



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

## ~~SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP~~

### ~~ASSURANCE FRAMEWORK~~

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## 1 OVERVIEW

# ASSURANCE FRAMEWORK

June 2019

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## OVERVIEW

1.1 ~~1.1~~—The South East Local Enterprise Partnership (SELEP) is one of 38 Local Enterprise Partnerships (LEPs), established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area” ~~[Local Growth: Realising every place’s potential, HMG, October 2010].<sup>1</sup>”. It encompasses the Local Authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.~~

Whilst LEPs will determine their own specific priorities, in their document “Strengthened Local Enterprise Partnerships

1.2 ~~1.2~~—“the Government set out that LEPs should focus on the following four activities to support the development and delivery of their Local Industrial Strategy:

- (a) Strategy: developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area;
- (b) Allocation of funds: identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy;
- (c) Co-ordination: using their convening power, for example to co-ordinate responses to economic shocks; and bringing together private, public and third sectors organisations; and
- (d) Advocacy: Collaborating with a wide-range of local stakeholders to act as an informed and independent voice for their area.

1.3 ~~1.3~~ The funding streams that are directly awarded by SELEP include:

- (a) the Local Growth Fund (LGF), which is a capital grant for investment in capital infrastructure projects and includes the Skills Capital Fund. This funding aims to support the delivery of jobs, homes, new learners and other economic growth objectives;
- (b) the Growing Places Fund (GPF), which is a capital loan, awarded as a low or zero percent interest rate. Similarly to the LGF, this funding aims to tackle barriers to economic growth; and
- (c) the Sector Support Fund (SSF), which is a revenue grant aimed at supporting the work of the SELEP sector working groups (2.41 below purpose of).

~~1.21.4~~ The Assurance Framework is not a legal document, but provides a framework to set out the systems and processes in place that are necessary to manage the delegated funding from ~~Central~~ Government budgets effectively. It is intended to provide Government and ~~Partners~~Partner Authorities and wider stakeholders with the assurance that decisions over funding are proper, transparent and deliver value for money. ~~This Assurance~~

<sup>1</sup> Local Growth: Realising every place’s potential, HMG, October 2010

~~4.31.5~~ This Assurance Framework reflects the expectations of Government as set out in the ~~National Assurance Framework revised~~ [National Local Growth Assurance Framework](#) published ~~October 2016~~ and ~~January 2019 which incorporates~~ the [LEP Governance and Transparency Best Practice Guidance](#) ~~LEP Governance and Transparency Best Practice Guidance~~, published in January 2018.

~~This Assurance Framework will be updated upon incorporation~~ **(Error! Reference source not found.1.1 below**

~~4.3~~ ~~The Strategic Board sets the strategic direction of SELEP, providing clear strategic leadership and championing shared SELEP priorities. It is the main SELEP interface with Government, bringing together both private and public sectors to drive local growth and job creation and to oversee all SELEP activity to deliver these aims.~~

~~1.6~~ ~~1.4~~ ~~Formal democratic decision-making is through the Accountability Board which approves all funding decisions and is responsible for monitoring delivery of SELEP's capital programme and actively reviewing associated risks, informed by local area management information. The Joint Committee structure of the) and will be reviewed and agreed at least annually or as required by the Strategic Board.~~

~~The Strategic Board, Accountability Board roots decision-making firmly in the democratic process and enables it to be subject to democratic scrutiny.~~

~~1.5~~ ~~Federated Boards are responsible for local delivery and managing their local programme within tolerance levels for both spending and delivery.~~

~~1.6~~ ~~Funding decisions made by the Accountability Board are based on impartial advice provided by an Independent Technical Evaluator who makes recommendations based on value for money assessments of individual business cases.~~

~~1.7~~ ~~As the SELEP Accountable Body, Essex County Council, retains overall legal accountability for the SELEP investment programme, supported by Essex's Section 151 Officer.~~

~~4.41.7~~ ~~1.8~~ ~~Federated Boards, Partners and project sponsors and Partner Authorities are required to adhere to this Assurance Framework in relation to allocations of SELEP funding and to ensure consistency of prioritisation, programme management and investment, cost control and approval and programme/risk management. respect of their involvement with the SELEP.~~

~~1.9~~ ~~The~~ This Assurance Framework should be read in conjunction with the SELEP [Terms of Reference](#) ~~Terms of Reference agreed by the Strategic Board in December 2016 and published on the SELEP website.~~



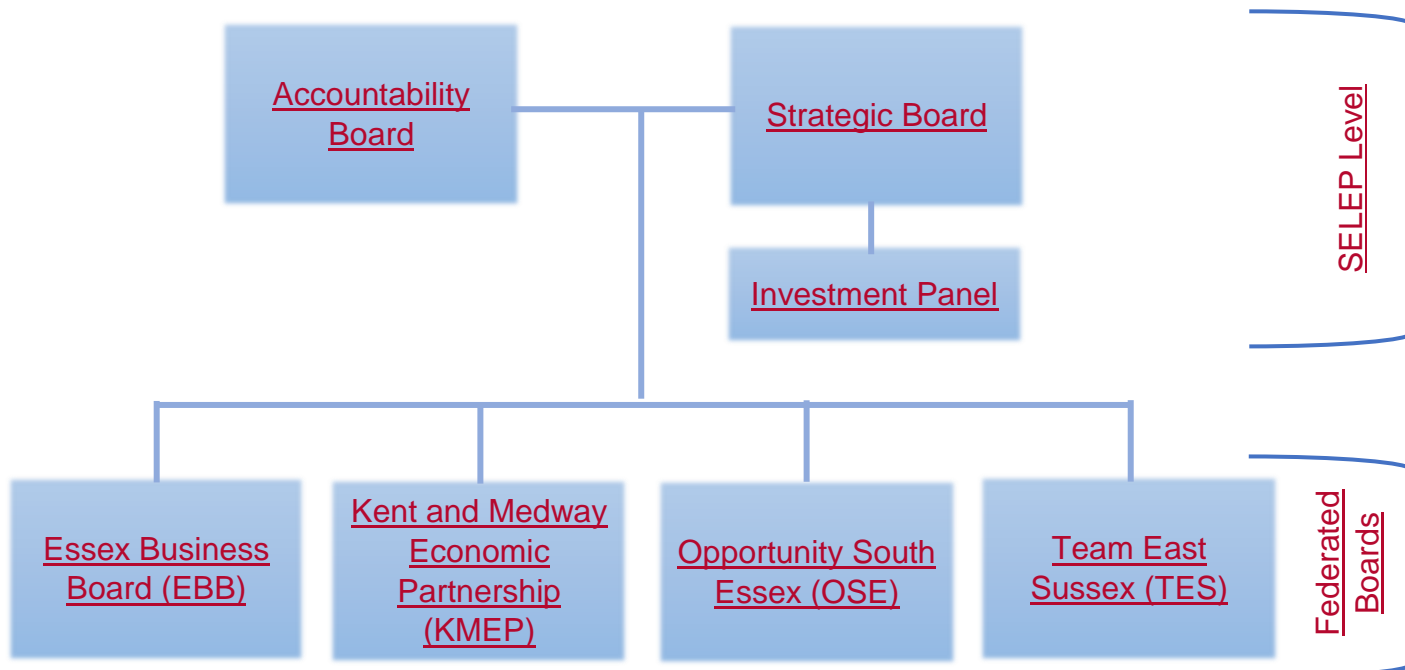
~~1.51.8~~ ~~1.10 The Assurance Framework will be reviewed and updated as required and will be agreed annually by the Strategic Board.~~

## **2 GOVERNANCE AND DECISION MAKING 2**

### **INTRODUCTION — OVERVIEW**

2.1 ~~2.1.1~~ The SELEP is a clear partnership between business and public sector at both SELEP and local partnership levels. At the heart of this partnership is the devolution of local accountability and funding to ensure decision-making at the most appropriate level. Democratic accountability for funding decisions ~~made by the SELEP are provided is ensured~~ through Local Authority ~~leader~~ representation on the Accountability Board, ~~with whilst~~ accountability to the business community ~~flowing through the business leader representatives is provided by the private sector representation~~ on the Strategic ~~Board~~ and Federated Boards.

2.1.2



2.2 The SELEP operates under a Federated Model. ~~There are two main SELEP (see above diagram). The Strategic and Accountability Boards which are supported by four Federated Boards; Essex Business Board (EBB), Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES). Each Federated Board has their own Terms of Reference~~ ~~Each Federated Board has their own terms of reference which are~~ (aligned to the overall SELEP Terms of Reference ~~(0 above 1.1 above)~~ and ~~the SELEP this Assurance Framework, and are made available on the SELEP website.~~).

- 2.3 ~~2.1.3~~—The SELEP is committed to ensuring fairness in its decision-making and ~~ensures through regular reviews that its practices to~~ follow the best standards. ~~In doing so SELEP has practice, with~~ due regard to the general equality duty and the principles of public life.

## ~~2.2~~ **THE STRATEGIC BOARD** ~~2.4~~

- 2.4 ~~2.2.1~~—The Strategic Board ~~is the primary private/public partnership board within the SELEP structure. It is responsible for setting the LEP's sets the~~ strategic direction ~~and of the SELEP,~~ providing clear strategic leadership ~~to the and championing shared SELEP priorities. It is the main SELEP-~~ interface with Government, bringing together both private and public sectors to drive local growth and job creation, and to oversee all activity to deliver these aims.
- 2.5 ~~2.2.2~~—Working collectively, Strategic Board members are responsible for:
- (a) setting the vision, strategic direction and priorities of the LEP overall;
  - (b) ensuring the development, maintenance and delivery of ~~the Strategic Economic Plan, with support from Federated Boards, and for determining its key funding priorities; evidence-based strategy. These strategies include, but are not limited to::~~
    - a) ~~ensuring that that adequate capacity and expertise is maintained to deliver against b);~~
    - (i) ~~the Economic Strategy Statement (ESS);~~
    - (ii) ~~a Skills Strategy;~~
    - (iii) ~~The Energy Strategy;~~
    - (iv) ~~the European Structural Investment Funds (ESIF) strategy; and~~
    - (v) ~~a Local Industrial Strategy;~~
  - (c) ~~developing a pipeline of projects for investment: a role it has delegated to the Investment Panel in respect of LGF;~~
  - ~~(e)(d)~~ considering and agreeing a position on major items of strategic importance;
  - ~~(d)(e)~~ publishing arrangements for developing, prioritising, appraising and approving projects with a view to ensuring that a wide range of delivery partners can be involved;
  - b) ~~developing a Skills Strategy for the area;~~

~~c) approval of European Structural Investment Funds (ESIF) strategy;~~

~~(f) deciding how approving the annual Delivery Plan;~~

~~(e)(g) monitoring progress in completing the activities of and KPIs set out in the LEP should be delegated; Delivery Plan;~~

~~(f)(h) championing the LEP and the LEP area in all other forums;~~

~~(e)(i) supporting pan-LEP activity undertaken by the working groups;~~

~~(h)(j) working closely with Federated Boards to oversee Growth Hub, Enterprise Zone and City Deal activities; and~~

~~(i)(k) endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP;~~

~~(l) 2.2.3 ensuring that adequate capacity and expertise is maintained to deliver against the above (a-k).~~

2.6 Where the Strategic Board put in place schemes of delegation to the Federated Boards or Investment Panel, the Strategic Board remains responsible for the delegated decision.

2.62.7 The Strategic Board is made up of 28 members selected by their local private/public sector partnerships or Federated Board or their representative bodies and currently at least 50% half of the members are required to be from the private sector.

2.8 2.2.4 The Strategic Board has committed for SELEP to move towards incorporated status by 31st March 2020.

2.9 The membership of the Strategic Board will be reviewed during 2019/20 to achieve the requirement (stated in the new National Assurance Framework, 1.5 above) of a Board of 20 members, (with the option of 5 co-opted members) and membership which is two-thirds private sector. This will include consideration of appropriate representation across the geography of the SELEP, reflecting diversity (2.69 below) and different business interests.

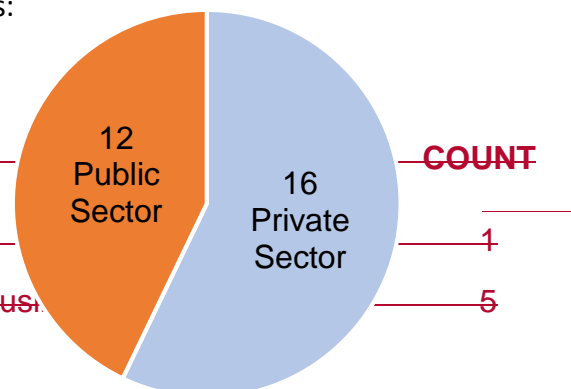
2.72.10 The Strategic Board membership currently is as follows:

#### MEMBERSHIP

Chair Business and SME Representative

Business representatives taken from Greater Essex Busi-

Opportunity South Essex



Local Government representatives taken from Greater Essex Business Board and Opportunity South Essex	5
Business representatives from Kent and Medway Economic Partnership	4
Local Government representatives from Kent and Medway Economic Partnership	4
Business representatives from Team East Sussex	3
Local Government representatives from Team East Sussex	3
A representative of the Higher Education sector	1
A representative of the Further Education sector	1
A Social Enterprise Business Representative	1

2.2.5	
1	<u>Chair, a business and SME representative</u>
5	<u>EBB and OSE business representatives</u>
5	<u>EBB and OSE local government representatives</u>
4	<u>KMEP business representatives</u>
4	<u>KMEP local government representatives</u>
3	<u>TES business representatives</u>
3	<u>TES local government representatives</u>
1	<u>Higher education representative</u>
1	<u>Further education representative</u>
1	<u>Social enterprise business representative</u>

**2.8.2.11** The SELEP Terms of Reference (0 above 1.1 above) and Board Recruitment Policy ~~sets set~~ out how members are appointed to the Strategic Board. Any updates to the SELEP Terms of Reference will be agreed by the Strategic Board.

**2.12** Recruitment to the Strategic Board and Federated Boards will be conducted through an open, transparent, competitive and non-discriminatory process, with extensive private sector engagement.

The process for Strategic Board succession planning will be considered by the Strategic Board in December 2019, following the completion of the Independent Review of the SELEP Strategic Board. This succession planning will be used to support the new structure of the board, as it changes to meet the requirements of the LEP Review, as set out under 2.9 above

**2.13** ~~2.2.6~~

**2.14** Going forward, prior to the appointment of the Strategic Board Chair there will be wide and transparent engagement with the business community. The Strategic Board Chair recruitment will follow a SELEP

Policy for the Recruitment of the Chair, to be considered by the Strategic Board in June 2019.

2.15 The SELEP Board Recruitment Policy includes the requirements for the induction of Strategic Board members.

2.16 Board members will complete the SELEP induction process within the first quarter that they are in post. This will involve a meeting with a senior member of the SELEP secretariat and the receipt of the Board Member Induction Pack. All board members are required to complete their register of interests, which includes agreement to comply with the SELEP Code of Conduct, within 28 days of taking up the post and in advance of participating in any decision making.

2.92.17 Board members are not entitled to any remuneration from SELEP for sitting on either the Strategic Board or any other SELEP boards or panels, however, the Chair of the Strategic Board may be entitled to an allowance of up to £20,000 per annum under the terms of their appointment.

2.102.18 ~~2.2.7~~ Expenses may only be claimed by board members under the terms of the **SELEP** Subsistence and Hospitality Policy, which is published on the SELEP website. All expense claims paid will also be published on the website, in line with the Localism Act.

## ~~2.3~~ **THE ACCOUNTABILITY BOARD** 2.19

2.142.19 ~~2.3.1~~ The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board. No changes to the structure of the Accountability Board are proposed as a result of the LEP Review.

2.20 ~~2.3.2~~ The Accountability Board operates under a Joint Committee Agreement, which was signed on the 13<sup>th</sup> November 2015 by each of the six County Council/ Unitary Authorities within the SELEP area.

2.122.21 The Accountability Board is responsible for the ~~final~~ sign-off of all funding decisions, having regard to the Independent Technical ~~Evaluation~~ Evaluator (ITE) recommendations, as detailed in 5.34 below. This includes any direct awards of funding from the Government ~~including, such as for Department for Transport~~ retained schemes.

2.132.22 ~~2.3.3~~ The Accountability Board is responsible for the implementation of the Assurance Framework and will agree all processes by which bids are assessed, risks considered, funding approvals made and performance managed. The responsibilities ~~are set out in of~~ the Accountability Board ~~Joint Committee Agreement, signed on 13<sup>th</sup> November 2015, and~~ are summarised below:

- (a) ~~2.3.3.1~~ Appraisals and approvals of capital grants and loans ~~in accordance with Independent Technical Evaluator regard to the ITE~~ recommendations;

- (b) ~~2.3.3.2~~ Monitoring project assessment/~~implementation and delivery~~;
- (c) ~~2.3.3.3~~ Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible ~~S151 officer~~); Section 151 Officer;
- (d) ~~2.3.3.4~~ Approving project changes;
- (e) ~~2.3.3.5~~ Quarterly performance reporting on an ~~exception~~exception's basis to the Strategic Board;
- (f) ~~2.3.3.6~~ Reporting on progress to ~~central government~~; Government;
- (g) ~~2.3.3.7~~ Any other accountability or assurance function required by ~~central~~ Government or recommended by the ~~Partnership's~~ auditors or the ~~Chief Finance~~S151 Officer of the ~~Partnership's~~ Accountable Body;
- ~~2.3.3.8~~ Approving an Annual Report to be made available to the Partner Authorities;
- (h) ~~2.3.3.9~~ Agreeing all new or revised processes in relation to the spend of grant funding; ~~and~~
- (i) ~~2.3.3.10~~ Agreeing the annual budget of the Secretariat, plus any subsequent variations to that budget. Once agreed, the budget will be managed under the Financial Regulations of the Accountable Body and the associated Scheme of Delegation~~;~~ and
- (j) ~~2.3.4~~ Ensuring the implementation of the SELEP Assurance Framework

~~2.142.23~~ The Accountability Board is advised by the SELEP Secretariat, Accountable Body's ~~Chief Finance~~S151 Officer and Monitoring Officer.

~~2.152.24~~ ~~2.3.5~~ The Accountability Board membership is as follows:

- (a) Voting members
  - ~~1~~ member appointed from each of the 6 ~~member councils~~
  - (i) County Council/ Unitary Authorities.
- (b) Non-voting co-opted members
  - (i) One Vice Chair of the Strategic Board, appointed by the Chair of the Strategic Board.
  - (ii) One member appointed by the Accountability Board on the nomination of the higher education sector
  - (iii) One member appointed by the Accountability Board on the nomination of the further education sector

- (iv) ~~2.3.6~~ Any funding allocated for pan-LEP projects will be managed in accordance with the arrangements agreed at the time of the allocation by the Accountability Board, with updates provided to the Strategic Board as required.

## ~~2.4~~ **INVESTMENT PANEL** ~~2.25~~

~~2.16~~~~2.25~~ ~~2.4.1~~ The establishment of an Investment Panel was agreed by the Strategic Board on the 9<sup>th</sup> June 2017, as a sub-committee of the Strategic Board ~~(2.5(c) above)~~.

~~2.17~~~~2.26~~ ~~2.4.2~~ The role of the Investment Panel is to act as an advisory committee to the Strategic Board and Accountability Board.

