

# **GREATER MANCHESTER**

# **Greater Manchester Local**

# **Growth Assurance**

# **Framework**

November 2020



# Greater Manchester Single Pot Assurance Framework

## Contents

GREATER MANCHESTER.....	<b>Error! Bookmark not defined.</b>
Greater Manchester Local Growth Assurance Framework.....	0
Greater Manchester Single Pot Assurance Framework .....	1
1. About this Assurance Framework .....	2
2. About Greater Manchester .....	5
3. Greater Manchester Strategy and Devolution .....	6
4. Single Pot.....	13
5. Structure and Roles .....	16
6. Greater Manchester Combined Authority .....	17
7. GM Local Enterprise Partnership .....	24
8. Transparency and Accountability .....	31
9. Single Pot Funding Governance – Non Transport projects .....	35
10. Single Pot Funding Governance - Transport.....	44
ANNEX A – Greater Manchester Local Enterprise Partnership (Person Specification for Chair/Co-Chair) .....	49
ANNEX B – Greater Manchester Local Enterprise Partnership (Person Specification for Member) .....	50
ANNEX C – Prioritisation Principles for Transport Projects.....	51

## 1. About this Assurance Framework

1.1 In line with the guidance set out in *Strengthened Local Enterprise Partnerships*, this Assurance Framework represents a joint Greater Manchester Combined Authority (GMCA) /GM Local Enterprise Partnership (GM LEP) statement which sets out their respective roles and responsibilities and clarity on accountability for public funding.

In particular, this document sets out:

- **Advisory and challenge function:** How Greater Manchester ensures that there is a strong, independent voice for the LEP in the decision making process within the city region, and that the LEP Chair and Board are able to draw directly on appropriate support and expertise from staff.
- **Alignment of decision-making across a clear geography:** The boundaries of GMCA and GM LEP are co-terminous and both operate across the same geography of Greater Manchester.
- **Accountability:** How the formal accountability relationship between the LEP and GMCA will work with GMCA acting as the formal Accountable Body for the LEP in terms of handling public money. This includes the key processes for ensuring accountability, probity, transparency, legal compliance and value for money.

This Framework also sets out how potential investments to be funded by the Single Pot will be appraised, prioritised, approved, delivered and evaluated and that the use of resources will be subject to the usual Local Authority checks and balances ensuring that the LEP/CA acts in a manner that is lawful, transparent, evidence based, consistent and proportionate.

- **Efficiency and corporate identity:** How the LEP and GMCA work together in their approach to staffing, branding and other resources and assets.

- **Overview and scrutiny:** How the GMCA Overview and Scrutiny Committees will interact with the LEP.
- 1.2 The aim of this document is to set out how we will use public money responsibly and transparently, and attain best value for public spending. Investment decisions will be made for all Single Pot funding with reference to statutory requirements, conditions of the funding and local objectives through formal LEP involvement.
  - 1.3 This document has been drafted on behalf of the LEP and the CA and will apply in regards to Single Pot funding.
  - 1.4 The Assurance Framework sits alongside a number of other GM documents – most notably the Constitution of the GMCA, the GM LEP Terms of Reference, the Greater Manchester Strategy and the Combined Authority Financial Regulations.
  - 1.5 The Framework has been developed in response to the [national local growth assurance framework](#) published in January 2019 setting out guidance for Mayoral Combined Authorities with a Single Pot funding arrangement and Local Enterprise Partnerships.
  - 1.6 GMCA is currently undertaking a review of its governance arrangements to ensure that these are as effective and efficient as possible. Part of this process will include making any necessary updates to the Assurance Framework to ensure that these changes are captured.
  - 1.7 This Assurance Framework will be reviewed on an annual basis by the GM Executive Team in consultation with the LEP. The purpose of the review will be to examine whether there is any evidence that existing processes could be improved, and to take into account any legal, funding, or other contextual changes that might require a change of assurance process. Where potential changes result in significant divergence from the approved local assurance

framework, adjustments will be agreed by the Ministry of Housing, Communities and Local Government, in consultation with other relevant departments.

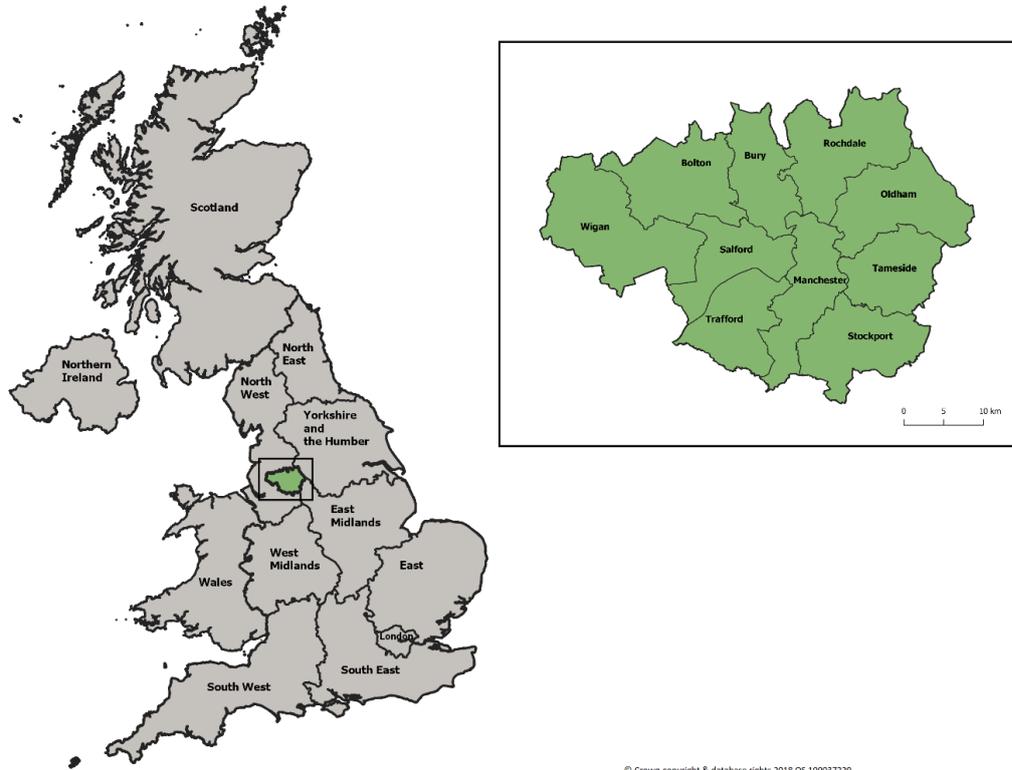
1.8 The remainder of this document is structured around the following sections:

- About Greater Manchester
- Greater Manchester Strategy and Devolution
- Single Pot
- Structures and Roles
- Greater Manchester Combined Authority
- Greater Manchester Local Enterprise Partnership
- Transparency and Accountability
- Single Pot Funding Governance
- Single Pot Funding Governance – Transport

## **2. About Greater Manchester**

- 2.1 Greater Manchester (GM) is fully committed to transparent and accountable decision making including establishing the key practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are clear, effective and deliver value for money.
- 2.2 GMCA was formally established on April 1st 2011 alongside the Greater Manchester Local Enterprise Partnership (GM LEP). GM has a unique partnership model of GMCA/LEP leadership through a shared vision for the city region as set out in the Greater Manchester Strategy.
- 2.3 There is no equivalent comprehensive partnership model to be found anywhere in the country. Both bodies were designed to have a shared strategic vision and complementary roles from the outset, as set out in the original proposal to government. Together, GM LEP and the GMCA provide a robust set of decision-making and governance structures for Greater Manchester.
- 2.4 The two bodies operate over the same footprint comprising the ten local authorities that collectively reflect GM's functional economic geography – see below.

