



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP
ASSURANCE FRAMEWORK

FINAL

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Contents

	Description	Page no:
1.	Overview	4
2.	Governance and Decision Making	5
2.1	Overview	5
2.2	The Strategic Board	6
2.3	The Accountability Board	8
2.4	Investment Panel	9
2.5	The Federated Boards	10
2.6	Responsibilities of the respective Board Chairs	12
2.7	The Working Groups	12
2.8	The Accountable Body	13
2.9	Managing Director Responsibilities	16
2.10	Partners	17
2.11	Equality and Diversity	18
2.12	The Principles of Public Life & Code of Conduct	18
3.	Transparent Decision Making	19
3.1	Overview	19
3.2	Arrangements for making and recording decisions	21
3.3	Communications and Publications	21
3.4	The SELEP website	21
3.5	Information Requests	22
3.6	Complaints to SELEP and Whistleblowing Policy	22
3.7	Registers of Interest	22
3.8	Engagement	23
3.9	Maximising Social Value	23
4	Accountable Decision Making	24
4.1	Approving Funding	24
4.2	Devolution of Funding for LGF	24
4.3	Devolution of Funding for GPF capital loan	25
4.4	Allocation of revenue funding	26
4.5	Effective Management of Resources	26
4.6	Scrutiny Arrangements for SELEP	27
4.7	Conflicts with the Accountable Body	28
5.	Ensuring Value for Money	28
5.1	Overview	28
5.2	Prioritisation of LGF	28
5.3	Prioritisation of GPF capital	30
5.4	Prioritisation of Sector Support Fund	31
5.5	The Independent Technical Evaluator	31
5.6	Business Cases	32



5.7	Business Case review by the Independent Technical Evaluator for LGF Projects	33
5.8	The Gate Process	34
5.9	Project Proposal Evaluation for other funding awards	36
5.10	Value for Money	36
6.	Programme Management	38
6.1	Monitoring and Evaluation of Projects	38
6.2	Managing Project Slippage in the LGF Programme	41
6.3	Managing Project Slippages in the GPF Programme	41
6.4	Arrangements for LGF Underspend	41
6.5	Process for introducing a new project into the LGF programme	42
6.6	Approving changes to LGF projects	43
6.7	Approving changes to Growing Places Fund (GPF) projects	43
6.8	Approving changes to Sector Support Fund (SSF) projects	44
	Appendix 1 – The Responsibilities of the Accountable Body	45

1 Overview

- 1.1 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” [Local Growth: Realising every place’s potential, HMG, October 2010]. It encompasses the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.
- 1.2 Whilst LEPs will determine their own specific priorities, in *Strengthened Local Enterprise Partnerships* the Government set out that LEPs should focus on the following four activities to support the development and delivery of their Local Industrial Strategy:
- **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;
 - **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;
 - **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors; and
 - **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.
- 1.3 The purpose of the Assurance Framework is 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 with the assurance that decisions over funding are proper, transparent and deliver value for money. This Assurance Framework reflects the expectations of Government as set out in the revised National Growth Assurance Framework published January 2019 and the LEP Governance and Transparency Best Practice Guidance, published in January 2018.
- 1.4 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.
- 1.5 The Strategic Board has committed to move towards incorporated status by April 2020. The SELEP has requested in writing to Government to have this in place April 2020 (rather than the deadline of March 2019 set in the National Growth Assurance Framework published in January 2019).
- 1.6 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 Accountability Board roots decision-making firmly in the democratic process and enables it to be subject to democratic scrutiny.