~~2.18~~~~2.27~~ ~~2.4.3~~ The Investment Panel's role and responsibilities include:

- (a) ~~2.4.3.1~~ Reviewing the initial list of projects ~~put forward for investments~~ sifted and prioritised by each ~~of the Federated Board~~ (5.7 below ~~Boards~~);
- (b) ~~2.4.3.2~~ Conducting a prioritisation process ~~off~~ for those projects requiring capital investment based on the approach agreed by the Strategic Board, ~~with regard for the outcome of the ITE assessment of projects~~ and in accordance with the SELEP Assurance Framework;
- (c) ~~2.4.3.3~~ Making recommendations for the provisional allocation of funding to projects prioritised by the Investment Panel. The final award of funding will be subject to an Accountability Board decision, in line with the Assurance Framework requirements; and
- (d) ~~2.4.3.4~~ ~~Consider~~ Considering priorities for future funding from ~~Central~~ Government in accordance with the priorities identified through the SELEP's ~~Strategic~~ Economic Plan, Strategy Statement (ESS), along with emerging SELEP and Government priorities.

~~2.19~~~~2.28~~ ~~2.4.4~~ The Investment Panel operates under its own Terms of Reference ~~will be made, which are~~ available on the SELEP website ~~once they have been~~. The Investment Panel Terms of Reference are agreed by the Strategic Board.

~~2.29~~ ~~2.4.5~~ ~~The date~~ Membership of the Investment Panel includes:

- (a) Chair of the SELEP Strategic Board;
- (b) 6 County/Unitary Authority Representatives;
- (c) 6 Private Sector Business Representatives, including 2 from TES, 2 from KMFP and 2 from across EBB and OSE;
- (d) 1 Higher Education Representative; and
- (e) 1 Further Education Representative

~~2.20~~~~2.30~~ The Investment Panel is a closed meeting but the dates for the meetings, the meeting agenda, reports and minutes shall be made available on the SELEP website ~~available on the SELEP website, in accordance with paragraphs 3.2.4, 3.2.11 and 3.2.12.~~



## 2.5 — ~~THE~~ FEDERATED BOARDS 2.31

2.31 2.5.1 — SELEP is supported by~~The~~ Federated Boards ~~who~~ are the local public/private partnerships which support the SELEP (2.2 above ~~for East Sussex, Essex, Kent, Medway, Southend and Thurrock.~~). The Federated Boards utilise public and private sector knowledge and expertise to identify priorities that will deliver the greatest benefit to the SELEP area.

~~2.24~~2.32 They have responsibility for:

- ~~(a)~~ 2.5.1.1 — leading the opening call for projects and ensuring that the Managing Director call is informed widely publicised;
- ~~(a)(b)~~ the identification and prioritisation of all meetings and that the projects for investment by SELEP team is given the opportunity, prior to attend; projects being prioritised at a pan-LEP level by the Strategic Board/Investment Panel (depending on funding stream);
- ~~(c)~~ 2.5.1.2 — working with the incumbent Vice Chair to provide the overseeing SELEP team with clear investment programmes within the agreed local tolerance levels for spending and updated nominations for membership of delivery;
- ~~(b)(d)~~ coordinating reports as required to the Strategic Board; and Accountability Boards;
- ~~(c)(e)~~ 2.5.1.3 — finalising identifying local priorities and/or a vision for the federated area which is in-line are aligned with SELEP's Economic Strategy Statement (the LEP's SELEP's term for its Strategic Economic Plan) and the LEP's approach to project prioritisation;
- 2.5.1.4 — shaping, defining, endorsing and signing-off the Strategic Economic Plan at a local level before this is presented to the SELEP Strategic Board to agree;
- 2.5.1.5 — coordinating reports as required to the LEP Strategic and Accountability Boards and monitoring and reporting on all LEP investments in the area;
- 2.5.1.6 — championing the work of the LEP to local communities;
- 2.5.1.7 — ensuring the transparency and accountability of decisions and recommendations made at local level;
- ~~(d)(f)~~ 2.5.1.8 — enabling collective engagement with all Local Authority leaders within the federated area to ensure that there is a clear mandate for decision making on growth priorities and supporting collaboration and joint delivery at executive level;
- (g) 2.5.1.9 — ensuring on-going championing successes within their communities, including bringing to the attention of Government local growth projects which should be recognised as innovative, or examples of best practice, and ensuring that stakeholders are able to make informed decisions on



local growth matters;

~~(e)(h)~~ ensuring ongoing local engagement with public and private sector partners to inform key decisions and set out how they will evidence effective engagement;

~~(f)(i)~~ 2.5.1.10—ensuring that there is supporting SELEP’s local engagement with, and feedback to, the general public about future strategy development and progress against delivery of the SEP Growth Deal, including key projects and spend against those projects and that this can be evidenced; ~~and~~

~~(j)~~ 2.5.1.11—increasing their overall diversity of protected characteristics, including gender, age, ethnic origin, religion and sexual orientation as defined in the Equality Act 2010; and to commit to having at least one third female membership of appointed members of the Federated Board by March 2020;

~~(k)~~ ensuring that the Chief Executive Officer is informed of all meetings and that the SELEP team is given the opportunity to attend;

~~(g)(l)~~ working with the LEP to publish arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved;

~~(m)~~ working with the incumbent Vice Chair to provide the SELEP team with clear and updated nominations for membership of the Strategic Board;

~~(n)~~ championing the work of the LEP to local communities; and

~~(o)~~ ensuring the transparency and accountability of decisions and recommendations made at local level.

The new membership requirements (2.9 above) are not applicable at the Federated Board level, except the requirement to reflect diversity ((j) above 2.32(j) above 2.5.2 — The Federated Boards engage local business and utilise public and private sector knowledge and expertise to ensure prioritisation and delivery to provide greatest benefit to the SELEP area in terms of achieving economic growth through the delivery of development, infrastructure and regeneration projects. They are responsible for prioritising, monitoring delivery and management of the SELEP programme within the agreed local tolerance levels for spending and delivery, and for agreeing a local prioritised list of growth schemes that will deliver on SELEP objectives, in accordance with the SEP.

2.33 2.5.3—) and to ensure a private sector majority. Each Federated Board shall determine ~~their~~its own processes for the selection and ~~term~~board size and ratio of its private / public sector membership, with the following caveats:

~~(a)~~ being business led will mean that a majority of office of their~~the~~ membership. ~~The process is private sector;~~

~~(b)~~ each Federated Board shall be conducted through a conduct its own competitive ~~procedure which is,~~ open, transparent and non-discriminatory. The recruitment process in accordance with the SELEP Recruitment Policy. Opportunities for the private sector to be recruited to the Federated Board must be advertised widely, on a variety of platforms to ensure that people across the business community have an opportunity to apply and consider the diversity requirements outlined in this Assurance Framework;

~~(H)(c)~~ each Federated Board's process for board member recruitment will be set out within their Terms of Reference (2.2 above, ~~which is available on the SELEP website.~~);

~~(i)(d)~~ 2.5.4—each Federated Board should ensure that their membership provides representation which is diverse and reflects the local population and business community.

~~2.22~~2.34 2.5.5—Federated Boards are required to publish their Terms of Reference (2.2 above) which meet the minimum requirements of Federated Boards, as set out in section 0 above~~2.33 above~~includes) This must be consistent with the same high level of governance and transparency ~~as that~~ is required of the SELEP, as set out in this Assurance Framework and associated policies, ~~with regard to decision-making in relation to the SELEP, for example, prioritisation of projects seeking funding or support from SELEP; reviewing, monitoring or amendments to projects in receipt of SELEP funding or support.~~

~~2.23~~2.35 2.5.6—Each Federated Board will ensure it complies with the LEP Governance and Transparency Best Practice Guidance (1.5 above, ~~published by HM Government.~~). Each Federated Board will be required to ensure it has in place the following policies, through agreeing to adopt the SELEP policy or publication of their own policy, which meets the required HM and that the policies are published on its own and/or the SELEP website:

~~Government requirements, and that the policies are published on its own and / or the SELEP website:~~

- (a) ~~2.5.6.1~~—Confidential reporting procedures for third parties and the public;
- (b) ~~2.5.6.2~~—Whistleblowing Policy;
- (c) ~~2.5.6.3~~—Code of Conduct for Board Members; and
- (d) ~~2.5.6.4~~—Register of Interests Policy.

~~2.24~~2.36 2.5.7—Each Federated Board will comply with the Local Government Act 1972 requirements for the publication of meeting agendas and meeting minutes (3.3 below, ~~as set out in paragraphs 3.2.4,~~  
3.2.11 and 3.2.12.

~~2.25~~2.37 2.5.8—Federated Board meeting papers and minutes shall be made available to Strategic Board members, as a link to on the SELEP ~~or Federated Board~~ website, as part of the Strategic Board Agenda Pack.

## **2.6—RESPONSIBILITIES OF THE ~~RESPECTIVE~~ BOARD CHAIRS 2.38**

~~2.26~~2.38 2.6.1—The Strategic Board and the Investment Panel

- (a) 2.6.1.1—The responsibilities of the Chair of the Strategic Board and the Investment Panel are set out in the SELEP Terms of Reference (0 above~~1.1 above, a copy of which is available on the SELEP website;~~); however, in relation to this Assurance Framework, the following specific

responsibilities are applicable:

- (i) Demonstrating the highest levels of integrity, honesty and transparency;
- (ii) Maximising the SELEP's connections with Small and Medium sized enterprises (~~SME's~~SMEs) across the SELEP area;
- (iii) ~~Provision on~~Providing an annual ~~basis, in conjunction with the SELEP Managing Director,~~ a statement on the status of governance and transparency within ~~SELEP; This statement will be explored in greater detail during the Annual Conversation process with Government.~~ the SELEP, in conjunction with the SELEP Chief Executive Officer. This statement will be explored in greater detail during the Annual Review process with Government, and published on the SELEP website;
- (iv) The SELEP Communication Strategy (3.18 below ~~(see paragraph 3.3.1)~~);
- (v) Supporting any resolutions of conflict between the Accountable Body and the Accountability Board (4.34 below ~~(4.7)~~);
- (vi) Ensuring that declarations of interest are requested, and acted upon, at the outset of each Strategic Board and Investment Panel meeting.

## 2.6.2 The Accountability Board

~~2.39 2.6.2.1~~ The following sets out the responsibilities of The Strategic Board has three private sector Vice Chairs, appointed according to the SELEP Recruitment Policy, who together act as a deputy chair and deputise for the SELEP Chair ~~of as required.~~

~~2.272.40~~ The Accountability Board ~~to the extent to which they pertain to this Assurance Framework~~ Chair, as a non-voting private sector representative, is responsible for:

- (a) Demonstrating the highest levels of integrity and honesty;
- ~~(a)(b)~~ Ensuring ~~all investments in projects and programmes, that the decisions~~ made by the Accountability Board ~~or by~~ are consistent with the ~~Managing Director following endorsement~~ strategic direction set by the Strategic Board, ~~present high value for money;~~ and
  - ~~Ensuring that each investment decision made the SELEP Accountability Board is supported by a business case that has been subject to independent scrutiny~~
- ~~(b)(c)~~ Ensuring that declarations of interest are requested, and acted upon, at the outset of each Accountability Board meeting.

## ~~2.7~~ **THE WORKING GROUPS** 2.41

~~2.28~~2.41 ~~2.7.1~~ From time to time ~~The~~ SELEP may establish, as it considers appropriate, informal non-decision-making working groups to provide expertise and support to the Strategic and Accountability Board, in shaping its strategy or delivering pan-LEP priorities, ~~as it considers appropriate. Each working group will ensure that its terms. For these informal groups, in the interests of reference, calendar of future meeting dates openness and any papers produced in relation transparency, the SELEP commits to adhering to the meetings are available Assurance Framework guidelines on publishing material~~ on the SELEP website.

~~2.29~~2.42 ~~2.7.2~~ Currently the SELEP is supported by the following groups:- which lead on specific work streams as required:

### (a) Sector Working Groups

(i) ~~Rural~~Coastal/~~CORE~~ Communities

• ~~U9~~

• ~~Growth Hubs~~

(ii) Enterprise Zones

~~(ii)~~(iii) Housing and Development

~~(iii)~~(iv) Skills Advisory Group

(v) Digital Skills Partnership

~~(iv)~~(vi) Rural

(vii) Social Enterprise

~~(v)~~(viii) South East Creative Economy Network (SECEN)

(ix) Tourism

(x) Transport Officers (meets on ad hoc basis)

(xi) U9 (Universities)

(xii) Growth Hubs (Business Support)

• ~~Tourism Housing and Development Social Enterprise~~

• ~~Energy Group~~

(b) Officer Advisory Groups

(i) Senior Officer Group

• ~~Transport and Infrastructure Officer Group~~

(ii) Programme Consideration ~~Group Meeting~~

(iii) Directors Group

~~2.302.43~~ ~~2.7.3~~ Through ~~SELEPs~~the working group activities ~~and SELEP's~~, representation, and involvement with other organisations across a wider geography, the SELEP actively engages in cross-LEP working on strategic issues. This includes, but is not limited to, joint working with neighbouring LEPs on:

(i) ~~2.8~~ The development and implementation of the Energy Strategy;

(ii) Emerging Sub National Transport Bodies; and

(iii) Southern LEPs work programme.

2.44 Furthermore, SELEP is committed to working with the LEP Network to discuss issues of shared importance as a sector, engage Government, and share knowledge and good practice.

2.45 The chair of the Skills Advisory Panel will represent this panel on the Strategic Board as the further education representative.

2.46 The SELEP has four enterprise zones:

(a) Discovery Park, Kent

(b) Harlow, Essex

(c) North Kent

(d) Newhaven, East Sussex

2.47 The Strategic Board has overall oversight for the Enterprise Zones, however day to day management and the development of Enterprise Zone strategy sits at the local level.

2.48 The SELEP secured a City Deal for Southend, which has now evolved into a new area of work with The Hive Enterprise Centre and has also received funding from the Local Growth Fund (LGF). The Strategic Board receives regular updates on the progress of LGF projects, which includes work from the City Deal.

2.49 Ultimate leadership of the South East Business Hub (Growth Hubs) sits with the Strategic Board. Any strategic decisions pertaining to the Growth Hubs are raised at the Federated Boards, considered by the working group and taken to the Strategic Board where appropriate.

## **ACCOUNTABLE BODY 2.50**

2.50 2.8.1 The Strategic Board agreed that As the Accountable Body, Essex County Council, retains overall legal accountability for the funding streams, and is responsible for overseeing the proper administration of financial affairs when these affairs relate to public funds (see appendix for more detail, 7.1 below).

2.51 Essex County Council was reaffirmed as the Accountable Body for the SELEP by the Strategic Board in October 2018, and support for the SELEP will be the Accountable Body for SELEP and provided through its Section 151 Officer, or their representative, supports the SELEP. This reaffirmation was provided on the basis that any additional costs arising from the requirements of the LEP Review are fully funded, as appropriate, and the Authority's exposure to risk is not unduly increased.

2.52 The complementary roles of both the financial responsibilities of the Accountable Body and the leadership role and ~~accountabilities~~ responsibilities of the SELEP are supported by a set of agreed systems and practices which are managed through the Accountability Board. This ensures proper, transparent decision making which delivers value for money and ~~also~~ supports timely, informed decision making by the SELEP.

2.53 2.8.2 All The Accountable Body will receive funds from Government on behalf of the SELEP.

2.54 It is recognised that once the SELEP incorporates, the relationship with the Accountable Body will need to change. A formal written statement will be agreed and published by 28 February 2020 that clearly defines the roles and relationships between the SELEP and the Accountable Body, which will also establish how the Accountable Body will collaborate with the SELEP to ensure that the terms of this agreement are met.

2.55 The Accountable Body is responsible for ensuring that the usual Local Authority checks and balances apply to the awards of public funding directed by the Accountability Board. The Accountable Body cannot use funding allocated to the SELEP ~~is transferred to~~ for its own purposes, without a clear mandate from the SELEP.

2.56 The Accountable Body ~~who is~~ carries out the following functions on behalf of the SELEP:

- (a) A finance function: involving holding and managing public funds paid by Government on behalf of SELEP;
- (b) An oversight function:
  - (i) ensuring public funds are handled in line with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money.

This includes an oversight function of processes such as LEP governance and transparency arrangements, compliance with the framework and agreement on scrutiny arrangements, to ensure that the checks and reporting requirements of the Section 151 Officer are met; this includes retaining appropriate documentation on decisions around funding.

(ii) the Accountable Body is also responsible for escalating concerns around non-delivery and/or mis-management, if this cannot be resolved at the local level the Accountable Body will report any concerns to the Cities and Local Growth Unit through: [localgrowthassurance@communities.gov.uk](mailto:localgrowthassurance@communities.gov.uk) ; and

(c) A support function (as agreed with the SELEP): providing technical advice on the relevant law; discussing risks associated with pursuing a particular course of action for the LEP Board to consider; drafting funding agreements and contracts.

2.57 Appendix 1 sets out the current working arrangements that are in place between the Accountable Body and the SELEP. These arrangements will be reviewed as the SELEP determines its future operating model as an incorporated entity.

## 2.58 Section 151 Officer Role

(a) In acting as the Accountable Body for the SELEP, the role of the Authority's Section 151 Officer, in overseeing the proper use and administration of the funding, in line with any requirements financial affairs, is extended to include those of the SELEP.

(b) The standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) document, "[Principles for Section 151 Officers in accountable bodies](#)", form part of the assurance process undertaken by the Accountable Body on behalf of the SELEP.

(c) The following five principles set out in the CIPFA guidance are required to be addressed by the SELEP and the Accountable Body:

(i) Enshrining a corporate position for the Section 151 Officer in LEP assurance;

(ii) Creating a formal/structured mandate for the Section 151 Officer;

(iii) Embedding good governance into decision making;

(iv) Ensuring effective review of governance; and

(v) Ensuring appropriate skills and resourcing.

(d) The Section 151 Officer will exercise their duties in line with the CIPFA guidance and this framework.

(e) The SELEP is required to ensure that the Section 151 Officer is given sufficient access to information in order to carry out their role. All SELEP Board documents should be provided to the Section 151 Officer, and where decisions are being made, the Section 151 Officer should have the opportunity to comment (as per the timescales outlined in Appendix 1).

