

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2598

Author:

Lewis Stringer

Department:

Development

Contact:

Lewis Stringer

(Job Title: Business Finance Manager, Email: lewis.stringer@nottinghamcity.gov.uk, Phone: 01158764483)

Subject:

Midlands Engine - Accountable Body

Total Value:

£920,000 (funding delegated by Government and the Midlands Engine Supervisory Board) (Type: Revenue)

Decision Being Taken:

That, on behalf of the Secretary of State for Business, Energy and Industrial Strategy (Government) and the members of the Midlands Engine Supervisory Board, Nottingham City Council accepts the role of Accountable Body for the Midlands Engine.

That the Corporate Director of Development be authorised to establish appropriate financial and programme management arrangements, and that interim support be provided by the Economic Development Team in the establishment of these arrangements.

That, as an upper tier local authority, Nottingham City Council provide a £20,000 contribution to support the work of the Midlands Engine.

Reasons for the Decision(s)

The Midlands Engine was launched by the then Secretary of State for Business, Innovation and Skills on 4 December 2015 and covers 86 local authorities and 11 Local Enterprise Partnerships (LEPs) across the East and West Midlands.

The main aims and ambitions of the Midlands Engine are to:

- collaborate with Government, business, local authorities, skills and training providers, universities, LEPs, community and voluntary groups to grow the economy, identify and promote best practice and comparative advantage and embrace the region's strengths and diversity;
- close the productivity gap between the region and the UK and put skills at the heart of economic revival;
- create 300,000 extra jobs by 2020 and boost the UK economy by £34 billion by 2030;
- connect existing centres and networks more effectively both physically and visually, developing a business visitor and tourism offer, and producing a regional economic transport strategy;
- communicate the region's ambition and attractiveness as a place in which to work, study, live and grow; and,
- compete in global markets and attract foreign investment.

The Midlands Engine has a Supervisory Board, Chaired by Sir John Peace, overseeing work in seven theme areas. The members of the Supervisory Board are senior leaders drawn from Government, business, local authorities, LEPs, universities and further education from across the East and West Midlands, and include the Leader and Chief Executive of Nottingham City Council. The seven themes are Economic Planning, Finance for Business, Innovation, Midlands Connect, Promotion, Skills and Supply Chain. Each theme has a range of detailed activities.

For the 2016/17 Budget, the Supervisory Board submitted a short business case to the Secretary of State for £250,000 revenue funding, to be matched against £520,000 'local' contributions and £150,000 existing Government contributions. The local contributions include £20,000 from each of the upper tier local authorities in the East and West Midlands.

On 26 May 2016, the Supervisory Board asked Nottingham City Council to act as the formal Accountable Body for the Midlands Engine. On 9 June 2016, the £250,000 payment was made to Birmingham City Council through a Section 31 grant. Up to this point, Birmingham City Council (and Greater Birmingham and Solihull LEP) had been acting informally as the Accountable Body and Secretariat for the Midlands Engine, with expenditure to date being made from the LEP's own £20,000 contribution. This payment has triggered the start of a process to transfer Accountable Body status from Birmingham City Council to Nottingham City Council, subject to approval through this Delegated Decision.

In advance of this transfer, the Midlands Engine current Accountable Body and Secretariat has shared a draft Memorandum of Understanding (MoU) with Nottingham City Council to facilitate future working arrangements. Both parties are currently working through a series of clarifications and amendments which should result in an agreed MoU by the end of August. This MoU will ensure that:

- the Midlands Engine staff are subject to the council's financial regulations, procurement processes, contractual requirements and other areas of compliance;
- the level of financial monitoring and reporting required by the Midlands Engine Supervisory Board (and others) from the Accountable Body is clearly detailed;
- all direct and indirect (associated) costs incurred by the council in its role as Accountable Body are met by monies available to the Midlands Engine Supervisory Board; and,
- recruitment, induction and training requirements, line management and reporting responsibilities, as well as systems access, for Midlands Engine staff are also clearly detailed.

Other Options Considered:

Do not approve the transfer of Accountable Body status for the Midlands Engine from Birmingham City Council. Rejected. The Supervisory Board asked Nottingham City Council to act as Accountable Body on 26 May 2016. Not approving the transfer would put the council's reputation at risk and impact on the aims and ambitions of the Midlands Engine, at least in the short-term.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Councillor Jon Collins and Ian Curryer are members of the Midlands Engine Supervisory Board.

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime and disorder implications arising from this decision.

Equality:

EIA not required. Reasons: This decision does not impact on any policy or activity of Nottingham City Council.

Relates to staffing:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

23/09/2016

Advice Sought:

Legal, Finance, Human Resources, IT

Legal Advice:

The Midlands Engine is not a legal entity and therefore does not have legal capacity to act on behalf of the organisations which participate in it. The City Council will do this as the Accountable Body. In its role as Accountable Body for the Midlands Engine the City Council will remain subject to the City Council's financial regulations and contract procedure rules.

The Legal Services Team will provide support and advice in connection with the development of the Memorandum of Understanding and the documentation of other necessary governance arrangements. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 22/08/2016.

Finance Advice:

Nottingham City Council will act as Accountable Body for the Midlands Engine. The detailed arrangements and governance of the Accountable Body and the responsibilities of both Nottingham City Council and the partners comprising Midlands Engine, will be set out in the Memorandum of Understanding (MoU) which is still being drafted. The Commercial Finance Team will work with Development colleagues to provide support and advice in the development of the MoU to ensure that it is set up in accordance with Financial Regulations, Contract Procedure Rules and any other appropriate governance procedures.

The Midlands Engine funding stated in this report totals £0.920m of which Nottingham City Council contributes £20k. This contribution is being funded from Corporate Contingency. Arrangements for receiving the other £0.9m funding will be agreed as part of the MoU and in discussions with Birmingham City Council who previously undertook the Accountable Body role.

The MoU will enable no liability above the £20k will reside with Nottingham City Council, for example employee termination costs. Advice provided by Susan Tytherleigh (Senior Finance Manager) on 25/08/2016.

HR Advice:

HR&T are fully in support of establishing Nottingham City Council as the Midlands Engine Accountable Body and will undertake all HR related matters on their behalf

As Midlands Engine are not established as an organisation with its own terms and conditions, all staff recruited will be on NCC terms and conditions which include our pay policy and all roles being evaluated by our job evaluation scheme. It will need to be determined who the posts are responsible to as this is likely to be wider than just NCC - there will need to be a clear governance and reporting mechanism back to the Midlands Engine.

There is a strong focus on the financial process and accountability needed in becoming an accountable body. NCC must ensure that part of the induction and training process covers this to ensure all staff are able to meet the responsibilities and requirements that NCC must meet in its role as accountable body for the Midlands Engine.

Advice provided by Hannah Gemmill (HR Business Partner) on 15/08/2016.

IT Advice:

The IT Service supports this proposal.

The IT Service will assist in the establishment of Nottingham City Council as the Midlands Engine Accountable Body. IT requirements will be investigated as the Accountable Body's needs are developed.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 26/07/2016.

Signatures

Jon Collins (Leader of the Council)
SIGNED and Dated: 16/09/2016
Ian Curryer (Chief Executive)
SIGNED and Dated: 14/09/2016