Figure 1 Greater Manchester Local Authorities



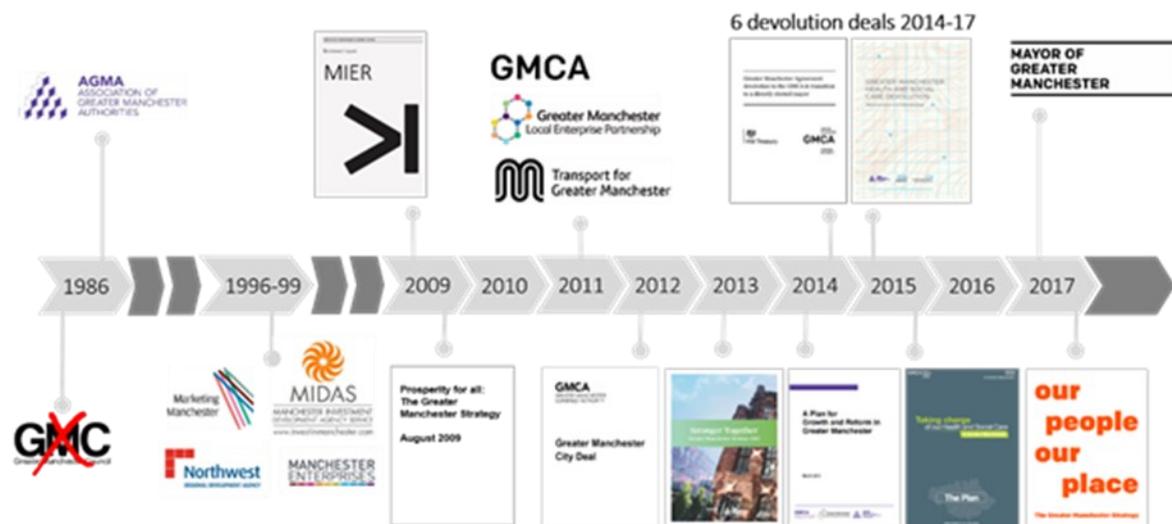
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### 3. Greater Manchester Strategy and Devolution

3.1 On 3rd November 2014 GM reached a historic milestone. Leaders across the 10 GM local authorities signed a unique deal with Government to devolve a wide range of powers, budgets, and responsibilities to the GMCA and to an elected GM Mayor.

3.2 The November 2014 deal is often cited as the start of the devolution process. In reality, the journey to that agreement was decades in the making with the ten Greater Manchester district councils having a long and unrivalled history of collaboration, characterised by consistent leadership, commitment and stability over many years.

## GM Devolution Timeline



- 3.3 From the formation of AGMA (Association of Greater Manchester Authorities) in 1986, through to the establishment of the GMCA and LEP in 2011, a continued focus on collaboration and making the case for reform placed GM in a strong position to capitalise on the potential for devolution.
- 3.4 The case for devolution was underpinned by a robust evidence base which has always been a distinctive feature of Greater Manchester’s approach to informing policy interventions and decision making.
- 3.5 In particular, the Manchester Independent Economic Review (MIER) provided a comprehensive appraisal of the opportunities and challenges faced by Greater Manchester; the first such assessment to be carried out in the UK at city region level which led to the development of the first Greater Manchester Strategy and its ambitious vision for the city region.
- 3.6 Subsequent iterations of the strategy have built on this foundation, strengthening the evidence base and providing a sound policy framework for subsequent GM wide strategies. This includes the Growth and Reform Plan, which was submitted as part of our initial Growth Deal submission and sets out Greater Manchester assets and opportunities in Life Sciences, further education facilities, public transport and business support services.

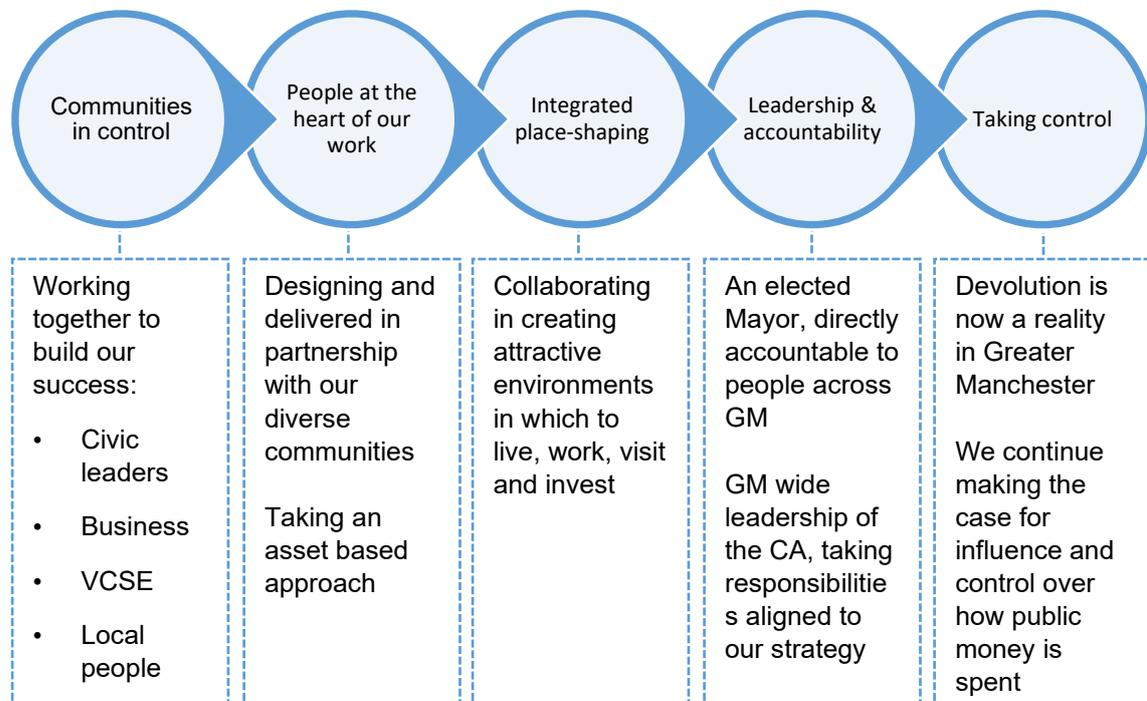
- 3.7 Since the first deal was made, GM and Government have signed a further five devolution agreements, the first GM Mayor has been elected, and – building on the GM model - devolution deals have been reached with other parts of England.
- 3.8 GMCA arrangements have developed from the 'bottom up' to meet these challenges, continually evolving over time to meet the needs of the GM agenda as they have developed.
- 3.9 As well as ensuring that our governance arrangements remain robust and fit for purpose, this bottom up evolution has also helped to maintain ownership and commitment from all constituent members. This approach has enabled us to work out what functions are best delivered at GM level and what functions are best delivered by individual local authorities.
- 3.10 Greater Manchester's strategic ambitions are set out in the Greater Manchester Strategy – Our People, Our Place - which is co-owned by GMCA, GM LEP and the Voluntary, Community and Social Enterprise sector (VCSE). The strategy represents both the Strategic Economic Plan that each LEP is required to produce as well as GMCA's sustainable community strategy.
- 3.11 The GMS was refreshed in mid-2017 to reassess the issues and opportunities that the strategy needs to address and re-examine the interventions required to drive growth and reform across the city region.
- 3.12 The GMS was developed collaboratively with input from a range of partners from the public, private and VCSE sectors following a consultation in developing our vision, ambition and strategy. This reflects GM's ongoing commitment both to co-design and effective local engagement of partners and the public to inform key decision making and future strategy development.
- 3.13 The engagement featured both online (including Twitter, Facebook and GM websites) and traditional media alongside face-to-face consultation across Greater Manchester to better understand the views of residents, businesses and the VCSE sector.

3.14 The revised GMS sets out a shared vision for Greater Manchester to become one of the best places in the world to grow up, get on and grow old. The updated strategy is structured around 10 priorities reflecting the life journey. The priorities are:



- Children starting school ready to learn
- Young people equipped for life
- Good jobs for people to progress and develop
- A thriving economy in Greater Manchester
- World-class connectivity
- Safe, decent and affordable housing
- A green city for all
- Safe and strong communities
- Healthy lives and quality care
- An age-friendly Greater Manchester

3.15 The GMS also sets out how we need to establish a different way of working if we are to achieve our vision with 5 cross-cutting enablers:



3.16 This is the third Greater Manchester Strategy and it builds on the substantial progress made since it was last refreshed and reflects the change in the economic and political climate including our progress on the devolution journey and the new Mayoral Combined Authority arrangements.

3.17 It sets out how we will build on our core strengths, including those highlighted in the strategy:

- our concentration of science, research and innovation assets. Our universities give us the largest concentration of excellence in health research nationally outside South East England and, in advanced materials, a unique opportunity to develop 'Graphene City', bringing together world-leading science with business to create jobs and growth.