(f) Within the SELEP and Accountable Body agreement, the process for resolving conflicts between SELEP Board decisions and Section 151 Officer advice should be outlined, based on the standards set



out in CIPFA's document, see (b) above ~~respective grant determination.~~

~~(a)(g) The Section 151 Officer should ensure that their oversight of the proper administration of financial affairs within the SELEP continues throughout the year. In addition, they are required to provide an assurance statement as part of the Annual Performance Review and, by 28 February each year, the Section 151 Officer is required to submit a letter. The Accountable Body is not able to use this funding for its own purpose without a clear mandate from the Accountability Board. to the MHCLG's Accounting Officer. This should include:~~

~~2.8.3 The Accountable Body, (through its Responsible Financial Officer – Details of the checks that the Section 151 Officer), is responsible for ensuring that:~~

~~2.8.3.1 grant income received, payments out and any applicable repayments are accounted for and administered correctly;~~

~~2.8.3.2 all decisions are made and funds used in accordance with the conditions placed on each grant by the respective awarding body;~~

~~2.8.3.3 all reports placed before the Strategic and Accountability Board are reviewed by the Accountable Body, who will include the details of any implications arising as a result of the decision being sought within the report prior (or deputies) has taken to publication;~~

~~2.8.3.4 all grants are transferred to partner authorities under a Service Level Agreement (SLA) or Grant Agreement, as appropriate, which reflects the grant requirements of the awarding body;~~

~~2.8.3.5 all loans are transferred to partner authorities under a loan agreement, which reflects the loan requirements of the awarding body;~~

~~2.8.3.6 decisions and activities of the SELEP conform with all relevant law (including State Aid and Public Procurement), and ensuring that records are maintained so that this can be evidenced; the Accountable Body shall be responsible for the management of this if challenged;~~

~~2.8.3.7 assure themselves that the SELEP Assurance Framework is adhered to;~~

~~2.8.3.8 the official record of the SELEP proceedings is maintained and copies of all SELEP documents relating to Local Growth Fund (LGF) and other funding sources received from Government are held;~~

~~2.8.3.9 has account for all spend and income made or received by the SELEP;~~

~~2.8.3.10 there are arrangements for local audit of funding allocated to partners by SELEP at least equivalent to those in place for local authority spend;~~

~~(i) 2.8.3.11 SELEP is supported in accounting to Government on programme delivery~~



and the processes that ensure proper administration of financial management; affairs in the SELEP;

- (ii) A statement outlining whether, having considered all the relevant information, the Section 151 Officer believes the financial affairs of the SELEP are being properly administered (including consistently with the National Local Growth Assurance Framework (1.5 above 2.8.3.12) and this framework); and
- (iii) If not, information about the main concerns and recommendations about the arrangements which need to be implemented to get the SELEP to be properly administered.

## 2.59 Accounts and Audit Arrangements

- (a) The Accountable Body will produce accounts, on an annual basis, on behalf of the SELEP; these will be subject to External Audit. The Accounts will be considered by the Strategic Board and published on the SELEP website in a timely manner.

The SELEP and appropriate responses to FOI requests with regard to the responsibilities of the Accountable Body;

2.8.3.13 all necessary legal agreements are in place, including:

- SLAs between the Accountable Body and Partners ; and
- Grant agreements and conditions;

2.8.3.14 the use of resources are managed in accordance with the Accountable Body's established processes including financial regulations and contract regulations.

2.8.3.15 a report is provided by the Section 151 officer to the Annual Conversation on their work for the SELEP and their opinion, with will agree an internal audit plan each year. This will include a specific requirement to identify any issues risk-based audit plan of concern, on governance and transparency.

- (b) 2.8.3.16 a formal joint Annual Governance statement is prepared by SELEP activity that will provide assurance to the Section 151 Officer in conjunction with the and the Accountability Board at appropriate points through the year.

(b)(c) The internal auditors of the Accountable Body provide assurances to the Accountability Board, SELEP Managing Director which is Secretariat and Accountable Body Section 151 Officer. A key role of the internal auditors is to provide independent assurance that internal controls are designed well, are proportionate to risk and are operating effectively in practice. Following a completed audit, where there are recommendations that relate to the SELEP, these will be reported back to the Accountability Board by internal audit. Accounts are also audited externally and reported to the Strategic Board.

2.8.4 SELEP and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. These are reflected in the SLAs between the Accountable Body and the Partner and include ensuring that:

~~(c)~~(d) The SELEP is required to ensure that there are arrangements ~~are in place for monitoring delivery; for funding audit activity.~~

~~(a) there are clear expectations in relation to the information required from scheme partners and delivery agents; and when the SELEP awards funding for a project, that there are written agreements in place between the Accountable Body and the partner, clearly setting out ownership of responsibilities and makes adequate provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement).~~

(e) 2.9 — Managing DirectorAs part of the SELEPs incorporation arrangements, the SELEP and the Accountable Body will agree appropriate audit committee arrangements which fit the chosen model of incorporation.

(f) Once incorporated, if the SELEP has additional funds running through its own accounts, they will ensure appropriate external audit arrangements in line with their incorporation model, once implemented. For example, if the SELEP is limited by guarantee, it should follow the Companies Act (2006) and consider relevant corporate governance best practice.

## **CHIEF EXECUTIVE OFFICER RESPONSIBILITIES 2.60**

~~2.322.60~~ 2.9.1—The SELEP ~~Managing Director~~Chief Executive Officer is responsible for the following activities pertaining to this Assurance Framework:

- (a) Ensuring, on behalf of the ~~SELEP~~ Accountability Board, that the ~~SELEP~~ Assurance Framework is being fully implemented and embedded within the activities and operations of the SELEP, and that the Accountability Board is updated on areas of risk of ~~non-compliance~~non-compliance at each Board meeting as appropriate.;
- (b) ~~Providing~~Providing, on an annual basis, in conjunction with the Strategic Board chair, a statement on the status of governance and transparency within the SELEP. This statement will be explored in greater detail during the Annual Conversation process with Government. ~~SELEP; this statement will be explored in greater detail during the Annual Conversation process with government.~~ This statement will be published on the SELEP website~~on the SELEP website.~~;
- (c) Provision of a formal joint Annual Governance statement that has been prepared in conjunction with the Section 151 Officer of the Accountable Body and which is reported to the Strategic Board~~reported to the Strategic Board.~~;
- (d) Keeping records which demonstrate that the SELEP meets all legal obligations and all other compliance requirements placed upon them, ensuring these are accessible if requested;
- (e) Ensuring that SELEP cooperates with stakeholders and other regeneration organisations;

(f) Ensuring that the SELEP secretariat acts as an independent secretariat to the SELEP Strategic and Accountability Board. This includes providing impartial advice and support to all board members.

(d)(g) Publishing as a Chief Officer Action on the SELEP website, all decisions made under the ~~Managing Directors~~ Chief Executive Officer's delegated responsibilities; these must be in line with:

- (i) ~~the~~ the Accountable Body's scheme of delegation and Financial Regulations;
- (ii) ~~respective~~ decisions made by the Accountability Board and the Strategic Board, including decisions related to the approved budget of the SELEP Secretariat;
- (iii) ~~Secretariat~~ this Assurance Framework.

2.61 Salary information for the Chief Executive Officer will be published on the SELEP website.

2.62 The Chief Executive Officer is employed by the Accountable Body but reports exclusively to the Strategic and Accountability Board, and works under the direction of the Strategic Board.

### **INDEPENDENT SECRETARIAT 2.63**

2.63 The SELEP Secretariat provides impartial advice and support to all SELEP board members.

2.64 They are responsible for:

- (a) Overseeing the working groups (2.41 above);
- (b) Making recommendations to the Accountability Board and Strategic Board;
- (c) Providing impartial advice to all Accountability and Strategic Board members;
- (d) Engaging with the Federated Boards;
- (e) Production and day to day implementation of the Delivery Plan, to be agreed by the Strategic Board in advance of each financial year. This will define the activities to be undertaken during the financial year, along with Key Performance Indicators (KPI); progress against which will be reported to the Strategic Board throughout the year;
- (f) Production of the Annual Report, which will review SELEP's performance against the agreed KPIs set out in the Delivery Plan and be presentation at each Annual General Meeting (AGM);
- (g) Practical co-ordination and organisation of meetings (including the AGM, a public meeting annually in July, an opportunity to engage with the wider business community), Strategic Board minutes, preparation of papers and maintenance of the SELEP website;

Ensuring appropriate engagement with stakeholder, local partners, neighbouring LEP's, Central Government (3.39 below

### **2.10-Partners**

~~2.10.1 Partners refers to the Upper Tier Authorities and those organisations which the Accountable Body has a Service Level Agreement or Grant Agreement with.~~

(h) );

(i) Carryout the day to day business of the LEP in compliance with the requirement of the National and SELEP Assurance Framework, and SELEP's own policies;

(j) Ensuring the Central Government Growth Deal branding guidance is adhered to;

(k) Management of financial and operational risk by the Chief Operating Officer;

(l) Management of project and capital programme risk by the Capital Programme Manager;

(m) Induction of new team members, incorporating ECC training (including GDPR and Diversity and Equality).

## **PARTNER AUTHORITIES 10.2 THE UPPER TIER**

~~2.332.65~~ Partner Authorities are: refers to the six County and Unitary Authorities across the SELEP area.

~~2.66 2.10.2.1~~ The County and Unitary Authorities are:

- (a) East Sussex County Council;
- (b) ~~2.10.2.2~~ Essex County Council;
- (c) ~~2.10.2.3~~ Kent County Council;
- (d) ~~2.10.2.4~~ Medway Council;
- (e) ~~2.10.2.5~~ Southend-on-Sea Borough Council; and
- (f) ~~2.10.2.6~~ Thurrock Council

~~2.342.67 2.10.3~~ In receiving LGF or other funding, and entering into a **service level agreement** (SLA), loan agreement or grant agreement, **Partner Authorities** are responsible for:

(a) Ensuring the delivery of projects, including the outputs, outcomes and spend of funding received through the SELEP and local ~~partner~~ funding contributions, to the scope agreed in the Business Case;

(b) Providing regular and accurate reporting to the Secretariat on projects;

~~(b)(c)~~ Reporting **is required** on a quarterly basis for all projects receiving funding from the SELEP,

including LGF and ~~Growing Places Fund (GPF)~~. This funding must be completed in the format and to the timescales specified by the Secretariat.—;

~~(c)~~(d) Ensuring sufficient resource is allocated to support the delivery and the post-scheme monitoring and evaluation of all projects.—;

~~(d)~~(e) ~~Compliance~~Complying with the conditions of the respective SLA, loan agreement or grant agreement under which funding has been transferred.—;

~~(e)~~(f) Providing briefings to Accountability Board members, which, as a minimum, should include project updates and decisions being presented to the Accountability Board for all areas.—, not just in relation to the decisions impacting their own area.—;

## ~~2.11~~ **EQUALITY AND DIVERSITY** 2.68

1. 2.11.1 —The SELEP recognises and values diversity across its membership and is committed to increasing its overall diversity in terms of protected characteristics as defined in the Equality Act 2010.

2.69 The SELEP commits to having at least one third female membership of appointed members of the Strategic Board by March 2020 and equal representation by 2023.

2.70 At the SELEP Strategic Board on the 22<sup>nd</sup> of March 2019, approval was given for an independent review, which includes consideration for how the SELEP can achieve greater diversity.

2.71 In advance of the independent review of the Strategic Board being concluded, the actions that the SELEP will take to increase diversity of the Strategic Board include:

(a) A rigorous recruitment process shared with Federated Boards, Extending the pool of candidates attracted and pro-actively approached;

(b) Ensuring that objective selection processes are in place for all board appointments, with applications assessed against the criteria in a board member job specification (proposed to include definable measurable skills, experience, knowledge and personal capabilities required for the role);

(c) Reporting regularly against the diversity targets, to be received by the Accountability Board on a quarterly basis as one of SELEP's Governance and Transparency Key Performance Indicators;

(d) Identifying the next generation of Strategic Board member by harnessing the power of existing networks and reaching out to create new networks.

2.72 The Strategic Board will have been made aware of the progress in improving the diversity of the Strategic Board through the reporting of progress against the SELEP Delivery Plan.

~~2.72~~2.73 The SELEP is covered by the general equality duty as set out within the Equality Act 2010. Accordingly, all decisions taken by the Accountability Board will pay 'due regard' to:

(a) eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the act;

~~(b)~~ advance~~advancing~~ equality of opportunity between people from different equality groups; and ~~(e)~~  
~~foster~~

~~(b)~~~~(c)~~ fostering good relations between people from different equality groups.

## ~~2.12~~ PRINCIPLES OF PUBLIC LIFE AND CODE OF CONDUCT 2.74

~~2.73~~2.74 ~~2.12.1~~ All SELEP board and Federated Board members, advisors and officers are expected to demonstrate the highest standards of conduct when carrying out their responsibilities, and to adhere to their respective authority and business code of conducts or equivalent, ~~however,~~ As a minimum all members and officers must also ~~have regard to the SELEP Code of Conduct which is published on~~ comply with the SELEP Code of Conduct ~~SELEP website.~~

~~2.74~~2.75 ~~2.12.2~~ — The Code requires that all members of all SELEP boards and respective officers maintain high standards in the way they undertake their duties. As a board member they are a representative of the SELEP, and therefore their actions impact on the way in which the SELEP is viewed by the public.

~~2.75~~2.76 ~~2.12.3~~ — The Code also reflects the requirement that all members are required to have regard to the principles of public life, known as the Nolan Principles, contained within the provisions of S.29(1) of the Localism Act 2011, and set out below:

- (a) ~~SELFLESSNESS~~ Selflessness- to serve only the public interest and never improperly confer an advantage or disadvantage on any person.
- (b) Integrity— Not to place themselves in situations where their integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- (c) Objectivity- Make decisions on merit, including when making appointments, awarding Contracts or recommending individuals for rewards or benefits.
- (d) Accountability— To be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their Office.
- (e) Openness— To be as open as possible about their actions and those of the SELEP and should be prepared to give reasons for those actions.

- (f) Honesty— Not to place themselves in situations where their honesty may be questioned, should not behave improperly and should, on all occasions, avoid the appearance of such behaviour.
- (g) Leadership— Should promote and support these principles by leadership and by example and should always act in a way that secures or preserves public confidence.

2.77 3—In signing their SELEP Register of Interest, Board members and officers are required to agree that they will comply with all SELEP policies, including, but not limited to, the Code of Conduction and Gifts and Hospitality Policy.

2.78 SELEP officers are also required to sign up with the Nolan Principles through their contract of employment through Essex County Council, as the SELEP Accountable Body.

## TRANSPARENT DECISION MAKING 3

### INTRODUCTION —OVERVIEW

3. 3.1.1—Clear systems, rules, practice and processes are in place to ensure that decisions are made on a transparent basis, by the appropriate person or groups and on merit.

3.13.2 Arrangements are in place to support the effective and meaningful engagement of local partnersstakeholders and the public. The Strategic andBoard, Accountability Boards and Investment Panel operate on the basis of with transparency, openness and good communications, and has in place communication, with processes in place to ensure that these principles are replicated as part of the decision-making processes.

### 3.2—ARRANGEMENTS FOR MAKING AND RECORDING DECISIONS 3.3

3.23.3 3.2.1—Meetings of the Strategic and Accountability Boards are open to members of the press and public with the exception of, except for any items that should be treated confidentially (3.8 below. The Policy for Public Questions to the Accountability Board is available on the SELEP Website and). The Policy for Public Questions to the Accountability Board sets out the process under which questions can be made by a member of the public to the board. Filming or recording of proceedings can take place, provided that they are agreed in advance with the Secretariat and at the discretion of the board chair.

3.33.4 3.2.2—All decisions undertaken by either the Investment Panel, Strategic or the Accountability Board must be supported by a full written paper setting out. This must provide details of the decision being sought from the respective board and contain all relevant information so as to enable the



~~decision maker to make~~ an informed decision. All reports will be reviewed by the Accountable Body prior to publication, who will ~~include~~add the details of any implications arising as a result of the decision being sought. ~~Where required~~If appropriate, the Accountable Body will provide comments on the financial, and legal and an Accountable Body comment in reports to implications of recommendations being made to the Accountability Board.

~~3.43.5~~ 3.2.3—All papers relating to the Accountability Board are made available on both the SELEP~~available on both the SELEP~~ and the Accountable Body website. Papers relating to the Strategic Board and Investment Panel are made available on the SELEP Website~~SELEP Website~~.

~~3.53.6~~ 3.2.4—All papers are published at least 5 clear working days before the meeting, except for ~~those papers which are not suitable for release into the public domain as they are considered to be “papers containing~~ confidential information (3.8 below), or in extreme circumstances where it is not possible to circulate papers in advance.

These timelines for publications of papers are clearly outlined on the SELEP website

~~3.7~~ 3.2.5—

~~3.63.8~~ Information is classified as “confidential information” by virtue of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. This includes:

- (a) Information provided by a Government Department on terms which forbid the disclosure of the information to the public;
- (b) Where disclosure to the public is prohibited by a court or;
- (c) Where the SELEP holds “exempt information” under Schedule 12A of the Local Government Act 1972. This includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

~~3.2.6~~—Where information that is necessary to support a board decision is exempt from publication, in line with the requirements above, this is clearly stated on the respective meeting agenda, with the reason for the exemption included. The standard reporting template must be applied when publishing all meeting agendas to ensure that appropriate reference is made to exempt items.

~~3.73.9~~3.2.7—Board members and officers in receipt of confidential information (3.8 above) from the SELEP are



required to adhere to the SELEP Code of Conduct which sets out the expectations of members and officers when handling confidential information.

~~3.83.10~~ ~~3.2.8~~ Any breaches to the handling of confidential information will be dealt with in accordance with the Accountable Body's policies and in compliance with the appropriate Government legislation.

~~3.93.11~~ ~~3.2.9~~ All key decisions, where there is likely to be a significant impact, or the decision involves a saving or spend of over £500k, taken by the Accountability Board, are published on the Forward Plan and available on both the SELEP ~~available on both the SELEP~~ and Accountable Body websites, 28 days before the decision is taken. This ensures transparency around future decisions.

~~3.103.12~~ ~~3.2.10~~ All decisions made by the SELEP ~~Managing Director~~ Chief Executive Officer that are Chief Officer Actions under the Financial Regulations and associated scheme of delegation of the Accountable Body, shall also be published on the SELEP website ~~published on the SELEP website.~~

~~3.113.13~~ ~~3.2.11~~ Draft minutes of all meetings are publicly available on the SELEP website ~~SELEP website~~ no more than 10 clear working days after the meeting, and will similarly be published in final form no more than 10 clear working days following approval by the respective board. Those minutes relating to exempt items under Schedule 12A are not published, but are stored confidentially by the Secretariat. ~~The Accountability Board summary of decisions shall be published as soon as practicable following the meeting.~~

The Accountability Board summary of decisions shall be published

~~3.14~~ ~~3.2.12~~ as soon as practicable following the meeting.

3.15 Any declaration of interest made at the meeting must be included in the minutes of the meeting. ~~Where this and must document:~~

(a) The nature of the interest (pecuniary or code);

(b) What the declaring member did during the item to demonstrate the interest was handled appropriately.

~~3.123.16~~ When there is a new declaration of interest, this ~~will~~ must also be updated on the relevant member's register of interest.

~~3.133.17~~ ~~3.2.13~~ For each quarter of the financial year, a table of decisions ~~which have~~ taken by the Accountability Board, Federated Boards or under the ~~Managing Directors~~ Chief Executive Officers delegated budget during that quarter, will be ~~presented to Strategic Board and~~ made available on the SELEP website ~~SELEP website.~~

### **3.3 COMMUNICATIONS AND PUBLICATIONS 3.18**

~~3.143.18~~ **3.3.1** Through the chair, the Strategic Board shall be responsible for the SELEP's communications strategy. This shall include communications to Strategic Board members, participating organisations and the wider public, ~~and shall include~~ the maintenance of an up-to-date, relevant and accessible website. The Secretariat shall be responsible for implementation of the communications strategy.

**3.19** ~~3.4~~ SELEP is committed to complying with the Government's branding and communication guidance for all LGF projects. The requirement for Local Partners to also comply with this guidance is set out within SLA and the grant agreements under which the funding is transferred from the Accountable Body to Local Partners.

