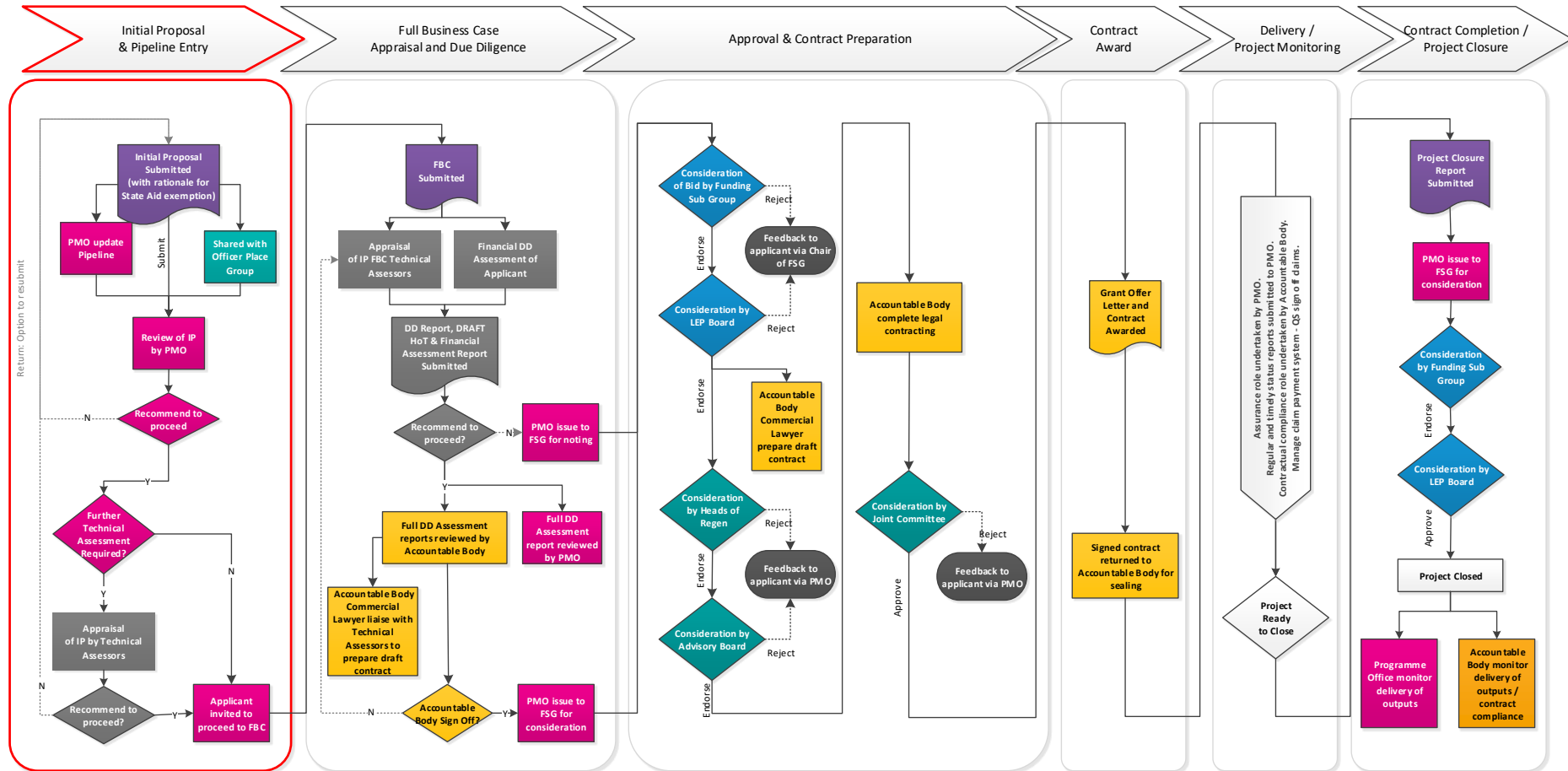


Initial Proposal Stage



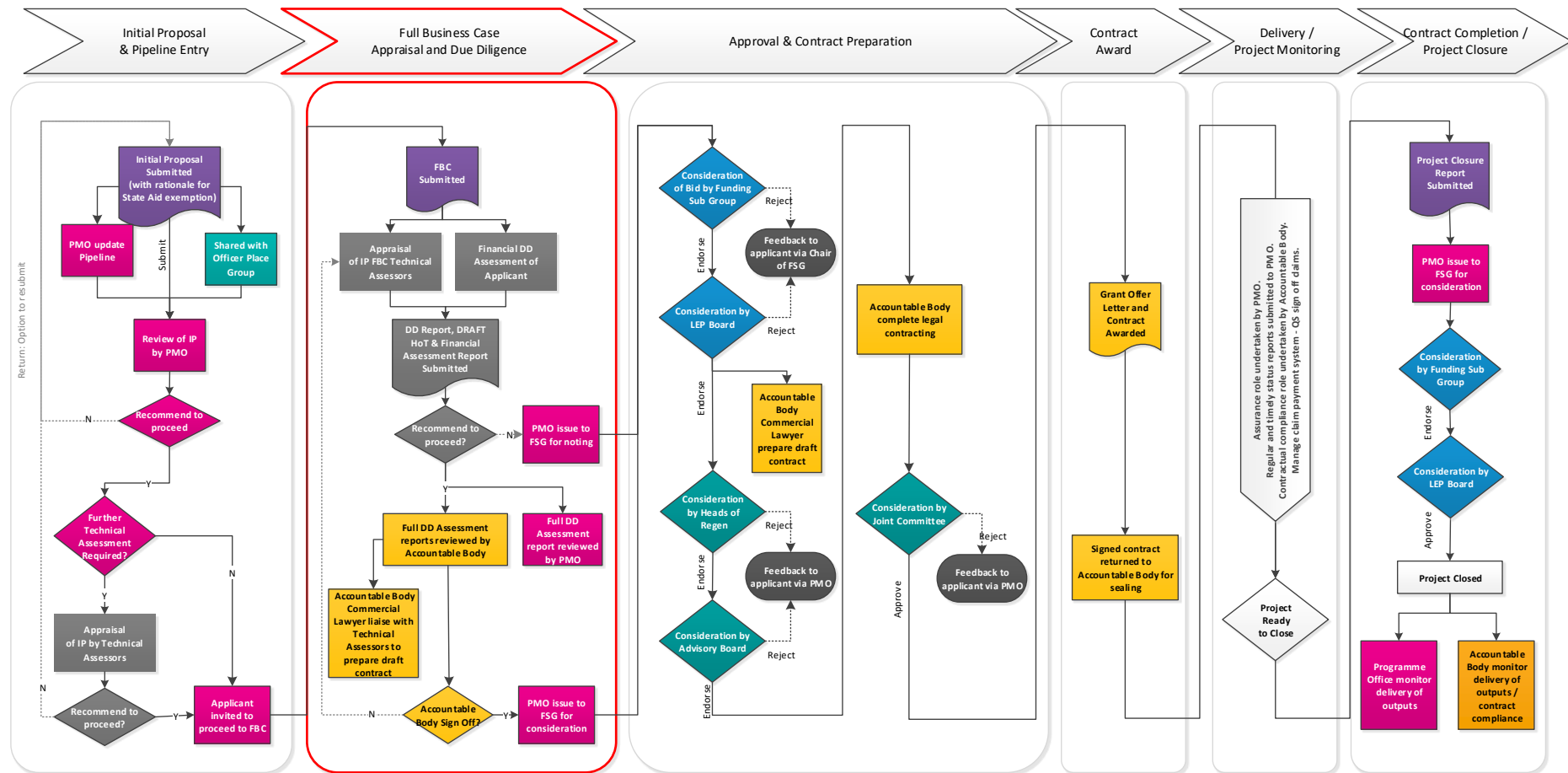
- a. Submissions are actively encouraged from any Black Country stakeholder, including public, private and third sector. To minimize the barrier to entry the first Initial Proposal form has been designed to be as simple as possible to complete but based around the Five Case Model for Business Cases as

defined by HM Treasury. The purpose of the Initial Proposal is to provide a high level overview of the project, and the opportunities it presents and the risks it entails.