- our globally-competitive manufacturing sector, with niche strengths in advanced materials; textiles; chemicals; and food & drink. Greater Manchester's small-medium sized manufacturers also play critical roles in national and global supply chains.
- our vibrant digital sector, which through assets such as MediaCityUK, the Farr Institute, CityVerve, Jodrell Bank, Hartree Centre, and the associated tech cluster, make Greater Manchester the UK's second digital hub.
- our cultural and sporting economy, underpinned by national assets such as theatre at the Lowry and The Royal Exchange, galleries at Manchester Art Gallery and the Whitworth, our world renowned music scene, new, original works at the Manchester International Festival and Factory, the Halle orchestra, globally leading football and rugby league clubs, and world-class sporting facilities for cycling, cricket, and swimming.
- our well-developed local and strategic transport networks. The region has excellent air, road, rail and water connectivity, with Metrolink being the UK's most successful light rail network. Manchester Airport now serves over 200 destinations, more than any other UK airport.
- our dynamic regional centre, which has fuelled jobs growth in public and private sector service industries in recent years, and our town and district centres which are increasingly important for jobs and homes across the conurbation.
- our highly trained workforce which includes one of the largest graduate pools in Europe, a strong concentration of STEM graduates and postgraduates, and a long and successful history of entrepreneurship and enterprise

- 3.18 This evidence has recently been strengthened by the Independent Prosperity Review which informs the development of the GM Local Industrial Strategy. The IPR was led by a panel of leading economic experts to undertake a detailed and rigorous assessment of the current state, and future potential, of Greater Manchester's economy. Ten years on from the path-breaking MIER, it provides a fresh understanding of what needs to be done to improve productivity and drive prosperity across the city-region.
- 3.19 The GMS is structured around an Outcomes Framework which provides a set of headline measures and 2020 targets for each of the strategy's 10 priorities, alongside a broader set of performance measures.
- 3.20 The GMS is accompanied by a clear Implementation Plan, which sets out actions and milestones up to 2020 to deliver the ambitions set out in the GMS. Performance against the milestones and progress towards the 2020 targets is reported on a six-monthly basis to the LEP Board, GMCA Board, and GM Overview and Scrutiny Committees and milestones are updated accordingly.
- 3.21 The priorities of the GMS will inform the development of future GM strategies, particularly the Local Industrial Strategy (LIS) which reflects the main themes of the national Industrial Strategy, but also take a place-based approach that builds on the GM's unique strengths and ensures all people in Greater Manchester can contribute to, and benefit from, enhanced productivity, earnings and economic growth. The GM LIS was published in June 2019.

#### 4. Single Pot

- 4.1 A key element of GM's devolution journey was the creation of the GM Single Pot, contained within the March 2016 Devolution Deal. The Single Pot provides GM with greater flexibility to redirect funding across policy themes and projects in order to best meet the needs of the GM economy whilst maintaining transparency and accountability.
- 4.2 It was agreed that the Single Pot would exist from 2016/17 to 2020/21 and would include money from the following funding streams:
- Earn Back
  - Local Growth Fund (LGF)
  - Devolved Transport grants
- 4.3 As a result of the Greater Manchester City Deal announced in 2012, Greater Manchester has financial powers to '**Earn Back**' a greater proportion of the additional tax revenue that will be generated as a result of the additional local investment in infrastructure committed in 2009. A revised Earn Back deal was agreed as part of the November 2014 devolution agreement giving GM more control and certainty over the future funding stream.
- 4.4 The **Local Growth Fund** brings together allocations from three rounds of Growth Deal allocations following the initial Growth and Reform plan, providing investment to support the delivery of the GMS vision through a twin track approach of driving economic growth and reforming the delivery of public services. Allocations were made in July 2014, January 2015 and November 2016. Projected impacts from investments are expected to include up to 6,250 jobs across GM and the leveraging in of an additional £210m in additional public and private sector investment.
- 4.5 The **Devolved Transport** grants includes a range of funding supporting a number of mainstream transport programmes.

- 4.6 GMCA assumed responsibility for **Adult Education Budget (AEB)** from August 2019 when it was included in the Single Pot. Devolution of AEB will support high quality adult education across the city-region from the 2019/20 academic year.
- 4.7 It should be noted that both LGF and Earn Back were originally awarded to GM commencing in 2015/16. From 2016/17 onwards, the remaining funding was brought together within the Single Pot. The devolved transport grant is an ongoing funding stream which has also been included in the Single Pot.
- 4.8 This document establishes an Assurance Framework which the GMCA and LEP will follow in relation to decision making on Single Pot investments for the City Region. GMCA is the Accountable Body for the Single Pot and approves all funding decisions for funds within the Single Pot.
- 4.9 However, given this is a joint Single Pot Assurance Framework, it is important to note that the procedures outlined primarily set out the assurance procedures for the Local Growth Fund, which is overseen by both GM LEP and GMCA.
- 4.10 As set out in GM's LEP original proposal to government, GMCA has the primary responsibility for prioritising funding decisions as the democratically accountable body with the GM LEP bringing a strong private sector input to decisions.
- 4.11 In terms of the remaining Single Pot funds, the capital element of Earn Back funding has been to date allocated to the extension of the Metrolink to Trafford Park and the SEMMMS A6 to Manchester Airport Relief Road. Revenue funds from Earn Back have been allocated to preliminary strategic planning exploring the potential of bus service reform. However, control of Earn Back spending became a Mayoral function following the election of the GM Mayor in May 2017 and future allocations will be decided by the Mayor supported by a best practice approach to business case development and delivery in line with the principles at sections 9 and 10 below.

4.12 Similarly, allocation of Devolved Transport funds will follow the procedures specified by the particular requirements of each individual funding stream.

4.13 The Adult Education Budget funding was devolved to Greater Manchester in August 2019 and is be covered by separate arrangements as set out in Annex C to the [national local growth assurance framework](#).

4.14 Further calls for bids or projects and funding opportunities will be advertised on the GMCA and GM LEP websites where appropriate.

## 5. Structure and Roles

- 5.1 GMCA and GM LEP form an integrated partnership underpinned by the shared vision set out in the GMS, providing an effective model of governance and decision making.
- 5.2 GMCA and GM LEP form an integrated partnership underpinned by the shared vision set out in the GMS, providing an effective model of governance and decision making.
- 5.3 GMCA and LEP are supported by a dedicated GM Executive Team, which provides the day-to-day support on policy development, commissioning, project development, project appraisal, programme management, and meeting administration. The Team works closely with Leaders, Chief Executives and officers from the member authorities and partners to fulfil these functions.
- 5.4 GMCA and LEP are supported by a dedicated GM Executive Team, which provides the day-to-day support on policy development, commissioning, project development, project appraisal, programme management, and meeting administration. The Team works closely with Leaders, Chief Executives and officers from the member authorities and partners to fulfil these functions.
- 5.5 TfGM is the key delivery partner responsible for the delivery, oversight and monitoring arrangements of transport projects funded through the Single Pot.
- 5.6 GMCA has sought, and annually will seek, assurances from TfGM that their governance and assurance systems comply with requirements of the national local growth assurance framework. This assurance will be provided via TfGM's internal audit function.
- 5.7 The GM Audit and Scrutiny Committees provide essential oversight of the functions of the GMCA and LEP - see below for further detail.
- 5.8 At present all Single Pot schemes are appraised, then considered by the Chief Executives' Investment Group before recommending for approval or otherwise to CA/LEP. However, we are currently reviewing our governance structures with a view to introducing a series of delivery boards to oversee delivery in key thematic areas. The Assurance Framework will be updated once these arrangements are finalised

## 6. Greater Manchester Combined Authority

### Functions and Role

6.1 GMCA and the Mayor of Greater Manchester are together responsible for the core decision making and a range of functions across the city region as set out in the [constitution](#).

6.2 GMCA covers the area of the 10 metropolitan district councils in Greater Manchester which are referred to as its constituent councils.

6.3 When the GMCA was established in April 2011, its functions were limited to transport, economic development and regeneration. Subsequent orders and enactments have expanded the GMCA's responsibilities which can now be grouped under the following broad headings:

- Transport
- Economic Development, Housing and Regeneration
- Education Skills and Training
- Police and Crime
- Fire and Rescue
- Waste

6.4 The Devolution Act also made provision for there to be a Mayor for the area of a combined authority and also provision for the Mayor to exercise the functions of the Police and Crime Commissioner.

6.5 All functions conferred on the GMCA by any enactment are functions of the GMCA, but an order or other enactment may provide that certain functions are exercisable only by the Mayor. The main mayoral functions are:

- Police and Crime Commissioner functions
- Fire and Rescue functions
- Preparation of spatial development strategy (but needs approval of all 10 other GMCA members)

- Preparation of local transport plan and policies (but needs approval of at least 7 other GMCA members)
- Designation of mayoral development areas (but needs consent of GMCA member(s) for area concerned)
- Approval of Compulsory Purchase Orders (but needs consent of GMCA member(s) for area concerned)
- Control of Earn Back monies
- Bus services are a Mayoral function by virtue of the recent Transport Order

### **Membership**

6.6 GMCA membership comprises the Leader of each of its constituent councils along with the Mayor as the eleventh member and Chair. Membership of the GMCA is confirmed once a year at the GMCA meeting in June.

6.7 The Mayor has appointed Sir Richard Leese as Deputy Mayor with responsibility for business and economic issues who may act in place of the Mayor if the Mayor is unable to act.

6.8 The Mayor has also appointed Baroness Beverley Hughes as Deputy Mayor with responsibility policing and crime. The remaining Leaders holds a specific portfolio with responsibility for a key GM priority.

6.9 The current membership of the GMCA is as follows. It should be noted that each district also nominates a substitute member who can vote in GMCA meetings.