#### **SELEP WEBSITE 3.20**

~~3.153.20~~ **3.4.1** A dedicated website ~~dedicated website~~ for the SELEP is available for local partners and members of the public. ~~As well as providing an overview of the work undertaken by SELEP it also~~ The website is updated regularly and provides a source of information about SELEP and its activities, to ensure transparency. The website provides access to a range of documents and information, including:

- (a) details of progress made on implementing the Growth Deal ~~Growth Deal~~;
- (b) updates on the delivery of individual LGF, GPF and SSF projects;
- (c) information about available funding opportunities ~~contact~~ and how open calls for projects will operate, including details of the criteria against projects will be assessed;
- ~~(b)~~ (d) contact details for the SELEP;
- (a) ~~Access to all key documents and policies~~ Access to key documents and policies; and
- (e) ; including the Assurance Framework, Annual Report, Delivery Plan, Economic Strategy Statement (SELEP's updated Strategic Economic Plan), board member and Chief Executive register of interests, and the following policies:
  - (i) Code of Conduct for LEP Board Members
  - (ii) Confidential Reporting of Complaints Policy
  - (iii) Whistleblowing Policy
  - (iv) Register of Interest Policy

- (v) Declaration of Interest- Guidance
- (vi) Board Recruitment Policy
- (vii) Subsistence and Hospitality Policy
- (viii) Gifts and Hospitality Capture and Declaration Form
- (ix) SELEP Accountability Board Public Questions Policy
- (x) Welcome to the Board- induction information
- (xi) Welcome to the Board- examples of SELEP's delivery

~~(e)~~(f) access to supporting documentation for decision making including:

- (i) forward plans
- (ii) agendas
- (iii) reports and business cases
- (iv) annual Delivery Plan
- (v) annual financial statement
- (vi) annual assurance statement
- (vii) information on the process for applying for funding
- ~~(iv)~~(viii) minutes
- ~~(v)~~(ix) summary of decisions of the SELEP boards.
- ~~(vi)~~(x) The website can be accessed at <http://www.southeastlep.com/>.

~~3.16~~3.21 In addition to being published on the SELEP website, all Accountability Board agendas, decisions and minutes are also published on the Accountable Body website~~Accountable Body website~~, which can be accessed at <http://cmis.essexcc.gov.uk/essexcmis5/Home.aspx>

### ~~3.5~~ **INFORMATION REQUESTS** 3.22

~~3.17~~3.22 ~~3.5.1~~ Each Upper Tier County and Unitary Authority within the SELEP is responsible for handling and responding to Freedom of Information and Environmental Information Regulations requests ~~received~~ relating to SELEP functions within their authority. All responses are prepared in consultation with the Secretariat.

~~3.18~~3.23 ~~3.5.2~~ All other requests received by the Secretariat and the Accountable Body shall be handled and responded to by the Accountable Body with the support of the Secretariat. All partners will support the Accountable Body in responding to requests for information in a timely manner to ensure that appropriate responses are provided within the stipulated 20 working days.

The SELEP has data protection arrangements in line the [General Data Protection Regulations \(GDPR\)](#) and the [Data Protection Act 2018](#)

3.24 3.6 — The SELEP acts in accordance with the policies of the Accountable Body, Essex County Council.

## **COMPLAINTS ~~TO SELEP~~ AND WHISTLEBLOWING POLICY 3.25**

~~3.193.25 3.6.1~~ The SELEP is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment we encourage employees and others with serious concerns about any aspect of ~~the~~ SELEP's work to come forward and voice those concerns without fear of reprisal: ~~Employees and those working closely with SELEP, should follow the whistleblowing policy; third parties and members of the public, should follow the confidential complaints procedure. Both of these policies are published on the SELEP website.~~

Employees and those working closely with the SELEP should follow the [Whistleblowing Policy](#), third parties and members of the public should follow the [confidential complaints procedure](#)

3.26 3.6.2 The Secretariat, as detailed in the Confidential Reporting of Complaints Policy.

3.27 These policies are available on the SELEP website and provide details of:

- (i) the relevant contacts within the SELEP for disclosers to contact;
- (ii) the confidential process by which complaints will be considered and respond to; and
- (iii) the timescales for response by the responsible officers.

~~3.203.28~~ Confidential complaints and whistleblowing are managed by the SELEP Governance Officer and SELEP Chief Executive, who will maintain a record of all complaints received.

~~3.29 3.6.3~~ If the complainant is not satisfied with the outcome of the complaint or how the complaint procedure has been followed, this should first be escalated to the SELEP Accountable Body, Essex County Council. If it is not possible to resolve the complaint at this stage, then it will be referred to the Cities and Local Growth Unit at MHCLG.

~~3.243.30~~ The Cities and Local Growth Unit will be informed of any concerns raised under the whistleblowing procedure by e-mailing [LEPPolicy@Communities.gsi.gov.uk](mailto:LEPPolicy@Communities.gsi.gov.uk) or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF.

## **3.7 — REGISTER OF ~~INTEREST~~ INTERESTS 3.31**

~~3.223.31 3.7.1~~ All members of the SELEP Secretariat, ~~SELEP~~ Senior Officer Group, ~~and~~ Strategic, Accountability ~~Board~~ and Federated Boards are required to complete a register of ~~Interest~~ [Interests](#) form, recording details of any relationship or other financial or personal interest which might conflict with their duties to ~~the~~ SELEP. Declarations must be completed in line with the [Register of Interests Policy](#) and

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includes individual registers of interest for all Board Members, Federated Board Members, co-opted Members and the Chief Executive (or equivalent). The Register of Interest Policy which is published on the SELEP website and/or Federated Board websites. Form should be completed and signed within 28 days of taking up post and before advising or participating in any decision making.

3.32 3.7.2—Copies of all declarations are retained by the Secretariat and for board members, Federated Board members, co-opted members and the Chief Executive (or equivalent) are published on the SELEP website. Excluding the SELEP Chief Executive, all other officer registers of interests are held on file but are not published.

3.33 Each board member must review their individual register of interests before each board meeting and decision-making committee meeting, submitting any necessary revisions at the start of the meeting.

3.233.34 All declarations are reviewed annually, every 6 months in accordance with the Register of Interest Policy. However, each member is required to ensure that their declarations are up to date, and therefore must notify the SELEP Secretariat of any changes within 28 days of becoming aware of any change in circumstances.

3.243.35 3.7.3—Further, All Strategic, Accountability, Investment and Federated Board members (including substitute members) are required to declare interests regarding any items to be discussed at the outset beginning of the respective meetings at which an item, even if the interest is to be discussed already on the member's Register of Interests form. Such declarations and associated actions taken will be recorded in the minutes of the meeting which are available on the SELEP website the SELEP website.

3.253.36 3.7.4—Where there is a potential conflict of interest between the commercial enterprise and activities of the Partner Authority and the decision making by the SELEP boards, board members and officer officers are required to advise the SELEP Managing Director Chief Executive Officer in advance of the meeting and to declare such interests during the relevant meeting.

3.37 3.8—Local Conflicts of interest will be managed in accordance with SELEP's Register of Interest Policy. This policy sets out the process for managing Disclosable Pecuniary Interests and code interests during the course of meetings.

3.38 Where a Disclosable Pecuniary Interest declaration has been made, the board member must:

- (a) withdraw from the room where the meeting considering the business is being held, at the time that the item of business is being discussed; and
- (b) not participate in any debate or vote on the matter.

## **ENGAGEMENT 3.39**

3.39 3.9—The SELEP ensures there is appropriate local engagement (with public and private stakeholders, and the general public) to inform key decisions around future SELEP strategy development. This includes sub-regional events and regular updates to stakeholders through a range of social media. As part of the

Local Industrial Strategy development and wider team activities, measures will be put in place to evidence engagement, including a log of engagement activity.

3.40 The SELEP actively cooperates and engages constructively with stakeholders and other regeneration organisations. These include:

- (a) Government departments;
- (b) subnational bodies;
- (c) Local Authorities;
- (d) third sector representatives;
- (e) the general public;
- (f) the local business community;
- (g) community interest groups;
- (h) universities and research institutions;
- (i) Mayoral Combined Authorities (MCAs); and
- (j) other LEs.

3.41 The SELEP works collaboratively on projects or decisions which are likely to have an effect across MCA or LEP borders or significantly affect the plans of another MCA or LEP.

3.42 A forward plan of funding decisions is published 28 days in advance of Accountability Board meetings to provide awareness of forthcoming decisions to the Accountability Board, and to enable the opportunity for comments to be raised by stakeholders and members of the public in advance of the meeting reports being published.

3.263.43 The Federated Boards are the primary forum for engagement with local businesses, councils and members of the public, ~~utilising~~. The public and private sector knowledge and expertise ~~to develop on the boards enables effective and meaningful engagement of local partners; this informs key decisions, future strategy development, the development of~~ projects ~~and ensure prioritisation~~, and ~~provides~~ delivery ~~to provide~~ the greatest benefit to the ~~SELEP~~ area.

### **3.10 MAXIMISING SOCIAL VALUE 3.44**

3.273.44 ~~3.10.1~~ The SELEP and local partners will, ~~at all times, always~~ consider how added economic, social or environmental benefits can be maximised and secured and through its commissioning, procurement and delivery. All partners in the SELEP support the principles of the Social Value Act 2012.

3.283.45 ~~3.10.2~~ The SELEP will endeavour to ensure a level playing field for small businesses and voluntary,

charity and social enterprise (VCSE) organisations in bidding for the SELEP or local delivery contracts, as appropriate in the delivery of SELEP objectives.

3.46 4 Within each LGF project business case, project promoters are asked to consider any opportunities available to maximise social value.

## **ACCOUNTABLE DECISION MAKING 4**

### **4.1 APPROVING FUNDING 4.1**

4.1 4.1.1 All funding decisions ~~made~~are taken by the Accountability Board, unless they are decisions made under the Chief Executive Officer's delegated responsibilities, within the SELEP budget approved by the Accountability Board. The Chief Executive Officer delegation operate within the Accountable Body's approved scheme of delegation.

4.14.2 All funding decisions made by the Accountability Board or Chief Executive Officer to approve funding for a specific project or programme must be supported with a robust ~~Business Case which has been~~, independently assessed. ~~This business case.~~ Impartial advice on the merits of project business cases is provided by ~~SELEP Independent Technical Evaluator.~~ the independent technical evaluator (ITE).

4.24.3 4.1.2 The Accountability Board will take into account the following factors when determining funding allocations:

(a) Justification for use of public sector funds;

(b) Strength of strategic fit with SELEP objectives;

(c) Value for money;

(d) Scale of the intervention and the amount of investment ~~being~~sought, relative to funding availability; ~~and~~

(e) Phasing of the investment being required; ~~and~~

(f) 4.2 Deliverability and risk.

4.4 The Accountability Board is responsible for checking that decisions are made in accordance with the process that is set out in this Assurance Framework.



4.5 A decision which is made in contravention of the process set out in this Assurance Framework will be invalid due to non-compliance.

## DEVOLUTION OF FUNDING FOR LOCAL GROWTH FUND (LGF) 4.5

4.34.6 4.2.1 — To devolve the LGF, the Accountable Body ensures that there is a service level agreement (SLA) or grant agreement in place with the respective ~~Partners~~ Partner Authorities which sets out the minimum requirements and expectations relating to the grant allocations, ~~including. This includes~~ but is not limited to:

- (a) Providing grant funding to the relevant Partner Authority for all schemes within its area (approved by the Accountability Board following ~~independent technical~~ ITE appraisal; ~~);~~
- (b) Devolving responsibility for all relevant requirements, including clawback provisions if applicable, as ~~may be~~ specified or intended by the grant awarding body;
- (c) Adhering to all Government grant conditions ~~shall be adhered to;~~
- (d) Any monitoring or reporting requirements; ~~;~~ and
- (e) Committing the Partner Authority to be responsible for any project overspend.

4.44.7 4.2.2 — ~~With regards to~~ For Capital Skills funding, the Accountable Body ensures that there is a grant agreement in place, ~~(on similar terms to the~~ Service Level Agreement, SLA) between the Accountable Body and the respective college before any funding is released.

4.54.8 4.2.3 — The Accountable Body will only transfer grant funding for the purpose of delivering the ~~schemes~~ project for which the grant has been ~~allocated~~ awarded, if the following conditions are met:

- (a) The grant allocation must have been approved by the Accountability Board, in line with the business case development (5.40 below) and value for money (5.89 below) assurance process ~~as set out in Section 5.6 and 5.10 below;~~
- (b) A copy of the respective ~~Service Level Agreement~~ SLA or grant agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and
- (c) The Accountable Body is in receipt of the grant from the Government.

4.64.9 4.2.4 — The grant for each LGF Project will be paid to the partner in advance on a quarterly basis ~~in~~



~~advance~~, through the submission of a transfer request form by the partner.

~~4.74.10~~ ~~4.2.5~~—The amount of LGF transferred to the partner in relation to an LGF project will not exceed the LGF ~~planned~~ spend approved by the Accountability Board.

~~4.84.11~~ ~~4.2.6~~—The ~~Partners~~partner's Section 151 Officer or equivalent responsible financial officer is required to carry out the normal stewardship role, in terms of monitoring and accounting in respect of ~~that funding and will be~~the LGF received by the Partner Authority. The Partner Authority is responsible for providing regular reports to the Accountable Body and the SELEP Capital Programme Manager to enable quarterly reporting to the Accountability Board and ~~Central~~ Government.

#### ~~4.3~~—**DEVOLUTION OF FUNDING FOR GROWING PLACES FUND (GPF) ~~CAPITAL LOAN~~ 4.11**

~~4.94.12~~ ~~4.3.1~~—~~With regard to GPF capital loans,~~ The Accountable Body ensures that there is a loan agreement in place between the Accountable Body and the respective partner for any GPF capital loans before ~~any~~ funding is released.

~~4.104.13~~ ~~4.3.2~~—The ~~loan funding~~ for each allocated GPF project will be paid to the partner ~~on a quarterly basis in advance for the purpose of delivering the project which the grant has been allocated,~~ provided that the following conditions are met:

- (a) ~~(a)~~ The loan allocation must have been approved by the Accountability Board, in line with the business case development (5.40 below) and value for money (5.90 below) assurance process ~~as set out in Section 5.5 and 5.6 below;~~
- (b) A copy of the respective loan agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and
- (c) The Accountable Body is in receipt of sufficient funds from the repayment of existing GPF loans.

~~4.114.14~~ ~~4.3.3~~—The ~~Partners~~Partner Authority's Section 151 Officer or equivalent responsible financial officer is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of ~~that funding and will be~~the GPF received by the Partner Authority. The Partner Authority is responsible for providing regular reports to the Accountable Body and the SELEP Capital Programme Manager to enable quarterly reporting to the Accountability Board.

~~4.124.15~~ ~~4.3.4~~ Following approval of funding for a GPF capital project by the Accountability Board, a capped contribution from the SELEP via the Accountable Body will be made to the project cost. The Partner Authority will be responsible for all cost increases that may occur through the delivery period.

~~4.134.16~~ ~~4.3.5~~ Where the GPF project is not being delivered by the partner, the partner is required to enter into a loan agreement with the project delivery body ~~which~~. This agreement ensures the delivery of the project in compliance with the conditions of the loan agreement between the SELEP Accountable Body and the partner.

#### ~~4.4~~ **ALLOCATION OF REVENUE GRANTS** GRANT 4.16

~~4.144.17~~ ~~4.4.1~~ ~~With regard to~~ Regarding revenue grant funding, the Accountable Body ensures that there is a grant agreement in place between the Accountable Body and the respective partner before any funding is released.

~~4.154.18~~ ~~4.4.2~~ The funding for each allocated revenue grant project will be paid ~~for to~~ the ~~purpose of delivering the project which the revenue grant has been allocated~~ partner in advance, provided that the following conditions are met:

- (a) The established application process must be followed, where required, such as that in place for the Sector Support Funding process ~~(5.27 below);~~
- (b) The revenue grant allocation must have been approved either by the Accountability Board or by the SELEP ~~Managing Director~~ Chief Executive Officer, in line with Chief Executive Officer responsibilities ~~(2.60 above);~~  

~~Managing Director responsibilities set out in 2.9.1;~~
- (c) A copy of the respective grant agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and
- (d) The Accountable Body is in receipt of ~~the grants~~ sufficient funding.

~~4.164.19~~ ~~4.4.3~~ The Section 151 Officer or equivalent responsible finance officer within the respective Partner Authority is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of that funding ~~and will be~~. The Partner Authority is responsible for providing regular reports to the Accountable Body and the SELEP ~~Managing Director~~ Chief Executive Officer to

enable biannual reporting to the Strategic Board.

~~4.174.20~~ ~~4.4.4~~ Following approval of funding by the SELEP ~~Managing Director~~ Chief Executive Officer, a capped contribution from the SELEP via the Accountable Body, will be made to the project cost. The Partner Authority will be responsible for all cost increases that may occur through the delivery period.

## ~~4.5~~ **ACCOUNTS AND AUDIT**

~~4.5.1~~ With the support of the Accountable Body, the SELEP will prepare annual accounts which will incorporate all funding received from Government.

~~4.5.2~~ The Accounts will be reviewed and agreed by the Accountability Board and will be published on the SELEP website in a timely manner, and will be subject to an external audit.

## ~~4.5.3~~ **EFFECTIVE MANAGEMENT OF RESOURCES** ~~4.20~~

~~4.184.21~~ The use of resources by the SELEP are subject to the usual Local Authority checks and balances, ~~including~~ This includes the financial duties and rules which require councils to act prudently in spending, which are overseen and checked by the Responsible Chief Finance Officer of the Accountable Body, the Section 151 Officer.

~~4.194.22~~ ~~4.5.4~~ All SELEP funding transferred to partners is, by agreement, subject to audit by the Accountable Body and, where required, by external auditors appointed to provide the required assurances ~~with regard to~~ regarding appropriate use of the funding.

~~4.204.23~~ ~~4.5.5~~ Partners are required to maintain a robust audit trail of the use of Government funding, to demonstrate compliance in fulfilling its obligations ~~with regard to~~ regarding use of that funding.

~~4.214.24~~ ~~4.5.6~~ The Accountable Body will ensure that there are arrangements for local audit of funding allocated by the SELEP which is equivalent to those in place for Local Authority spend.

~~4.25~~ ~~4.5.7~~ The SELEP is required to ensure that there are arrangements for the funding of audit activity carried out by the Accountable Body.

4.26 Once incorporated, if the SELEP has additional funds running through its own accounts, they will ensure

appropriate external audit arrangements in line with their incorporation model, once implemented.

4.224.27 Through the nominated Section 151 Officer, SELEP will (or equivalent) of the partner organisation, the SELEP, in conjunction with the Accountable Body may undertake an audit of the partner's project to ensure the correct use of funding and may, if necessary, arrange for the recovery of any funds.

#### **4.6 — SCRUTINY ARRANGEMENTS FOR SELEP 4.27**

4.6.1 — The SELEP is a multi-authority partnership with different There are scrutiny arrangements in place in each of the respective local authorities; the over-arching scrutiny arrangements put in place for the LEP need to take this into account.

4.28 4.6.2 — Decisions made for all funding decisions taken by the Accountability Board.

