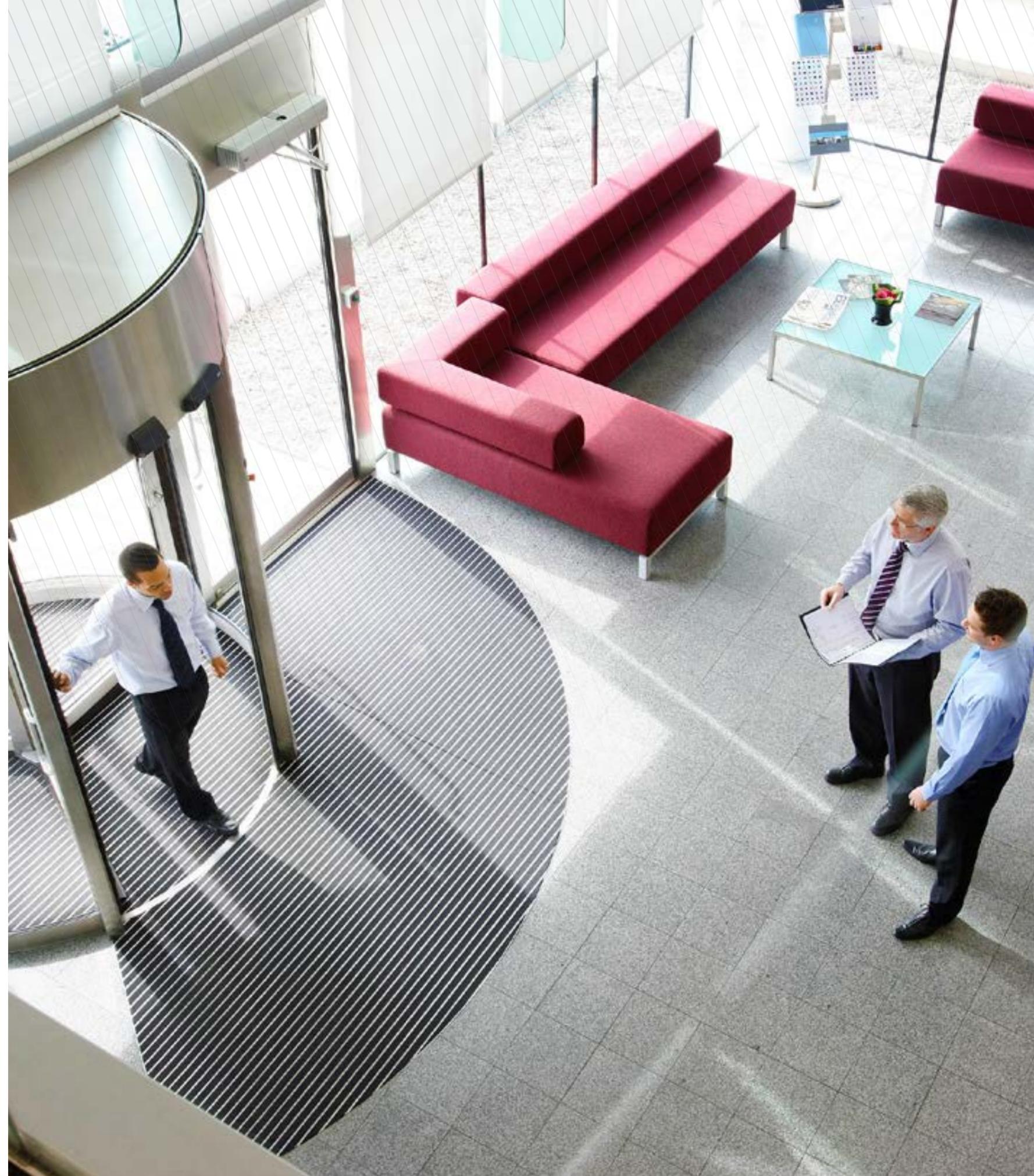


5

Federal Structure, Governance and Accountability

*“What power have you got,
where did you get it from,
in whose interest do you
exercise it, to whom are you
accountable, how can we get
rid of you?”*

Tony Benn 1925-2014



Overview

5.1 The South East LEP has been established by Government to drive growth across East Sussex, Essex, Thurrock, Southend and Kent and Medway.