## **GMCA Membership 2020-21**

<b>District</b>	<b>Member</b>	<b>Substitute Member</b>
<b>Greater Manchester</b>	Mayor Andy Burnham (Chair)	N/A
<b>Bolton</b>	David Greenhalgh	Martyn Cox
<b>Bury</b>	Eamonn O'Brien	Tariq Tamoor
<b>Manchester</b>	Sir Richard Leese	Bev Craig
<b>Oldham</b>	Sean Fielding	Arooj Shah
<b>Rochdale</b>	Allan Brett	Sara Rowbotham
<b>Salford</b>	Paul Dennett	John Merry
<b>Stockport</b>	Elise Wilson	Tom McGee
<b>Tameside</b>	Brenda Warrington	Bill FairFoull
<b>Trafford</b>	Andrew Western	Catherine Hynes
<b>Wigan</b>	David Molyneux	Keith Cuncliffe

### **GMCA Decision Making and Meetings**

6.11 Decisions of the GMCA are made in accordance with the following principles:

- a. Proportionality (meaning the action must be proportionate to the results achieved)
- b. Due consultation (including taking the relevant legal advice)
- c. Respect for human rights
- d. Presumption in favour of openness
- e. Clarity of aims and desired outcomes
- f. Due consideration to be given to alternative options

6.12 All GMCA meetings are held in public except items which are commercially sensitive which are dealt with following the procedure set out in the GMCA constitution.

6.13 GMCA meeting dates/venues, agendas, reports and minutes are published on the GMCA websites at least 5 working days before each meeting with any Key Decisions published within 2 working days of the meeting.

## **Accountable Body**

6.14 GMCA is the Accountable Body for all funding contained in the Single Pot and for the GM LEP. GMCA will hold the Single Pot funding and make payments to delivery bodies. It will provide programme management to account for each of these funding elements and ensure that investment impact can be assessed.

6.15 As the Accountable Body GMCA and the Mayor will also be responsible for the following:

- Ensure that value for money is achieved;
- Working with the GM LEP to identify a prioritised list of investments within the available budget and in accordance with GM's strategic priorities as expressed through the GMS;
- Making decisions on schemes funded by Earnback, AEB or Transport Grant, and for Local Growth Funded schemes make decisions based on the recommendations of the GM LEP. This will include individual scheme approvals, investment decision making and release of funding, including scrutiny of individual scheme business cases;
- Monitoring the progress of scheme delivery and spend;
- Maintain a robust audit trail to demonstrate compliance with appropriate protocols and regulations
- Actively managing the devolved budget and programme to respond to changed circumstances (scheme slippage, scheme alteration, cost increases etc.)
- Agreeing appropriate grant agreements for Single Pot funds. To date all Single Pot funds which have been allocated to non-GMCA delivery bodies have done so via grants with agreements in place to ensure effective oversight and performance management. If in future funds are allocated other than by grant, appropriate procedures will be drawn up to ensure similar oversight and scrutiny.
- Recovering non-compliant funding. All LGF funds are allocated via grants which specify how funds will be recovered in the event of non-compliance. The remaining Single Pot funds will follow the procedures set out by the Government department responsible for each funding stream.

## **Delegated Authority**

6.16 In line with GMCA's role as accountable body, a scheme of delegation is set out in the GMCA constitution which outlines the responsibilities of Transport for Greater Manchester (Constitution Part 3 section E) and of officers within the Scheme of Delegation to Chief Officers and Schedule of Proper Officers (Constitution Part 3 section F) – see below from detailed role of the Executive Team.

## **GM Scrutiny and Audit Committees**

6.17 Greater Manchester recognises that its ways of working and formal governance need to support transparent and publicly accountable decision making. Effective scrutiny is even more important in the light of the new powers that devolution brings.

6.18 An effective scrutiny function is a key part of this decision-making process. The GMCA has established three thematic overview and scrutiny committees. The overarching purpose of these new structures is to improve the quality of decisions made by the GMCA and the elected Mayor.

6.19 The committees will do this by reviewing the work and decisions of the GMCA and the elected Mayor and by acting as a critical friend in the development of policy and new work streams. As the LEP and GMCA share a common strategy, delivery of LEP priorities falls within the scope of scrutiny oversight.

6.20 All GM's scrutiny committee meetings are live streamed on the GMCA website. The three committees are:

- Corporate Issues and Reform (GMCA as a corporate entity & public sector reform)
- Economy, Business Growth and Skills
- Housing, Planning and Environment (including transport and regeneration)

6.21 All funding streams in the Single Pot are subject to the GMCA's scrutiny and overview processes which includes internal and external audit processes. GMCA's Audit Committee provides high level public accountability and challenge with a strategic remit over the following areas of work:

- Approval of accounts
- Governance, risk and control
- Internal Audit
- External Audit
- Financial Reporting

6.22 In addition, the GMCA Finance Team maintain a central register of grants received which records details of funding, payments and spending and includes a section on grant conditions and certification requirements. This provides the GMCA's audit team with a high level overview of all economic development and regeneration grants and assists with the identification of funding streams and/or projects on which to focus audit resource.

6.23 GMCA's Finance and Audit teams are currently working to streamline, consolidate and better align internal audit processes across delivery partners.

### **GMCA Executive Team**

6.24 The LEP Board is supported by a shared secretariat with GMCA, allowing the joint access to the comprehensive GM evidence base, as well as support to take forwards initiatives to support the delivery of areas identified as shared GMS priorities.

6.25 The GM Executive Team leads the secretariat and brings together key officers and partners in a variety of forums to support governance, strategy and delivery arrangements. GMCA appoints three Statutory Officers with a formal role of discharging the duties and obligations on their behalf. The roles are defined in the constitution but briefly comprise:

- **Head of Paid Service** – The GMCA Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the LEP. NB: The current Chief Executive Eamonn Boylan is simultaneously Chief Executive of TfGM.
- **Section 73 Officer** – The GMCA Treasurer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and LEP.
- **Monitoring Officer** – The GMCA Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the Legal duties of the Combined Authority and LEP.

6.26 The statutory officers of the GMCA ensure that both the GMCA and the GM LEP's business and decisions are managed in line with local government legislation concerning finance, conduct and legal matters. They ensure:

- that the decisions and activities of the GMCA and GM LEP conform with legal requirements with regard to equalities, environmental, compliance with State Aid rules, procurement of services.
- that GMCA and the GM LEP's funds are used appropriately (through GM's Section 73 Officer).
- that the provisions of the GMCA Single Pot Assurance Framework and GM LEP's assurance framework are being adhered to.
- that an official record of GMCA and GM LEP proceedings are maintained. All relevant documents relating to these decisions are held by the GMCA Governance Team.
- that the GMCA and GM LEP's funding is subject to internal and external audit requirements and any other local government funding.

## **7. GM Local Enterprise Partnership**

- 7.1 The GM LEP sits at the heart of GM's governance arrangements, ensuring that business leaders are empowered to set the strategic course, determine local economic priorities and drive growth and job creation within the city region.
- 7.2 It is a private-sector led, voluntary partnership whose core function is to provide strategic leadership (alongside the GMCA) to deliver the region's strategic ambitions. As a voluntary partnership, the GM LEP cannot contract, procure services or employ staff and therefore uses the GMCA as its Accountable Body.
- 7.3 The Board is supported by a shared secretariat with GMCA, allowing the LEP access to the comprehensive GM evidence base, as well as support to take forwards initiatives to support the delivery of areas identified by the LEP Board as priorities.
- 7.4 This approach allows the LEP to engage with a variety of political and statutory partners at the level of both strategy and delivery including Government departments, GMCA, individual Local Authorities, universities and TfGM. Further details on the role of GMCA and key officers is set out below.
- 7.5 The LEP Board contributes, informs and provides supportive challenge to Greater Manchester's strategic work through membership of project teams, partnerships and events. These projects represent key partnerships between the LEP and the public, private and voluntary sectors.

### **LEP Membership**

- 7.6 The LEP consists of 15 Board members; 11 private sector members and 4 GMCA members (which includes the Mayor and Deputy Mayor alongside two GMCA representatives). The Board is also supported by two ex-officio members who provide additional insight and expertise but do not have voting rights.