- 1.7 Funding decisions made by the Accountability Board take into account impartial advice provided by an Independent Technical Evaluator who makes recommendations based on value for money assessments of individual business cases.
- 1.8 The Investment Panel has responsibility for the prioritisation of projects following an approach agreed by the SELEP Strategic Board. The Panel's role is to make recommendations for the provisional allocation of funding to projects prioritised by the Panel. The final award of funding will be subject to an Accountability Board decision, in line with the Assurance Framework requirements.
- 1.9 Federated Boards are responsible for local delivery and managing their local programme within tolerance levels for both spending and delivery.
- 1.10 Federated Boards, Partners and project sponsors 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.
- 1.11 As the SELEP Accountable Body, Essex County Council, retains overall legal accountability for the SELEP investment programme, supported by Essex's Section 151 Officer.
- 1.12 The Assurance Framework should be read in conjunction with the SELEP Terms of Reference agreed by the Strategic Board in December 2016 and updated in March 2018 (*and updated for the March 2019 Strategic Board meeting for agreement*) and published on the SELEP website.
- 1.13 The Assurance Framework will be reviewed and updated as required and will be agreed annually by the Strategic Board.
- 1.14 An annual report will be developed at the start of each financial year. These will set out a well-developed understanding of the local economic evidence base to identify opportunities and obstacles to inclusive growth, prosperity and improved productivity.
- 1.15 The SELEP has an approach to risk, and a named individual for risk management, the Chief Operating Officer.

2 Governance and Decision Making

2.1 Overview

- 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 through local authority leader representation on the Accountability Board, with accountability to the business community flowing through the business leader representatives on the Strategic Board and Federated Boards.
- 2.1.2 The Strategic Board has committed to move towards incorporated status by April 2020. An exemption has been discussed with the Ministry for Houses, Communities and Local Government (MHCLG) for the requirement for 'all LEPs to adopt a legal entity by April 2019' and verbal

agreement has been given. SELEP's Assurance Framework will be updated as SELEP moves to incorporation.

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

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

2.2 The Strategic Board

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 strategic direction and providing clear strategic leadership to the SELEP.

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 Economic Strategic Statement, with support from Federated Boards, and for determining its key funding priorities;
- c) developing a pipeline of projects for investment: a role it has delegated to the Investment Panel;
- d) considering and agreeing a position on major items of strategic importance;
- 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;
- f) developing a Skills Strategy for the area;
- g) approval of European Structural Investment Funds (ESIF) strategy;
- h) deciding how the activities of the LEP should be delegated;
- i) championing the LEP and the LEP area in all other forums;
- j) supporting pan-LEP activity undertaken by the working groups;
- k) working closely with Federated Boards to oversee Growth Hub, Enterprise Zone and City Deal activities;
- l) endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP;
- m) overseeing the development and implementation of a Local Industrial Strategy; and
- n) ensuring that adequate capacity and expertise is maintained to deliver against (above a - m).

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

2.2.4 The membership of the Strategic Board will be reviewed during 2019/20 to achieve the requirement 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 SELEP, reflect diversity and different business interests

2.2.5 It is not the expectation that the requirement for the Strategic Board of 20 members (with the option of 5 co-opted members) and membership which is two thirds private sector is replicated at the Federated Board level.

2.2.6 The diversity requirement for the Strategic Board will also be a requirement at the Federated Board level.

2.2.7 It is the expectation that each Federated Board will be business led and have a private sector majority.

2.2.8 The Strategic Board membership currently is as follows:

Membership	Count
Chair Business and SME Representative	1
Business representatives taken from Greater Essex Business Board and Opportunity South Essex	5
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

2.2.9 The SELEP terms of reference sets out how members are appointed to the Strategic Board. Any updates to the SELEP Terms of Reference will be agreed by the SELEP Strategic Board.

2.2.10 Recruitment to the Strategic Board and Federated Boards will be conducted through an open, transparent, competitive and non-discriminatory process, in accordance with the SELEP Recruitment Policy, with extensive private sector engagement.

2.2.11 Going forward, prior to the appointment of the Strategic Board Chair there will be wide and transparent engagement with the business community.

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

2.2.13 Board members will have access to a training and development programme, which will be developed based on identified needs.

2.2.14 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.

2.2.15 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.

2.3 **The Accountability Board**

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.

2.3.2 The Accountability Board is responsible for the final sign-off of funding decisions having regard to the Independent Technical Evaluation recommendations. This includes any direct awards of funding from the Government including retained schemes.

