relevant project information and documents are retained for audit purpose for the period of time as set out in the funding agreement;
  - Ensuring appropriate and adequate systems are in place to enable correct monitoring and capturing of outputs are taking place;
  - Checking and verifying the completed monitoring/claim forms and supporting evidence;

- Pursuing any queries/missing information with projects to ensure that returns are complete;
  - Submitting the completed monitoring/claim forms and appropriate evidence to the EZ Programme Management team by the due dates; and
  - To report concerns or issues with the EZ Programme Management team as they arise.
- To ensure that outputs and outcomes included in the funding offer are monitored on a quarterly basis as a minimum and are in line with targets;
  - To ensure supporting evidence, financial and otherwise, is retained and made available as and when required for grant claim purposes and other periodic monitoring or evaluation returns;
  - To provide appropriate support where projects are experiencing difficulties in delivering any aspect of the project i.e., achieving spend outputs/outcomes or project delivery, make the EZ Programme Management team aware of the situation, and agree with the EZ Programme Management team and EZ Boards if required, what further action should be taken i.e., withdraw, reduce or re-profile further funding if possible, renegotiate the outputs/outcomes etc.;
  - To support this process, the Project Manager will ensure internal systems for verifying outputs and leverage information are put in place to ensure that the project is operating/following appropriate systems;
  - To ensure that relevant publicity is given to the scheme acknowledging the contribution made by the EZ;
  - To take part in any performance review/evaluation activities arranged by the EZ Programme Management team; and
  - To attend meetings as requested to discuss monitoring/ claim processes, project performance, etc.



## SECTION 2

### Transparent Enterprise Zone Governance and Decision Making

It's proposed that the governance and decision-making arrangements established by the GBSLEP will transfer to Birmingham City Council to ensure good practice continues. Initially this will comprise the Boards and Committees set out below. These will be independent from the Council's governance to maintain clear separation in the respective roles around decision making, scrutiny and reporting.

#### 2.1 The Enterprise Zone Partnership Board

**Aims and Objectives:** To provide clear vision and strategic leadership to enable the delivery of the EZ Programme, to use the resources under its direction and engage with local stakeholders; West Midlands Combined Authority, Government, Government agencies and will to provide a vehicle through which innovative funding and development mechanisms to drive major change and investment can be secured.

**Roles and Responsibilities:**

- Approve EZ Investment Plan;
- Approve EZ Investments including change requests over £0.5m Revenue and £1m Capital\*;
- Oversight of the EZ Programme Board;
- Oversee the delivery of EZ Investment Plan;
- Monitoring and performance management of the EZ Programme;
- Ensure affordability of the programme;
- Ensure promotion of EZ success and achievements; and
- As required, oversee delivery of legacy funding programmes transferred from the GBSLEP, including investment decisions within its delegation\*.

\*Requests for EZ funding are subject to availability of funds and ratification through BCC Gateway process if applicable.

**Board Membership:**

The EZ Partnership Board will comprise of nine Members.

- Four Private Sector members (One to chair);
- Leader of the Birmingham City Council;
- Two non-Birmingham City Council Member representatives;
- Birmingham City Council S151 Officer; and
- Strategic Director of Place, Prosperity and Sustainability.

**Observers**

- Cities and Local Growth Unit representative

Deputies can attend on behalf of representatives where necessary but must be empowered to take decisions by the relevant Authority.

Members will advise the Chair of any change in role or responsibilities, so that may seek to take appropriate action to maintain the stakeholder representative nature and structure of the Board.

Members of the Board must disclose any personal or pecuniary interests they have in any matter to be discussed at that meeting. It is a decision-making board for which evidence is

provided through proper process including minutes, quorum as defined by the Terms of Reference, and declarations of interest to support its decision-making procedures.

All investment decisions will require ratification through BCC Gateway process.

**Frequency:** 6-weekly or by exception

**Payment:** Reasonable out of pocket expenses incurred by private sector board members will be reimbursed by the Council when supported by a receipt. Claims must be related to attending EZPSB matters.

**Terms of Reference** – Appendix 1.

## 2.2 The Enterprise Zone Programme Board

**Aims and Objectives:** To monitor and oversee the delivery of EZ projects and programme to effectively implement the delivery of the EZ Investment Plan. To receive regular reports on project/programme performance. To consider and approve change requests and project applications within its delegation\*, and to make recommend the decision over its delegation to the EZ Partnership Board.

### **Roles and Responsibilities:**

- Regularly review the current EZ Investment Plan and recommend its approval to EZPSB every two years as a minimum;
- Develop EZ Investment Plan;
- Monitoring and performance management of the EZ Programme and EZ funded projects;
- Any key risks and issues on EZ project/programme delivery are either addressed and/or escalated to BCC Capital Board and the EZ Partnership Board;
- Approve EZ investment decisions and change requests up to £0.5m Revenue and £1m Capital\*;
- The EZ Programme Board (EZPB) will request project managers and specialist consultants to attend the meeting as and when required to provide detailed updates on projects;
- As required, oversee delivery of legacy funding programmes transferred from the GBSLEP, including investment decisions and change requests within its delegation\*;
- and
- All decisions to be reported to the EZ Partnership Board.

\*Requests for EZ funding are subject to availability of funds and ratification through BCC Gateway process if applicable.

### **Membership:**

The EZ Programme Board will consist of six Members;

- BCC Assistant Director Transportation and Connectivity (Chair), Voting;
- Head of Curzon and Enterprise Zone Development (Vice Chair), Voting;
- Assistant Director of Development, Voting;
- Major Developments Lead of Group and Capital Finance, Voting;
- Legacy and Enterprise Zone Consultant Programme Manager, Voting;
- Head of Project Delivery, Voting;
- Finance Manager, (Adviser);
- Enterprise Zone Programme Manager, (Adviser); and

- Specialist theme leads, if required.

Deputies can attend on behalf of representatives where necessary but must be empowered to take decisions by the relevant Authority.

Members of the Board must disclose any personal or penurious interests relevant to any matter discussed at that meeting.

All investment decisions will require ratification through BCC Gateway process.

**Frequency:** 6-weekly or by exception

**Payment:** Not applicable

**Terms of Reference** – Appendix 2.

### 2.3 EZ Pipeline Assessment Panel (PAP)

**Aims and Objectives:** To assess project summary submissions for the Birmingham City Centre Enterprise Zone (EZ) Investment Programme pipeline for alignment to strategic principles and qualifying criteria.

**Roles and Responsibilities:**

- To review and consider requests for EZ funding;
- To review existing delivery commitment;
- Assess the impact of potential projects for EZ (EZ) funding for inclusion on the pipeline, via analysis of:
  - a) Direct BRI growth i.e., projects to directly result in commercial office space that will generate business rates income within one or more of the 39 appointed EZ sites;
  - b) Indirect BRI growth i.e., projects that will enhance the appeal of the EZ and either attract or retain business within the EZ;
  - c) Potential Economic Impact (GVA);
  - d) Outputs, outcomes, and benefits; and
  - e) Alignment to EZ, BCC or WMCA Strategic Priorities.
- To maintain a schedule of pipeline projects;
- To prioritise pipeline projects based on their Economic Impact Appraisal score, with one being the highest.
  1. Project generates direct Business Rates Income Growth and is one of the 39 sites. Classification allows business rates income growth to be retained -
  2. Project generates indirect Business Rates Income Growth. It is not one of the 39 sites but will likely support or indirectly provide business rates income growth on the 39 sites.
  3. Project has the potential to have a high economic impact on the city. It is not one of the 39 sites but has the potential to be transformational, generate high GVA or create jobs.
  4. Project will likely only have low economic impact on the city. It is not one of the 39 sites and will unlikely be transformational, generate high GVA or create jobs.
- To group projects in the pipeline;
  - New - Newly identified EZ projects;
  - EZIP - EZ Investment Plan 2019 projects not yet committed/approved;
  - Committed - EZIP Committed projects and/or approved projects; and
  - Delivery/Completed - EZIP Completed projects and/or projects in delivery.