4.234.29 Accountability Board decisions may be called in by members of any Partner Authority in the same way they call in decisions of their own executive arrangements, subject to:

- (a) the decision may not be called in after 5pm on the third working day after the date of publication by the Accountable Body; and
- (b) call in may only be made if the decision affects that partner area.

4.244.30 4.6.3 — In the case of a call in of a decision is called in, a two stage process will be followed:

- (a) □ a meeting will be held between the chair of the Accountability Board, the member calling it in, and the relevant member of Accountability Board. In addition, the Accountable Body representative, SELEP Secretariat and local partner officers may also be in attendance. If the call in is not withdrawn, it shall be referred to the Local Authority scrutiny committee;
- (b) the Local Authority scrutiny committee will be required to consider the decision and either agree to take no further action, at which point the decision will come into effect, or to refer the decision back to the Accountability Board for reconsideration, re-consideration with a record of the committee's concerns. This second consideration of the decision by the Accountability Board cannot be challenged through the scrutiny arrangements.

4.254.31 4.6.4 — This process is in compliance compliant with the provision of call in set out in the Accountability Board Joint Committee Agreement and ensures that scrutiny is managed in a way that gives equal footing for all partners in the SELEP. A copy of the Joint Committee Agreement is available

on the SELEP website.

4.32 4.7—Furthermore, to facilitate Local Authority scrutiny of SELEP work and decisions, requests to attend Local Authority partner scrutiny committees are welcomed, and attendance prioritised.

4.33 Scrutiny arrangements will be reviewed to align with SELEP’s new incorporated status.

#### **CONFLICTS WITH THE ACCOUNTABLE BODY 4.33**

4.264.34 4.7.1—The Accountable Body would not be required to comply with an Accountability Board decision in the following circumstances:

- (a) the decision does not comply with the financial regulations of the Accountable Body;
- (b) the decision would be contrary to any requirements laid out in all agreements, including the SLA and the Joint Committee Agreement, for which the Accountable Body is responsible; ~~(c) the decision is unlawful; or~~
- (c) the decision is unlawful; or
- (d) ~~(d)~~ the decision does not comply with the requirements of this Assurance Framework.

4.274.35 4.7.2—In circumstances where there is a conflict between the Accountable Body and the Accountability Board, the following process will be used ~~in order~~ to resolve the issue:

- (a) in the first instance, any dispute will be escalated to the chair of the Strategic Board and the Section 151 Officer of the Accountable Body within 10 working days of the dispute arising. The chair of the Strategic Board and the Accountable Body Section 151 Officer will discuss ~~the issue~~ and, in good faith, attempt to ~~resolve any such dispute in order to bring about an agreement~~ agree on the action required to resolve the issue—;
- (b) ~~In~~ if the ~~event that the Chairman~~ Chair of the Strategic Board and the Section 151 Officer of the Accountable Body are unable to resolve the dispute, the matter will be referred to the Government (or grant awarding body, if not the Government) for consideration.

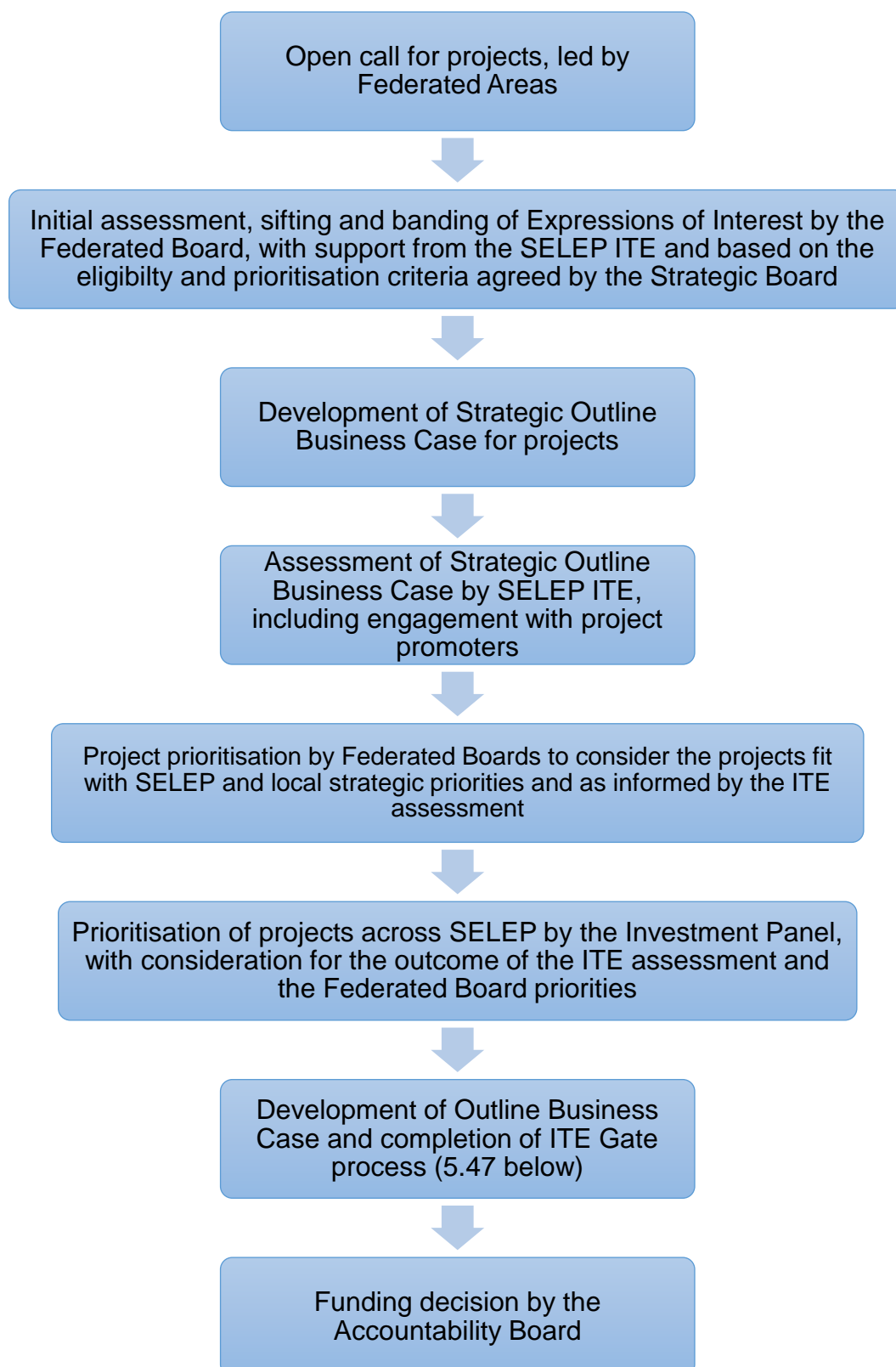
## **5** — **ENSURING VALUE FOR MONEY** **5**

### **INTRODUCTION** — **OVERVIEW**

- 5.1 ~~5.1.1~~ — The SELEP recognises the need to have robust arrangements in place to ensure value for money and effective delivery, through strong project management, project options and appraisal, prioritisation and business case development. This section ~~sets out the arrangements in place for ensuring~~ explains how SELEP ensures that effective processes are in place.

## 5.2 — PRIORITISATION OF LGF 5.2

### 5.2.1





5.2 Through adopting the recommendations of the MHCLG Deep Dive in 2018, the SELEP is committed to developing and maintaining a single pipeline of LGF projects, should LGF underspend become available.

5.25.3 As the SELEP covers such a wide geographical area, encompassing ~~a number of several~~ local authorities facing competing challenges, the initial identification and prioritisation of projects is most effectively managed within local areas through the federated model. ~~Pan-LEP priority projects will, however, be considered by the Strategic Board, or the Investment Panel, subject to endorsement by at least one Federated Board. This will ensure that the priorities of the SEP within functional economic areas can be delivered. The~~

~~Accountability Board will oversee the delivery of the overall programme of investment and ensure that value for money is achieved for each project.~~

5.4 5.2.2— PrioritisationAt the outset of a funding round, the Strategic Board will agree the specific project eligibility and prioritisation criteria to be applied through the process. The Strategic Board may also choose to agree an upper limit on the number of applications submitted and/or the total value of funding that can be sought by a Federated Board for a particular funding round.

5.5 Upon the funding opportunity being launched by SELEP, scheme promoters will initially be invited to complete an Expressions of Interest, using the SELEP template, for submission to the respective Federated Board.

5.6 Federated Boards are required to identify and prioritise potential projects with support of the SELEP ITE through an open call for projects, publicised widely by SELEP, Partner Authorities and Federated Boards. As a minimum, funding opportunities are publicised on the SELEP website and through the media/social media.

5.35.7 The initial assessment and sifting of the Expressions of Interest will be undertaken by the Federated Boards through their submission for funding opportunities. Each Federated Board shall ensure that they comply with the prioritisation system, as approved by the Strategic Board, with support from the SELEP ITE, to identify the priority projects of the respective Federated Board to be taken forward to the next stage of assessment. The role of the ITE at this stage of the process will be to support local areas in order to ensure a consistent approach is utilised by the Federated Boards, ensuring the suitability of the projects for the funding call, that the projects meet the eligibility criteria and to help identify any showstopper issues.

5.8 5.2.3— Responsibility for the finalThrough the initial Federated Board assessment, consideration will be given for the eligibility and prioritisation of projects rests with the Strategic Board. In advance of a prioritisation exercise being completed, criteria, agreed by the Strategic Board for the specific funding opportunity and any upper limits on the number of applications and/or the maximum amount of funding that a Federated Board can seek during a particular funding round.

5.9 At the Federated Board, there must be a fair and equal opportunity for discussion around the relative

merits of each of the projects put forward for the funding opportunity.

- 5.10 For those projects supported by a Federated Board, the project promoter will be invited to develop a Strategic Outline Business Case, using the SELEP template. The Business Case will be assessed by the ITE, with feedback being provided to the project promoter and the respective Federated Board.
- 5.11 Project prioritisation will then take place at a Federated Board level to consider each projects fit with the strategic priorities of SELEP and the Federated Area. This will be informed by the outcome of the ITE assessment and the Federated Board will be asked to ~~agree the~~ focus on their top few priorities relative to the amount of funding available.
- 5.12 Should the Federated Board choose to prioritise a project which have been assessed by the ITE as having delivery issues or other project constraints, the burden of proof will be on the respective Federated Board representative to demonstrate to the Investment Panel how the project risks or issues can be mitigated.
- 5.13 The Federated Board will help inform the prioritisation ~~approach to be applied~~. At this stage, the Strategic Board may choose to ~~delegate~~ of projects across SELEP and the information presented within the Investment Panel papers. The outcome of the ITE assessment and the Federated Board prioritisation will be used to support the decision making, by the Investment Panel in agreeing a single SELEP prioritised list of projects.
- 5.45.14 Overall responsibility for the prioritisation of ~~LGF projects to the Investment Panel~~ project at a SELEP level rests with the Strategic Board, but this role has been delegated by the Strategic Board to the Investment Panel, as a sub-committee of the Strategic Board.
- 5.2.4 In completing the local prioritisation of projects, Federated Areas will engage with the Independent Technical Evaluator, who will help inform the recommendations made to the Federated Board and subsequently to the SELEP Strategic Board or Investment Board, as appropriate. This will be used to support the decision making in generating a single LEP prioritised list which will be published on the SELEP website.
- 5.55.15 5.2.5 The specific eligibility criteria ~~for and~~ prioritisation criteria for each funding round will be agreed by the Strategic Board at the outset of the process. As a minimum the prioritisation of projects for funding, will include an assessment of ~~project~~ each project based on Her Majesty's Treasury's The Green Book: Appraisal and Evaluation in Central Government (The Green Book ~~(The Green Book)~~), and related departmental guidance. Prioritisation will give consideration to the five cases listed below:
- (a) ~~The Strategic Case~~ the strategic case- the project should be aligned with the ~~Strategic~~ Economic Plan of the SELEP Strategy Statement and support delivery of the objectives and outcomes contained within the plan;
  - (b) ~~The Economic Case~~ the economic case- the projects are expected to deliver high or very high value for money for investment of public funds;

- (c) ~~The Commercial Case~~ the commercial case the proposed deal is attractive to the market place, can be procured and is commercially viable;
- (d) ~~The Financial Case~~ the financial case the project should demonstrate the proposed funding streams to finance the total project costs and the expected phasing of the funding. There is the expectation that opportunities will be sought to leverage private sector investment and other match funding to support delivery of the project;
- (e) ~~The Management Case~~ the management case the project should set a proposed plan for project delivery, evaluation, progress reporting and monitoring of benefit realisation. It should also include details of any risks and how these will be managed, including the costs of mitigating these risks.

~~5.65.16~~ 5.2.6 In prioritising projects, consideration will also be given to the phasing, suitability and availability of funding. The application of the five cases should be proportionate to the scale of intervention and the value of funding sought.

~~5.75.17~~ 5.2.7 Any amendments to the prioritisation methodology set out above to reflect, for example, additional funding criteria from Government, will be agreed by the Strategic Board and will be published on the SELEP website.

~~5.2.8 Where Federated Boards put forward projects for inclusion on the single LEP prioritised list each project will be supported by a Strategic Outline Business Case using the Business Case template which can be found on the SELEP website.~~

~~5.85.18~~ 5.2.9 Once project prioritisation has been completed, ~~it is expected that~~ partners will be required to further develop ~~the their~~ business case for investment. ~~This Business Case will support any prior to a funding bid submissions to Central Government. decision by the Accountability Board.~~

~~5.95.19~~ 5.2.10 Before a project can be considered for inclusion in the single prioritised list, it must have been developed in consultation with the Federated Board ~~and~~ received Federated Board approval. and S151 officer sign off from a Partner Authority.

~~5.105.20~~ ~~5.2.11~~ For pan-LEP projects to be brought forward, they must also ~~receive endorsement from~~  
~~be prioritised by~~ at least one Federated ~~Board Area~~ and ~~have received Section 151 officer sign off from a~~  
~~Upper Tier Partner~~ Authority ~~to act as the promoting authority.~~

### ~~5.3~~ — ~~PRIORITISATION OF GPF CAPITAL~~ ~~5.15~~

~~5.145.21~~ ~~5.3.1~~ On the 9<sup>th</sup> June 2017, the Strategic Board agreed the approach to the reinvestment of GPF capital funding and which is ~~published on the SELEP website.~~

~~5.125.22~~ ~~5.3.2~~ The first stage, for scheme identification and ~~prioritisation assessment~~, is led by federated areas based on the submission of an expressions of interest form, and the consideration of projects against the eligibility criteria agreed by the Strategic Board. Each Federated Board is asked to nominate projects to be submitted for consideration by ~~the~~ SELEP, ~~based on a~~. ~~The total~~ GPF ask ~~totalling no greater than for the projects nominated by the Federated Areas must not exceed~~ 50% of the total ~~GPF~~ funding available. ~~across SELEP.~~

~~5.135.23~~ ~~5.3.3~~ For projects nominated by Federated Boards, scheme promoters are required to complete a strategic outline business case, which will be reviewed independently by the ~~ITE~~ (5.34 below ~~SELEP Independent Technical Evaluator (see section 5.5 below),~~).

~~5.145.24~~ ~~5.3.4~~ The independent assessment will be conducted based on the following criteria, as agreed by the Strategic Board:

- ~~a) Scheme Summary;~~
- ~~b) Strategic Fit;~~

~~(a)~~ scheme summary;

~~(b)~~ strategic fit;

~~(a)~~~~(c)~~ infrastructure requirement;

~~(b)~~~~(d)~~ viability;

~~(c)~~~~(e)~~ deliverability;

~~(d)~~~~(f)~~ expected benefits;

~~(e)~~~~(g)~~ contribution to a revolving fund;

~~(f)~~(h) risk

~~(g)~~(i) state aid implications; and

~~(h)~~(j) amount of GPF available.

~~5.155.25~~ ~~5.3.5~~ The independent assessment will be conducted to prepare a 'RAG' (Red-Amber-Green) ~~assessment~~ RAG (red amber green) rating for each project nominated by Federated Boards against each of the criteria; the outcome of this assessment will be used to support the prioritisation of projects by the Strategic Board ~~or Investment Panel, should the Strategic Board agree to delegate responsibility to the Investment Panel.~~ In addition, consideration will be given to ~~the phasing of when~~ the GPF ~~ask~~ funding is sought by individual projects, relative to when the ~~amount to~~ GPF funding is available to be drawn down and spent.

~~5.165.26~~ ~~5.3.6~~ Following the prioritisation of projects by the Strategic Board or Investment Panel, those projects which are successfully allocated GPF are required to complete Gate 2 of the business case review process ~~(5.55 below, as set out in paragraphs 5.8.4 and 5.8.5)~~, and fulfil the value for money requirements ~~(5.90 below as set out in section 5.10.)~~, prior to a funding decision by the Accountability Board.

#### ~~5.4~~ **PRIORITISATION OF SECTOR SUPPORT FUND (SSF) 5.21**

~~5.175.27~~ ~~5.4.1~~ On the 9<sup>th</sup> of June 2017, the ~~SELEP~~ Strategic Board approved the use of the GPF revenue grant to ~~fund a programme of works to~~ support the sector ~~focussed~~ focused activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP working groups.

~~5.185.28~~ ~~5.4.2~~ The purpose of the Sector Support Fund (SSF) is therefore to support one-off, discrete pieces of work of a pan-LEP nature, with a sector ~~focus~~ that brings demonstrable benefits and has support across the ~~LEP~~ SELEP. All applications must meet the ~~criterion~~, criteria a set out in the SSF guidance published on the SELEP website ~~SELEP website~~. The funding will be deployed on a first-come first-served basis for those projects that meet the criteria.

~~5.195.29~~ ~~5.4.3~~ Each bid must be supported by a completed SSF application template ~~the completion of information using the SSF application template.~~

~~5.205.30~~ ~~5.4.4~~ The appraisal of projects will be conducted by the SELEP Secretariat, followed by an independent review by the Accountable Body.

~~5.215.31~~ ~~5.4.5~~ Projects which are successful through the appraisal process will be recommended to the Strategic Board for endorsement, prior to funding being approved by the ~~SELEP Managing Director~~ Chief Executive Officer.

There will be an opportunity to submit SSF applications at least every six months, subject to sufficient funding being available within the annual allocation agreed by the Accountability Board. The lead dates for the submission of applications will be made available on the SELEP website

## **5.5 THE INDEPENDENT TECHNICAL EVALUATOR**

~~5.32~~ ~~5.5.1~~

~~5.33~~ If the total amount of SSF sought exceeds the amount available, then the Strategic Board will be asked to consider and prioritise the applications.

### **INDEPENDENT TECHNICAL EVALUATOR (ITE) 5.28**

~~5.225.34~~ An independent technical evaluator (ITE) has been appointed by the SELEP, to provide impartial technical advice to the Strategic Board, the Accountability Board, Investment Panel and local project sponsors on value for money and project deliverability. They are required to make recommendations to the Accountability Board on funding decisions, taking into account the agreed criteria for funding, as set out in the value for money section (5.89 below, paragraph 5.10.).

~~5.35~~ ~~5.5.2~~ ~~The Independent Technical Evaluator~~ ITE review and external scrutiny of business cases is the process through which the SELEP assures that appropriate checks and balances are completed to ensure that fair and accurate information is presented to decision makers.