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 the Accountability Board Joint Committee Agreement, signed on 13th November 2015, and are summarised below:

2.3.3.1 Appraisals and approvals of capital grants and loans in accordance with Independent Technical Evaluator recommendations;

2.3.3.2 Monitoring project assessment/implementation and delivery;

2.3.3.3 Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible S151 officer);

2.3.3.4 Approving Project Changes;

2.3.3.5 Quarterly performance reporting on an exceptions basis to the Strategic Board;

2.3.3.6 Reporting on progress to central government;

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 Officer of the Partnership's Accountable Body;

2.3.3.8 Approving an Annual Report to be made available to the Partner Authorities;

2.3.3.9 Agreeing all new or revised processes in relation to the spend of grant funding; and

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.

2.3.4 The Accountability Board is advised by the Accountable Body's Chief Finance Officer and Monitoring Officer.

2.3.5 The Accountability Board membership is as follows:



Voting Members

- 1 member appointed from each of the 6 member councils

Non-voting Co-opted members

- One Vice Chair of the Strategic Board, appointed by the Chair of the Strategic Board.
- One member appointed by the Accountability Board on the nomination of the higher education sector
- One member appointed by the Accountability Board on the nomination of the further education sector

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**

2.4.1 The establishment of an Investment Panel was agreed by the Strategic Board on the 9th June 2017, as a sub-committee of the Strategic Board.

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

2.4.3 The Investment Panel's role and responsibilities include:

2.4.3.1 Reviewing the initial list of projects sifted by each of the Federated Boards;

2.4.3.2 Conducting a prioritisation process of those projects requiring capital investment based on the approach agreed by the Strategic Board and in accordance with the SELEP Assurance Framework;

2.4.3.3 Making recommendations for the provisional allocation of funding to projects prioritised by the Panel. The final award of funding will be subject to an Accountability Board decision, in line with the Assurance Framework requirements; and

2.4.3.4 Consider priorities for future funding from Central Government in accordance with the priorities identified through the SELEP's Economic Strategic Statement, along with emerging SELEP and Government priorities.

2.4.4 The Investment Panel Terms of Reference are available on the SELEP website, as agreed by the Strategic Board.

2.4.5 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, in accordance with paragraphs 3.2.4, 3.2.11 and 3.2.12.

2.5 The Federated Boards

- 2.5.1 SELEP is supported by and recognises the importance and individuality of the Federated Boards who are the local public/private partnerships for East Sussex, Essex, Kent, Medway, Southend and Thurrock. The Federated Boards have responsibility for:
- 2.5.1.1 increasing their overall diversity in terms of each individual's 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.
 - 2.5.1.2 ensuring that the Managing Director is informed of all meetings and that the SELEP team is given the opportunity to attend;
 - 2.5.1.3 working with the incumbent Vice Chair to provide the SELEP team with clear and updated nominations for membership of the Strategic Board;
 - 2.5.1.4 identifying local priorities and/or a vision for the Federated Area which is in line with the LEP's Economic Strategic Statement (SELEP's term for its Strategic Economic Plan) and the LEP's approach to project prioritisation;
 - 2.5.1.5 coordinating reports as required to the LEP Strategic and Accountability Boards and monitoring
 - 2.5.1.6 reporting on all LEP investments in the area;
 - 2.5.1.7 championing the work of the LEP to local communities;
 - 2.5.1.8 ensuring the transparency and accountability of decisions and recommendations made at local level;
 - 2.5.1.9 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;
 - 2.5.1.10 ensuring on-going local engagement with public and private sector partners to inform key decisions and set out how they will evidence effective engagement;
 - 2.5.1.11 ensuring that there is local engagement with and feedback to the general public about future strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced; and
 - 2.5.1.12 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.
 - 2.5.1.13 champion 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.