- To approve or reject project progression to Expression of Interest; and
- To report project assessments to the EZPB.

**Panel Membership:**

- Head of Curzon and Enterprise Zone Development (Chair)
- Enterprise Zone Programme Manager
- Assistant Director Development (Vice Chair)
- Legacy and Enterprise Zone Consultant Programme Manager
- Enterprise Zone Consultant Programme Manager
- Other relevant officers to attend as required

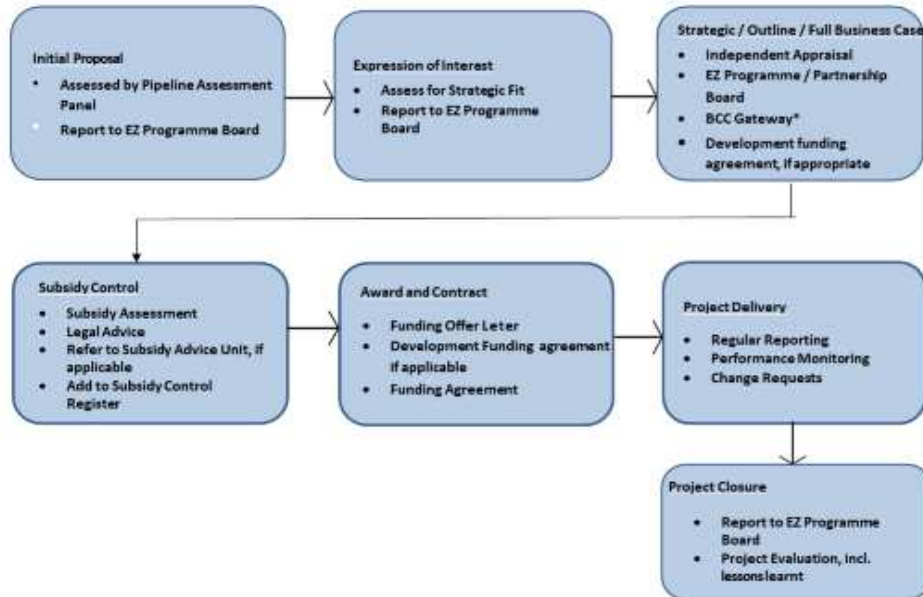
**Frequency:** 6-weekly or by exception

**Terms of Reference** – Appendix 4

2.4 Programme Governance

2.4.1 Project Development Stages

New projects within the EZ Programme are required to progress through the development stages as defined below.

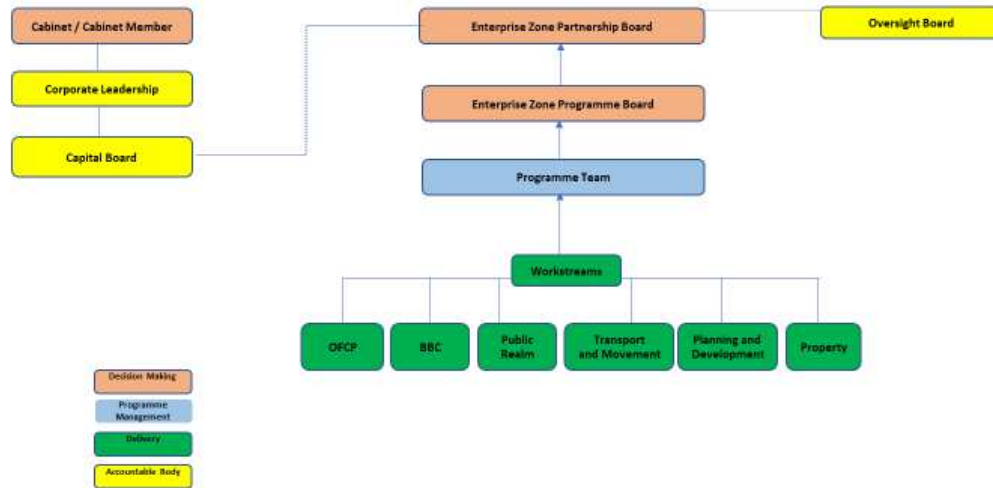


\*Requests for EZ funding is subject to availability of funds and ratification through BCC Gateway process if applicable.

\*BCC Gateway is the relevant decision maker, as defined by the Council’s Constitution – Part D Finance Procurement and Contract Governance Rules .

## 2.4.2 Project Governance

The governance arrangements for projects progressing through the development stages as outlined in 2.4.1 are shown below.



## SECTION 3

### Transparent Decision Making

#### 3.1 Governance Overview

##### Pecuniary Interests – Conduct of Board business

All business of the Partnership will be conducted in accordance with the Nolan principles of public life.

**a. Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so to gain financial or other material benefits for themselves, their family or friends.

**b. Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

**c. Objectivity**

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merits.

**d. Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**e. Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**f. Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**g. Leadership**

Holders of public office should promote and support these principles by leadership and example.

#### 3.2 Registration and Declaration of Interests

Members of the EZ Partnership Board, EZPB and Pipeline Assessment Panel must register their interests; elected members will have already undergone this procedure.

Programme Management officers and project managers will operate within the BCC corporate guidance on declaring interests and other issues such as receiving gifts and hospitality etc.

## SECTION 4

### Accountable Decision Making

#### 4.1 Status and Role of Accountable Body

Birmingham City Council is the Accountable Body for the EZ Programme. As the Accountable Body Birmingham City Council will:

- Hold revenues related to uplift in Business Rates relating to the 39 EZ Birmingham City Centre sites and make payments in accordance with the decisions made by the EZPSB and EZPB within set delegations;
- Account for these funds in such a way that they are separately identifiable from the accountable body's own funds;
- Ensure that the decisions and activities of the EZ conform to legal requirements regarding equalities, environmental, subsidy controls, and any other relevant legislation and/or regulatory guidance which is in force and applies in the United Kingdom;
- Ensure (through the Section 151 Officer) that the funds are used appropriately; and
- Supply protocol and guidance in relation to transparency and audit for the EZ to adhere to.

#### 4.2 Audit and Scrutiny

Where required BCC's Internal Audit service (Birmingham Audit) will undertake audit and assurance checks to verify that the EZ is operating effectively within the terms of its agreed assurance framework. Audits will report on the effectiveness of the systems of governance, financial control and risk management. Any fraudulent or inappropriate activities will be investigated as appropriate. This will ensure that the highest standards of propriety in the use of public monies are maintained and proper accountability for the use of those monies. The EZ Programme Team will be responsible for taking the necessary action to address and implement any recommendations arising from any audits undertaken on the EZ Programme.

#### 4.3 EZ Oversight Board

The Terms of Reference for this Board is under review. It has been agreed by the EZ Partnership Board in order to ensure efforts in providing the best level of service to support it with providing a further level of accountability when investing public funds, that the remit of the Oversight Board is considered alongside other complimentary and strategically important programmes. These programmes may include the West Midlands Investment Zone, and/or the East Birmingham and North Solihull Levelling Up Zone.

#### 4.4 Strategic Objectives and Purpose

The EZ Programme will:

- Ensure that value for money is achieved regarding the EZ fund funding.
- Identify a prioritised list of projects.

- Make recommendations on individual project approval, investment decision making and release of funding, including scrutiny of individual scheme business cases.
- Monitor progress of scheme delivery and spend.
- Actively manage the budget and programme to respond to changes in circumstances (for example scheme slippage, scheme alteration or cost increases).
- Engage government in dialogue to ensure resource is maximised and additional funding streams are coordinated.

#### 4.5 Complaints and Whistleblowing

Complaints from stakeholders, members of the public or internal whistle-blowers will be dealt with and resolved in line with Council's policies and procedures.

DRAFT



## SECTION 5

### Ensuring Value for Money. Prioritisation, appraisal, business case development and risk management

#### 5.1 Approval Process

A number of standard documents support projects through the approval, delivery and closure lifecycle stages. These are defined below.