- 7.7 Private sector members of the GM LEP are appointed (as laid out in its terms of reference) via an open and transparent recruitment process, overseen by the Co-Chairs of the GM LEP and representatives of the GMCA. Private sector terms of office are for two years and then reviewed. The most recent review of private sector members was concluded in the financial year 2019-20 including the appointment of two Co-Chairs – see Annex A/B for the role descriptions.
- 7.8 This regular refresh of the Board membership allows for effective succession planning ensuring the Board continues to reflect the breadth of industrial sectors on its Board as well as represents the diversity of Greater Manchester’s people. In the event of a member resigning from the Board, the vacancy will be filled in the next membership review or by appointment of a suitable candidate from the previous review at the discretion of the Chair.
- 7.9 It should be noted that all LEP Board roles are non-remunerated and no LEP member, Co-Chair or Deputy Chair receives a salary for their participation on the LEP Board.
- 7.10 The Board is chaired by private sector members with the membership following the most recent review set out below. A Deputy Chair was also appointed in line with the guidance set out in Strengthened Local Enterprise Partnerships.
- 7.11 In line with national guidance, the Co-Chair and Deputy Chair’s term of office is defined as 3 years with an optional extension of 3 years with a further exceptional period of 3 years if agreed by the Board.
- 7.12 Given the term of office for all GM LEP private sector members is 2 years, it should be noted that completion of the Chair or Deputy Chair’s full term of office is subject to confirmation of their ongoing LEP Board membership as part of the biennial review highlighted above e.g. the Chair/Deputy Chair may stand down or be replaced prior to the completion of their 3 year term or continue in their role until completion dependent on the outcome of the membership review.

**Private Sector Member (2019-21)**

<b>Member</b>	<b>Business/Role</b>
Lou Cordwell	Magnetic North (LEP Co-Chair and SME Representative)
Mo Isap	IN4.0 Plc (LEP Co-Chair)
David Birch	Consultant
Juergen Maier	Siemens Plc
Dame Nancy Rothwell	University of Manchester
Richard Topliss	RBS & Manchester Growth Company Chair
Lorna Fitzsimons	The Pipeline
Fiona Gibson	Everyman and Playhouse
Amanda Halford	GE Healthcare Life Sciences
Chris Oglesby	Bruntwood Plc

**GMCA Representative (2020-21)**

<b>Member</b>	<b>Business/Role</b>
Andy Burnham	GM Mayor
Cllr Sir Richard Leese	GM Deputy Mayor
Cllr Brenda Warrington	Leader of Tameside MBC
Cllr Elise Wilson	Leader of Stockport MBC (LEP Deputy Chair)

**Ex-Officio Member**

<b>Member</b>	<b>Business/Role</b>
Mike Blackburn	Non-Executive Director Chair of Marketing Manchester & Internationalisation and Marketing Board
Vanda Murray	Non-Executive Director Chair of Business Support and Business Finance Board (Diversity Champion)

## **LEP Decision Making and Meetings**

7.13 All LEP Board meetings are held in public except items which are commercially sensitive with the LEP following GMCA's established approach to handling confidential and exempt information as set out in the GMCA constitution.

7.14 LEP Board meeting dates/venues, agendas, reports and minutes are published on both the GMCA and LEP websites at least 5 working days before each meeting with minutes available 5 working days after the meeting.

7.15 The GM LEP's Terms of Reference identifies the quorum of 7 members with at least one GMCA representative.

7.16 GM's unique model of integrated governance means that LEP Board receives regular updates and reports from a range of agencies in delivering GMS priorities. When these reports include an application for LGF funding, the following elements will be included where to ensure the LEP Board is fully informed when making decisions on funding:

- The application made for funding
- An appraisal of the application
- A view by a legal expert where applicable
- A recommendation as to whether to fund the proposal
- A recommendation about conditions which should be attached to the proposal

7.17 This supports the commitment from all LEP Board members to make decisions on merit having taken into account all the relevant information available at the time.

7.18 In order to ensure that the LEP is able to progress its business in an efficient manner the Board can progress its business by making decisions via email and to delegate decision making when expedient.

7.19 All decisions are made in accordance with the process that has been set out in this document. Any decision which is made in contravention of the process will be invalid.

7.20 Decisions of the GM LEP are reported promptly, via a copy of the draft minutes, to the next GMCA meeting following the GM LEP.

7.21 GM built on this open approach by holding a LEP Annual General Meeting once a year beginning in September 2019.

### **Delivery**

7.22 Delivery on LEP priorities is not just through strategic input and oversight but driving project delivery with public, private and voluntary sector partners. The LEP works on a range of projects to realise its ambitions and some highlights include supporting the Business Growth Hub; establishing two Enterprise Zones; securing the £10m City Verve project; and supporting the Working Well project that helps benefit claimants find employment by providing them integrated and intensive support.

7.23 Beyond delivery within Greater Manchester, the LEP works in partnership at sub-regional, regional and national level for the benefit of the city region. In particular, GM LEP is an active member of the national LEP Network and is committed to further partnership working across the Network in future. GM LEP is also a founder member of NP11, bringing together the 11 Northern LEPs to tackle boost productivity, overcome regional disparities in economic growth and tackle the historic north-south divide.

### **Engagement**

7.24 The LEP continues to engage with local stakeholders in Greater Manchester to inform the development of policy and delivery. This includes engaging through a variety of business networks and representation organisations but also by participating in key local initiatives such as the Towns Board.

7.25 Private sector LEP Board members also take a lead for each of GM's ten districts, ensuring the Board is keep up to date with local business intelligence and can promote key GM initiatives across the city region.

### **Diversity**

7.26 GM LEP welcomed the recommendations in the Ministerial Review of LEPs – Strengthened Local Enterprise Partnerships – to improve the gender balance and representation of those with protected characteristics on LEP boards with an aim that women make up at least one third of boards by 2020 with an expectation for equal representation by 2023, and ensuring all boards are representative of the businesses and communities they serve.

7.27 GM LEP recognises that it works on behalf of all the people of Greater Manchester and recognises that different people bring different ideas, knowledge and perspectives. As part of this commitment, GM LEP biennially refreshes its board membership to ensure it reflects the breadth of industrial sectors on its Board as well as represents the diversity of Greater Manchester's people.

7.28 A Diversity Champion was appointed following a recent membership review.

### **SME Representative**

7.29 As part of the biennial review of private sector members the GM LEP ensures that at least one board member should act as a representative of the SME community, engaging with the views of small and medium sized businesses and stakeholders.

7.30 The SME representative will act as the voice for SMEs on the LEP, championing those issues which affect small and medium sized businesses. The role will involve meeting regularly with bodies representing the wider SME community and providing strategic oversight through the LEP to ensure that any support delivered reflects the needs of SMEs locally.

### **Annual Delivery Plan**

7.31 In line with the requirements of the recent LEP Review, GM LEP has developed a LEP Annual Delivery Plan which sets out the actions (drawn from the GMS and the GM Local Industrial Strategy) which have been identified as LEP Board priorities.

7.32 An end of year report will be produced which will reflect progress made against these priorities.

## **8. Transparency and Accountability**

7.33 GM is fully committed to transparency and accountability and we have been happy to comply with the recent Ney and Ministerial LEP Review (Strengthened Local Enterprise Partnerships) recommendations which strengthen this approach.

7.34 Beyond the details of LEP Board meetings outlined above, the LEP Board has adopted the following key operating principles.

### **Code of Conduct**

7.35 All GMCA and LEP members are expected to abide by the Nolan Principles for Standards in Public Life including selflessness, integrity, objectivity, accountability, openness, honesty and leadership in conduct at all times.

7.36 All LEP Board members have therefore signed up to the Code of Conduct reflecting these principles and commit to carry out their LEP duties in line with them

### **Freedom of Information**

8.5 The GMCA is legally required to respond to any freedom of information and environment information requests. In the interests of transparency, the GM LEP has also elected to do so.

### **Conflict of Interest**

8.6 All LEP Board members, as well as the GMCA/TfGM Chief Executive, must declare any personal or prejudicial interests relating to LEP agenda items at the beginning of each GM LEP meeting as set out in the LEP's terms of reference. Each LEP member and GMCA/TfGM Chief Executive must also complete a Register of Interest which is published on the LEP website and refreshed biannually.

### **Gifts, Hospitality and Expenses**

8.7 A register of gifts, hospitality and expenses will be established and published online for all LEP Board members to be updated quarterly. In line with the GMCA constitution, this will cover all expenses provided to any private sector member of the Board along with any gifts and hospitality of a cumulative estimated value of at least £100 from a single source. Public sector members maintain their own register as part of their substantive roles as Greater Manchester Leaders.

### **Dispute Resolution**

8.8 In the event that the GMCA and the LEP are unable to reach agreement about a LEP decision, a panel will meet to formally consider the matter. The panel will comprise three people: the Chair of the LEP; GMCA's Section 73 Officer and an independent person.

### **Complaints Policy**

8.9 The GMCA's complaints policy covers the GM LEP. The policy sets out how GM is committed to providing quality customer service and how it will deal with any complaints. It aims to:

- Deal with complaints quickly and fairly
- Inform complainants what is happening with their complaint and do everything we can to help them
- Do our best to treat the information in confidence
- Explain our decision
- We will use complaints to review and improve the way we provide services.

### **Whistleblowing Policy**

8.10 The GM Whistleblowing Policy extends to both GMCA and GM LEP and is a vital element of our governance arrangements. It is designed to allow those employed by the GMCA and/or members of the public to come forward and raise both disclosures and serious allegations of wrongdoing involving the actions of GMCA employees, Members, contractors or any aspect of the GMCA's activities.