- 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 monitoring delivery and management of SELEP investment programmes within the agreed local tolerance levels for spending and delivery.
- 2.5.3 Each Federated Board shall determine its own board size and ratio of its private / public sector membership, with the following caveats:
- i) the expectation is that being business led will mean Federated Board membership is majority private sector.
 - ii) Each Federated Board shall conduct its own recruitment process in accordance with the SELEP Recruitment Policy. The process shall be conducted through a competitive procedure which is open, transparent and non-discriminatory.
 - iii) Each Federated Boards process will be set out within their terms of reference, which is available on the SELEP website.
 - iv) Each Federated Board should ensure that their membership provides representation which is diverse and reflects the local population and business community.
- 2.5.4 Federated Boards are required to publish their terms of reference which includes the same high level of governance and transparency as is required of SELEP, as set out in this Assurance Framework and associated policies, with regard to decision making in relation to the SELEP, for example, reviewing, monitoring or amendments to projects in receipt of SELEP funding or support.
- 2.5.5 Each Federated Board will ensure it complies with the LEP Governance and Transparency Best Practice Guidance, 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 Government requirements, and that the policies are published on its own and / or the SELEP website:
- 2.5.5.1 Confidential reporting procedures for third parties and the public;
 - 2.5.5.2 Whistleblowing Policy;
 - 2.5.5.3 Code of Conduct for Board Members; and
 - 2.5.5.4 Register of Interests Policy
- 2.5.6 Each Federated Board will comply with the Local Government Act 1972 requirements for the publication of meeting agendas and meeting minutes, as set out in paragraphs within 3.2.
- 2.5.7 Federated Board meeting papers and minutes shall be made available to Strategic Board members, on the SELEP website.

2.6 Responsibilities of the respective Board Chairs

2.6.1 The Strategic Board and the Investment Panel

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, a copy of which is available on the SELEP website; however, in relation to this Assurance Framework, the following specific responsibilities are applicable:

- Maximising the SELEP's connections with Small and Medium sized enterprises (SME's) across the SELEP area
- Provision on 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 Review process with government. This statement will be published on the SELEP website.
- SELEP Communication Strategy (see paragraph 3.3.1)
- Supporting any resolutions of conflict between the Accountable Body and the Accountability Board (4.7)
- 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 Strategic Board has three Vice Chairs, appointed according to the SELEP Recruitment Policy, who together, act as a deputy chair and deputise for the SELEP Chair, as required.

2.6.3 The Accountability Board Chair, as a non-voting private sector representative, is responsible for:

- Ensuring that the decisions made by the Accountability Board are consistent with the strategic direction set by the SELEP Strategic Board; and
- Ensuring that declarations of interest are requested, and acted upon, at the outset of each Accountability Board meeting.

2.7 The Working Groups

2.7.1 From time to time SELEP may establish 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. For these informal groups, in the interests of openness and transparency, SELEP commits to adhering to the Assurance Framework guidelines on publishing material on the SELEP website.

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

Sector Working Groups

- Rural
- Coastal/CORE
- U9
- Growth Hubs
- Skills Advisory Groups and Panel
- Creative Economy Network
- Tourism
- Housing and Development
- Social Enterprise
- Energy Group
- Transport and Infrastructure Officer Group

Officer Advisory Groups

- Senior Officer Group
- Programme Consideration Group
- Directors Group

- 2.7.3 Through SELEPs working group activities and SELEP's representation and involvement with other organisations across a wider geography, SELEP actively engages in cross-LEP working on strategic issues.
- 2.7.4 **Skills Advisory Panel.** The SELEP engages with the Skills Advisory Panel and notes that the chair of this Panel will represent the Skills Advisory Panel on the SELEP Board, as the further education representative.
- 2.7.5 **Enterprise Zones.** SELEP has four enterprise zones: Harlow, Discovery Park, North Kent and Newhaven. The Strategic Board has overall responsibility for the SELEP Enterprise Zones, day to day management and the development of Enterprise Zone strategy sits at the local level.
- 2.7.6 **City Deal.** SELEP secured a City Deal for Southend. A number of initiatives in the City Deal have now been delivered and the work has evolved into a new area of work, namely the hive. This programme of work has also received funding from the Local Growth Fund (LGF). The LEP Strategic Board receives regular updates on the progress of LGF projects, which includes work from the City Deal.
- 2.7.7 **Growth Hubs.** Ultimate leadership of the South East Business Hub sits with the SELEP Strategic Board. Any strategic decisions pertaining to the Growth Hub are raised at the Federated Boards, considered by the working group and taken to the Strategic Board where appropriate.