##### 5.1.1 Initial Proposal

A short “2 page” document that outlines the proposal against the five-case model in high level terms enabling an initial evaluation and prioritisation with a weighting against strategic fit.

##### 5.1.2 Expression of Interest

Building on the Initial Proposal, the Expression of Interest (EoI), will be used to assess the strategic fit of the project and determine its priority category for support. Priority projects will then be invited to submit a Strategic Outline Business Case or Outline Business Case, in line with HM Treasury Green Book principles. 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. This will be 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. The appropriate route will be agreed by the EZPB.

##### 5.1.3 Strategic Outline Business Case

Building on the EoI, the Strategic Outline Business Case (SOBC) may be required for projects in earlier stages of development and depending on the level of complexity.

##### 5.1.4 Outline Business Case

Building on the EoI and/or the SOBC, the purpose of the Outline Business Case (OBC) is to identify a shortlist of options and set out the case for the preferred option which demonstrates value for money. It details the supporting procurement strategy, together with management arrangements for the successful delivery of the project provides further detail into the proposed project, scope, benefits, costs and approach.

##### 5.1.5 Full Business Case

Building on the OBC, or the EoI by exception, the Full Business Case (FBC) enables a final decision on funding approval based on the information detailed in 5.2. The FBC takes place during the procurement phase of the project, following evaluation of tenders from potential service providers/suppliers prior to the formal signing of contracts. The purpose of the FBC is to revisit the OBC and record the findings of the subsequent procurement activities; together with the recommendation for an affordable solution which continues to optimise value for money, and detailed arrangements for the successful delivery of required goods and implementation of services from the recommended supplier/s. The FBC also puts in place the agreed management arrangements for the delivery, monitoring and post-evaluation of the project.

##### 5.1.6 Exception Report

Where a project has experienced significant change, Project Manager will prepare an Exception Report which will be presented to the EZPB for noting.

### 5.1.7 Change Request

Once a project has been approved any change outside of agreed tolerance will be subject to a formal Change Request. The approval authority for the proposed Change Request depends on the scale and impact of the Change. The Programme Office provides guidance on the Change Control process for in-flight projects. For guidance, please refer to the Change Policy (Appendix 6).

### 5.1.8 Project Status Report

The Project Manager will provide timely and accurate status reporting to the Programme Team throughout the lifecycle of the project implementation.

### 5.1.9 Financial Claims Process

Once a project has a signed funding agreement in place, the Project Manager can submit financial claims along with supporting evidence as outlined in that agreement, to their nominated EZ Programme Champion.

- The Programme Champion will check submitted information to ensure that expenditure has been incurred in line with the project funding agreement;
- Once the Programme Champion has approved the claim, the EZ Programme Manager will carry out a second independent check; and
- Once the EZ Programme Manager has approved the claim, he/she will send it to the EZ Programme Finance Team to check and authorise payment.
  - a) Where the grant recipient is Birmingham City Council, Finance will arrange for an internal transfer to the project's financial code to offset EZ project costs, and
  - b) Where the grant recipient is a third party, costs will be reimbursed to the organisation.

### 5.1.10 Project Closure Report

Once a project has completed, the Project Manager/Sponsoring Officer will prepare the Project Closure Report and submit to the EZ Programme Management team. This acts as a mirror to the approved FBC and compares the final status against the original baseline for schedule, cost, quality, benefits and scope. Project Closure Reports are shared with the EZPB.

## 5.2 The Five Case Model

HM Treasury standard for the development of a Business Case is based on the Five Case Model. Policies, strategies, programmes and projects will only achieve their spending objectives and deliver benefits if they have been scoped robustly and planned realistically from the outset and the associated risks considered.

The business case, both as a product and a process, provides decision makers, stakeholders and the public with a management tool for evidence based and transparent decision making and a framework for the delivery, management and performance monitoring of the resultant scheme.

The business case in support of a new policy, new strategy, new programme or new project must evidence:

- That the intervention is supported by a compelling case for change that provides holistic fit with other parts of the organisation and public sector– the “**strategic case**”
- That the intervention represents best public value – the “**economic case**”
- That the proposed Deal is attractive to the marketplace, can be procured and is commercially viable – the “**commercial case**”

- That the proposed spend is affordable – the “**financial case**”
- That what is required from all parties is achievable – the “**management case**”

### 5.3 Project Register

The EZ Programme Management team will maintain a Project Register. The register will list all proposals, in-flight projects and closed projects.

Red / Amber / Green (RAG) Key Performance Indicators (KPIs) will be tracked for all in-flight projects.

The Verto IT system will be used as the project and portfolio management solution providing this Project Register.

### 5.4 Project Prioritisation

Investment decision or opportunities for additional investment will be subject to affordability testing and strategic prioritisation, and these will be key parameters when considering how the pipeline is developed and project calls are managed and / or initiated. The Pipeline Assessment Panel (PAP) will review projects based on the following four economic impact appraisal criterions;

1. The project generates Direct Business Rates Income Growth. The project in one of the 39 EZ sites and the classification allows business rates income growth to be retained;
2. The project will likely generate Indirect Business Rates Income Growth. The project likely contributes to, or directly supports, business rates income growth in the EZ sites;
3. Whilst not in the 39 EZ sites, the project could be transformational, generate significant GVA or create jobs. The project could have a high economic impact on the city; and
4. It is not in the 39 EZ sites and will unlikely generate significant GVA, job creation or general economic impact on the city. The project will likely only have minimal, or low, impact on the city.

Following the PAP assessment, all projects assessed and scored 1, 2 will be invited to submit an EoI. Where a project scores 3, it may be invited to submit an EoI.

### 5.5 Strategic Fit with SEP Objectives

West Midlands Combined Authority’s (WMCA’s) Strategic Economic Plan sets out its mission to create jobs and grow the economy of Greater Birmingham and in so doing raise the quality of life for the population.

EZ Investment Plan supports the West Midlands Combined Authority’s (WMCA’s) Strategic Economic Plan with its focus on skills, innovation, transport and inward investment. The key commercial sectors within the EZ are Business, Professional and Financial Services (BPFS), Creative Industries and Financial Technology (Fintech). Growing these sectors will maximise growth in jobs, skills and the wider Birmingham economy. The investment programme will make an important contribution to the WMCA target to create an additional 500,000 jobs by 2030.

### 5.6 Value for Money

A Benefit Cost Ratio (BCR) will be calculated by the appraiser based on the Treasury Green Book. By utilising the project outputs, it calculates the BCR for employment, business creation, business assists, learner assists, and housing outputs and combines them to calculate the GVA impact and a total project BCR based on the public sector ask.

### 5.7 BCC Client Role

To enable the Council to support projects being delivered by third party organisations, using EZ funding it may apply an agreed and reasonable percentage on top of the EZ grant to cover all BCC project related costs. To ensure transparency all applications and related board papers must detail the BCC Client Role budget.

### 5.8 Delivery Timing and Risk

Projects able to demonstrate the most certainty will be given the highest priority. To determine that certainty we will evaluate the mitigations proposed against each of the key risks.

To evaluate the risks identified, the potential likelihood of them occurring, the impact and their proximity are measured as shown below.

#### Measures of likelihood:

Description	Example Detail Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.
Medium	Possible, might occur at some time. 20% - 50% chance.
Low	Unlikely, but could occur at some time. Less than 20% chance.

#### Measures of impact:

Description	Example Detail Description
High	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long-term recovery period.
Significant	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on

	output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Minor loss, delay, inconvenience or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.

**Measures of proximity:**

Description	Example Detail Description
5	Risk event potentially in the next month
4	Risk event potentially in the next quarter
3	Risk event potentially in the next 6 months
2	Risk event potentially in the next 12 months
1	Risk event is over 12 months away

The first assessment should consider the inherent or gross risk and proximity. This is the potential likelihood and impact of a risk crystallising, and when if no controls are in place.

