



Black Country Executive Joint Committee
Dudley, Sandwell, Walsall and Wolverhampton

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

WEDNESDAY 17 JUNE 2015

Delegation of Authority to the Chair of the City Deal and Growth Deal Working Group

Key Decision:	Yes
Forward Plan:	Yes

1. PURPOSE OF REPORT

- 1.1 To present the recommendations of the City Deal and Growth Deal Advisory Board to request that the Joint Committee approves the delegation of authority to the Executive Director for Economy and Environment within Walsall Council in his role as Chair of the City Deal and Growth Deal Working Group. The delegation will be in consultation with the Chief Executive of the Black Country Consortium, the Section 151 officer from the Accountable Body, the Head of Regeneration for the appropriate geographical area/s and the Chair of the Joint Committee. The delegations are to deploy a Change Control process and bring forward new smaller projects up to 10% total value of in-year grant.

2. RECOMMENDATIONS

- 2.1 The Joint Committee grants approval for the delegation of authority to the Executive Director for Economy and Environment within Walsall Council in his role as Chair of the City Deal and Growth Deal Working Group, in consultation with the Chief Executive of the Black Country Consortium, the Section 151 Officer from the Accountable Body, the Head of Regeneration for the appropriate geographical area/s and the Chair of the Joint Committee to:
- 2.1.1 deploy a Change Control process and
 - 2.1.2 bring forward new, smaller projects up to 10% total value of in-year grant.

3. REPORT DETAIL

- 3.1 The LEP Board at its meeting on 23rd March 2015 gave approval to deploy two processes that aim to effectively manage the cash flow of existing projects and to top up the pipeline with new projects so we are able to spend all allocated resources, asking that the Joint Committee considers these requests at its next available meeting.
- 3.2 **Proposed process for Existing Projects** - The first request is to implement a **Change Control Process** that allows changes to be considered and agreed to current 'in-flight' projects which are approved by the Joint Committee and in the delivery phase allowing the effective annual change management of each projects cash flow, outputs and milestones.
- 3.2 The Change control process therefore enables the management of the ebb and flow of individual projects within a range of agreed tolerances currently set by the LEP board at plus or minus 10% as follows:
- 3.2.1 The ability to apply project flexibility through the approval of a plus or minus change of 10% of their individual projects total value, applying this in year as appropriate. For example if a projects total value (all years) is £2million, up to £200k of changes can be agreed in the financial year within which they have been requested.
- 3.2.2 Overall however the combined effect of these delegations must not exceed 10% of the in year total value approved. For example, if through the delegated authority 10 projects are amended in 2015/16 the combined effect of these changes cannot exceed 10% of the annual approved LGF value, which for 2015/16 is £24.3m x 10% = £2.43million.
- 3.3 **Proposed process for new projects** - The LEP Board also considered the need to introduce *Over Programming* and the ability to *Approve New Small Projects* that top up the pipeline, to a value of 10% of the in-year allocations for the LGF Programme. For example the 2015/16 financial year of the LGF programme has £24.3m approved, so the flexibility will enable up to £2.43m of new projects to be approved if required through this delegation.
- 3.4 Its also recognised that these delegations aim to approve smaller projects in a tight timeframe, with larger projects going through the agreed approval routes to the Joint Committee. Therefore it's also proposed that the individual value for each new project bought forward cannot exceed 10% of the annual value available, so for 2015/16 this limit would be (from above calculation) £2.43m x 10% = £243k.
- 3.5 It must be noted that these measures can only allocate the resources available and approved by Government, so must remain within the values approved both overall for the LGF programme and those set as annual allocations.
- 3.6 These two measures combined will allow the effective management of the LGF programme on an annual basis to ensure that we meet our agreed targets and spend the allocations granted by government. It also allows should we be granted any

additional resources, the ability to take these up quickly. All changes approved through there delegations will be reported back to the next available Joint Committee meeting by the Executive Director for the Economy and Environment within Walsall Council.

- 3.7 It was therefore proposed and agreed by the LEP Board that the Joint Committee be asked to delegate the authority to the Executive Director for the Economy and Environment within Walsall Council in consultation with: the Chief Executive of the Black Country Consortium, the authorised representative from the Accountable Body, being the Section 151 Officer, the Head of Regeneration for the appropriate geographical area/s and the chair of the Joint Committee to:
- 3.7.1 Deploy a Change Control process, within clearly stated range of Project Tolerances, set at 10% maximum by the LEP Board, to be applied to 'in-flight' projects previously approved by the Board and Joint Committee.
 - 3.7.2 To bring forward new, smaller projects, within a 10% total value of in-year LGF Grant, as flexibility to respond to opportunities or challenges in maximising value from the LGF a Grant award from the Government.

4. FINANCIAL IMPLICATIONS

- 4.1 All decisions taken will be within the overall budget and individual financial year spend limits approved by Government and accepted by both the LEP Board and the Joint Committee.
- 4.2 Acting on behalf of the LEP and the Joint Committee the appointed Growth Deal Accountable Body (Walsall Council), working together with the Programme Office will ensure that the appropriate financial records detailing spend against profile are established and maintained.
- 4.3 A change control process will be established and implemented to record and report all decisions to both the Joint Committee and the LEP Board.

5. LEGAL IMPLICATIONS

- 5.1 Walsall Council in its role as Accountable Body for the Growth Deal Programme and secretariat for the Joint Committee sought legal advice as to the ability of the Joint Committee to approve these requests within the context of the law, its operating arrangements and constitution. This advice concluded that: The Joint Committee as a matter of law (as could a Cabinet) can delegate authority, but the law restricts that delegation only to officers of the four Local Authorities not any other persons.
- 5.2 The Accountable Body (Walsall Council) will in applying and delegations utilise the existing Grant Agreement processes and procedures, together with the Programme Office to implement and changes, which will be in consultation with the appropriate legal and financial services input, advice and approval.

6. RISK MANAGEMENT

- 6.1 Without these measures there is a significant risk that a lack of flexibility will undermine our ability to deliver a successful Growth Deal Programme in terms of both spend and outcomes that meet those expected by Government, resulting in a loss of income and outcomes that benefits local people and businesses.

7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting

Background papers

None.

Contact Officer/s & Authors

Sarah Middleton

Chief Executive

Black Country Consortium Ltd

The Deckhouse, Waterfront West, Dudley Road, Brierley Hill DY5 1LW

Email: sarah.middleton@blackcountryconsortium.co.uk

Telephone: 01384 471102

Simon Neilson

Executive Director – Economy and Environment

Walsall Council

Civic Centre, Darwall Street, Walsall.

WS1 1TP

Email: simon.neilson@walsall.gov.uk

Telephone 01922 652004

AND

Mark Lavender

Joint Committee Programme Manager

Walsall Council

Civic Centre, Darwall Street, Walsall.

WS1 1TP

Email: mark.lavender@walsall.gov.uk

Telephone: 01922 654772