- b. Initial Proposals will be submitted to property regeneration consultants for technical assessment, templates are available via the BC website. Clear strategic alignment to the SEP is paramount. The PMO will be looking specifically; to match the proposal to the 3 strategic Themes and 12 SEP Programmes; to which the BC LEP's Growth Objectives and Measures of Success are addressed; and **how** the proposal will unlock the identified BC LEP's Growth Objectives.
- c. The PRC will seek technical / expert guidance to validate demand as well as state aid compliance.
- d. Proposals will either be endorsed/recommended to proceed or returned. Proposals requiring 100% funding will automatically be returned. Those proposals that are returned are invited to resubmit. Guidance will be offered on the reasons for non-endorsement.
- e. Those proposals that are endorsed/recommended to proceed are invited to move to the Full Business Case & Due Diligence Stage and develop their FBC. The project is added to the Black Country pipeline and included in the Dashboard Reports to the Working Group, Advisory Board as well as the LEP Board.
- f. Initial Proposals will be appended with a copy of the Accountable Body's Stage 2 Due Diligence checklist. Applicants will be required to declare that they have understood what is required of them by the Accountable Body before the application can proceed. A copy of the generic Grant Agreement will also be issued, as early visibility of the documentation will enable a more rapid turnaround at pre-contracting.

NB: Whilst Site Investigation bids will only complete the Initial Proposal document, all SI bids will be subject to endorsement by the Sponsoring Local Authority, Funding Sub Group, LEP Board, Heads of Regeneration, and Advisory Board before approval by the BCJC. Site Investigation bids will also be subject to technical appraisal and due diligence conducted by a third party agent.