5.2 Our federal structure brings together businesses and local authorities, Higher and Further Education in partnership to create the conditions for local businesses to develop and thrive to create new jobs and new homes. The LEP's accountability derives from both the Government and local partners.

5.3 Chaired by Peter Jones, the SE LEP Board has been streamlined to reflect our new, federal way of working, recognising the increased power and potential for businesses and councils locally to engage with the LEP through these devolved arrangements.

5.4 As well as our business members, many councillors on the SE LEP Board have strong private sector business experience and our councils are amongst the most commercial and forward looking.

5.5 Our private sector model of operation is that of a holding company with several operating subsidiaries. Substantial funding will be devolved to deliver local delivery plans. Operating in this way, our business reach is extended significantly. While SE LEP working corporately adds strategic value and scale of ambition, local areas know their challenges, growth potential and local delivery solutions.

5.6 This devolved model of operation will deliver the priorities of the LEP as a whole, while reflecting the functional economic areas within it, building on long established delivery partnerships, between businesses, local authorities, universities, colleges, and civil society.

Simple and Transparent Structure

5.7 In covering such a wide geographical area, the structure, governance and accountability of SE LEP must be simple and transparent.

- **The Government** which gives SE LEP its mandate for operation and provides ultimate democratic accountability;
- **The SE LEP Board** which governs the LEP and is its ultimate decision-making body, albeit noting that local decisions will be taken within the devolved local partnerships; and,
- **The Local Area Delivery/Boards Partnerships** to which substantial funding will be devolved for local programme/project delivery and which guarantees local accountability.

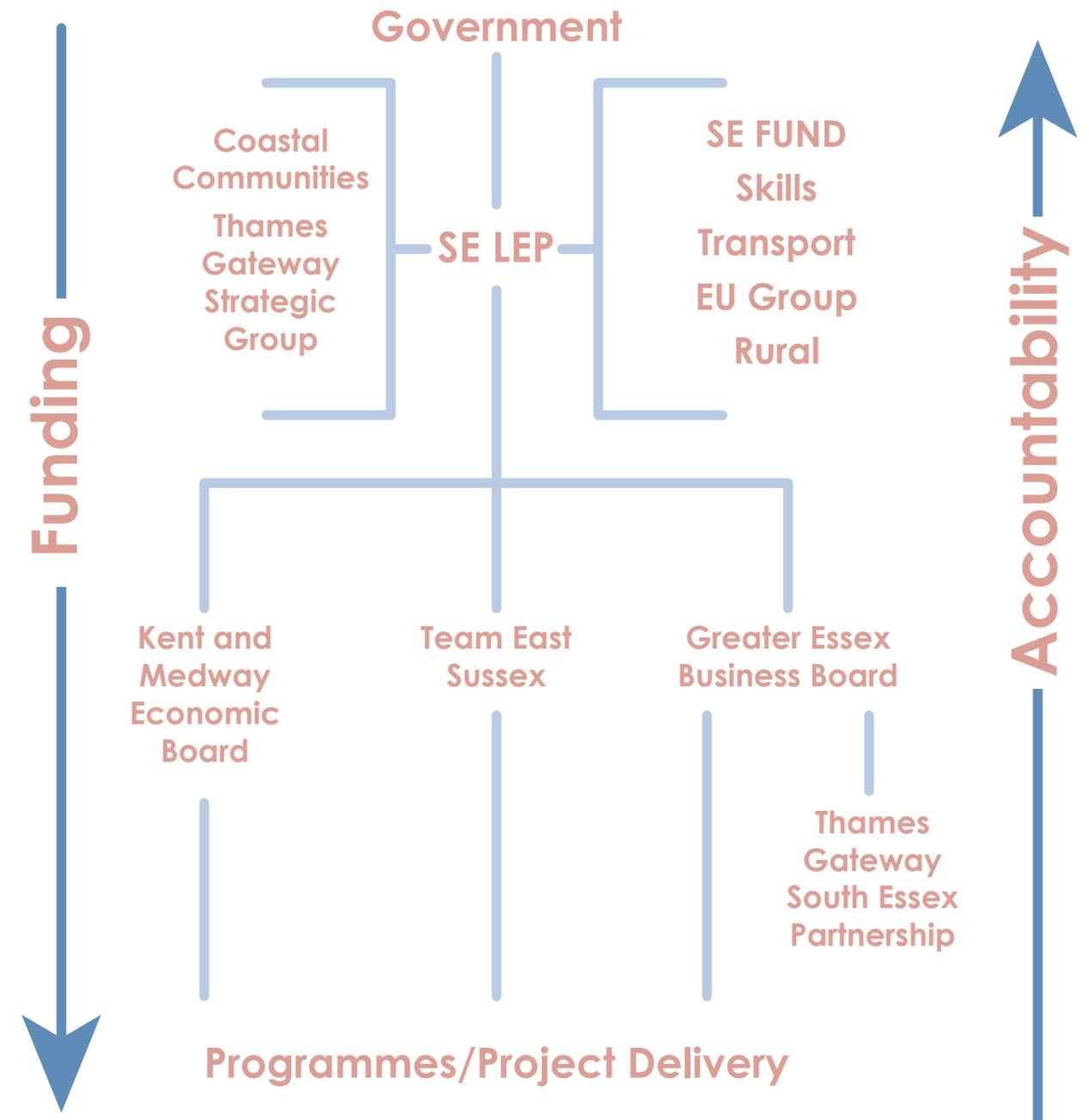
5.8 To support this operation, SE LEP will establish 5 specialist Board Advisory Groups as detailed below. In addition, there will be representative groupings for Coastal Communities and the wider Thames Gateway through the Thames Gateway Strategic Group