Once the inherent/gross risk has been identified, any controls that are in place to help manage the risk should be identified and any reduction in the likelihood and impact scores identified to give the residual / current risk.

It is essential that any controls that are being relied upon to manage risks are effective. As part of the assessment process the sources of assurance that provide ongoing confirmation that controls exist and continue to remain effective should be identified.

The final stage in the process is to consider and set the target risk. This is the level of risk that you are aiming to manage the risk down to. This will help in determining what mitigating actions need to be taken. The prioritisation matrix / risk heat map, below, supports the setting of an appropriate target risk.

**Prioritisation Matrix / Risk Heat Map**

<b>LIKELIHOOD</b>	High				
	Significant				

Medium				
Low				
	Low	Medium	Significant	High

**IMPACT**

**Key:**

<b>Severe</b>	Immediate control improvement to be made to enable business goals to be met and service delivery maintained / improved
<b>Material</b>	Close monitoring to be carried out and cost-effective control improvements sought to ensure service delivery is maintained
<b>Tolerable</b>	Regular review, low-cost control improvements sought if possible

**5.9 Complaints Procedure**

All complaints will follow Birmingham City Council's complaints procedure;  
<https://www.birmingham.gov.uk/info/50191/complaints>

## SECTION 6

### Financial Risk Management

#### 6.1 Financial Strategy

The financial strategy for the EZ is predicated on a programme which contains projects for major capital investment, revenue project support and the capital financing implications arising from debt repayment and projections for the uplift in BRI across the Programme's lifetime.

High level risks associated with the management of EZ resources have been identified and modelled out through sensitivity testing. The assumed level of business rates income for the EZ is highly sensitive to anticipated levels of development activity especially if developments fail to materialise in line with projects. Similarly, increased project costs or increases in interest rates on the cost of borrowing could be detrimental to affordability and impact on the overall programme.

#### 6.2 Financial Principles

A set of financial principles are applied to EZ financial model as a tool to manage the risk associated with the management and to assess the affordability of investments. Financial principles are set out in Appendix 5.

#### **Assurance Framework**

The Assurance Framework will be reviewed annually by the EZ Programme Board for recommendation for approval by the EZ Partnership Board and BCC s151 Officer or acting deputy.

**Last Approved Version 10.7 Date:** by BCC Cabinet 27<sup>th</sup> June 2023

Appendix 1 – EZ Partnership Board Terms of Reference

Appendix 2 – EZ Programme Board Terms of Reference

Appendix 3 – EZ Oversight Board

Appendix 4 – EZ Project Assessment Panel

Appendix 5 – EZ Financial Principles

Appendix 6 – EZ Change Policy

# **Birmingham City Council**

## **Enterprise Zone Partnership Board Terms of Reference**

**Date** 15 February 2024  
**Version** 3.1

### **Purpose of the Enterprise Zone**

The EZ provides a mechanism to accelerate development and maximise growth. By utilising the uplift in business rates generated by development the EZ and investing it in priority schemes the EZ is a unique tool to drive economic success. The programme will unlock the major growth opportunities by removing barriers to development, creating a supportive environment for sustainability, investment and good place-making, job creation and growing the city and regional economy. It will be supported by a set of financial principles by which investment decisions to allocate EZ resources are made and robust governance arrangements to oversee the programme. The key areas for investment will be strategic site investment; infrastructure; and business support.

### **Purpose and objective of the board**

The Board will act as the primary authority for the implementation, governance, and management of the Birmingham City Centre Enterprise Zone Investment programme.

To provide clear vision and strategic leadership to enable the delivery of the Birmingham City Centre Enterprise Zone Programme, to use the resources under its direction and engage with local stakeholders; West Midlands Combined Authority, government, government agencies and will provide a vehicle through which innovative funding and development mechanisms to drive major change and investment can be secured.

### **Scope**

The remit of the Enterprise Zone Partnership Board (EZPSB) is to cover the full range of funding which may include Grants, Repayable Grants, Loans and other forms of participation.

Decisions, within the agreed EZPSB delegation\* level, as per the Assurance Framework, should be in the best interests of the EZ Investment Programme, follow the principles of HM Treasury Guidance as well as accepted best practice to ensure value for money is achieved. This also includes a commitment to include clawback or repayment of grant wherever possible in order to recycle funds. Decisions should also be in accordance with the EZ Assurance Framework, recognising the position of Birmingham City Council as the accountable body.

In respect of Loans and Grants, the remit of the EZPSB is to make decisions on all financial matters, subject to the Accountable Body's regulations and processes.

Project pipeline:

- Support the development of a robust pipeline of potential projects for funding made available through the Enterprise Zone Programme.
- Approve\* Change Requests, Strategic Outline Business Case, Outline Business Case and Full Business Case for projects.



- Undertake assessment and make decisions of the priority order for the additional pipeline projects and those identified in the latest approved Enterprise Zone Investment Plan.

### **Board Membership:**

The EZ Partnership Board will comprise of nine Members.

- Four Private Sector members (One to chair);
- Leader of the Birmingham City Council;
- Two non-Birmingham City Council Member representatives;
- Birmingham City Council S151 Officer; and
- Strategic Director of Place, Prosperity and Sustainability.

### **Observers**

- Cities and Local Growth Unit representative

Members will advise the Chair of any change in role or responsibilities, so that may seek to take appropriate action to maintain the stakeholder representative nature and structure of the Board.

Deputies can attend on behalf of representatives where necessary but must be empowered to take decisions by the relevant Authority.

### **Private Sector Board Members:**

To ensure continuity of knowledge and expertise the GBSLEP Programme Delivery Board private sector board members are invited to form part of the EZ Partnership Board.

Each private sector board member has a defined limit of three years, with an option to extend by three further years. 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 for a fixed period.

Succession planning is supported by having a broad structure that engages a diverse range of individuals from across key sectors.

When positions become vacant, they will be openly advertised with candidates invited to compliment and strengthen the Board expertise and knowledge.

### **Quorum**

In order for the meeting to be considered quorate, a minimum of five members must be present which must include the Chair, BCC S151 Officer / Deputy and at least one other private sector representative. In the absence of the Chair another private sector representative will undertake this role.

The quorum will only apply to EZPSB meetings that involve either project investment decisions, other matters which have the potential to materially affect the financial position of the Enterprise Zone or recommendation of changes to the Assurance Framework.

### **Decision Making**

Members of the Board must disclose any personal or pecuniary interests they have in any matter to be discussed at that meeting. It is an appropriate decision-making board for which evidence is provided through proper process including minutes, quorum and declarations of interest to support its decision-making procedures.

Where quorate decisions cannot be made at a meeting, or if an urgent decision is required outside of the Board meeting dates, these can be undertaken using Written Procedure. This will be by exception and advance notice will be given of such requirement where possible.

This will be carried out by sending an email to those members unable to attend the EZ Partnership Board or for where urgent decisions are required outside of the Board meetings to all members giving a synopsis of the decision, asking for any comments and requesting their response to indicate whether they approve it or not, usually within 5 working days. Members who have not responded by this date will be deemed as having approved any such decisions.

Such decisions will be reported at the next available meeting of the EZ Partnership Board.

### **Meetings**

Meeting will typically be held 6-weekly. Should activity levels require, meetings will be held more/less frequently.

The Papers provided to such Meetings will be published in the Public Domain in advance of such Meeting by at least 5 clear working days, except to the extent that such information is exempt from publication in accordance with Schedule 12A of the Local Government Act 1972.

The decisions and 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.

Support to the EZPSB will be provided by the Programme Team.

### **Roles and Responsibilities**

- Approve EZ Investment Plan;
- Approve EZ Investments including change requests over £0.5m Revenue and £1m Capital\*;
- Oversight of the EZ Programme Board;
- Oversee the delivery of EZ Investment Plan;
- Monitoring and performance management of the EZ Programme;
- Ensure affordability of the programme;
- Annually review and approve the EZ Assurance Framework including Financial Principles;
- Be Aware of the EZ code of conduct – as detailed in the EZ Assurance Framework;
- Ensure promotion of EZ success and achievements; and
- As required, oversee delivery of legacy funding programmes transferred from the GBSLEP, including investment decisions within its delegation\*.