~~5.235.36~~ The ITE assessment is based on adherence of scheme individual project business cases to the guidance set out in The Green Book (0 above 3.7 above.), and related departmental guidance such as the Department for Transport's WebTAG ~~Department for Transport's WebTAG~~ (Web-based Transport Analysis Guidance) or the MHCLG Appraisal Guide. ~~Homes and Communities Agency's The Additionality Guide~~. The Green Book, WebTAG and the Additionality ~~MHCLG Appraisal~~ Guide provide proportionate methodologies for scheme appraisal (i.e. project business case development). A Pro appraisal.. An assessment pro-forma has been developed based on the guidance and is available on the SELEP Website ~~available on the SELEP Website.~~



The pro-forma supports the assessment of each project on a consistent basis and is based on the five cases listed in 5.15 above

5.37 5.5.3—, and which reflects the Green Book approach.

5.245.38 Each project is assessed and then given a RAG rating as follows:

- (a) ~~Green:~~green- approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the value for money category assessment—;
- (b) ~~Amber:~~amber- approach or assumption(s) out of line with guidance and practice, with limited significance to the value for money category assessment, but should be amended in future submissions (e.g. at Final Approval stage); at Gate 2 submission of the Business Case);
- (c) ~~Red:~~red- approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the value for money category assessment, requires amendment or further evidence in support before Gateway can be passed; ITE assessment can be passed and recommendations made to the Accountability Board for the approval of the project.

5.255.39 5.5.4—all funding decisions sought by the Accountability Board will be supported by a recommendation from the ~~Independent Technical Evaluator.~~ ITE.

## 5.6—BUSINESS CASES 5.34

5.265.40 5.6.1—Business cases for all projects must include a value for money assessment and follow the Green Book (5.15 above) guidance on appraisal and evaluation, ~~and include a Value for Money statement.—.~~

5.275.41 5.6.2—Business cases will also follow Government departmental guidance such as the Department for Transport's Transport Analysis Guidance ~~Transport Analysis Guidance~~ (WebTAG) or similar ~~non-transport~~ guidance appropriate to their scheme with appropriate proportionality. Transport projects are defined, within MHCLG's National Local Growth Assurance Framework (1.5 above), as set out—any scheme that significantly changes the transport network infrastructure, whatever its objective.



~~5.285.42~~ ~~5.6.3~~ For transport schemes, central case assessments shall be based on forecasts consistent with the latest version of ~~National Trip End Model (NTEM)~~ the National Trip End Model (NTEM) and the appraisal ~~results spreadsheets. Assumptions and outcomes must be~~ included in the business case or supporting appendices to be considered by the SELEP ~~and its appointed ITE.~~

~~5.295.43~~ ~~5.6.4~~ For skills schemes funded by the current LGF programme, the business cases will be evaluated based on Skills Funding Agency good practice, advice and guidance, tailored to reflect local circumstances as appropriate.

~~5.305.44~~ ~~5.6.5~~ Each business case will set out a statement of strategic and viable objectives and the specific outcomes that the scheme is intended to achieve.

~~5.315.45~~ ~~5.6.6~~ The business cases will include sign-off by the promoting partners Section 151 Officer, or equivalent, before being submitted to the SELEP for ITE review, as per the processes described (5.48 below ~~at each stage of the gate process.~~). Where the business case has been developed by a Government department or other statutory body under value for money exemption 2 (5.91(b) below ~~set out in 5.10.6,~~), written confirmation is required that an appropriate process has been followed to assure the value for money of this project. The allocation of funding for these business cases is still required to be approved by the Accountability Board.

~~5.325.46~~ ~~5.6.7~~ ~~The Independent Technical Evaluator~~ The ITE will ensure that the approach taken by partners is robust, consistent with technical guidance and able to withstand scrutiny. In so doing, the ~~Independent Technical Evaluator~~ ITE will collaborate with partners to minimise the time and cost associated with preparing business cases by adopting practices which are proportionate to the ~~specifics~~ scale of each project.

~~5.47~~ ~~5.7~~ All business cases must provide a risk register, project programme, funding profile and monitoring and evaluation plan.

## **BUSINESS CASE REVIEW BY THE INDEPENDENT TECHNICAL EVALUATOR ITE FOR LGF PROJECTS 5.42**

~~5.335.48~~ ~~5.7.1~~ All LGF projects which have received a provisional funding allocation and seek funding approval will progress through a business case development progress, known as Gates 0 – 5.

~~5.345.49~~ ~~5.7.2~~ Only certain LGF projects will go through a Gate 4 and 5 review. This will include projects with ~~a~~ an LGF allocation of over £8m and/or the project is identified as high risk by the ~~Independent~~

~~Technical Evaluator ITE.~~ These projects will be identified to the Accountability Board during the early gate submissions.

~~5.355.50~~ ~~5.7.3~~ Business cases with an LGF allocation of over £8m which include a programme of works, where no individual element exceeds a value of £5m, may not be required to go through a Gate 4 and 5 review. These projects will be agreed with Accountability Board on a project by project basis.

~~5.365.51~~ ~~5.7.4~~ Projects will be exempt from Gate 4 and 5 ~~review~~ reviews, if the decision to award the full funding allocation to the project was made in advance of 24<sup>th</sup> February 2017, except where necessitated through the Change Request Process (6.16 below. See paragraph 6.6.).

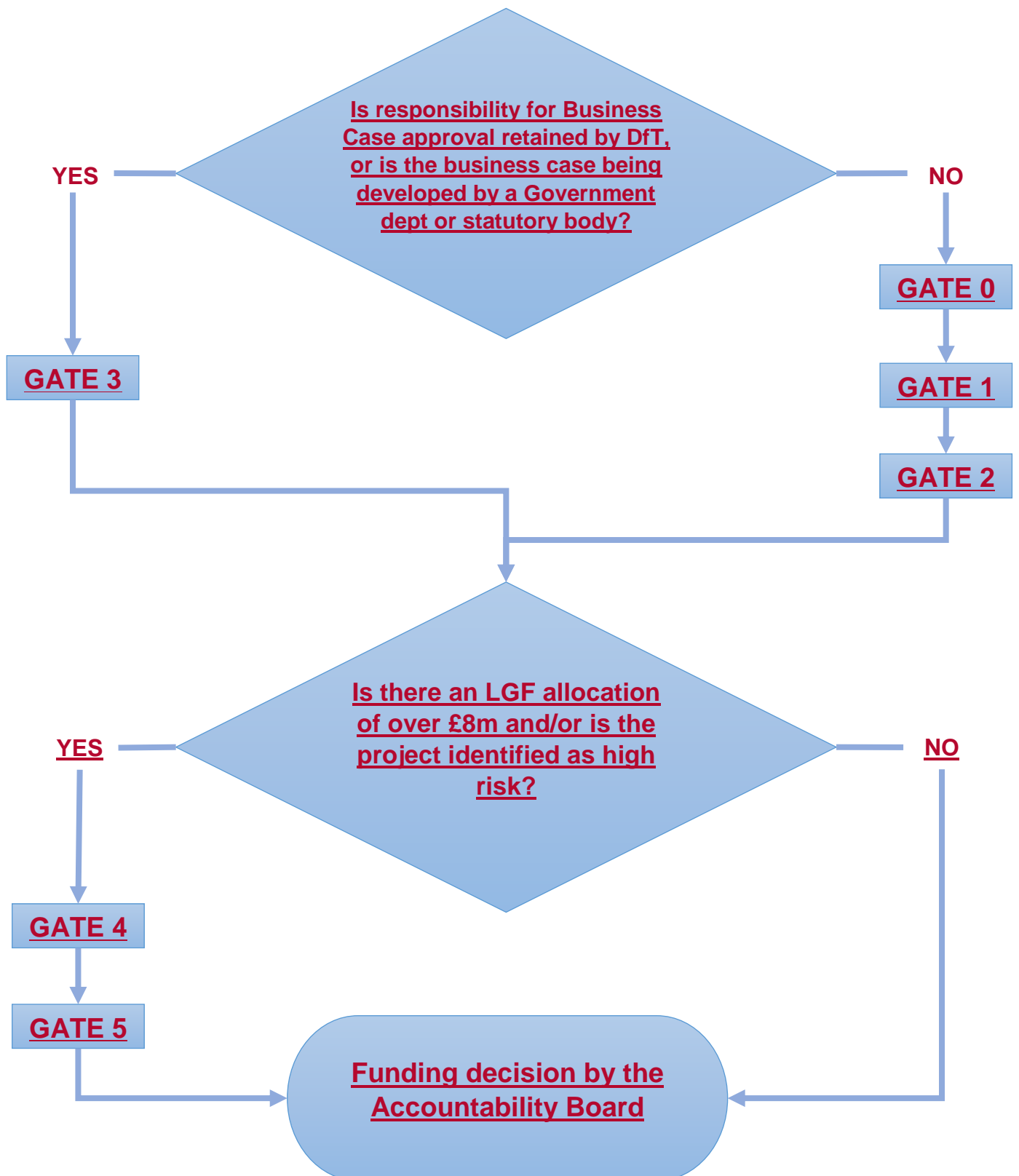
~~5.375.52~~ ~~5.7.5~~ A Gate 4 and 5 review may also be required where a project change necessitates the review of the Project Business Case.



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

5.8 ~~THE~~ GATE PROCESS 5.47

DRAFT



- (a) through the Capital Programme Manager, the ~~Independent Technical Evaluator~~ ITE will provide early advice to project promoters on applying the assessment process on a project by project basis, including the appropriate approach and the process, procedures and timescales—;

(b) 5.8.2—through a Gate 0 meeting or teleconference, the project promoters will agree with the ITE an approach to the project business case development which is considered proportionate to the project cost, LGF ask and is fit for purpose.

#### ~~5.39~~ 5.54 Gate 1:

- (a) following Gate 0, project promoters must develop a business case commensurate with an outline business case as guided by The Green Book guidance (5.59 below ) on appraisal and evaluation or other relevant Government departmental guidance—;

~~5.8.3~~—To progress through Gate 1, the ~~Independent Technical Evaluator~~ ITE will independently

- (b) assess the outline business cases using a standard assessment ~~template~~ pro-forma, and will, in the first instance, make recommendations to the Capital Programme Manager ~~and~~, project promoter and relevant partners.

#### ~~5.40~~ 5.55 ~~5.8.4~~ Gate 2:

- (a) all projects will have an opportunity to make changes to the outline business case—, following the receipt of feedback from the ITE Gate 1 assessment. Once resubmitted, the ~~Independent Technical Evaluator~~ ITE will conduct the Gate 2 Assurance Review ~~assessment~~, using the same assessment ~~template~~ pro-forma as for Gate 1—;

- (b) ~~5.8.5—On the basis of~~ based on the Gate 2 Assurance Review ~~assessment~~, recommendations ~~are~~ will be made by the ~~Independent Technical Evaluator~~ ITE to the Accountability Board on the value for money assessment and the certainty of that assessment's accuracy. The Accountability Board will then decide whether ~~or not~~ to approve the funding allocation. This may be subject to completion of Gate 4 and 5.

(c) For projects which are required to complete Gate 4 and 5.8.6, a proportion of the funding can be approved following Gate 2, to support the capital spend on the development of the project, prior to full business case approval at Gate 5. The approval of funding on this basis is at the discretion of the Accountability Board and requires risk acceptance by the partner regarding repayment of the grant award, should the project not proceed to full delivery.

#### 5.415.56 Gate 3:

- (a) this is for projects ~~that have funding for which the responsibility for business case approval is~~ retained by the Department for Transport (DfT), or ~~where~~when the business case is being developed by another Government department or statutory body— ~~(excluding local authorities)~~;
- ~~(a)~~(b) in these instances, the role of the ~~Independent Technical Evaluator~~ITE is to review the business case and provide professional advice to the Accountability Board of any key risks or issues arising ~~from that assessment~~ that need to be considered by the Accountability Board to support the associated decision for funding.

#### 5.425.57 ~~5.8.7~~ Gates 4 and 5:

- (a) large schemes with an LGF allocation of over £8 million, and those considered high risk by the Accountability Board, will be required to go through Gate 4 and 5 to develop a full business case, ~~where (if~~ agreed with ~~the~~ Accountability Board on the completion of Gate 2—);
- ~~(a)~~(b) as the project is further developed, costs could be significantly different from those estimated at outline business case stage, altering the value for money assessment. This change to project cost would also lead to a requirement for ~~Gate 4 and 5~~a review of a full business case under the change request process ~~(6.16 below—)~~;

~~5.8.8 The Gate 4 and 5 review will enable a proportion of the funding to be approved to the project to support capital spend on the development of the project prior to Full Business Case approval, at Gate 2. The approval of funding on this basis is at the discretion of Accountability Board and requires acceptance of the risk by the Partners with regard to repayment of grant awarded should the project not proceed to full delivery.~~

- ~~(b)~~(c) ~~5.8.9~~ Gate 4 is commensurate with Gate 0, outlining the approach, process, procedures and timescales for development of the full business case—;

- ~~(c)~~(d) ~~5.8.10~~ Gate 5 is an assurance review of the submitted full business case. The Gate 5 review should take place following detailed design and procurement of the construction contract, but in advance of the construction contract award and construction works commencing. It is not anticipated that this process is iterative. Based on the assurance review, recommendations are made by the ~~Independent Technical Evaluator~~ITE to the Accountability Board on the value for money assessment and the certainty of that assessment's accuracy. The Accountability Board will then consider approval of the project for funding ~~(see Value for Money below—)~~.



~~5.435.58~~ ~~5.8.11~~ — For projects seeking funding to support the development of a specific business case, the role of the ~~Independent Technical Evaluator~~ITE will be to review the intention to develop the business case, and to provide professional advice to the Accountability Board of any key risks or issues arising from that assessment. In such instances, it is expected that the advice will include an indication of whether ~~or not~~ the business case to be developed will be expected to meet the value for money assessment criteria ~~(5.90 below as set out below.)~~.

~~5.445.59~~ ~~5.8.12~~ — Where a package of ~~interdependent~~investment projects is being considered for LGF, the partner may bring smaller packages or projects forward through the gate review process as appropriate. Each individual project within the programme should demonstrate benefits which contribute to the strategic and economic objective of the overall programme. The business case should provide evidence that double counting of project benefits has not taken place.

~~5.8.13~~ — ~~Interdependent~~ Projects are defined as ~~those where:~~

~~5.455.60~~ a package of investment if:

- (a) there is a clear strategic case which is consistent for all the packages of investment;
- (b) consistent strategic objectives are defined for the package of investment;
- (c) there is clear evidence that the project directly contributes to the benefits of the package of investment;
- (d) there is clear evidence that the delivery of the project forms an integral part of the programme's strategic objectives and value for money being achieved; and
- (e) ~~An Independent Technical Evaluator~~an ITE review of the package of investment has been completed which confirms that the overall package of investment demonstrates high value for money.

~~5.465.61~~ ~~5.8.14~~ — Where the LGF allocation to individual projects within a package of ~~interventions~~investment does not exceed £8m and the package does not present high risk, the package will be exempt from completing Gate 4 and 5.

~~5.475.62~~ ~~5.8.15~~ — The Gate 2 outline business case for the project will be published on the SELEP website when it is submitted to the Secretariat and ~~Independent Technical Evaluator~~ITE for the Gate 2 review. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision ~~is~~will be taken, subject to the removal of those parts which are commercially

sensitive and confidential ~~(3.8 above-)~~.

~~5.485.63~~ ~~5.8.16~~ — For those projects completing a Gate 4 and 5 review, the full business case will also be updated at the point of Gate 5 submission to the Secretariat and ~~Independent Technical Evaluator ITE~~. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision ~~is will be~~ taken, subject to the removal of those parts which are commercially sensitive and confidential.

~~5.495.64~~ ~~5.8.17~~ — The cost of ~~SELEP Independent Technical Evaluator the ITE~~ completing one review at each gate of the business case review process, will be funded through the SELEP Secretariat revenue budget for all projects identified within ~~SELEP the SELEP's~~ Growth Deal programme, subject to the ~~council County Council and Unitary Authorities~~ maintaining the level of their contribution to the SELEP Secretariat budget.

~~5.505.65~~ ~~5.8.18~~ — The cost of an ~~Independent Technical Evaluator ITE~~ review of a ~~Project~~ business case will be funded by the partner where a ~~project change request~~ (6.16 below ~~Project Change Request~~) has triggered the review of the business case on more than one occasion, and where a ~~Project is required to repeat the ITE~~ gate review ~~process needs to be repeated~~ due to:

- (a) the business case being insufficiently well developed to complete a gate of the ITE review process; or
- (b) the ITE having not been provided with the necessary information to enable them to complete a gate of the review process and ~~for make~~ recommendations to ~~be made to~~ the Accountability Board.

## ~~5.9 PROJECT PROPOSAL EVALUATION FOR OTHER FUNDING AWARDS~~

~~5.9.1 — Projects seeking GPF Capital loan funding will be required to complete Gate 2 of the Business Case review process, as set out in paragraphs 5.8.4 and 5.8.5 and fulfil the value for money requirements as set out in section 5.10.~~

~~5.9.2 — Projects seeking award of SSF will be subject to an independent review by the Accountable Body that is proportionate to the investment requested and in line with the process for awarding the funding as agreed by the Strategic Board in June 2017 and published on the SELEP website.~~

~~5.9.3 — Any other funding awards will follow the terms and conditions of the grant from the respective awarding body.~~

## 5.10 **VALUE FOR MONEY**

5.10.1 The Independent Technical Evaluator shall ensure that all evidence provided by the Partners, including Value for Money, is robust and relevant. They will report back to Partners on any inconsistencies that need to be addressed if the project is to go forward for consideration for funding. Value for Money is assessed on the basis of the methodology outlined in The Green Book published by the Treasury or alternative appropriate Government guidance; this assessment includes the calculation of the Benefit Cost Ratio, which forms part of the value for money assessment.

5.10.2 ~~To receive a recommendation for approval, projects should have:~~

- (a) A clear rationale for the interventions linked with the strategic objectives identified in the SEP;
- (b) ~~clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;~~
- (c) Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood); and
- (d) A Benefit Cost Ratio of at least 2:1 or comply with one of the two exemptions listed in 5.10.4 and 5.10.6 below.

5.10.3 Certain schemes may be eligible for exemption from the condition stated in (d) above, under one of the following exemptions.

5.10.4 Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

5.10.4.1 has a Benefit Cost Ratio value of greater than 1.5:1; or

5.10.4.2 where the project benefits are notoriously difficult to appraise in monetary terms.