5.9 Local Area Delivery Partnerships/Boards may also establish similar groups according to their particular need and circumstance - this is for local determination.

Funding and Accountability

5.10 Accountability will be through a single Accountable Body agreed by the SE LEP Board. Building on feedback from Government and business, clear lines of accountability are required for funding.

South East LEP: Federal Structure, Governance and Accountability



5.11 Funding Flows: Local Growth Funding will flow to SE LEP through its Accountable Body. On decision of the SE LEP Board, funding will be invested in SEFUND and/or other LEP-wide priorities. On agreement of the SE LEP Board to Local Area Delivery Plans, funding will flow to the devolved Local Area Delivery Partnerships/Boards.

5.12 Accountability: SE LEP will have one overall Accountable Body. Accountability of SE LEP to Government is through the SE LEP Board, supported by its Accountable Body.

5.13 Accountability: Local Area Delivery Partnerships/Boards will be supported by a named council. Accountability to SE LEP is through the Local Area Delivery Partnership/Board, supported by their responsible Council

5.14 Democratic accountability of SE LEP will be through the Government and its local council members. Democratic accountability of Local Area Delivery Partnership will be through the local councils.

Risk and mitigation

5.15 In our EU Structural & Investment Fund submission we identified the risks associated with different delivery mechanisms, associated with commissioning through a limited tendering process, opt-in agreements with government agencies for ESF and separately for ERDF, and the use of financial instruments.

5.16 As part of the process for developing the Growth Deal/Strategic Economic Plan we have identified a pipeline of specific project proposals, and a process for ensuring value for money, set out in detail in the following chapter.

5.17 The management and delivery structure for the Growth Deal, including financial management arrangements for the SEFUND, have been developed in such a way as to ensure compliance with financial regulations

and effective monitoring through the accountable body structures within each of the devolved areas as well as through Essex County Council for the SE LEP as a whole.

SE LEP Board and Local Area Delivery Partnerships/Boards

5.18 The SE LEP Board will implement and monitor the delivery of our Strategic Economic Plan. It will remain accountable to Government for the ambition and delivery of our Growth Deal and EU Structural & Investment Fund strategy. Against Local Delivery Plans developed by our Local Area Delivery Partnerships/Boards, the Board will agree to devolve funding to deliver these plans.

5.19 **SE LEP Board:** The Board is SE LEP's ultimate decision-making body. The Board is accountable to Government for the Local Growth Fund and the SE LEP Growth Deal. The Board agrees all investment decisions (unless decision-making is delegated by it to a sub-Board/Advisory Group) including sign-off of Local Delivery Plans.

5.20 The SE LEP Board is constituted as follows:

- The Chairman (in addition to the representatives below);
- 5 business representatives from Essex, Southend and Thurrock;
- 4 business representatives from Kent and Medway;
- 3 business representatives from East Sussex;
- 5 local government representatives from Essex, Southend and Thurrock (including 3 TGSE);
- 4 local government representatives from Kent and Medway;
- 3 local government representatives from East Sussex;
- 1 representative of the higher education sector; and,
- 1 representative from the further education and skills sector.