Full Business Case & Due Diligence Stage

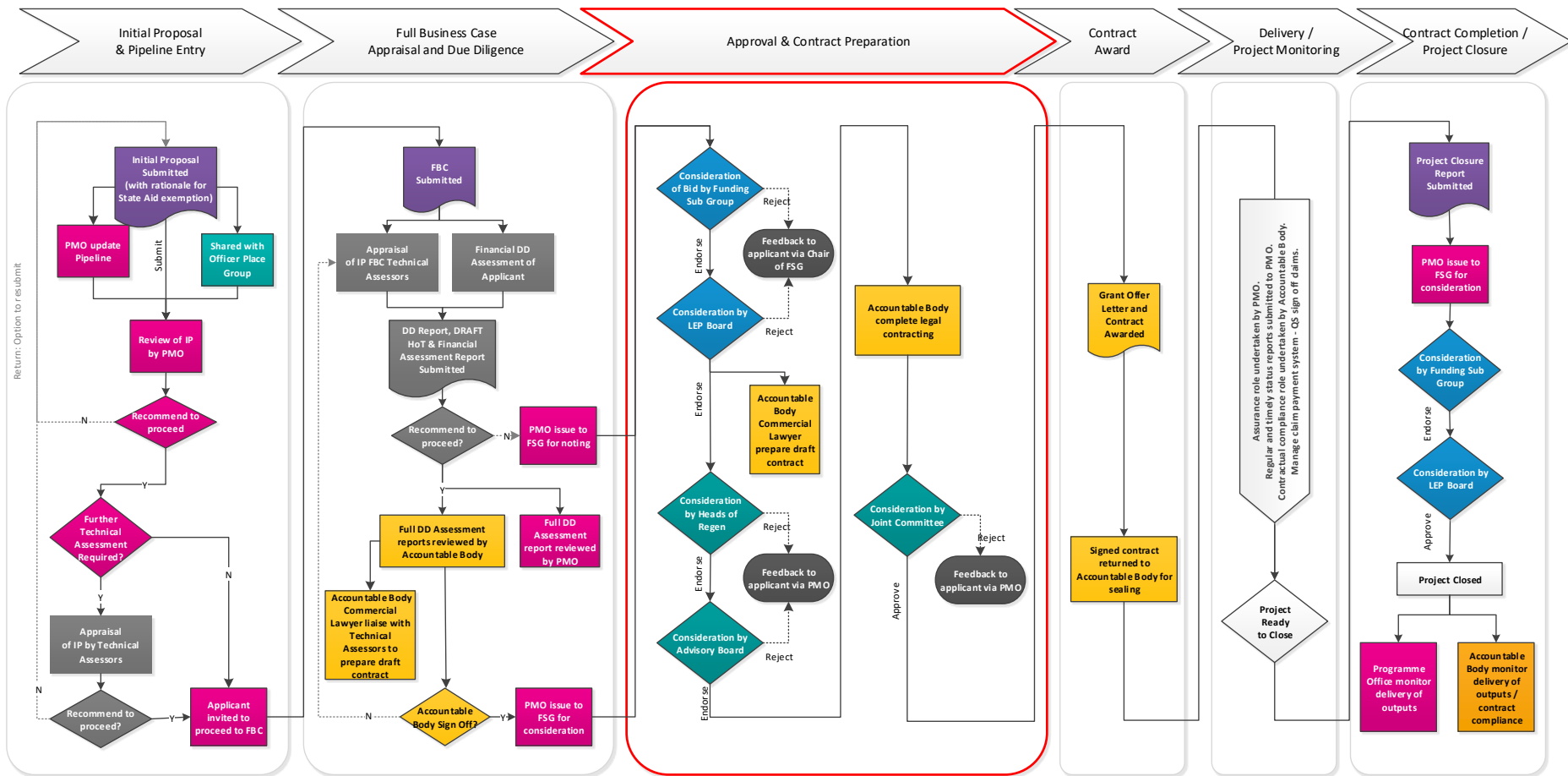


- The FBC is the detailed planning stage where the applicant will revisit and build on the information supplied in the Initial Proposal.
- At this stage the PMO also instructs the applicant to commence Stage 2 due diligence. It is made clear to the applicant by the PMO that this does not equate to an approval of their project and all work done at this stage remains at the risk of the applicant.

- c. The PMO will provide helpful guidance information to those completing FBCs. This will include online support and include face to face workshops, depending on demand from applicants. The guidance will be on how to complete the documentation, not what to enter. Those providing guidance must be allowed to remain independent.
- d. To support prioritisation, the PMO will deploy the LEP BCR model which takes the outputs from projects and calculates the benefit cost ratio for employment, business creation, business assists, learners assists and housing outputs and combines them to calculate the GVA impact and a total project Benefit Cost Ratio based on the public sector ask. The full methodology is shown in Appendix 22.
- e. Project bids will then be submitted to the property regeneration consultants for technical appraisal. The consultants will liaise directly with applicants to gather necessary additional information required to complete technical and cost appraisal. The consultants will also issue and agree a draft Heads of Terms (HoT) with the applicant. The HoT will also be subject to review and agreement by City of Wolverhampton Council Accountable Body. The outcome of the appraisal will be a detailed Due Diligence Assessment Reports (including financial vetting of the applicant) and agreed HoT which will be submitted by the PMO to the Funding Sub Group for consideration / endorsement.
- f. The Funding Sub Group will consider an FBC and make a recommendation to proceed / not to proceed to the main LEP Board at the next available BC LEP Board meeting.
- g. The calendar of LEP Board meetings will be publicised to provide clear guidance as to the approval schedule. The Funding Sub Group will meet at an appropriate interval prior to the LEP Board to enable the submission of recommendations.
- h. The Funding Sub Group does not make a formal approve / reject decision but provides recommendations to the decision making entity; the LEP Board. The Funding Sub Group will focus on the strategic fit of each bid and their recommendations will be shared via meeting minutes presented by the Chair of the Funding Sub Group. Supplementary information for clarification may be requested by the Funding Sub Group.
- i. If all the supplementary information has been provided then the bid will be submitted to the LEP Board for approval.
- j. Applicants are NOT able to update their FBC at any time whilst waiting for submission to the LEP Board without undertaking a formal Change Request. The Change Request will be reviewed by the PMO Manager in the first instance. Depending on the scale/nature of the Change then the PMO Manager may require the author to return to the Full Business Case & Due Diligence Stage.
- k. If the LEP Board reject a submitted FBC the applicant may be invited to revisit their FBC and resubmit.
- l. If the LEP Board feels the types of projects and benefits being submitted are unbalanced they will feed back their Needs. These Needs may trigger a re-prioritisation by the Funding Sub Group of waiting Business Cases. Needs may also be communicated back up the chain to those considering submitting an Initial Proposal. Additional marketing around these Needs may also be appropriate.
- m. Once the LEP Board approves a submitted FBC the applicant will be notified of the outcome of their bid by the Chair of the Funding Sub-Board..
- n. The bid will then be subject to endorsement by the Heads of Regeneration Working Group (the four Executive Directors of the four BC Local Authorities and the Chief Executive BCC Ltd) and the Advisory Board. If both the Working Group, and subsequently, the Advisory Board endorse / make a recommendation to proceed, the bid will move to the Contract Ready Stage.

