

# GREATER BIRMINGHAM & SOLIHULL LOCAL ENTERPRISE PARTNERSHIP



Date:	18 April 2023
Agenda Item:	10
Contact Officer:	Mark Hooper – Governance Manager
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Key Decision?	NO
Local Ward Members	All Wards

**COUNCIL**

## 1. Executive Summary

- 1.1 The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) was established as a partnership of business, public sector, further and higher education to drive inclusive and sustainable economic growth across the region.
- 1.2 Lichfield District Council has been a member of GBSLEP since 2011 when GBSLEP was set up as a company limited by guarantee.
- 1.3 The Government's Levelling Up White Paper set out the requirement for LEPs to integrate into Mayoral Combined Authorities where they exist and remove geographical overlaps.
- 1.4 As a consequence the GBSLEP is required to integrate into the West Midlands Combined Authority. Local Authorities, like Lichfield District, that are located outside of the West Midlands Combined Authority need to exit GBSLEP.
- 1.5 It is therefore proposed that the District Council approve revisions to the GBSLEP Articles of Association to facilitate a new Board Structure and stand down from membership of the GBSLEP when the new model, comprising Birmingham City Council and Solihull Metropolitan Borough Council, is adopted.

## 2. Recommendations

- 2.1 That the content of the report be noted.
- 2.2 That the District Council agree to stand down from membership of GBSLEP Ltd as soon as the new model comprising Birmingham City Council and Solihull Metropolitan Borough Council is adopted.
- 2.3 That authority be delegated to the Leader of the Council in consultation with the Chief Executive and the Monitoring Officer to approve amendments to the GBSLEP Articles of Association, constitution and governance to facilitate changes to the Board membership and structure.

## 3. Background

- 3.1 GBSLEP was established as a partnership of business, public sector, further and higher education

to drive inclusive and sustainable economic growth across the region. Lichfield District Council has been a member of GBSLEP since 2011 when GBSLEP was set up as a company limited by guarantee.

- 3.2 Until 2019, GBSLEP Ltd was dormant, and all resources and staff associated with GBSLEP were held within Birmingham City Council as GBSLEP's Accountable Body. In September 2019, the company was activated, and resources and staff transferred to it from Birmingham City Council.
- 3.3 In February 2022 the Government's Levelling Up White Paper set out the requirement for LEPs to integrate into Mayoral Combined Authorities, where they exist. For GBSLEP this means integrating into the West Midlands Combined Authority. Furthermore, LEPs were instructed to remove all geographical overlaps. This means the GBSLEP member Local Authorities, like Lichfield District, that are located outside of the WMCA geography need to exit GBSLEP and work with their local LEP.
- 3.4 As a result of this, GBSLEP's Articles of Association, Constitution and Governance will need to change. In response to national and regional policy decisions, the GBSLEP Board decided that the company will wind down its affairs and progress towards Members' Voluntary Liquidation (MVL) by March 2024.
- 3.5 There are currently 15 Founding Members who each guarantee to contribute the sum of £1 upon the winding up of the company. It is proposed that the membership of GBSLEP Ltd be simplified so that the process of MVL can take place smoothly and efficiently.
- 3.6 The GBSLEP proposes:
- A two-member only model be adopted comprising, Birmingham City Council and Solihull Metropolitan Borough Council.
  - Other Founding Members (including Lichfield District Council) stand down from membership of the GBSLEP Ltd as soon as the new model is adopted.
  - A smaller Board, made up of no more than eight Board Members will be established. This will comprise the two Local Authority Members (Birmingham City Council and Solihull Metropolitan Borough Council, where the majority of work will take place); five Private Sector Board Members and one Higher Education and/or Further Education representative.
- 3.7 The changes to membership and revisions to the Board structure will require amendments to the Company's Articles of Association. It is proposed that delegated authority be granted to the Leader of the Council in consultation with the Chief Executive to approve appropriate amendments.
- 3.8 The integration process began on 1st April 2023 with a gradual tapering down of GBSLEP activities. The business support function will transfer in part to the West Midlands Combined Authority in April, and in part to Birmingham City Council later in the year. Responsibilities regarding the management and monitoring of our Capital Programmes including the Enterprise Zone will follow in June. Finally, GBSLEP will complete a series of remaining European Union funded Programmes by the end of December 2023, with full closure and solvent MVL taking place by March 2024.

Alternative Options	No alternative option is set out given the requirement for the GBSLEP to integrate into the West Midlands Combined Authority and remove geographical overlaps.
Consultation	Consultation with partners is being undertaken by the GBSLEP Partnership Board.

<b>Financial Implications</b>	<p>There is a potential that the Council will receive a share of any reserves or surplus funds held within GBSLEP Ltd from the Council standing down membership.</p> <p>Any funding receivable will need to be determined together with any restrictions on its use and will be reported through the Medium Term Financial Strategy reporting framework.</p>
Approved by Section 151 Officer	Yes

<b>Legal Implications</b>	
Approved by Monitoring Officer	Yes

<b>Contribution to the Delivery of the Strategic Plan</b>	<p>The responsibilities of all LEPs will be transferred to local authorities by April 2024. The move is subject to the outcome of a joint consultation by the Department for Levelling Up, Housing and Communities and the Department for Business and Trade.</p>
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<b>Equality, Diversity and Human Rights Implications</b>	There are no equality, diversity and human rights implications.
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<b>Crime &amp; Safety Issues</b>	There are no safety implications.
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<b>Environmental Impact (including climate change &amp; biodiversity)</b>	There is no environmental impact.
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<b>GDPR / Privacy Impact Assessment</b>	It has not been necessary to undertake a Privacy Impact Assessment.
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	<b>Risk Description &amp; Risk Owner</b>	<b>Original Score (RYG)</b>	<b>How We Manage It</b>	<b>Current Score (RYG)</b>
A	Failure to approve changes to the GBSLEP and facilitate the adoption of a new model would breach requirements set out in the Levelling Up White Paper	Green	Approve the recommendations set out in the report.	Green.
B				
C				
D				
E				

<b>Background documents</b>	Letter from the Chief Executive of the GBSLEP dated 10 March 2023
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	<b>Relevant web links</b>
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	Any links for background information which may be useful to understand the context of the report
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