## **Publication of Financial Information**

8.11 The GMCA's financial arrangements are bound by the Local Government Transparency Code including all funding awarded to the GM LEP, as it is a voluntary partnership it cannot contract, procure services or employ staff. The mandatory quarterly publications of relevance to this assurance framework include:

- Expenditure exceeding £500
- Procurement spend over £5,000 and invitations to tender for contracts over £5,000

8.12 Further, the GMCA produces Annual Accounts which, following the recommendations of the GM LEP Review, will specifically highlight LEP spend to reflect the need for an Annual Financial Statement. All this financial information is available on the GMCA and LEP websites.

## **Data Protection**

8.13 GMCA has developed appropriate procedures which also cover the GM LEP to ensure it complies with the requirements on data handling as set out in the National Local Growth Assurance Framework in line with the Data Protection Act 1998, the General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

## **Member Induction**

8.14 New members of the GM LEP Board are invited to an induction setting out the key powers, responsibilities and procedures of their respective groups, ensuring that they can make best use of their skills and expertise in driving the strategic GM agenda.

## **LEP Website**

8.15 The LEP website provides information on the LEP, the Board, strategic ambitions, news, meetings and papers, projects and procedures.

8.16 The LEP website highlights our strategic ambitions for the city region and our key priorities as set out in the GM Strategy. We have also set out where people can see how we are delivering on that vision through the GMCA and partners along with information on LEP priority projects.

8.17 The website also hosts a news service providing updates on GM private sector priorities and GM LEP's role in driving economic growth and public service reform across the city region.

8.18 The key GM LEP documents are available to download or as links to the relevant pages of the GMCA website including:

- LEP Terms of Reference.
- The GM Single Pot Assurance Framework.
- Financial information including the annual accounts and annual financial statement.
- The LEP Delivery Plan and End of Year Report.
- All LEP Board meeting agendas, papers and minutes.
- The Annual Assurance statement from the leadership of the LEP.
- The LEP's Code of Conduct.
- Board Member's registers of interest and the register of the Chief Executive Officer.
- The LEP hospitality and expenses register.
- Complaints Policy.
- Whistleblowing Policy.
- SME Champion.
- A rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funds designated by year.
- Information on the process for applying for funding.

## **Branding**

8.19 The GM LEP has committed to meeting the Government's branding guidelines for projects

## **9. Single Pot Funding Governance – Non Transport projects**

### **GM Evidence Base**

7.37 A distinctive feature of Greater Manchester's approach has been its commitment to developing a robust evidence base to inform its policy interventions and decision making.

7.38 Key aspects of GM's strategic approach to evidence include:

- The Manchester Independent Economic Review (MIER): a comprehensive appraisal of the opportunities and challenges faced by Greater Manchester – the first such assessment to be carried out in the UK at city region level;
- Development of the Greater Manchester Strategy evidence base and its subsequent iterations
- Development of the Growth and Reform Plan to underpin our initial Growth Deal submission setting out Greater Manchester assets and opportunities in Life Sciences, further education facilities, public transport and business support services
- The Greater Manchester Forecasting Model providing consistent, sophisticated and robust information on the current and likely economic performance
- The Science and Innovation Audit which identified our area's core strengths in health innovation and advanced materials, along with our fast growth opportunities which focused on the future potential of digital, energy, and industrial biotechnology.
- Transport 2040 Strategy included analysis of the thematic drivers of transport demand including economy and employment; society and community; urban development; environment and resources; and technology and innovation.
- The Independent Prosperity Review which informs the development of the GM Local Industrial Strategy. The IPR was led by a panel of leading economic experts to undertake a detailed and rigorous assessment of the

current state, and future potential, of Greater Manchester's economy. Ten years on from the groundbreaking MIER, it provides a fresh understanding of what needs to be done to improve productivity and drive prosperity across the city-region.

7.39 This evidence base underpins the principles of GM's Investment Strategy by aligning GM funding streams to achieve the outcomes set out in the Greater Manchester Strategy, particularly through targeted investment in business support, transport infrastructure, skills provision, science and innovation and more.

7.40 This comprehensive approach to GM investment applies to funds both within Single Pot as well as funds such as Growing Places, Regional Growth, Enterprise Zones and GM Loans Funds.

7.41 For the purposes of this Assurance Framework, the following section sets out how this approach is applied to business case development, governance and value for money procedures.

### **Business Case and Governance Procedure**

7.42 In accordance with GMCA/LEP's submission to Government, LGF funded projects are broadly divided the LGF into 3 'pots' – Transport, Skills Capital and Other Economic Development. All projects will follow the same overarching business case and governance process. The detail of assessment for all project themes will include specific methodologies as outlined below to meet departmental requirements. Other specific methodologies may be necessary for discrete elements of the overall programme.

7.43 GM is using Single Pot funding for two types of projects: those where the overall project is fully defined and the funding is part paying for a complete scheme – full projects; and those where Single Pot funding is being used as 'development/seed capital' to further develop a project to full project status.

7.44 All full project proposals have a business case and business plan developed using techniques informed by HM Treasury Green Book, and are subject to a full Green Book appraisal. For all projects there is a clear assessment of their strategic fit and, once this has been decided, an assessment is made of the economic, commercial, financial and management case for the project to ensure good use of public money, value for money and that all projects are seeking the minimum funding required to make them viable.

7.45 This process provides the GMCA and LEP with assurance that the project is delivering public value in spending decisions, in terms of its scoping, options selection, delivery, monitoring and evaluation. Business cases are developed iteratively over time with project/scheme promoters to develop a complete picture of the project under in of the five cases, namely:

- The Strategic Case
- The Economic Case
- The Commercial Case
- The Financial Case
- The Management Case

7.46 The assessment undertaken will be proportionate to the funding allocated and in line with the established departmental guidance, as set out by HM Government. Strategic, outline and full business cases will be required from scheme promoters, to fit with the three stages of approvals, namely:

- Gateway 1: Strategic Outline Business Case for Prioritisation
- Gateway 2: Outline Business Case for Programme Entry
- Gateway 3: Full Business Case for Full Approval

7.47 At Gateway 1, a long list of projects are presented. Each project is defined as per SOBC standard information and a prioritisation process conducted. A proportionality principle is applied such that the bigger (and the riskier) the scheme, the greater the level of information and assurance is required. If a

project is prioritised at Gateway 1, then it is developed further and OBC standard information produced and reviewed at Gateway 2. Then, if approved at Gateway 2, then the scheme is developed to Full Business Case standard (ie powers, consents, tendering) to be submitted to the Gateway 3 for full approval.

9.11 These stages will follow the HM Treasury Green Book guidance, i.e.:

**Strategic Outline Case (SOC)-the scoping stage.**

The purpose of the SOC is to confirm the strategic context of the proposal; to make a robust case for change; and to provide stakeholders and customers with an early indication of the proposed way forward (but not yet the preferred option), having identified and undertaken SWOT analysis (Strengths Weaknesses Opportunities Threats) on a wide range of available options, together with indicative costs.

**Outline Business Case (OBC) -the detailed planning phase.**

The purpose of the OBC is to revisit the SOC in more detail and to identify a preferred option which demonstrably optimises Value for Money. It also sets out the likely Deal; demonstrates its affordability; and details the supporting Procurement Strategy, together with management arrangements for the successful rollout of the Scheme. Crucially, it sets out the process of going from a long list of options to a short list of options (including the 'do nothing', 'do minimum' and 'do something' scenario).

**Full Business Case (FBC) - detailed final phase.**

This takes place within the procurement phase of the project, following detailed negotiations with potential service providers/suppliers prior to the formal signing of contracts and the procurement of goods and services. 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. This stage will also build on the economic case where necessary, fine-tuning the appraisal and using the latest evidence base.

9.12 Depending upon the development stage of particular schemes, the Outline Business Case and Full Business Case may be undertaken jointly as a single stage.

9.13 Value for Money will be assessed at a high level at Strategic Outline Business Case stage, with full assessment at Outline Business Case stage. At Full Business Case, promoters will be expected to review and refine the agreed Value for Money statement from the Outline Business Case to confirm the programme is still worthwhile. Details of the methodologies used to calculate value for money for transport and other economic development and regeneration schemes are outlined below.

9.14 At each of the three Gateways, the “5 cases” will be scrutinised by GMCA officers and suitably experienced independent advisors where appropriate. Governance for the Gateway process will be the Chief Executives Investment Group, which will make recommendations to the GMCA and GM LEP for final sign off.