### **Monitoring and Reporting**

Overlying Governance Principles

In all its activities the EZPSB will follow the Principles and Processes set out in the EZ Assurance Framework, adopting accepted Best Practice and following the Guidance set out by HM Treasury for the evaluation and risk assessment of Projects and Programmes.

Programmes in Delivery

- Receive and review updates (typically 6-weekly) on Enterprise Zone Investment, to include planned and actual milestone schedules, benefits realisation statuses, funding profiles, strategic issues and risks, change requests) in order to make key decisions, and initiate corrective action when required.
- To receive, review and agree refreshes of the Enterprise Zone Investment Plan.
- Reallocate resources from projects within the existing programmes to maximise returns.

- In respect of Loans and Grant the EZPSB will initiate and manage actions that will protect the financial position of the Investment Programme which may include actions such as, but not limited to the rescheduling of grant, grant forgiveness, adjustments to interest rates, swapping a grant interest for a participation interest and vice versa, appropriate recovery actions, including the use of formal and informal insolvency procedures, together with requests as may be appropriate for the registration of financial interest on behalf of the Accountable Body.

**Terms of Reference**

Terms of Reference will be reviewed annually by the EZ Partnership Board and approved as part of the EZ Assurance Framework.

\*Requests for EZ funding are subject to affordability of funds and ratification through BCC Gateway process if applicable.

**Last Approved Version 2 Date:** by BCC Cabinet 27<sup>th</sup> June 2023

# Enterprise Zone Programme Board Terms of Reference

**Date** February 2024  
**Version** 3.1

## Purpose of the Enterprise Zone

The EZ provides a mechanism to accelerate development and maximise growth. By utilising the uplift in business rates generated by development the EZ and investing it in priority schemes the EZ is a unique tool to drive economic success. The programme will unlock the major growth opportunities by removing barriers to development, creating a supportive environment for sustainability, investment and good place-making, job creation and growing the city and regional economy. It will be supported by a set of financial principles by which investment decisions to allocate EZ resources are made and robust governance arrangements to oversee the programme. The key areas for investment will be strategic site investment; infrastructure; and business support.

## Purpose and objective of the board

The Board will monitor and oversee the delivery of the Enterprise Zone and Curzon projects to effectively implement the delivery of the EZ Investment Plan.

Regular project/programme performance, change requests and project applications will be reported to this Board to be approved within its delegation\*, with all other applications to be considered, noted and endorsed prior to formally being presented to the Enterprise Zone Partnership Board (EZPSB).

## Scope

The remit of the Enterprise Zone Programme Board (EZPB) is to cover the full range of funding which may include Grants, Repayable Grants, Loans, Convertible Debt and other forms of participation.

Decisions, within the agreed EZPB delegation\* level (as set out in the Assurance Framework), should be in the best interests of the EZ Investment Programme, follow the principles of HM Treasury Guidance as well as accepted best practice to ensure value for money is achieved. Decisions should also be in accordance with the EZ Assurance Framework, recognising the position of any relevant Local Authority terms of economic development, reputation and financial regulations.

In respect of Loans and Debt, the remit of the EZPB would include, inter alia, adjustments to interest rates, recovery actions, together with requests as may be appropriate for the registration of financial interest on behalf of EZ by the Accountable Body, to protect the financial position of the Investment Programme specifically and public finances more generally.

A general provision will exist that the EZPB has the authority to enter into commercial negotiations that lead to the best outcomes in terms of the EZ Investment Programme and its deliverables and expected outcomes.

Project pipeline:

- Support the development of a robust pipeline of potential projects for funding made available by the Accountable Body (Assess the feasibility and deliverability of these potential projects to support the ranking and prioritisation of schemes within the pipeline).
- Approve the Strategic Outline Business Case, Outline Business Case and Full Business Case for projects within its delegation\* limits as set out in the Assurance Framework.
- Undertake assessment and make decisions of the priority order for the additional pipeline projects and those identified in the latest approved Enterprise Zone Investment Plan.

### **Board Membership**

The Board will comprise of six members;

- BCC Assistant Director Transportation and Connectivity (Chair), Voting;
- Head of Curzon and Enterprise Zone Development (Vice Chair), Voting;
- Assistant Director of Development, Voting;
- Major Developments Lead of Group and Capital Finance, Voting;
- Legacy and Enterprise Zone Consultant Programme Manager, Voting;
- Head of Project Delivery, Voting;
- Finance Manager, (Adviser);
- Enterprise Zone Programme Manager, (Adviser); and
- Specialist theme leads, if required.

Members will advise the Chair of any change in role or responsibilities, so that may seek to take appropriate action to maintain the stakeholder representative nature and structure of the Board.

Deputies can attend on behalf of representatives where necessary but must be empowered to take decisions by the relevant Authority.

### **Quorum**

For the meeting to be considered quorate, a minimum of four voting members must be present which must include the Chair and one of the Accountable Body's Senior Finance Officer (Major Developments Lead of Group and Capital Finance or Deputy). In the absence of the Chair, the Vice Chair will take the meeting.

The quorum will only apply to EZPB meetings that involve either project investment decisions, other matters which have the potential to materially affecting the financial position of the Enterprise Zone or recommendation of changes to the Assurance Framework.

### **Decision Making**

Members of the Board must disclose any personal or pecuniary interests they have in any matter to be discussed at that meeting. It is an appropriate decision-making board for which evidence is provided through proper process including minutes, quorum and declarations of interest to support its decision-making procedures.

Where quorate decisions cannot be made at a meeting, or if an urgent decision is required outside of the Board meeting dates, these can be undertaken using Written Procedure. This will be by exception and advance notice will be given of such requirement where possible.

This will be carried out by sending an email to those members unable to attend the EZ Programme Board or for where urgent decisions are required outside of the Board meetings to all members giving a synopsis of the decision, asking for any comments and requesting their response to indicate whether they approve it or not, usually within 5 working days. Members who have not responded by this date will be deemed as having approved any such decisions.

Such decisions will be reported at the next available meeting of the EZ Programme Board.

### **Meetings**

Meeting will typically be held 6-weekly. Should activity levels require, meetings may be held more/less frequently.

Support to the EZPB will be provided by the Programme Team.

### **Roles and Responsibilities**

Regularly review the current EZ Investment Plan and recommend its approval to EZPSB every two years as a minimum;

- Develop EZ Investment Plan;
- Monitoring and performance management of the EZ Programme and EZ funded projects;
- Any key risks and issues on EZ project/programme delivery are either addressed and/or escalated to BCC Capital Board and the EZPSB;
- Approve EZ investment decisions and change requests up to £0.5m Revenue and £1m Capital\*;
- The EZPB will request project managers and specialist consultants to attend the meeting as and when required to provide detailed updates on projects;
- As required, oversee delivery of legacy funding programmes transferred from the GBSLEP, including investment decisions and change requests within its delegation\*;
- and
- All decisions to be reported to the EZPSB.

### **Monitoring and Reporting**

Overlying Governance Principles

In all its activities the EZPB will follow the Principles and Processes set out in the EZ Assurance Framework, adopting accepted Best Practice and following the Guidance set out by HM Treasury for the evaluation and risk assessment of Projects and Programmes.

In the absence of a general or specific delegation from the EZPSB the EZPB will refer the item to the EZPSB for guidance and if appropriate further delegation.

Programmes in Delivery

- Receive and review updates (typically 6-weekly) on Enterprise Zone Investment, to include planned and actual milestone schedules, benefits realisation statuses, funding profiles, strategic issues and risks, change requests) in order to make key decisions, and initiate corrective action when required, matters which cannot be resolved, ensuring that expected outputs and outcomes are achieved.
- To receive, review and support refreshes to the Enterprise Zone Investment Plan, making recommendations to the EZPSB as may be appropriate, to assist the EZPSB in approving or seeking amendments to the proposed refreshes.

