



**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**

**Revised Process for Evaluation of Local Growth Fund bids**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>Yes</b>

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**1. PURPOSE OF REPORT**

- 1.1 To present the recommendations of the Advisory Board of the Joint Committee in relation to authorise the Black Country Consortium to deploy a revised process for the Evaluation of Local Growth Fund bids through to the issue of Grant Agreement, that reflects increased Black Country Consortium capability and the future need to leverage Private sector bids, and sustain their commitment during the Evaluation process.
- 1.2 This will facilitate Black Country Consortium delivering an agile response to exploiting Investment in Regeneration opportunities as they arise. This follows joint evaluation and endorsement of the principle by the Chair of the City Deal and Growth Deal Working Group with the Consortium Chief Executive who have developed and established suitable mechanisms, within the BCC LEP Assurance Framework, which have been approved by the LEP Board.
- 1.3 This request is made to the Joint Committee so that it's fully aware of the revised processes and procedures approved by the LEP board as set out within **Attachment 1**, enabling the Programme Office to implement these processes and procedures on its behalf.

**2. RECOMMENDATIONS**

- 2.1 The Joint Committee grants approval for the Programme Office of the Black Country Consortium to deploy a revised process for Evaluation of projects.

### **3. REPORT DETAIL**

- 3.1 This paper documents the proposed revised process for the Evaluation of Local Growth Fund bids as endorsed by the Consortium Chief Executive and Chair of Working Group (Executive Director, Regeneration, Walsall Council) and asks for the Joint Committee's permission to implement these changes..
- 3.2 The current process for transparent and equitable evaluation of bids for LGF support emerged throughout late 2014 and early 2015. It was developed in response to performing a new high profile task, without previous experience of delivering it while attempting to meet tight deadlines. The process drew on external resource to perform Project and Technical evaluations of bids together with Walsall Council being appointed as Accountable Body for the Growth Deal. The timeframe associated with taking bids from Business Case submission to final grant award has taken around 6 months to complete.
- 3.3 A future pipeline of "shovel ready" projects needs to be developed urgently to identify and process Bids up to Approved status awaiting Grant Award to facilitate the over programming principles approved at the LEP Board meeting on 15 March 2015 and being considered by the Joint Committee at its meeting today. The LEP Board Assurance Framework contains the high level processes that support Bid Evaluation, Grant Award through Accountable Body and in flight Project support from BCC Programme Office to successful 15/16 projects.
- 3.4 A mix of new and redesigned processes are required to replace the LGF Round 1 process if we are to capture lessons learnt and reflect the Black Country Consortiums (BCC) increased Programme Management Office (PMO) capability. This will also aid the leverage of Private Sector bids, and sustain their commitment during the Evaluation process.
- 3.5 The proposed Principles adopted in refining the Project Evaluation process include;
  - 3.5.1 Initial evaluations of bids will be undertaken by Programme Office
  - 3.5.2 Evaluation panels will be chaired by commercially based members of LEP Board.
  - 3.5.3 Technical Evaluation of Business Case bids will be undertaken by a Sub Group of the LEP Board, that will call upon externally sourced technical expertise to advise as required.
  - 3.5.4 Capability and expertise of BCC should be fully utilised in the Evaluation process, with the objective of minimising reliance on external support.
  - 3.5.5 Processes should be fit for purpose, transparent, & time bound for completion
  - 3.5.6 Programme Office should monitor and report progress of individual bids throughout the entire process to Bidders and to the various in house Committees
  - 3.5.7 Feedback should be given to all Business Case owners (Bidders) whose project bids are not taken forward.