- o. Reports for the Heads of Regeneration Working Group will be drafted by the PMO to ensure that the appropriate level of detail, including any conditionality applied, is included. Advisory Board and BCJC reports will be completed by Local Authority Officers.

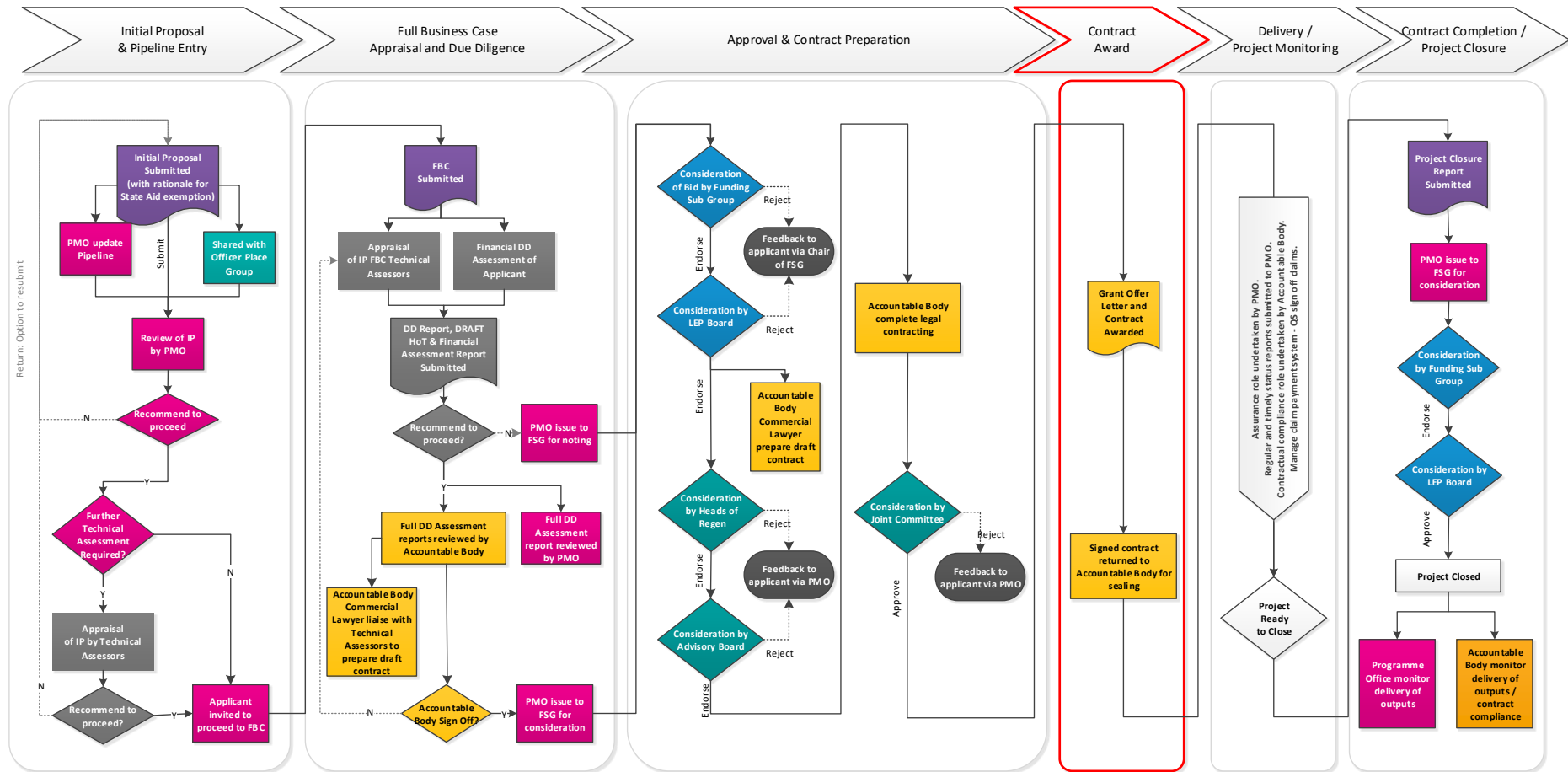
Approval & Contract Preparation Stage



- a. The PMO will undertake Pre-Due Diligence checks on all FBCs and confirm sign off to the Accountable Body post LEP Board approval of the project. This will support the Accountable Body in completing the Stage 2 due diligence.