- Oversee delivery and implementation of the approved Enterprise Zone Investment Plan and the associated Governance Strategy, including the frequent and regular review and update of the Financial Model.
- Receive presentations on project progress and outcomes from project managers.
- Report progress on the Programme to the EZPSB.

Project pipeline:

- Support the development of a robust pipeline of potential projects for EZ funding (Assess the feasibility and deliverability of these potential projects to support the ranking and prioritisation of schemes within the pipeline)
- Approve Strategic Outline Business Case, Outline Business Case and Full Business Case for projects within the EZPB's delegation\* limits as set out in the Assurance Framework.
- Report the position in respect of the Project Pipeline to the EZPSB.

\*Requests for EZ funding are subject to affordability of funds and ratification through BCC Gateway process if applicable.

**Terms of Reference**

Terms of Reference will be reviewed annually by the EZ Programme Board for recommendation for approval by the EZ Partnership Board and approved as part of the EZ Assurance Framework.

**Last Approved Version 2 Date:** by BCC Cabinet 27<sup>th</sup> June 2023

# Enterprise Zone Oversight Board Terms of Reference

Date 9 February 2024  
Version 2

The Terms of Reference for this Board is under review. It has been agreed by the EZ Partnership Board in order to ensure efforts in providing the best level of service to support it with providing a further level of accountability when investing public funds, that the remit of the Oversight Board is considered alongside other complimentary and strategically important programmes. These programmes may include the West Midlands Investment Zone, and/or the East Birmingham and North Solihull Levelling Up Zone.

Once this review has been completed, the Terms of Reference will be updated.

## **Purpose and Objective of the Board TBC**

**Scope** TBC

**Board Membership** TBC

**Quorum** TBC

**Meetings** frequency TBC

Support to the EZ Oversight Board will be provided by the EZ Programme Team.

**Roles and Responsibilities** TBC

**Monitoring and Reporting** TBC

**Terms of Reference** TBC

**Approved Version 1 Date:** by BCC Cabinet 27<sup>th</sup> June 2023



# Enterprise Zone Project Assessment Panel Terms of Reference

**Date** February 2024  
**Version** 2.2

## Purpose of the Enterprise Zone

The EZ provides a mechanism to accelerate development and maximise growth. By utilising the uplift in business rates generated by development the EZ and investing it in priority schemes the EZ is a unique tool to drive economic success. The programme will unlock the major growth opportunities by removing barriers to development, creating a supportive environment for sustainability, investment and good place-making, job creation and growing the city and regional economy. It will be supported by a set of financial principles by which investment decisions to allocate EZ resources are made and robust governance arrangements to oversee the programme. The key areas for investment will be strategic site investment; infrastructure; and business support.

## Purpose and objective of the panel

The purpose of the panel is to receive Board will monitor and oversee the delivery of the Enterprise Zone and Curzon projects to effectively implement the delivery of the EZ Investment Plan.

Support the development of a robust pipeline of potential projects for funding made available by the Accountable Body (Assess the feasibility and deliverability of these potential projects to support the ranking and prioritisation of schemes within the pipeline).

## Scope

To receive and assess project summary proposals for the Birmingham City Centre Enterprise Zone (EZ) Investment Programme pipeline for alignment to strategic principles and qualifying criteria.

## Board Membership

The Board will comprise of five members;

- Head of Curzon and Enterprise Zone Development (Chair)
- Enterprise Zone Programme Manager
- Assistant Director Development (Vice Chair)
- Legacy and Enterprise Zone Consultant Programme Manager
- Enterprise Zone Consultant Programme Manager
- Other relevant officers to attend as required

Members will advise the Chair of any change in role or responsibilities, so that may seek to take appropriate action to maintain the stakeholder representative nature and structure of the Board.

## Quorum

In order for the meeting to be considered quorate, a minimum of three members must be present which must include the Chair or Vice Chair.

Where meetings are not quorate, decisions can be undertaken through the use of Written Procedures, provided that all of those members who respond indicate support for the decision. Members who do not respond would be treated as having approved any such decisions.

Members of the Board must disclose any personal or pecuniary interests they have in any matter to be discussed at that meeting.

### **Decision Making**

Members of the Panel must disclose any personal or pecuniary interests they have in any matter to be discussed at that meeting. It is an appropriate decision-making board for which evidence is provided through proper process including notes, quorum and declarations of interest to support its decision-making procedures.

### **Meetings**

Meeting will typically be held 6-weekly. Should activity levels require, meetings may be held more/less frequently.

### **Roles and Responsibilities**

- To review and consider requests for EZ funding;
- To review existing delivery commitment;
- Assess the impact of potential projects for EZ funding for inclusion on the pipeline, via analysis of:
  - Direct BRI growth i.e., projects to directly result in commercial office space that will generate business rates income within one or more of the 39 appointed EZ sites;
  - Indirect BRI growth i.e., projects that will enhance the appeal of the EZ and either attract or retain business within the EZ;
  - Potential Economic Impact (GVA);
  - Outputs, outcomes, and benefits; and
  - Alignment to EZ, BCC or WMCA Strategic Priorities.
- To maintain a schedule of pipeline projects;
- To prioritise pipeline projects based on their Economic Impact Appraisal score, with one being the highest.
  1. Project generates direct Business Rates Income Growth and is one of the 39 sites. Classification allows business rates income growth to be retained.
  2. Project generates indirect Business Rates Income Growth. It is not one of the 39 sites but will likely support or indirectly provide business rates income growth on the 39 sites.
  3. Project has the potential to have a high economic impact on the city. It is not one of the 39 sites but has the potential to be transformational, generate high GVA or create jobs.
  4. Project will likely only have low economic impact on the city. It is not one of the 39 sites and will unlikely be transformational, generate high GVA or create jobs.
- To group projects in the pipeline;
  - New - Newly identified EZ projects;
  - EZIP - EZ Investment Plan 2019 projects not yet committed/approved;
  - Committed - EZIP Committed projects and/or approved projects; and

- Delivery/Completed - EZIP Completed projects and/or projects in delivery.
- To approve or reject project progression to Expression of Interest; and
- To report project assessments to the EZPB.

## **Monitoring and Reporting**

### Overlying Governance Principles

In all its activities the EZ Project Assessment Panel will follow the Principles and Processes set out in the EZ Assurance Framework, adopting accepted Best Practice.

### Project pipeline:

- Support the development of a robust pipeline of potential projects for EZ funding (Assess the feasibility and deliverability of these potential projects to support the ranking and prioritisation of schemes within the pipeline); and
- Report the position in respect of the Project Pipeline to the EZPB.

## **Terms of Reference**

Terms of Reference will be reviewed annually by the EZ Programme Board for recommendation for approval by the EZ Partnership Board and approved as part of the EZ Assurance Framework.