5.21 **Local Area Delivery Partnerships/Boards:** Business-led local area partnerships, supported by a named Council, will be responsible for local investment and performance through their agreed Local Delivery Plans. The Local Area Delivery Partnerships/Boards, through their named councils, will be responsible for local programme/project management of devolved funds to SE LEP. The Local Area Delivery Partnerships will work closely with the Board Advisory Groups on matters concerning changes to the programme taking advice from the Groups on priorities and assurance matters.

5.22 Decisions will be taken by business partnerships and local Councils working through their Local Area Delivery Partnership/Boards.

5.23 The Local Area Delivery Partnerships/Boards, through their named councils will provide regular performance and monitoring information to the SE LEP Board to enable it to fulfill its accountability to Government supported by the Accountable Body.

5.24 Local Area Delivery Partnerships/Boards have been established for delivery as follows:

- Kent & Medway Economic Partnership
- Team East Sussex
- Greater Essex Business Board, including TGSE membership
- Thames Gateway South Essex Partnership

Board Advisory Groups

5.25 To support the Board in implementing the Growth Deal and Strategic Economic Plan, a limited number of Board Advisory Groups have been/are being established. Each Board Advisory Group will have a defined role and be chaired by a SE LEP Board member. Each will draw upon a wider or specialist membership as required. Task Groups may also be established but with clear exit strategies. In the case of transport, because of the importance and scale of transport investment, it is proposed to give this Group a role in overseeing delivery and ensuring the projects and schemes are

implemented in the most efficient manner with the minimum of bureaucratic processes. The Board Advisory Groups are described in the following paragraphs.

Transport Advisory Group

5.26 The Transport Advisory Group will make decisions through the SE LEP Board or with delegated authority to allocate delegated SE LEP capital funding to the member local Highways Authorities (or other bodies with formal responsibility for transport infrastructure where this is appropriate).

5.27 The Transport Advisory Group will:

- Oversee and monitor delivery of the SE LEP transport programme through close liaison with local Highways Authorities and Local Area Delivery Partnerships/Boards;
- Forward plan and monitor the projects and programmes allocated to it, take appropriate action to reprioritise work programmes with local Highways Authorities if required and establish the necessary assurance processes required to demonstrate value for money and achievement of SE LEP outcomes;
- Provide expert transport advice to the SE LEP Board on related transport matters of Government announcements and national policy; and

Provide support to Local Area Delivery Partnerships/Boards in coordinating transport initiatives, developing business cases and sharing expertise and knowledge and promoting cross boundary working.

SEFUND Board Advisory Group

5.28 SEFUND Board Advisory Group will constitute the SEFUND Board. It will:

- Set the investment strategy
- Appoint the Fund manager Review the performance of the Fund Manager

- Approve each investment on the basis of the due diligence undertaken by the Fund Manager and his/her recommendations
- Receive quarterly reports on the performance of the SEFUND funds

Skills Advisory Group

5.29 _____
The Skills Advisory Group will:

- Oversees and monitors delivery of the pan-LEP Skills Capital bidding rounds;
- Agrees specifications and timetables with the Skills Funding Agency which will administer the competitive bidding rounds;
- Manages the relationship with the SFA, advising the Board as appropriate ;
- Monitors wider skills investment across the LEP;
- Provides expert Skills advice to the LEP Board; and,
- Represent the priorities, views and recommendations of the Employment and Skills Boards' – as a new bullet in the skills advisory board Governance.

EU Delivery Group

5.30 _____
The EU Delivery Group will:

- Oversee and monitor delivery of EU SIF funding;
- Consider and endorses EU Project proposals before or during their consideration by the Managing Authority Growth Delivery Teams;
- Monitor the extent to which EU resources are being used to deliver the Growth Deal/SEP priorities and advises the SE LEP Board on a regular basis;
- Include representatives from the Managing Authority (DCLG/DEP), Local Area Delivery Partnerships, private, public and third sector nominees, as well as those with specific expertise in rural, environmental and equality issues to ensure that the EU's cross cutting themes are fully addressed; and,
- Provide expert advice to the LEP Board on EU SIF implementation and wider EU matters.