2.8 The Accountable Body

- 2.8.1 Essex County Council was reaffirmed as the Accountable Body for the SELEP by the Strategic Board in October 2018 and that support for the SELEP will be provided through its Section 151 Officer, or their representative. 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.

- 2.8.2 The complementary roles of both the financial responsibilities of the Accountable Body and the leadership role and accountabilities 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.
- 2.8.3 The Accountable Body, however, is responsible for overseeing the proper administration of financial Affairs within the LEP when these affairs relate to public funds.
- 2.8.4 The Accountable Body will receive funds from Government on behalf of the SELEP.
- 2.8.5 It is recognised that once the SELEP incorporates, the relationship with the Accountable Body will need to change and a formal written statement will be agreed and published by 28 February 2020, which clearly defines the roles and relationships between SELEP and the Accountable Body; the agreement will also set out how the Accountable Body will collaborate with the SELEP to ensure that the terms of this agreement are met.
- 2.8.6 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 SELEP Board. The Accountable Body cannot use funding allocated to the SELEP for its own purposes, without a clear mandate from the SELEP.
- 2.8.7 The Accountable Body carries out the following functions on behalf of the SELEP:
- 2.8.7.1 A finance function:** involving holding and managing public funds paid by Government on behalf of the LEP;
- 2.8.7.2 An oversight function:**
- 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.
 - 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; and
- 2.8.7.3 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.
- 2.8.8 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.

2.8.9 Section 151 Officer Role

2.8.9.1 In acting as the Accountable Body for the SELEP, the role of the Authority's Section 151 Officer, in overseeing the proper administration of financial affairs, is extended to include those of the SELEP.

2.8.9.2 The standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance (add the link) on the role of the Section 151 Officer, form part of the assurance process undertaken by the Accountable Body on behalf of the SELEP.

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

- Enshrining a corporate position for the Section 151 Officer in LEP assurance;
- Creating a formal/structured mandate for the Section 151 Officer;
- Embedding good governance into decision making;
- Ensuring effective review of governance; and
- Ensuring appropriate skills and resourcing.

2.8.9.4 The Section 151 Officer will exercise their duties in line with the CIPFA guidance and this Framework.

2.8.9.5 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 LEP 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).

2.8.9.6 Within the LEP and Accountable Body agreement, the process for resolving conflicts between LEP Board decisions and Section 151 Officer advice should be outlined, based on the standards set out in CIPFA's 'Principles for Section 151 Officers in accountable bodies working with local enterprise partnerships'.

2.8.9.7 The Section 151 Officer should ensure that their oversight of the proper administration of financial affairs within the LEP 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 to the MHCLG's Accounting Officer. This should include:

- Details of the checks that the S151 Officer (or deputies) has taken to assure themselves that the SELEP has in place the processes that ensure proper administration of financial affairs in the SELEP;
- A statement outlining whether, having considered all the relevant information, the Section 151 Officer is of the opinion that the financial affairs of the SELEP are being properly administered (including consistently with the National Local Growth Assurance Framework and this Framework); and

- If not, information about the main concerns and recommendations about the arrangements which need to be implemented in order to get the SELEP to be properly administered.