**Last Approved Version 1 Date:** by BCC Cabinet 27<sup>th</sup> June 2023

## EZ Financial Principles

Date 5 April 2024

Version 4

	APPROVED FINANCIAL PRINCIPLE (27.06.2023)	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
	<b>INCOME/FUNDING</b>		
<b>1</b>			A contribution of a minimum £3m of the annual net surplus is made to Birmingham City Council (BCC) in recognition of the inherent growth in the tax base whilst retaining the ability to invest in the city and continue to expand its economic reach and attraction. Where the annual net surplus exceeds £3m, the next £3m will be retained by the EZ. At the end of each year, a “true-up” would see a total of 50% of any net surplus that exceeds £6m transferred to BCC (to include the £3m) with the remainder being retained by the EZ. This amount to be calculated in arrears following close-down of the accounts. This calculation to commence from year 1 of the EZ and thus the cumulated balance (noting that £3m may not have been achievable each year) to be paid to BCC as affordable (subject to risk provisions and buffer as set out in FP2-12). The projections of this share to be reviewed and calculated on a 5-yr rolling basis. In any year where the annual net surplus is less than £3m, the whole amount will be transferred to BCC.
<b>2</b>	Income/Funding – 15% of the business rates income every year is ringfenced for uncertainties and the release of contingency kept under review on an annual basis.  Where it is deemed financially beneficial to the EZ programme, the total surplus position, including contingency and surpluses built up in previous years, can be used to repay debt or fund future Capital spend	<b>No change</b>	NA

	APPROVED FINANCIAL PRINCIPLE (27.06.2023)	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>INCOME/FUNDING</b>			
	<p>depending on relevant interest rates. E.g., If past debt interest rates are higher than current/future borrowing rates then past debt should be repaid with equivalent amounts being borrowed for ongoing/future capital expenditure at the lower interest rate. If current/future rates are higher, then Revenue to be utilised to fund Capital Expenditure rather than borrowing.</p> <p>The impact of BCC's Treasury Management early debt repayments, if any, to be calculated and funded from surplus balances as part of paying off debt. This could include for example, penalties incurred as a result of early redemption of amounts borrowed.</p> <p>The level of maintained contingency will be reviewed annually subject to programme risk and current forecasting.</p>		
3	<p>Income/funding – financial commitments through borrowing will be monitored to endeavour they remain within total business rates income subject to Financial Principle 1. The model will continue to assess financial commitments through borrowing to endeavour they remain within 65% of the 85% total business rates income.</p>	<p>This test of affordability was more relevant to the programme in the earlier days when actual and forecast built up reserves for the medium term were minimal. A more appropriate measure, now that actual built-up reserves have been realized and forecast reserves are more significant, is to compare Prudential Borrowing Levels to an increased level of</p>	<p>Income/funding – financial commitments through borrowing will be monitored to endeavour they remain within total business rates income subject to Financial Principles 1 and 2. The model will test the financial commitments through borrowing to endeavour they remain within 70% of net business rates income in year. Net Business Rates Income is defined as Total Gross secured and committed Business Rates Income (Including compensatory section 31 Grants) less 18% deductions for losses and provisions for Appeals (5%), Bad Debts(4%), Business Rates Reliefs (4%) and, where applicable, Revaluation reductions (5%). For clarity Net Business Rates Income includes amounts set aside as 15% contingency balances.</p> <p>With reference to Financial Principle 2, a further affordability test will be applied to consider the brought forward reserves position. This will inform ongoing and</p>

	APPROVED FINANCIAL PRINCIPLE (27.06.2023)	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
	<b>INCOME/FUNDING</b>		
		total secured income in year and to consider brought forward reserve's balances in future decision making where the use of reserves gives greater benefits to the programme than the retention of reserves.	future investment decisions making best use of total available resources. This second test is to ensure sufficient contingencies and reserves remain in place to manage all risks and opportunities in delivering the EZ programme.
4	Income/funding – 13% of <b>gross</b> business rates income is ringfenced to account for circumstances such as bad debts (4%), appeals (5%), rate relief and future rate rises (4%).	<b>No change</b>	NA
5	Income/funding - 5% of <b>gross</b> business rate income is ringfenced to mitigate a potential loss of Business Rates income, during Valuation Office Rate Reviews, is incorporated into the EZ model.	<b>No Change</b>	NA
6	Income/funding - Quarterly forecasting of EZ site developments will take place to ensure the Business Rate profiles are accurate and robust.	<b>No Change</b>	NA
7	Income/funding – For completed projects, a 6-month lead-in time for receipt of business rates will be utilised, except for complex projects (3 storeys and above) where it will be a 12-month lead-in time.	<b>No Change</b>	NA
8	Income/funding - The availability of contingency funding to support programme delivery will be reviewed throughout the year with a formal review at least annually.	<b>No change</b>	NA

	APPROVED FINANCIAL PRINCIPLE (27.06.2023)	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>INCOME/FUNDING</b>			
9	Income/funding - only secured and committed business rates income should be included. Definitions: <ul style="list-style-type: none"> <li>• Secured - business rates paid or legally due</li> <li>• Committed - Construction on site or guaranteed via legal agreement; business rates reasonably secure</li> <li>• Uncommitted - Development not yet started; business rates not secure</li> </ul>	No change	NA
10	Income/funding - On a case-by-case basis (Development Funding for Outline Business Case and Delivery Funding for Full Business Case) the model to be tested for affordability prior to making investment decisions.	No change	NA
11	Income/funding – Gross Uncommitted business rates income is deducted from gross BRI <b>after</b> provisions and allowances when calculating annual revenue to offset against expenditure.	No change	NA
12	Income/funding - Interest earned on retained Business Rates Income (the Contingency) is to be ringfenced for EZ programme commitments (subject to Financial Principle 27).	No change	NA
13	Income/funding - any EZ project investment surplus is to be returned to the EZ programme.	No change	NA

	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>COSTS</b>			
14	Costs - Interest charges for local authority assets are rolled-up to match cost income cash flows. i.e., interest on borrowings is capitalised for each capital project during construction	No change	NA

	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>COSTS</b>			
15	Costs - All EZ expenditure must comply with Birmingham City Council accounting and debt repayment policies.	No change	NA
16	Costs - any capital project costs not yet approved (OBC) to be profiled into the final EZ programme year 2045/46	No change	NA
17	Costs - a proportion of Programme Delivery Team costs are to be included in-line with those included for BCC EZ Programme Delivery Team costs.	No change	NA
18	Costs – EZ Programme Delivery Team costs may be capitalised rather than treating as Revenue, where they can be identified with specific capital projects.	No change	NA

	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>BORROWING</b>			
19	Borrowing - All borrowing is repaid within the life of the Enterprise Zone Programme.	No change	NA

	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>GOVERNANCE</b>			
20	Governance – all financial principles and assumptions are to be approved by the EZ Partnership Board, in conjunction with BCC s151 Officer (or deputy) and approved by BCC Capital Board and governance process as dictated by the materiality of the change.	No change	NA



	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>GOVERNANCE</b>			
21	Governance – in-year income and expenditure, capital and revenue, are updated with actuals at least quarterly providing such information has been received by BCC by relevant delivery partners and agencies.	No change	NA

	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>AFFORDABILITY</b>			
22	Affordability - the affordability of new projects on the EZ financial model and Enterprise Zone Project Pipeline (10 year rolling programme) as well as changes to existing projects to be assessed for each of the years remaining in the current EZIP (i.e., up to 2027/28)	No change	NA
23	Affordability – the affordability of the EZIP (current) included in the EZ financial model to be assessed annually, for all years (i.e., up to 2045/46) using latest estimated timing for each project and for BRI commitments.	No change	NA
24	<p>Affordability – where there is insufficient BRI in a year to fund programme borrowing repayment costs and revenue costs incurred, planned capital and revenue project costs will be reduced to ‘break-even’, or move to surplus, in that year. These actions will continue and will be the primary response to such an occurrence where foreseen.</p> <p>Should unforeseen reductions in BRI cause a shortfall in-year that cannot be managed by in-year spend reductions, then BCC will be requested to underwrite the costs in that year. Notice of this forecast position or risk thereof will be made to BCC Capital Board and to Cabinet (where material) as part of the capital monitoring report.</p>	No change	NA

	EXISTING FINANCIAL PRINCIPLE	RATIONALE FOR CHANGE	PROPOSED FINANCIAL PRINCIPLE
<b>AFFORDABILITY</b>			
	<p>Where the in-year or short-term position could be managed and reduced to break-even in-year, yet that would impact on performance and outcomes, then BCC may choose to apply alternative sources of funding or to request a loan facility to the EZIP from BCC.</p> <p>In all instances of the EZ being in deficit, the first call on all income will be the repayment of BCC borrowing including interest and reimbursement of any repayable alternative sources applied.</p>		

**Financial Principles**

Financial principles will be reviewed annually by the EZ Partnership Board and approved as part of the EZ Assurance Framework .