Rural Advisory Group

5.31 _____
The Rural Advisory Group will:

- Oversees and monitors delivery of EU EAFRD funding, working closely with the EU Delivery Board above
- Co-ordinates SE LEP's relations with Local Area Delivery Partnership rural groups and LEADER programmes
- Provides expert Rural advice to the Board on EAFRD delivery and wider rural matters.

Coastal Communities and Thames Gateway Strategic Group

5.32 _____
In addition, our SE LEP Coastal Communities Group will continue to oversee and shape schemes, working with Local Area Partnerships/Boards, that support coastal communities and provide expert advice to the Board in relation to coastal issues, including offshore renewable energy opportunities.

5.33 _____
Wider Thames Gateway issues will be progressed through the Thames Gateway Strategic Group with the Greater London Authority.

Supporting the LEP: The SE LEP Secretariat

5.34 _____
A small central team made up of permanent staff and secondees with specific skills drawn from across the partnership will support the devolved model.

5.35 _____
A permanent Director has recently been appointed and, with the Chairman and Board, will reshape the SE LEP Secretariat around the Growth Deal and the federal model of operation.

5.36 _____
The federal model recognises that vast experience and expertise lies within the partnership and the Secretariat's strength will be built upon this.

Equality and Diversity

5.37 _____
SE LEP is committed to promoting equality and combating discrimination in line with domestic legislation and European Regulations. These objectives support the LEP and partner agency policies.

5.38 _____
SE LEP has committed to adopt the public sector duty under the **Equality Act 2010**, as a hybrid organisation, and will establish equalities and diversity and sustainable development policies and procedures in relation to the delivery and management of the EU SIF, and Growth Deal programmes as appropriate. In the meantime, the LEP has agreed the following **equalities objectives**. These are:

- a demonstrable commitment to equalities and diversity through leadership and agreed strategies;
- equalities inputs and outputs to be mainstreamed through policies, procedures and processes;
- partnership activities will take account of the diverse needs of our stakeholders and beneficiaries; and,
- systematic information will be collected in order to monitor the impact of our projects and programmes.

5.39 _____
We will expect the selection of projects and project assessment criteria to ensure that through **active outreach**, beneficiaries are empowered and enabled to participate in programmes, regardless of their gender, race, ethnicity, belief, disability, age or sexual orientation. The programme will include activities to ensure that economic benefits reach disadvantaged and hard-to-reach groups, and responds to their needs and any under-representation.

5.40 _____
In accordance with the policies of our local authorities, SE LEP has taken into account each local authority equality and diversity strategic objectives. We have committed to conduct an **Equality Impact Assessment** on the EU SIF strategy prior to its final agreement and implementation, and will at the same time, conduct one on the Strategic Economic Plan and Growth Deal.

Partner Consultation and Engagement

5.41 _____
Through its devolved model of operation, SE LEP will ensure full project fit according to priorities, confidence in delivery and best value for money. In achieving this, SE LEP has been and will continue to work with wider public, private and community sector partners to ensure that the investments are made in the most appropriate way. The detailed proposals outlined have been shaped by wide ranging engagement and consultation with public and private sector partners across the SE LEP area. Universities, Colleges, training providers, voluntary sector agencies and third sector representative organisations, business support providers, businesses, rural and environmental groups, local authorities and other interested partners have had the opportunity to contribute and feedback on the proposals and suggest projects for the EU SIF Strategy and the SEP and Growth Deal.

5.42 _____
The South East LEP has, through its own contacts and through its devolved structures, a far reaching network to communicate and update on the progress of the developing strategies. A series of workshops was held throughout summer and autumn 2013 on a range of topics to inform the development of these proposals and the submission of the December draft.

5.43 _____
The Draft Strategic Economic Plan has been available on the SE LEP website since early January, and all partners were encouraged to provide feedback and project ideas, which many did, either in writing or at consultation events. These comments have been taken into account in the development of the Strategy and Growth Deal submission as well as in the development of individual project proposals.

5.45 _____
Local area partners have also taken the opportunity to consider the strategy and inform local partners at existing relevant events throughout the SE LEP area.

5.44 _____
Engagement with MPs has primarily been through Local Area Partnerships/Boards. In addition, our draft Growth Deal was sent to all MPs in December, regular updates are provided on SE LEP activity and meetings have taken place with specific MPs. It has been agreed that further MP involvement will be co-ordinated.