5.10.5 Exemption 1 will only apply if the following conditions are satisfied:

- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and

- ~~(2) where there is an overwhelming strategic case (with minimal risk in the other cases); and~~
- ~~(3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.~~

~~5.10.6 Exemption 2: This may be applied where a project does not demonstrate a High Value for Money (a Benefit Cost Ratio of over 2:1), but has a Benefit Cost Ratio of over 1:1, and only if the following conditions are satisfied:~~

- ~~(a) there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP; and~~
- ~~(b) there is demonstrable additionality which will be achieved through investment to address a clear market failure; and~~
- ~~(c) there are no project risks identified as high risk and high probability after mitigation measures have been considered; and~~
- ~~(d) there are assurances provided from the organisations identified below that the project business case, including value for money, has been considered and approved for funding through their own assurance processes.~~
  - ~~(1) A Government Department;~~
  - ~~(2) Highways England; Network Rail; Environment Agency; or~~
  - ~~(3) Skills Funding Agency.~~

~~5.10.7 On completion of a business case review, the Independent Technical Evaluator will make recommendations to Accountability Board on projects that perform well against the assessment criteria which is available on the SELEP Website and therefore should be funded. Where projects do not perform well against the assessment criteria, recommendations will be made back to SELEP and the promoting authority to either further develop the case for the project or to consider alternative options.~~

~~5.513.1~~

~~5.523.1 The Accountable Body will ensure that all projects sent for approval to the Accountability Board include a value for money statement that has been prepared in line with the requirements set out in this Assurance Framework.~~

~~5.10.8 The Accountability Board will review the recommendations made by the Independent Technical Evaluator, including the Value for Money statement when schemes are presented for approval to ensure that they meet the criteria set out above.~~

~~5.10.9 Successful schemes will progress to delivery. Unsuccessful schemes will be considered by the local area for revision, removal from programme or adding to a reserve list.~~

~~5.10.10 As necessary, the economic case shall be reviewed and updated to reflect project changes in scope, costs, outputs or outcomes.~~

~~5.10.11 The SELEP Accountability Board Chair has overall responsibility for ensuring value for money for all projects and programmes and is responsible for the scrutiny of, and recommendations relating to each business case. The SELEP Accountability Board Chair will be independent of the promoting organisation, or where this is impractical, will sit outside the management unit responsible for developing and promoting the business case.~~

~~5.10.12 The SELEP will seek assurances from the Section 151 officer or equivalent responsible financial officer of the promoting Partner that the Value for Money assessment is true and accurate.~~

## **6 PROGRAMME MANAGEMENT**

### **6.1 MONITORING AND EVALUATION OF PROJECTS 5.60**

~~5.53~~5.66 ~~6.1.1~~ For all GPF ~~capital~~ and LGF projects that are awarded funding by the SELEP, the partner will be required to provide an initial project programme including:

(a) ~~(a) An~~ outline/detailed design ~~(b) Statutory requirements~~;

~~(c) Consultations~~

~~(d) Procurement~~

~~(e) Construction~~

(b) statutory requirements;

(c) consultations;

(d) procurement;

(e) construction;

~~(b)~~(f) a statement of expected outputs and outcomes;

~~(c)~~(g) a risk and mitigations statement.

~~5.545.67~~ ~~6.1.2~~ ~~The Accountability Board through the Partners and nominated Section 151 Officer shall require the submission of~~ Partner Authorities are required to submit regular detailed project monitoring reports at quarterly intervals for all GPF capital and LGF projects. This process will be managed by the SELEP Capital Programme Manager and will enable ~~on-going~~ ongoing monitoring and evaluation of individual projects and the impact of the overall programme ~~generally~~.

~~5.68~~ ~~6.1.3~~ ~~Through the delivery and completion of projects, SELEP will ensure that the publicity of LGF projects meets with the Governments branding guidelines. This includes the use of the appropriate branding and wording for websites, signage, social media, press notices and other marketing materials.~~

~~5.555.69~~ A proportionate approach to monitoring and evaluation will be implemented, ensuring that evaluation objectives relate back to the business case and builds on assumptions used in the appraisal process.

~~5.565.70~~ ~~6.1.4~~ Monitoring and evaluation will focus on ~~those~~ outcomes that are most relevant to the impact of the project's objectives, as defined in the project business case, but will include, where appropriate, an evaluation of the impact of the intervention on the following Growth Deal outcomes:

- (a) housing unit completion;
- (b) jobs created or safeguarded;
- (c) commercial/employment ~~floor space~~ floorspace completed;
- (d) number of new learners assisted;
- (e) area of new or improved learning/training floor space; and ~~(f) Apprenticeships~~

~~6.1.5~~ ~~Federated Boards will manage programmes within the agreed tolerance levels and reporting regularly to the Accountability Board regarding delivery and risks. Changes required to projects outside the tolerance levels or any significant modifications to project scope, outputs or outcomes arising during development or even construction, must be clearly reported for decision.~~

~~(f)~~ ~~6.1.6~~ ~~apprenticeships.~~

~~5.575.71~~ Partner authorities for LGF projects must provide monitoring reports on the following measures, and any others identified by Government, to the Secretariat for each project:

- (a) grant spend to date and spend forecast across the agreed profile;

- (b) spend to date and forecast spend of matched contributions and funding leveraged compared to the agreed profile;
- (c) project delivery against agreed milestones;
- (d) identified risks and associated mitigations; ~~and~~
- (e) outputs and outcomes forecast and delivered to date against the agreed profile; ~~and~~
- (f) identified Project Changes, as set out in 6.16 below ~~paragraph 6.6 below.~~

~~5.585.72~~ ~~6.1.7~~ Each partner is required to provide reports to the Capital Programme Manager in advance of each Accountability Board meeting, in a format ~~as~~ specified by the Secretariat.

~~5.595.73~~ ~~6.1.8~~ Each partner has identified a Lead Responsible Officer who is accountable for ensuring that the LGF project reporting is completed in full and to the timescales required by the Secretariat.

~~5.605.74~~ ~~6.1.9~~ ~~In order~~ To facilitate the gathering and discussion of the reporting, a Programme Consideration Meeting will be held a month in advance of each Accountability Board meeting to bring together the Lead Responsible Officer, or their nominated delegate, for ~~Local Growth Fund~~ LGF spend from each federated area.

~~5.615.75~~ ~~6.1.10~~ The Programme Consideration Meetings are held to ensure a coordinated approach to the management of the LGF Programme and GPF Programme, in accordance with the Assurance Framework, grant agreements and SLAs in place between the Accountable Body and the partners.

~~5.625.76~~ ~~6.1.11~~ The responsibilities of the Programme Consideration Meeting group are to:

- (a) report and agree LGF spend forecast against each specific project included in the Growth Deal to be reported to the Accountability Board;
- (b) agree the LGF spend forecast for the next quarter transfer of LGF, in line with the conditions of the SLAs; ~~and/or~~ grant agreements;
- (c) agree the risk score for each specific LGF Project in the Growth Deal Programme and the mitigation to be put in place during the next quarter to manage project risk;
- (d) ~~To~~ agree the Project outcomes to be reported to Government;



- (e) share lessons learnt from the delivery of LGF and GPF capital projects;
- (f) support the Capital Programme Manager in managing the LGF and GPF capital programmes in accordance with the Assurance Framework, grant agreements, loan agreements and SLAs in place between the Accountable Body and the partners;
  - ~~(a) Act as officer representatives for each of the Federated Areas;~~
  - ~~(b) Provide feedback to the Federated Boards about management of the LGF and GPF capital programmes and the delivery of the Growth Deal within their Federated Area;~~
- (g) report on the GPF capital investment to date and planned GPF capital spend
- (h) receive updates on the delivery of GPF projects;
- (i) identify risks in relation to GPF capital project delivery and the repayment of GPF loans.

~~5.635.77~~ ~~6.1.12~~ — The Programme Consideration Meeting group does not have authority to make decisions over the management of the LGF or GPF capital programmes. However, all recommendations of the Programme Consideration Meeting group are reported to Accountability Board for consideration and formal approval. Full Terms of Reference for the Programme Consideration Meeting group are available on the SELEP website ~~SELEP website~~.

~~5.78~~ ~~6.1.13~~ — In addition to the quarterly updates on the delivery of LGF and GPF projects, LGF projects are also required to complete one-year post-scheme evaluation and three/five-year post-scheme evaluation reporting, following the SELEP's standard project evaluation templates for all projects.

~~5.79~~ The one-year post-scheme evaluation focuses on the delivery of the outputs stated within the original business case. This provides a review of the lessons learnt through the development and delivery of the project, as well as considering any project outcomes achieved to date. This one-year post-scheme completion must be completed by the end of the subsequent financial year following project completion.

~~5.80~~ The three/five-year post-scheme evaluation focuses to a greater extent on the delivery of the outcomes of the project. For projects with a total project cost of less than £8m, the three/five-year post-scheme evaluation must be completed within three years of post-scheme evaluation. For projects with a scheme cost of over £8 the three/five-year post-scheme evaluation must be completed by within five years of project completion.

~~5.81~~ Projects are exempt from the requirement to complete one year and three/five years post-scheme evaluation if plans are in place for the evaluation of the project through an alternative Government department, Government-owned company or non-departmental public body, and the outcome of which can be shared with the SELEP.

~~5.82~~ The monitoring and evaluation reports, completed by local partners, will be subject to independent review by SELEP.

~~5.645.83~~ All monitoring and evaluation reports discussed at the Accountability Board, Investment Panel and the Strategic Board will be published on the SELEP website~~the SELEP website.~~ on individual project pages.

~~5.84 6.1.14~~ ——— Federated Boards will manage programmes within the agreed tolerance levels, and report regularly to the Accountability Board regarding delivery and risks. Changes required to projects outside the tolerance levels, or any significant modifications to project scope, outputs or outcomes arising during development or even construction, must be clearly reported for decision prior to implementation.

~~5.655.85~~ For SSF projects, the Partner Authority is required to provide the SELEP Strategic Board with project updates ~~ontwice~~ a bi-annual basis~~year~~. The reporting, monitoring and evaluation requirements for SSF projects will be proportionate to SSF award and the overall scale of the project. It is expected that the respective working group for the SSF project will have an active role in overseeing the delivery of the project and considering any project changes, prior to submission to the SELEP Secretariat for approval ~~(6.25 belowthe)~~.

## **6.PROJECT PROPOSAL EVALUATION FOR OTHER FUNDING AWARDS 5.80**

~~5.86~~ Projects seeking GPF capital loan funding will be required to complete Gate 2 of the business case review process (5.48 above) and fulfil the value for money requirements (5.90 below).

~~5.665.87~~ Projects seeking funding from the SSF will be subject to an independent review by the Accountable Body proportionate to the investment requested, and in line with the process for awarding the funding as agreed by the Strategic Board in June 2017 and published on the SELEP website.

~~5.88~~ Any other funding awards will follow the terms and conditions of the grant from the respective awarding body.

## **VALUE FOR MONEY 5.83**

~~5.89~~ The ITE shall ensure that all evidence provided by the partners, including value for money, is robust and relevant. They will report back to partners on any inconsistencies that need to be addressed before the ITE review can be completed and the funding decision taken to the Accountability Board. Value for money is assessed based on the methodology outlined in The Green Book ~~(0 above3.7 above)~~ published by the Treasury or alternative appropriate Government guidance; this assessment includes the calculation of the benefit to cost ratio, which forms part of the value for money assessment.

~~5.90~~ To receive a recommendation for approval, projects should have:

- (a) a clear rationale for the interventions linked with the strategic objectives identified in the Economic Strategy Statement;
- (b) clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such

as displacement and deadweight have been taken into account;

(c) consideration of deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood); and

(d) a benefit to cost ratio of at least 2:1 or comply with one of the two exemptions listed (5.91 below).

5.91 Certain projects may be eligible for exemption from the condition stated in (d) above, under one of the following exemptions:

(a) Exemption 1 (all criteria i–v must be met):

(i) the project has a benefit to cost ratio greater than 1.5:1, or the project benefits are notoriously difficult to appraise in monetary terms; and

(ii) the funding sought from the SELEP is less than £2m; and

(iii) to conduct further quantified and monetised economic appraisal would be disproportionate to the LGF ask; and

(iv) there is an overwhelming strategic case (with minimal risk in the other cases of the business case); and

(v) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

(b) Exemption 2 (all criteria i–v must be met):

(i) the project has a benefit to cost ratio of over 1:1; and

(ii) there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the ESS; and

(iii) there is demonstrable additionality which will be achieved through investment to address a clear market failure; and

(iv) there are no project risks identified as high-risk impact, and with high probability of that risk occurring, after risk mitigation measures have been considered; and

(v) there are assurances provided from at least one of the organisations identified below that the project business case, including value for money, has been considered and the organisation have approved the project for funding through their own assurance processes:

- a Government department;

- Highways England;

- Network Rail;

- Environment Agency; or

- Skills Funding Agency.

5.92 On completion of a business case review, the ITE will make recommendations to the Accountability Board on projects that perform well against the assessment criteria and therefore should be funded. Where projects do not perform well against the assessment criteria, recommendations will be made back to the SELEP and the promoting authority to either further develop the case for the project, or to consider alternative options.

5.93 The Accountable Body will ensure that all projects sent for approval to the Accountability Board include a value for money statement that has been prepared in line with the requirements set out in this Assurance Framework.

5.94 When funding decisions are considered by the Accountability Board, the Accountability Board reports include:

- (i) the outcome of the ITE assessment;
- (ii) the availability of funding;
- (iii) details of any high project risks;
- (iv) the alternative project options which have been considered;
- (v) any comments received by SELEP directly (prior to the publication of the report) from members of the public or other stakeholders, in relation to the project.
- (vi) consideration as to whether the funding decision is compliant with the requirements of this Assurance Framework;
- (vii) impartial advice and recommendations from the SELEP secretariat on whether to fund the project under consideration; and
- (viii) Accountable Body comments on the legal and financial implications of the funding decision.

5.95 The project business case is also made available as a background document to the Accountability Board report.

5.96 Successful projects will progress to delivery. Unsuccessful projects will be considered by the local partner for revision or will be removed from the programme.

5.97 The Accountability Board is required to agree the removal of any project from either the LGF or GPF programme. The Strategic Board will be informed of any amendments or removal of any projects to and from the SELEP pipeline of projects which have been provisionally allocated or awarded funding.

5.98 The SELEP Capital Programme Manager has overall responsibility for ensuring value for money for all projects and programmes and is responsible for overseeing the ITE assessment and recommendations

relating to each business case. The SELEP Capital Programme Manager is required to act independently from the project promoting the business case, and to sit outside the management unit responsible for developing and promoting the business case.

5.99 The SELEP will seek assurances from the Section 151 Officer or equivalent responsible financial officer of the promoting partner that the value for money assessment is true and accurate.

## **PROGRAMME MANAGEMENT 6**

### **MANAGING PROJECT SLIPPAGE IN THE LGF PROGRAMME 6.1**

- 6.1 ~~6.2.1~~ Through effective management of the SELEP Capital Programme, opportunities are sought to reduce the levels of slippage in grant spend in any given financial year. However, where slippage exists, approval can be sought from the Accountability Board to implement mitigation.
- 6.2 ~~6.2.2~~ The Accountability Board has approved a range of measures to enable slippage in spend of the LGF to be managed; these are embedded within the SLAs. This enables the partner, subject to the approval of the Accountability Board, to manage any slippage of the funding between financial years within one of the following options:
- (a) Option 1: ~~Bringing forward increase the amount of planned future year LGF spend on approved schemes being delivered in the current 2019/20 for projects which were already profiled to spend LGF programme; in 2019/20.~~
  - (b) Option 2: ~~Bringing bring forward of future year LGF schemes spend in 2019/20 for projects which are not due to spend in the current year LGF until 2020/21;~~
  - (c) Option 3: transfer ~~of~~ LGF spend on schemes between Partner Authorities (this will be completed as a direct payment from Accountable Body to the Partner Authority, subject to Accountability Board agreement, under the grant payment process set out in 4.6 above ~~paragraph 4.2~~); and
  - ~~(a)~~ Option 4: re-~~profiling of profile~~ spend between LGF projects and Capital Programme projects.
  - (d) ~~6.2.3~~ ~~The use of Option 4~~ This option should only be applied where there is no opportunity to apply options 1, 2 or 3, and federated areas are encouraged to only apply option 4 mitigation as a last resort.
  - (e) ~~6.2.4~~ ~~Should none of the options 1—4 above be implemented the alternative route will be for Option 5:~~ Any LGF held by the SELEP at the end of financial year to be carried forward into the subsequent financial year, within the SELEP's accounts ~~(Option 5)~~.

## **6.3 — MANAGING PROJECT SLIPPAGE IN THE GPF PROGRAMME 6.3**

- 6.3 ~~6.3.1~~ — Where a project is unable to spend the full amount of GPF which has been allocated and transferred to the Partner Authority within a financial year, the Partner Authority may carry forward the GPF within partner accounts, subject to approval by the Accountability Board.
- 6.4 ~~6.3.2~~ — The Partner Authority will be required to declare the amount of GPF spent and GPF carried forward at the end each financial year.

## **6.4 — ARRANGEMENTS FOR LGF UNDERSPENDS 6.5**

- 6.5 ~~6.4.1~~ — Under the terms of the SLAs, the ~~respective~~ Partner Authority may retain the proceeds of project underspends for use on other LGF schemes or to offset overspend, ~~provided that if~~ this is within the tolerance levels of no more than 10% variance on any individual ~~local growth fund~~ LGF project. As part of the ~~on-going~~ ongoing reporting process, the Accountability Board will be informed of such amendments to support its assurance function.

As stated in 6.16 below

- 6.4.2 ~~— Where the variance is greater than 10%, the Partner may request approval from the Accountability Board for underspends on any individual project to be reallocated to another LGF project or to introduce a new project into the LGF programme, following the process set out in paragraph 6.6 below.~~
- 6.4.3 ~~— In requesting approval for re-allocating underspends, the impact on outputs and outcomes for all projects affected by the re-alignment of funding must be reported to the Accountability Board and the replacement scheme must be an agreed local priority within the Federated Area's pipeline of projects.~~
- 6.4.4 ~~— Where a suitable scheme cannot be identified for re-allocating funding too, the Partner must return the funding to the Accountable Body. In such instances, the Accountability Board will review requests for funding from across the SELEP area, with priority given to projects on the agreed investment pipeline. In identifying a suitable scheme for funding, the Federated Board will have regard to the factor set out in 4.1.2.~~

~~6.4.5 The Accountable Body will continue to monitor the process for managing underspends as set out above, in conjunction with the Accountability Board, to ensure that the arrangements are operating effectively.~~

~~6.6 6.4.6~~ a project cannot receive an additional LGF allocation which exceeds the 10% threshold; i.e. an additional LGF allocation which exceeds the projects original LGF allocation by greater than 10%, unless additional funding is allocated by the Investment Panel through the prioritisation of the project following a competitive call for projects.

~~6.7 If any LGF underspend is identified below the 10% threshold, and a suitable LGF project is identified locally which requires the funding, then this funding may be retained locally (if this does not exceed the 10% threshold of the project to which the underspend is being transferred). In the event of underspends being identified on a specific project of below the 10% threshold, but no alternative LGF project being identified locally which can spend the LGF allocation without exceeding its 10% threshold, then the funding must also be returned to the SELEP.~~

~~6.8 In the event of LGF underspend being identified which exceeds the 10% threshold of the project's LGF allocation, this must be returned to the SELEP for reinvestment in projects included in the LGF pipeline.~~

~~6.9 In the event of a project being cancelled from the LGF programme, the expectation is that the LGF allocation would be returned to the SELEP for reinvestment in projects included in the LGF pipeline, unless a project change is approved by the Accountability Board, or the Accountability Board agree a compelling reason not to recover the LGF spend to date (assuming the expenditure remains a capital cost).~~

~~6.6~~ 6.10 In circumstances where funding received by partners can no longer meet the conditions of the grant, as set out in the relevant grant or SLA, the funding must be returned to the Accountable Body as soon as reasonably possible. The Accountability Board will be responsible for its future allocation in accordance with this Assurance Framework.