**Last Approved Version 1 Date:** by BCC Cabinet 27<sup>th</sup> June 2023

## **Enterprise Zone and Legacy Programme's Change Management Policy**

**Date** 3 November 2023

**Version** 4

### **Purpose**

1. This document details the process that the Council will follow to manage change on Enterprise Zone (EZ) and Legacy funded projects. The Change Management Policy has been developed within the EZ Assurance Framework. All future documents, procedures, codes of practice, forms or guidelines related to change management are developed in line with this policy.
2. It is not unusual for circumstances to alter in such a way that a project can no longer be delivered as originally agreed, impacting project cost, schedule and/ or outputs/outcomes. The change control process is the process through which all requests to change the approved baseline of a project, are captured, evaluated and then approved, rejected or deferred. In the event of a variation to a project's cost, schedule and/or outputs/outcomes the variation must be reported to the EZ Programme and/or the Partnership Boards. Usually, this will take the form of a formal change request which will be considered by the appropriate Board.
3. Understanding variations on individual projects within the overall programme is integral to successful programme management and ultimately the delivery of the benefits expected from the programme as a whole.
4. These variations include when grant funding will be utilised by projects, to ensure programme expenditure targets are not impacted through individual project changes.
5. Additionally, changes to individual projects may create a reputational risk to the programmes, which would need to be managed and may impact on delivery of other projects within other programmes.
6. For the avoidance of doubt, where EZ funds/funding is referenced, this also cover Legacy funds.

### **The Change Process**

7. Throughout the development of a project, the Project Manager will work with the EZ Programme Management team. Any changes to the proposed project – from development funding to Full Business Case will be managed by the Programme Management team in a proportionate way. This may be through meetings or discussions to understand what changes are proposed and what their impact on delivering the proposed project will be.
8. On approval of the EZ funding, allocations are committed to a project and the formal Change Management Process comes into effect. The Programme Management team will notify the Project Manager of the Change Management Policy.
9. In accordance with the Scheme of Delegation (Appendix A) should a variation occur on a project, the Project Manager must notify the EZ Programme Management team at the earliest opportunity.

10. At this point, the EZ Programme Management team will advise the Project Manager what action needs to be taken in accordance with the Change Management Policy

11. Effective handling of change requests is critical to the management of the programme. The thresholds make clear where responsibility lies for these decisions, providing a balance between the need for scrutiny and swift action.

12. Where a major change is requested, which has a significant impact, approval is required from the relevant EZ decision making board in accordance with the Scheme of Delegation (Appendix A).

13. In exceptional circumstances, contracted projects may, have their funding withdrawn and reallocated elsewhere within the programme, with approvals as per the Scheme of Delegation (Appendix A).

14. This is likely to be an exceptional event where, following detailed discussion between the EZ Programme Management team and the Project Manager, a project can no longer deliver the planned benefits within an agreed timeframe, or can no longer be expected to deliver the agreed outcomes because of a change in external circumstances, often beyond their control.

### **Recording Change**

15. There are several ways of reporting and recording changes to projects depending on the nature of the change. The Project Management office will advise on the most appropriate method to take. Reporting and recording change can take one or more of these forms:

i. Project Management Reports (PMR) – this is how Project Managers report, on a quarterly basis, on the progress and status of their project. All variations should be recorded by the project with the next submission of the PMR. This includes changes that may not require the formal change process, i.e., slippage across quarters but not financial year.

ii. File Notes – minor variations to the agreed project parameters as outlined in Appendix A should be clearly recorded as a change to what was agreed in the Business Case and Grant Agreement. In these instances, following notification by the Project Manager of the change, the Programme Management team will produce a File Note and send it to the Project Manager.

iii. Change Requests – where changes will affect the outputs/ outcomes, time and/or cost of the project, the Project Manager will need to notify the Programme Management team and submit a formal change request. This document will detail the change and enable the Programme Management team to consider the effect of the change to the project and its impact on the programme and determine a recommendation for the EZ Programme and/or Partnership Board to consider its approval.

iv. Exception Report – where a project has experienced more significant change, an Exception Report will be presented to the EZ Programme and/or Partnership Board for consideration.

v. Contract Variation – Once the project is in contract, i.e., a signed Grant Agreement or Service Level Agreement is in place, all approved change requests will also need to be supported by a variation to contract. This will be done via a Deed of Variation to the Grant Agreement or Variation to the Service Level Agreement.

16. The Programme Management team will work to support projects to manage and control change in order that they are able to meet the delivery of their projects in the most timely and cost-effective way, to deliver the agreed outputs and outcomes.

## Appendix A - Scheme of Delegation

Type of Project Variation	Scale of Variation	Action Required	Decision Maker
Cost	A decrease in the total cost of the project and reduction in the amount of the funding to be drawn down by the project of less than 10% of the EZ Funding and to a maximum of £100,000.	Report the variation via email and record in the PMR. Programme Management team officer to produce Project File Note and report change to EZ Programme Board.	N/A
	A decrease in the total cost of the project and reduction in the amount of the funding to be drawn down by the project of more than 10% of the EZ Funding or greater than £100,000, whichever is the lower.	Submit a Change Request	EZ Programme Board
	A decrease in the total cost of the project and a request to re-allocate the unused funding (up to 10% of the EZ Funding and to a maximum of £100,000, whichever is the lower) to increase the scope and benefits of the project.	Submit a Change Request	EZ Programme Board
	A decrease in the total cost of the project and a request to re-allocate the unused EZ funding (more than 10% of the funding and above £100,000) to increase the scope and benefits of the project.	Submit a revised Full Business Case for reappraisal.	EZ Programme / Partnership Board
	An increase in the total cost of the project without impact to the agreed EZ funding for the project, the outputs/ outcomes or project completion.	Record in the PMR.	N/A
	An increase in total cost of the project that cannot solely be covered by an increase in match funding, resulting in a request to increase the EZ funding allocation by less than 10% of the original grant and to a maximum of £250,000, whichever is lower*	Submit a Change Request	EZ Programme Board

	An increase in total cost of the project that cannot solely be covered by an increase in match funding, resulting in a request to increase the LEP funding allocation by more than 10% of the original grant or greater than £250,000, whichever is lower*	Submit a revised Full Business Case for reappraisal.	EZ Programme / Partnership Board
	In instances where the EZ's funding contribution does include part of the contingency allocation, the case must be made by the Project Manager to access the contingency funding up to the agreed amount.	Submit a Change Request	EZ Programme Board
Time/ Schedule	Slippage of milestones with no effect on completion date, output/outcomes delivery dates and/or the grant claim profile.	Record the variation in the PMR	N/A
	Slippage of milestones which <u>only</u> effects the outputs/outcomes delivery dates across financial years.	Submit a Change Request	EZ Programme Board
	Slippage of milestones which effects the completion date and/or the grant claim profile, across financial years of less than 10% of EZ funding.	Submit a Change Request	EZ Programme / Partnership Board
	Slippage of milestones which effects the completion date and/or the grant claim profile, across financial years of more than 10% of EZ funding.	Submit a Change Request	EZ Programme / Partnership Board
Outputs/ Outcomes	An increase in the outputs and outcomes of the project.	Record in the PMR	N/A
	A decrease of up to 5% in the original individual approved outputs and outcomes of the project.	Submit a Change Request	EZ Programme Board
	A decrease of over 5% in the original individual approved outputs and outcomes of the project.	Submit a Change Request	EZ Partnership Board
Grant Recipient	Transfer of funding agreement from one grant recipient to another.	Submit a Change Request	EZ Partnership Board

*\*Requests to increase EZ funding is subject to affordability of funds and ratification through BCC Gateway process if applicable.*

**Change Policy**

This policy will be reviewed annually by the EZ Programme Board for recommendation for approval by the EZ Partnership Board and approved as part of the EZ Assurance Framework.

**Last Approved Version 3 Date:** by BCC Cabinet 27<sup>th</sup> June 2023