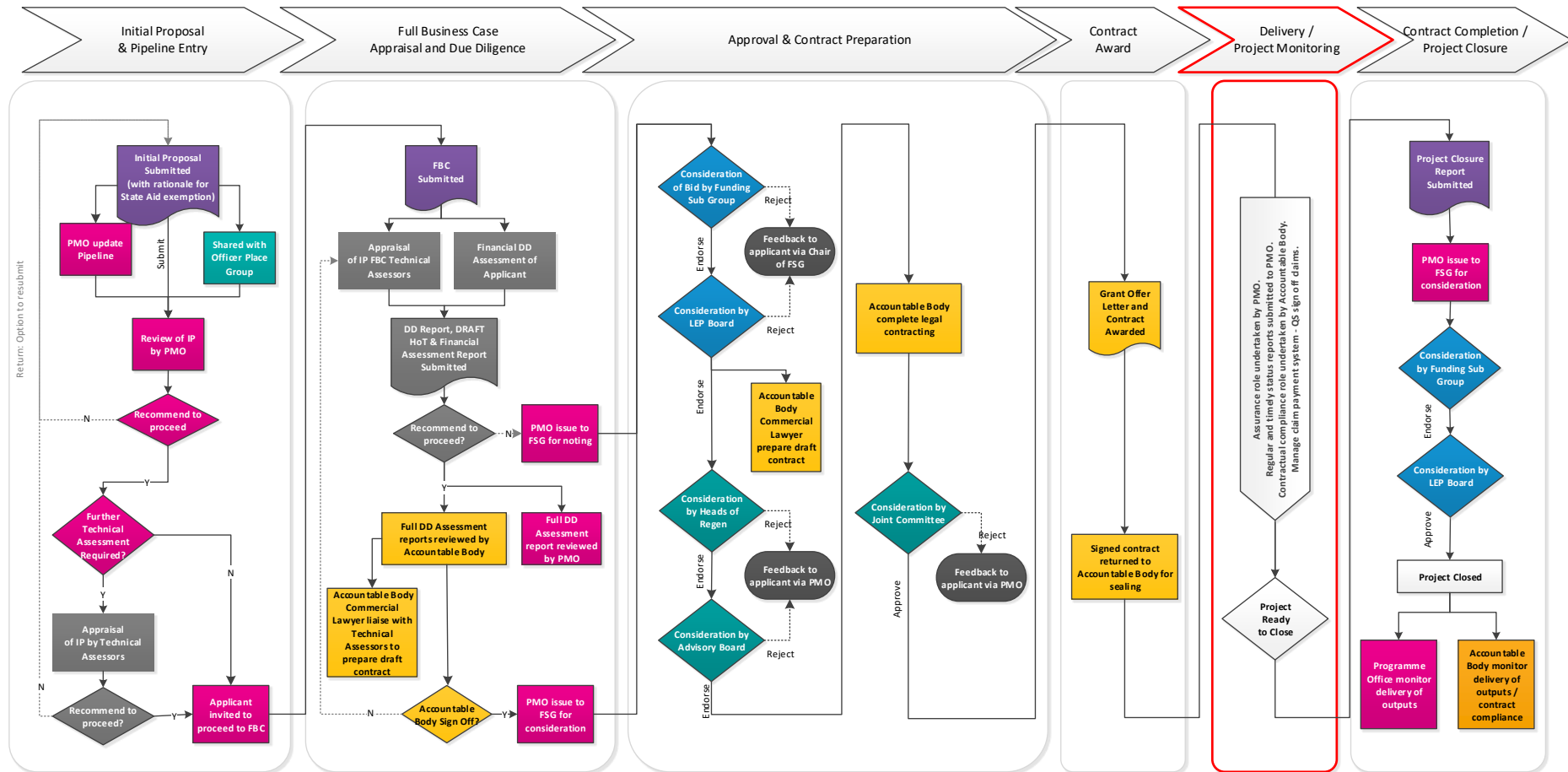
- b. During due diligence the Accountable Body will negotiate the drafting of the Grant Agreement with applicants, including the security or underwriting of the Grant via claw back provisions, or a Performance Bond, Legal Charge, or other process for underwriting performance by the Grantee, together also with the content of the Schedules and confirm the required outputs.
- c. All projects at this stage will be submitted to the BCJC for review by the Joint Committee Secretariat.
- d. Those projects approved by the BCJC will move to the Contract Award Stage.