9.15 For projects which are seeking ‘development/seed capital funding’ the key assessment is the strategic fit and the impact of the potential full project. The risk and Value for Money assessment will focus more heavily on the likelihood that the project will deliver the desired longer term outcomes and outputs rather than the costs of the project. However, the assessment process will be rigorous to ensure that the Single Pot funding being awarded is:

- the minimum needed to ensure the development work proceeds; and
- the likelihood that the full project will proceed if this development money is committed, including the potential future funding sources for the full project.

9.16 When the Greater Manchester Single Pot was initially set up, there were a number of schemes that already had passed through Gateway 1, and were subsequently appraised and approved at Outline Business Case and Full Business Case stages (Gateways 2 and 3). Some funding pots within the Single

Pot, e.g. for Skills Capital have been prioritised and allocated using a call for projects approach.

9.17 It is intended that any future funding streams which are included within the Single Pot will also be open to suggestion of candidate projects from partners within the public and private sectors. All candidate schemes will be appraised and prioritised at high level by officers from GMCA and a sub group of the GMCA's Wider Leadership Team, the Chief Executives' Investment Group. These officers will not have been involved in scheme development and therefore can provide a consistent and independent view. Those projects which are deemed to be high priority and deliverable will then produce a Strategic Outline Case and be recommended to the GMCA and the GM LEP for Gateway 1 approval. A Value for Money assessment will always be made available as part of the assessment process.

### **Business Case Development**

9.18 There is a clear allocation of tasks to assess a project's business case. The GMCA's research and evaluation team will assess the strategic and economic case of a project while the GMCA's Core Investment Team assess the financial, commercial and management aspects of a project including a value for money assessment and due diligence.

9.19 Projects and funding requests are prioritised on the basis of their contribution to the Greater Manchester Strategy. The assessment of individual projects incorporates an appraisal by the GM Core Investment Team and a review by a sub-group of chief executives. Prioritisation will occur (using the principles of Treasury Green Book Guidance) through the development of a strategic outline case which confirms the strategic context of the proposal, and then to outline business case, which demonstrably optimises the Value for Money of the proposed project under consideration. All items presented to the GMCA and GM LEP will have been screened to ensure that any recommendations are compliant both with grant conditions and the Combined Authority's financial regulations.

9.20 Business cases will be assessed for each section of the 5 case model (strategic, economic, financial, commercial and management). The following factors will be considered during this assessment:

- Impact
- Strategic Fit (with the Greater Manchester Strategy and any other GMCA thematic strategies)
- Scale
- Investment Leverage
- Jobs
- Brownfield/Greenfield
- Accessibility
- Match to Funding
- Deliverability/Timescale
- Viability
- Value for money
- Deliverability
- Time to Market

9.21 GMCA will use national guidance (Green Book and relevant departmental guidance where appropriate) for project appraisal. GMCA may also use local methodologies for this purpose and will present these alongside national approaches for decision-makers to see when deciding in which projects to invest. The approach for Value for Money Assessment will be to use the methodology developed by the GMCA and incorporated as supplementary guidance to the HM Treasury Green Book in April 2014.<sup>1</sup> The analysis will take into account standard approaches to assessing additionality, including deadweight, displacement, leakage and substitution as appropriate for each scheme.

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<sup>1</sup> <https://www.gov.uk/government/publications/supporting-public-service-transformation-cost-benefit-analysis-guidance-for-local-partnerships>

## **Value for Money**

9.22 GM will ensure that an appropriate assessment of investments made through the Single Pot is undertaken to ensure Value for Money. The GMCA is covered by the Code of Audit Practice 2010 (the Code) which describes GMCA's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

9.23 GM, as required by the Code, will always take into account Value for Money when considering whether or not to approve a project or schemes. The GMCA's assessment process includes a Benefit to Cost Ratio (BCR) and an assessment of the non-monetised impacts of the project/scheme which produce an overall assessment of value for money.

9.24 GM will usually fund projects with high Value for Money. However, the GMCA may also choose to fund schemes with a lower value for money in exceptional circumstances if the project or scheme's strategic outline case sets out a compelling case. For instance, it will take into consideration broader strategic value of potential investment schemes, particularly with regard to their potential to deliver increased GVA, spread prosperity across GM, or deliver carbon and wider social benefits, in finally determining whether to approve a scheme. These decisions will be clearly explained and transparently recorded, with the CA taking a justified decision based on evidence provided throughout the whole business case.

## **Risk**

9.25 The strategic financial risks relating to Single Pot funding are managed within the GMCA's risk management strategy. A corporate risk register is taken to each meeting of the Audit Committee.

## **Project Evaluation**

9.26 The Growth Fund and Devolution Deal evaluations agreed with government identify clear processes for establishing baseline data prior to project commencement and an evaluation plan, setting out the range of benefits to be monitored and the methodology employed. In addition the GMCA and GM LEP will use external advice from partners such as the Department for Transport, the Ministry for Housing, Communities and Local Government, and the What Works Centre for Local Economic Growth coordinated through GM's evaluation team based in the GMCA research team.

9.27 Taken together this will ensure GMCA and GM LEP can robustly assess, monitor, and maintain robust audit trail throughout the lifetime of projects. The GMCA and GM LEP will ensure that learning is disseminated through the Growth Deal's management arrangements and is accessible to partners within GM and other key partners. Evaluation findings will also be reported in public through the GMCA's website and will be used to help inform future policy decisions.

## **10. Single Pot Funding Governance - Transport**

### **Major Transport Schemes (over £5 million)**

- 10.1 As stated above, a distinctive feature of Greater Manchester's approach has been its commitment to developing a robust evidence base to inform its policy interventions and decision making which applies equally to transport and non-transport projects.
- 10.2 For Major Schemes, gateway processes (which were originally created for the GM Transport Fund and GM Investment Framework) have been established and are followed by all schemes. These gateways follow the Office of Government Commerce (OGC) Gateway Process and examine programmes and projects at key decision points in their lifecycle. Progression through the gateways is mandatory and provides assurance that the scheme can move successfully to the next stage. The processes provide independent guidance to both GMCA / GM LEP and to the scheme promoting authority and help to ensure that the programmes and projects are successful.
- 10.3 Specific prioritisation arrangements apply in relation to transport schemes and these can be found at Annex C.
- 10.4 Key decision points in the gateway process are aligned with the DfT's Programme Entry and Full Approval stages. Scheme promoters/ promoting authorities are required to make submissions to an independent panel commissioned by TfGM and the schemes scrutinised against pre- determined criteria.
- 10.5 The independent panel is assembled for each assessment by TfGM Portfolio Office and combines TfGM and independent support partner expertise as required, to ensure suitable independence and best-practice in both transport and investment appraisal is maintained throughout. The TfGM Chief Executive Officer is the nominated officer for business case scrutiny and for making recommendations to the GMCA / GM LEP on transport project Single Pot investments.

<b>Role</b>	<b>Accountable Officer</b>
Oversight of GMCA transport economic appraisal guidance and VfM scrutiny of Single Pot projects	TfGM Head of Modelling and Analysis
Coordination and oversight of TfGM Gateway Review Panel (GRP)	TfGM Head of Portfolio Office
Submission of GRP recommendation, including a VfM Statement, to GMCA Chief Executives' Investment Group	TfGM Chief Executive Officer
Submission of funding GRP approval to GMCA	Transport Portfolio Lead (GM Mayor)

10.6 All scheme proposals submitted by promoters will follow the key principles defined in DfT's TAG and the travel demand scenarios within the National Trip End Model. For transport projects, as with other GM Single Pot schemes, GMCA will primarily fund projects with a "High Value for Money" where the BCR is greater than 2 and accounting for significant non-monetised impacts and key uncertainties. GMCA may also choose to fund schemes with a lower value for money if the scheme's strategic case highlights additional outcomes that align with GMCA's strategic priorities as set out in its Greater Manchester Strategy, the emerging Greater Manchester Spatial Framework and / or the GM Transport Strategy 2040. These schemes will still comply with the DfT TAG cost benefit analysis criteria which recognises multi-criteria analysis in the selection and delivery of schemes, with core appraisals being based upon the National Trip End Model.

10.7 Scheme business cases will be publicised before a funding approval decision is made, so that external comment is possible. This engagement will be done through either "conversations" or consultation depending on the complexity and value of the scheme with GMCA making public how they have taken external comments into account.

10.8 Guidance for promoters will be continually developed and agreed by GMCA's Transport Strategy Group on acceptable approaches and methodologies, and reflect proportionality relevant to the scheme type and scale of funding. This guidance will follow TAG and a Business Case Specification will be agreed between promoters and the GMCA in advance of submission to ensure consistency across schemes and efficient use of resources.

10.9 The guidance will also outline how the business case will be assessed, the procedures for providing and monitoring the response to feedback, and how information will be used by the GMCA to make final funding decisions.

10.10 Transport for Greater Manchester's website and/or the Local Authority scheme promoter's website are utilised to publicise business cases that are subject to final GMCA determination, with GMCA senior officers ensuring that a consistent approach is maintained to the publication of GMCA meeting papers.