## ~~6.5~~ **PROCESS FOR INTRODUCING A NEW PROJECT INTO THE LGF PROGRAMME** 6.11

~~6.5.1 A new project may be introduced into the programme where either:~~

- ~~(i) sufficient In the case of LGF underspend is being identified from within and returned to the Partners existing programme of LGF projects: or~~
- ~~(ii) where it is not possible to progress with a project which is identified in the LGF programme, but which has not yet been awarded funding by SELEP, the Accountability Board:~~

~~6.5.2 Once the available LGF has been identified and has been brought may award funding to the attention of the Accountability Board and Federated Board, the Partner should present options for the reallocation of LGF to an existing or new project.~~



~~6.76.11~~ ~~6.5.3~~ In the first instance, the identification of new LGF projects must be considered by the Federated Board based on the Federated Board's pipeline of projects or the report to the Federated Board must explain why the project is being prioritised over alternative proposals a project included within the Federated Board's pipeline of LGF projects. The process for prioritising a proposed intervention must be published as part of the decision making process agreed by the Federated Board Investment Panel, based on the amount of LGF available.

~~6.12~~ ~~6.5.4~~ If the Federated Board recommends the re-allocation of LGF to a project which has not been approved by the SELEP Accountability Board to date or a project which is not currently Provided enough funding is available, LGF should be allocated to the next priority identified as an LGF project within the single pipeline of LGF projects agreed by the Investment Panel.

~~6.13~~ As LGF underspend becomes available, the Project Business Case highest ranked project on the LGF pipeline will be required to complete the ITE review process, as set out in section 5.7, in advance made aware of the decision to re-allocate funding to the project opportunity to come forward with an updated outline business case for a Gate 1 and the 2 review, prior to a funding decision being taken sought from the Accountability Board.

~~6.86.14~~ If there is insufficient LGF underspend available to fund the next project included within the pipeline, then the Accountability Board can agree to hold a funding decision for a maximum of six months (from the point of the Accountability Board being aware of the underspend), until enough LGF underspend is made available. If insufficient funding is available after six months, the next project on the LGF pipeline which can utilise the amount of LGF available will be brought forward for consideration by the Board. Accountability Board for a funding award.

~~6.15~~ ~~6.6~~ The LGF single pipeline will be reviewed by the Investment Panel, at the request of the Strategic Board.

## APPROVING CHANGES TO LGF PROJECTS 6.16

~~6.96.16~~ ~~6.6.1~~ Any variations to a project's costs, scope, outcomes or outputs from the information specified in the business case must be reported to the Accountability Board. The following changes would require approval by the Accountability Board:

~~following changes would require approval by the Board:~~

- (a) cancellation of a project that is included which had received a provisional funding allocation in the

agreed ~~Local Growth Plan; Deal;~~

- (b) inclusion of a new project not included in within the LGF which has been identified within the agreed Local Growth Plan; SELEP's pipeline;
- (c) Moving forward acceleration of a project previously programmed to start in later years;
- (d) delays to project start or end dates of more than six months;
- (e) all changes to project LGF allocations above the 10% threshold;
- (f) any re-profiling of LGF between financial years;
- (g) any changes to total project costs above ~~a~~ 30% or a £500,000 threshold which are identified prior to the construction contract award;
- (h) any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the value for money assessment. In such circumstances, it is expected that the business case should be re-evaluated by the ITE; and
- (i) any further changes as may be defined by the Government.

6.17 ~~6.6.2~~—The partner shall not make any change to projects, as listed in 6.16 above, without the Accountability Board's prior approval. ~~Such approval shall be notified~~

~~6.19~~ 6.18 ~~Where there is a change to the Accountable Body and nature of the Secretariat who will notify and seek approval from the Government, in accordance with such processes and sign-off, as required by the Government~~ project outcomes to be delivered through the intervention, or there is a change to the theme of the project (e.g. transport, housing, business support, flood management, skills, innovation), then this will be treated as the cancellation and introduction of a new project rather than a project change.

Where it is less apparent as to whether there is a project change or whether a new project is being developed, then the Accountability Board will be asked to consider these decisions on a case by case basis. Furthermore, any proposals by Partner Authorities to reallocation of LGF underspend within a package of investment (as defined in 6.5 above

6.19 ~~6.6.3~~—), is also subject to consideration and approval by the Accountability Board on a case by case basis.

~~6.19~~ 6.20—The partner and Accountable Body will abide by any alternative definition of change, and any approval process for reporting change, as imposed by the Government.

~~6.6.4~~ A copy of the change request template is available on the SELEP website ~~the SELEP Website.~~

## **APPENDIX 1 – LIST OF SUPPORTING DOCUMENTS AVAILABLE ON . IT IS EXPECTED THAT THE PROJECT CHANGE WILL BE AGREED BY THE LOCAL DELIVERY PARTNERS PROCESSES PRIOR TO SUBMISSION TO THE SELEP WEBSITE**

1. ~~SELEP Terms of Reference~~
2. ~~Greater Essex Business Board Terms of Reference~~
3. ~~Kent and Medway Economic Partnership Terms of Reference~~
4. ~~Opportunity South Essex Terms of Reference~~

6.126.21 Team East Sussex Terms. This includes the review of Reference the change request by finance officers and a Senior Responsible Officer within the Partner Authority.

6.22 Where a project is found to be non-compliant with the SLA under which the funding was transferred, the project will be brought to the attention of the Accountability Board and a decision sought as to the appropriate action to be taken. There must be compelling justification for any decision to not pursue recovery of LGF spent against the conditions of the SLA where there are legal grounds to do so.

### **APPROVING CHANGES TO GPF PROJECTS 6.23**

6.23 Any variations to a GPF project's costs, scope, outcomes or outputs from the information specified in the business case must be reported to the Accountability Board. The following changes would require approval by the Accountability Board:

- (a) cancellation of a project that which had received a provisional funding allocation;
- (b) acceleration of a project previously programmed to start in later years;
- (c) delays to project start or end dates of more than six months;
- (d) all changes to a project's GPF allocation;
- (e) any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;
- (f) any changes to the GPF repayment schedule;
- (g) any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the value for money assessment. In such circumstances, it is expected that the business case should be re-evaluated by the ITE; and
- (h) any further changes as may be defined by the Government.

6.24 The partner shall not make any change to projects, as listed in a-h without the Accountability Board's prior approval.

## **APPROVING CHANGES TO SSF PROJECTS 6.25**

6.25 Any variations to an SSF project's costs, scope, outcomes or outputs from the information specified in the application must be reported to the SELEP Secretariat prior to implementation.

6.26 Where there are changes to the scope and/or SSF allocation, the project promoter is required to update the completed SSF application template for an updated independent review by the Accountable Body and endorsement by the Strategic Board.

6.27 If the project change is not agreed and the conditions of the grant cannot be satisfied, the applicant will be required to repay the grant to the SELEP, as per the conditions of the agreement.

## **APPENDICES 7**

### **THE RESPONSIBILITIES OF THE ACCOUNTABLE BODY 7.1**

7.1 This appendix outlines the arrangements between the Accountable Body and the SELEP, setting out agreed timescales and operating practices. This information supplements that set out within this Assurance Framework and the SELEP Terms of Reference (0 above~~1.1 above~~).

7.2 The Accountable Body, with oversight as appropriate from the Section 151 Officer, the Monitoring Officer and the Senior Information Risk Owner, are responsible for the following:

#### (a) Finance function:

- (i) grant income received, payments out and any applicable repayments are accounted for and administered correctly;
- (ii) Publish accounts which include the funding they receive from government on behalf of LEPs, to be linked on the SELEP website;
- (iii) provision of a Treasury Management function in relation to cash balances held by Accountable Body on behalf of the SELEP. This function will be administered in accordance with the approved Treasury Management Strategy of the Accountable Body;
- (iv) account for all spend and income made or received by the SELEP;
- (v) there are arrangements for local audit of funding allocated to partners by the SELEP at least equivalent to those in place for Local Authority spend; and
- (vi) the use of resources is managed in accordance with the Accountable Body's established processes including financial regulations and contract regulations.

#### (b) Oversight function:

- (i) all decisions are made, and funds used, in accordance with the conditions placed on each grant by the respective awarding body;

(ii) decisions and activities of the SELEP conform with all relevant law (including State Aid and Public Procurement), and ensuring that records are maintained so that this can be evidenced; the Accountable Body shall be responsible for the management of this if challenged;

- ~~5. Rural Terms of Reference~~
- ~~6. Coastal/CORE Terms of Reference~~
- ~~7. U9 Terms of Reference~~
- ~~8. Growth Hubs Terms of Reference~~
- ~~9. Skills Advisory Group Terms of Reference~~
- ~~10. Creative Economy Network Terms of Reference~~
- ~~11. Tourism Terms of Reference~~
- ~~12. Housing and Developers Terms of Reference~~
- ~~13. Social Enterprise Group Terms of Reference~~
- ~~14. Energy Group Terms of Reference~~

~~(iii) Policy for Public Question to the SELEP Assurance Framework is adhered to;~~

(iv) all reports placed before the Strategic and Accountability Board are reviewed by the Accountable Body, who will include the details of any implications arising as a result of the decision being sought within the report prior to publication;

(v) all grants are transferred to Partner Authorities under an SLA or grant agreement, as appropriate, which reflects the grant requirements of the awarding body and any additional requirements agreed by the SELEP Strategic Board and/or Accountability Board;

(vi) all loans are transferred to Partner Authorities under a loan agreement, which reflects the loan requirements of the awarding body and any additional requirements agreed by the SELEP Strategic Board and/or Accountability Board;

(vii) the official record of the SELEP proceedings is maintained and copies of all SELEP documents relating to LGF and other funding sources received from Government are held;

~~15. appropriate responses to FOI requests with regard to the responsibilities of the Accountable Body; Accountability Board Forward Plan~~

~~16. Declarations of Interest~~

~~17. Register of Interest Policy~~

~~18. SELEP Accounts~~

~~19. Business Case Template~~

~~20. Pro Forma Template~~

~~21. Assessment Criteria~~

~~22. Change Request Template~~

~~23. Programme Consideration Group Terms of Reference~~

(viii) Sector

(ix) procurement of all contractual services as appropriate and oversight of the contract management arrangements administered by the SELEP Secretariat;

(x) all necessary legal agreements are in place, including:

(xi) SLAs between the Accountable Body and partners;

(xii) grant agreements and conditions; and

(xiii) an annual assurance statement is provided by the Section 151 Officer on the governance and transparency arrangements implemented by the SELEP, with a specific requirement to identify any issues of concern.

~~(b)~~(c) Support Fund Guidance function:

(i) provision of advice and support with regard to the financial and legal operation of the SELEP, as appropriate; and

(ii) the SELEP is supported in accounting to Government on programme delivery and financial management.

(d) Audit function:

(i) the internal audit function of the Accountable Body will undertake an annual risk-based audit programme with SELEP; and

(ii) arrangements will be made to provide an external audit of the SELEP accounts.

7.3 In providing the support set out above, consideration is given to ensuring that the standards set out in the CIPFA guidance on the role of the Section 151 Officer are met (2.58(b) above).

7.4 The SELEP and the Accountable Body have agreed timescales and operating practices in place to support decision making, including ensuring that all papers and relevant supporting information are provided to the Accountable Body, to support their review and comments, at least 5 working days in advance of the agreed publishing deadline.

7.5 In addition, where the Accountable Body is required to review or approve reports to Government, or similar by the SELEP, the report (or equivalent) and all supporting information should be made available to the Accountable Body at least 5 working days in advance of the required completion date.

7.6 The SELEP and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. These are reflected in the SLAs between the Accountable Body and the partner, and include ensuring that:

(a) arrangements are in place for monitoring delivery;

~~(e)~~(b) there are clear expectations in relation to the information required from scheme partners and delivery agents; and

- (c) when the SELEP awards funding for a project, that there are written agreements in place between the Accountable Body and the partner, clearly setting out ownership of responsibilities and makes adequate provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement).

**7.7 The SELEP will adhere to the following standards and regulations established by the Accountable Body:**

- (a) The [Financial Regulations and Scheme of Delegation for Financial Management](#)
- (b) The Procurement Regulations
- (c) Information handling and data policies
- (d) The Treasury Management Strategy

**7.8 Furthermore, the SELEP Secretariat, where they are employed by the Accountable Body, are required to comply with the [Code of Conduct](#) of the Accountable Body plus all agreed policies applicable to employees of Essex County Council.**



## GLOSSARY

<u>Accountability Board</u>	<u>The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board.</u> <u>The Accountability Board operates under a Joint Committee agreement, agreed by each of the six Partner Authority members including, East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend on Sea Borough Council and Thurrock Council.</u>
<u>Accountable Body</u>	<u>Essex County Council, who retains overall legal accountability for the investment programme, supported by Essex's Section 151 Officer.</u>
<u>Additionality</u>	<u>The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.</u>
<u>Branding Guidelines</u>	<u>The guidelines issued by the Ministry of Housing Communities and Local Government to provide clarity of LEPs should use Government branding to help promote projects via Local Growth Fund other UK Government funded projects and collaborate on external communications opportunities.</u>
<u>Call-in</u>	<u>Call-in provides an opportunity to ensure that the SELEP adheres to the principles of good decision-making. Local Authority Scrutiny Committees have the power to call in and scrutinise the decisions before they are implemented.</u> <u>Under the Accountability Board Joint Committee Agreement, each of the six Partner Authorities has the ability to challenge a decision made by the Accountability Board.</u>
<u>Capital Cost</u>	<u>Capital grant allocations received by SELEP from Central Government may only be used for the purposes that a capital receipt may be used, in accordance with regulations made under section 11 of the Local Government Act 2003.</u>
<u>Co-opted members</u>	<u>Board members appointed by the board.</u>
<u>Deadweight</u>	<u>It is the proportion of total outputs/outcomes that would have been secured without the investment in question.</u>
<u>Devolution</u>	<u>The transfer or delegation of power to the Federated Boards by the Strategic Board.</u>
<u>Displacement</u>	<u>Displacement is the number or proportion of outputs/outcomes that reduce outputs/outcomes and economic activity elsewhere.</u>
<u>Economic Strategy Statement</u>	<u>The South East Local Enterprise Partnership (SELEP) has agreed its new Economic Strategy Statement (ESS), outlining its priorities and aims to drive a more productive and prosperous economy for the area over the next decade. The ESS replaces the previous SELEP Strategic Economic Plan 2014.</u>
<u>Federated Boards</u>	<u>The Federated Boards are the local public/private partnerships which support SELEP. There are four Federated Boards; Essex Business Board (EBB), Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES)</u>
<u>FOI request</u>	<u>Freedom of Information request. The Freedom of Information Act 2000</u>

	<u>provides public access to information held by public authorities. It does this in two ways:</u> <u>public authorities are obliged to publish certain information about their activities; and</u> <u>members of the public are entitled to request information from public authorities.</u>
<u>Gate Process</u>	<u>All LGF projects which have received a provisional funding allocation and seek funding approval will progress through a business case development progress, known as Gates 0 – 5.</u>
<u>Governance</u>	<u>The structure, roles, responsibilities and system of decision-making and the process by which decisions are implemented (or not implemented).</u>
<u>GPF</u>	<u>A capital loan, awarded as a low or zero percent interest rate. This funding aims to tackle barriers to economic growth.</u>
<u>Growth Deal</u>	<u>Growth Deals provide funds to LEPs for projects that benefit the local area and economy.</u>
<u>Growth Hub</u>	<u>Growth Hubs are local public and private sector partnerships led by the Local Enterprise Partnership (LEP). They provide a mechanism for integrating national and local business support so it is easier for businesses to access the help and advice they need to thrive and grow.</u>
<u>Independent Technical Evaluator</u>	<u>To provide impartial technical advice to the Strategic Board, the Accountability Board, Investment Panel and local project sponsors on value for money and project deliverability.</u>
<u>Investment Panel</u>	<u>A sub-committee of the Strategic Board. The Investment Panel has responsibility for the prioritisation of projects following an approach agreed by the Strategic Board.</u>
<u>LEP Network</u>	<u>A membership organisation for LEPs, whose purpose is to enable LEPs to discuss issues of shared importance as a sector, engage with Government, and share knowledge and good practice.</u>
<u>LEPs</u>	<u>Local Enterprise Partnerships (LEPs) are public private partnerships between local authorities and businesses.</u> <u>LEPs were set up by the government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create jobs.</u>
<u>LGF</u>	<u>A capital grant for investment in capital infrastructure projects. This funding aims to support the delivery of jobs, homes, new learners and other economic growth objectives.</u>
<u>LIS</u>	<u>Local Industrial Strategy</u>
<u>MHCLG</u>	<u>Ministry of Housing, Communities and Local Government</u>
<u>Local Assurance Framework</u>	<u>This Assurance Framework reflects the expectations of Government as set out in the revised National Local Growth Assurance Framework published January 2019.</u>

<u>Partner Authority</u>	<u>The six County Council/Unitary Authorities within the SELEP area, including East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend – on – Sea Borough Council and Thurrock Council.</u>
<u>Nolan Principles of Public Life</u>	<u>the seven ethical principles expected of public office holders, including people who are elected or appointed to public office, nationally and locally.</u>
<u>RAG Rating</u>	<u>The RAG system is a popular project management method of rating for issues or status reports, based on Red, Amber, and Green colours used in a traffic light rating system.</u>
<u>Registers of Interest</u>	<u>All members of the SELEP Secretariat, Senior Officer Group and Strategic, Accountability and Federated Boards are required to complete a Register of Interests form, recording details of any relationship or other financial or personal interest which might conflict with their duties to the SELEP</u>
<u>Retained schemes</u>	<u>Projects which are included in the Growth Deal and have been identified for LGF investment, but where the Department for Transport (DfT) requires additional project progress reporting and/or business case approval by the DfT.</u> <u>The funding for these projects is received by the Accountable Body from the DfT directly, rather than via MHCLG.</u>
<u>Section 151 Officer</u>	<u>An officer appointed under section 151 of the Local Government Act 1972 which requires every Local Authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.</u>
<u>Sector Support Fund</u>	<u>A revenue grant, funded through Growing Places Fund revenue, aimed at supporting the work of the SELEP sector working groups.</u>
<u>SELEP</u>	<u>The South East Local Enterprise Partnership (SELEP) is one of 38 LEPs, established to provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area.</u>
<u>SLA</u>	<u>A service-level agreement (SLA) is the agreement under which LGF is transferred between the SELEP Accountable Body, Essex County Council and the Partner Authorities.</u>
<u>Slippage</u>	<u>Slippage refers to the amount of grant funding which is not spent within the financial year in which it was received.</u>
<u>SME</u>	<u>Small and medium sized enterprises.</u>
<u>Social Value</u>	<u>Added economic, social or environmental benefits.</u>
<u>Strategic Board</u>	<u>The primary private/public partnership board within the SELEP structure. It is responsible for providing clear strategic direction and leadership</u>
<u>Terms of Reference</u>	<u>The scope and limitations of an activity or area of knowledge.</u>
<u>VCSE</u>	<u>Voluntary Community and Social Enterprise.</u>
<u>WebTAG</u>	<u>WebTAG is the Department for Transport web-based transport analysis guidance (TAG) which provides information on the role of transport modelling and appraisal.</u>
<u>Working Groups</u>	<u>Informal non-decision-making groups intended to provide expertise and support to the Strategic and Accountability Board</u>