Contract Award Stage



- Agreement of the terms of and subsequent award of the grant agreement by the Accountable Body will be determined by the availability and allocation of funding. Some projects may therefore remain at “Approved Contract Ready Stage” until funding is provided.
- Once funding is provided a contract can be awarded and project delivery will commence.
- Detailed contract/grant conditions will be drawn up by the Accountable Body for each successful bid as part of the Contract Award stage following both Stage 1 and Stage 2 due diligence, and pre-award negotiations. Standard Grant Conditions are available on the BC LEP website: <https://www.blackcountrylep.co.uk/business-growth/funding-opportunities/apply-for-black-country-land-and-property-investment-funding/>

4.16.6 Delivery



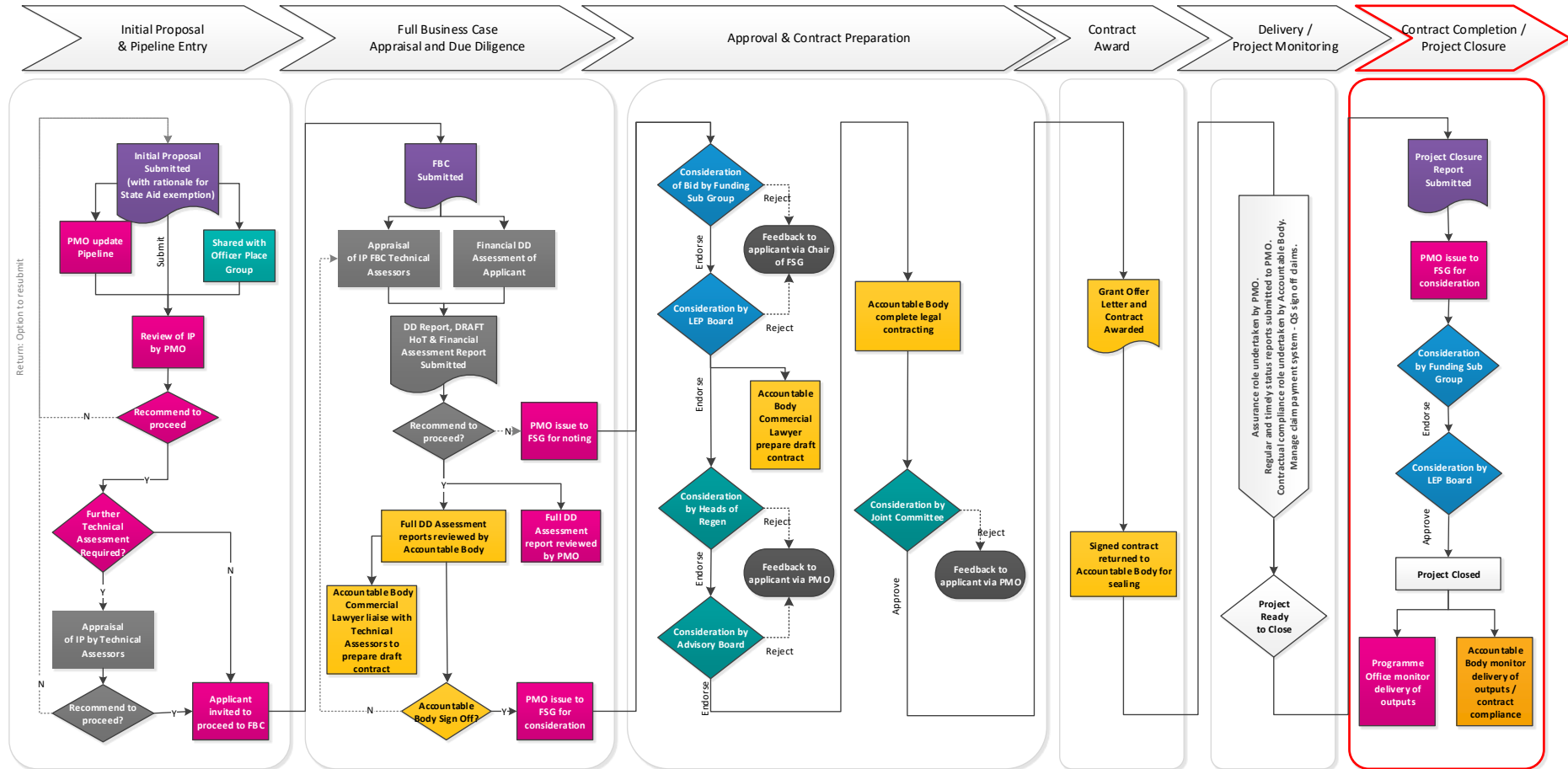
- a. The project is now in Delivery and continues to be subject to monitoring and change control by the PMO, as well as ongoing contractual monitoring and compliance by the Accountable Body. The Accountable Body Land and Property Investment Fund has developed a Monitoring, Compliance and