#### **Evaluation of Transport Schemes over £5m**

10.11 All Single Pot funded major transport schemes will be subjected to post-implementation monitoring and evaluation as per procedures established by TfGM for all its GM Transport Fund major schemes. These procedures follow DfT best practice.

10.12 These procedures will require promoters to agreed clear objectives for the evaluation with the GMCA. These will be documented in an evaluation plan prior to project commencement along with processes for establishing baseline data, setting out the range of impacts to be monitored and the methodologies to be employed. This plan will be agreed as part of the Stage 2 Outline Business Case stage to ensure that resources are in place to deliver the agreed monitoring and evaluation.

10.13 Depending upon the evaluation objectives, an interim report will be produced based on data collected at about one year after the scheme is open and then a final report three to five years after opening. These reports will be independently

validated and reviewed, and will be published on the GMCA website. The GMCA will work with the promoters to act on the evaluation findings to ensure knowledge is applied and examples of best practice adopted in future scheme submissions.

### **Minor Transport Schemes (under £5 million)**

10.14 Once prioritised and given Programme Entry by GMCA, the business case development and approval of transport schemes of less than £5 million are delegated to the GM Transport Strategy Group (TSG) of senior officers. TSG performs the following roles and duties with respect to the minor works programme:

- ensuring value for money is achieved;
- scrutiny of package business cases;
- monitoring progress of package and programme delivery and spend; and
- approving changes to the programme, within the available budget.

10.15 Scheme promoters of transport schemes under £5 million are asked to submit a mini business case using a standard Minor Scheme pro-forma, which is similar in content to the one used by DfT for funding competitions. These submissions are reviewed by TfGM in discussion with promoters in a reduced form of the independent panel used for major schemes.

10.16 All scheme package proposals submitted by promoters must follow the key principles of the Transport Business Case guidance defined in TAG, namely the “5 Cases” (Strategic, Economic, Commercial, Financial and Management).

10.17 For transport projects, as with other GM Single Pot schemes, GMCA will primarily fund projects with a “High Value for Money” where the BCR is greater than 2 and accounting for significant non-monetised impacts and key uncertainties. GMCA may also choose to fund schemes with a lower value for money if the scheme’s strategic case highlights additional outcomes that align with GMCA’s strategic priorities as set out in its Greater Manchester Strategy, the emerging Greater Manchester Spatial Framework and / or the GM Transport

Strategy 2040. These schemes will still comply with the DfT TAG cost benefit analysis criteria which recognises multi-criteria analysis in the selection and delivery of schemes, with core appraisals being based upon the National Trip End Model. A report of the independent review by TfGM officers, including the VfM Statement, is submitted to the GM Transport Strategy Group (TSG) for approval. Progress reporting on the minor transport scheme delivery is reported periodically to GMCA as part of the overall capital programme updates.

### **Evaluation of Transport Schemes under £5m**

10.18 TSG wish to gain a strategic understanding of the benefits of packages costing over £100,000. All schemes will include a monitoring and evaluation plan against appropriate agreed metrics and include evidence of baseline data to be used and a timescale for evaluating benefits

### **Five Year Gateway Review**

10.19 Combined Authorities in receipt of investment funds (Earn Back/Gain Share) from Central Government as part of city deals will be subject to five-yearly Gateway Reviews to assess investment impact. For GM, the Earn Back funding is part of the Single Pot. GM has agreed with Government on a process for the first Gateway Review in 2020 consistent with the national framework. The 2020 Gateway will focus on the progress of the two significant schemes funded in part by Earn Back, namely the A6 Manchester Airport Relief Road (A6MARR) and the Trafford Park Metrolink extension. The A6MARR opened in 2018 and so the 2020 Gateway Review for Earn Back will include an assessment of the first year impact of the scheme and on the progress in delivering the Trafford Park Metrolink, which is due to open in Spring 2020.

# **ANNEX A – Greater Manchester Local Enterprise Partnership (Person Specification for Chair/Co-Chair)**

## **LEP Chair/Co-Chair**

### **Role:**

- to provide leadership and strategic direction to the LEP and to build the LEP Board, harnessing the skills, expertise and experience of LEP members
- to chair LEP meetings
- to ensure that LEP activities support and add value to the city region's strategic economic priorities and that these reflect the current and future needs of the GM economy
- to attend all LEP meetings, LEP related events and other events as appropriate
- to act as the LEP's spokesperson in its dealings with the media
- to negotiate with and influence senior local and national political and business figures
- to ensure that the LEP complies with the Nolan Principles of standards in public life

### **Person Specification**

Applicants must:

- have a strong commitment to, and understanding of, the city region and in particular the drivers of and challenges faced by the Greater Manchester economy
- have substantial business skills and experience gained at a senior level and be a credible individual with the stature to lead and influence
- have substantial experience of chairing groups or boards of senior executives, of providing leadership and of inspiring and motivating colleagues and stakeholders
- be independently minded – providing detachment and clarity in the development of strategy and the identification of opportunities

- have the ability to set strategic direction and to quickly understand and analyse and distil complex issues into coherent and practical actions
- have strong interpersonal and communication skills, be articulate and passionate, have an ability to influence and network, to deal with media attention and to represent the LEP and its actions
- have experience of providing leadership in a partnership environment and have a strong commitment to collaborative and partnership working, including with the public sector
- have a genuine interest and understanding of the challenges facing the business community
- have a total commitment to equality of opportunity and diversity, including an understanding of the barriers and challenges faced by economically or socially excluded groups

## **ANNEX B – Greater Manchester Local Enterprise Partnership (Person Specification for Member)**

### **LEP Member**

#### **Role:**

- to actively contribute to the strategic direction and the purpose of the LEP
- to provide expertise and knowledge to enable the LEP to address the economic needs of Greater Manchester
- to be prepared to take the lead and provide strategic direction in areas in which they have particular skills, expertise and experience
- to attend all LEP meetings and other events as appropriate
- to comply with the Nolan Principles of standards in public life

#### **Person Specification**

Applicants must:

- have a strong commitment to, and understanding of, the city region and in particular the drivers of and challenges faced by the Greater Manchester economy

- have substantial business skills and experience gained at a senior level and have credibility with the wider business community
- have experience of serving on groups or boards of senior executives
- be independently minded – providing detachment and clarity in the development of strategy and the identification of opportunities
- have ability to quickly understand and analyse and distil complex issues and to contribute to discussions about strategy
- have strong interpersonal and communication skills, be articulate and passionate and have an ability to influence and network
- have experience of working in a partnership environment and have a strong commitment to collaborative and partnership working, including with the public sector
- have a genuine interest and understanding of the challenges facing the business community
- have a total commitment to equality of opportunity and diversity, including an understanding of the barriers and challenges faced by economically or socially excluded groups
- be someone who is willing to provide the time commitment to the LEP and who potentially sees the personal development opportunity provided by the appointment

## **ANNEX C – Prioritisation Principles for Transport Projects**

For transport schemes an initial list of candidate schemes is identified by officers through the GMCA's Wider Leadership Team (WLT) and Transport Strategy Group (TSG). WLT comprises Council Chief Executives and the heads of other Greater Manchester organisations including TfGM. TSG has been in place since 2011 to give collective stewardship to the Greater Manchester Local Transport Plan. It is chaired by the Transport Strategy Director of TfGM and comprises strategic lead officers from TfGM, the ten Greater Manchester authorities, GMCA and key strategic partners and Highways England.

TSG oversees the generation of a prioritised list of projects. Building on the model initially adopted in 2009 to establish the Greater Manchester Transport Fund (GMTF),

the Greater Manchester transport prioritisation process adopts a model similar to the DfT's EAST with clear Greater Manchester priorities, driven by the Greater Manchester Strategy's growth, sustainability and inclusion objectives. These objectives have been agreed by both GMCA and the GM LEP. This prioritisation process comprises three stages of review against:

- Deliverability
- Value for Money
- Strategic Fit

The deliverability assessment ensures that the proposed schemes can be delivered within the funding timescales in consideration. This involves a rigorous review and challenge of any planning powers/consents that may be required for the project to progress; construction issues involved; the certainty of third party funding; and consultation evidence on the public acceptability of the proposal.

The Value for Money assessment ensures that there is a robust economic case for the scheme to be supported by Single Pot funding. This follows DfT Transport Appraisal Guidance to generate a consistent presentation of the value for money based upon both a Benefit-Cost Ratio and upon an assessment of the non-monetised impacts for each scheme.

The strategic fit test is driven by the potential contribution of each scheme to the achievement of local objectives, as set out in the Greater Manchester Strategy. Schemes will be assessed for their GVA potential, alongside the carbon and social inclusion benefits that they offer. Priority will be given to schemes, which perform well against these criteria, and which also support Greater Manchester's spatial growth priorities.