- 3.6 The proposed evaluation process has four levels of submission and evaluation, including:
- 3.6.1 Ideas area on the BCC web site for identifying Ideas to take forward
  - 3.6.2 Initial Proposal: 2 Page Executive Summary of the proposed Project, capturing the key features of the bid. Assessed by BCC Programme office against published criteria
  - 3.6.3 Outline Business Case: builds a detailed Business Case capable of being given Approval in principle. It includes all elements of the 5 Case model, and incorporates the BCC Economic Analysis Unit input to evaluating the bid. If successful the Bid is recommended to the Theme Board for consideration.
  - 3.6.4 Full Business Case: adds the Programme delivery details after the OBC has been agreed in principle to proceed to FBC. If successful the Bid is recommended to the LEP Board for consideration
  - 3.6.5 Full details of each stage of the Evaluation process through to Grant Award are contained in **Attachment 1**.
- 3.7 Evaluation of each Business Case submission will result in an individual score being generated against each of the cases in the HM treasury 5 Case Model. This will facilitate an initial prioritisation of Project bids within LEP Themes, which could be taken up to consolidated LEP Board level.
- 3.8 Each of the Business Case submissions builds from the Initial Proposal, avoiding duplication or unnecessary effort if the project does not pass each stage of evaluation.
- 3.9 The Accountable Body (Walsall Council) is invited to commence Due Diligence activity on a potential Project as soon as that bid has been given Approval in Principle at the OBC stage.
- 3.10 When LEP Board Approval has been obtained and Accountable Body Due Diligence satisfactorily completed, bids can then progress to becoming Approved in Principle for joining the LGF Programme. They would not be allocated funding until spare capacity within the LGF allocation becomes available. This would generate the Pipeline of additional Projects, approved by the LEP Board in March 2015 for the 60 month LGF programme extending from 2015/16 through to 2019/20.
- 3.11 The Local Growth Fund (LGF) Evaluation of Business Case through to Grant Award Flow Chart processes and structures are included as **Attachment 1** to this report and have been endorsed by the Advisory Board to the Joint Committee.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 BCC must provide an agile response to exploiting Investment in Regeneration opportunities and meeting challenges as they arise. Evaluation processes need to be transparent, equitable, and timebound to reflect enhanced BCC capability and refined Due Diligence activity by the Accountable Body. Evaluation processes should help leverage Private sector Investment bids, and sustain their interest throughout a time bound Evaluation process.
- 4.2 Predictable, time bound, transparent evaluation processes deployed for future LGF supported projects will allow BCC to respond to opportunities in an agile manner while exploiting maximising value from both the LGF Grant award from BIS and the match funding being applied to regeneration projects to the longer term advantage of the Black Country economy.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The LEP Assurance Framework will need to be updated to reflect the changes and this will be agreed with the Accountable Body's Section 151 Officer. Legal and Finance input from the Accountable Body into this process will be sought and made.
- 5.2 This also includes accepting changes to the Business Case assessment process and the format as originally set out within the Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal.

#### **6. RISK MANAGEMENT**

- 6.1 There is a risk that the present evaluation processes are not sustainable in the longer term in supporting Private Investment bidders through an extended process. This could result in reducing the appeal of LGF support to Private Investment bidders who would be seeking a more agile, refined and commercially certain process before they participate.
- 6.2 This process transfers the evaluation of Regeneration risks presented by each bid to the individual LEP Theme Boards. The LEP Board appetite for accepting controlled risks based on commercial assessments would be delivered through the Theme Board recommendations against each Project bid.
- 6.3 Risk assessments would be performed within the core evaluation process by Programme Office in conjunction with bidders and would not rely extensively on external contracted-in support.

## **7. EQUALITY IMPLICATIONS**

- 7.1 There are no direct equality implications. A key objective of the Strategic Economic Plan is to improve the skill and income levels and quality of housing and environment of all Black Country communities. The LGF, in conjunction with the wider City Deal and EUSIF proposals, will deliver an economic growth agenda which is pro-actively inclusive of disadvantaged communities. It is the role of the Programme Director to analyse the equalities impacts of projects and identify any gaps or issues that need resolving to ensure that the overall programme is inclusive and effective at targeting a representative cross section of participants.

### **Background papers**

LEP Assurance Framework Implementation Plan Pipeline Update – Advisory Board report  
07<sup>th</sup> April 2015

### **Attachments**

Attachment 1 – Evaluation of Business Case through to Grant Award Flow Chart

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