Audit Framework which details how ongoing monitoring of contract delivery will take place. Applicants are asked to confirm they will adhere to this at the Initial Proposal stage. A copy of the Framework is available at Appendix 38 of this Assurance Framework.

- b. The Project Manager for each project must provide timely and accurate status information to the PMO using the Project Status Report (PSR)¹ via an online Project Management Information System (PMIS) called Verto. Any identified possible deviation away from the contracted schedules must be highlighted as early as possible via the PSR. This monitoring is supported by the reporting by the Project Manager against agreed deliverables to the Accountable Body which forms the grant claims process.
- c. Any request to change from the agreed baseline scope, cashflow, timescales and outputs (outside of the agreed tolerances) must be managed through submission of a formal Change Request from the Project Manager into the PMO. The standard Change Control process is contained in Appendix 25.
- d. Minor changes to forecast cashflows (i.e. within agreed tolerances) must be notified immediately via the PSR by the Project Manager but will not require a Change Request proposal.
- e. The PMO will provide the Assurance function to the LEP Board and may undertake detailed assessments and analysis of in-flight projects at any time.
- f. The PMO will provide timely and accurate dashboard reporting to the LEP Board, the BCJC and any other appropriate stakeholders on the performance of in-flight projects. Copies of the monthly Dashboards will also be available via the BC LEP website <http://www.blackcountrylep.co.uk/about-us/our-board/lep-board-meetings/>.

¹ The Project Status Report (PSR) is designed to provide the PMO with an accurate assessment of the current state of the project. It will provide the PMO with the latest set of information against the following headings; Project Health, Timelines, Risks and Issues, Spend and Claims forecasts and actuals, and an update on outputs delivered / to be delivered.

Contract Completion & Project Closure



- On completion of the agreed scope of work the project must be formally closed.
- A final PSR to close out the project will be submitted by the Project Manager in Verto, as well as a Project Closure Report to the PMO who will then inform the LEP Board via the monthly dashboard reports.

- c. The PMO will continue to monitor outputs as required to support the original approved FBC until outputs begin to stabilise. The PMO will inform the LEP Board via the monthly dashboard reports.
- d. The Accountable Body will continue to monitor outputs as required until stabilised or above the contracted level of outputs captured in the Grant Agreement with the Grantee.