2.8.10 Accounts and Audit Arrangements

- 2.8.10.1 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.
- 2.8.10.2 The SELEP and Accountable Body will agree an internal audit plan each year. This will include a risk-based audit plan of SELEP activity that will provide assurance to the Section 151 Officer and the LEP Board at appropriate points through the year.
- 2.8.10.3 The internal auditors of the Accountable Body provide assurances to the SELEP Board, SELEP Secretariat and the 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 Board by internal audit.
- 2.8.10.4 SELEP is required to ensure that there are arrangements for funding audit activity.
- 2.8.10.5 As 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.
- 2.8.10.6 Once incorporated, if 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 LEP is limited by guarantee, it should follow the Companies Act (2006) and consider relevant corporate governance best practice.

2.9 Managing Director Responsibilities

2.9.1 The SELEP Managing Director is responsible for the following activities pertaining to this Assurance Framework:

- 2.9.1.1 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 Board is updated on areas of risk of non-compliance at each Board meeting as appropriate.
- 2.9.1.2 Provision, on an annual basis, in conjunction with the Strategic Board Chair, 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. This statement will be published on the SELEP website.



- 2.9.1.3 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.
- 2.9.1.4 Keep records which demonstrate they meet all their legal obligations and all other compliance requirements placed upon them ensuring these are accessible if requested;
- 2.9.1.5 Publishing as a Chief Officer Action on the SELEP website, all decisions made under the Managing Directors delegated responsibilities; these must be in line with:
- the Accountable Body's scheme of delegation and Financial Regulations;
 - respective decisions made by the Accountability Board and the Strategic Board, including decisions related to the approved budget of the SELEP Secretariat
 - this Assurance Framework
- 2.9.2 Salary information for the Managing Director will be published on the SELEP website.

2.10 Partners

- 2.10.1 Partners refers to the County and Unitary Authorities and those organisations which the Accountable Body has a Service Level Agreement, Loan Agreement or Grant Agreement with.
- 2.10.2 The County and Unitary Authorities are:
East Sussex County Council;
Essex County Council;
Kent County Council;
Medway Council;
Southend - on - Sea Borough Council; and
Thurrock Council
- 2.10.3 In receiving Local Growth Fund (LGF) or other funding, and entering into a Service Level Agreement (SLA), Loan Agreement or Grant Agreement, Partners are responsible for:
- (a) Ensuring the delivery of projects, including the outputs, outcomes and spend of funding received through SELEP and local partner funding contributions to the scope agreed in the Business Case.
 - (b) Providing regular and accurate reporting to Secretariat on Projects.
 - (c) Reporting is required on a quarterly basis for all projects receiving funding from SELEP, including LGF and Growing Places Fund (GPF). This funding must be completed in the format and to the timescales specified by the Secretariat.
 - (d) Ensuring sufficient resource is allocated to support the delivery and the post scheme monitoring and evaluation of all projects.
 - (e) Compliance with the conditions of the respective SLA, Loan Agreement or Grant Agreement under which funding has been transferred.
 - (f) Providing briefings to Board members, which, as a minimum, should include project updates and decisions being presented to the Board for all areas – not just in relation to the decisions impacting their own area.

2.11 Equality and Diversity

2.11.1 SELEP recognises and values diversity across its membership and is committed to increasing its overall diversity in terms of each individual's protected characteristics, including gender, age, ethnic origin, religion and sexual orientation as defined in the Equality Act 2010. 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. The actions SELEP will take to increase diversity include, when implementing any review recommendations of the Strategic Board:

At the SELEP Strategic Board on 22nd March 2019 approval was given for an Independent Review which includes consideration for how SELEP can achieve greater diversity.

- To extend the pool of candidates attracted and pro-actively reached out to during the recruitment process, through a rigorous recruitment process shared with federated boards.
- SELEP will ensure that objective selection processes are in place for all Strategic Board appointments, with applications assessed against the criteria in a job specification for Board members, (proposed to include definable measurable skills, experience, knowledge and personal capabilities required for the role)..
- There will be full accountability at Board level for the diversity targets set, with regular reporting against them and the actions being taken a standing agenda item for the Strategic Board.
- SELEP will harness the power of existing networks and reach out to create new networks – to identify the next generation of Strategic Board members.

2.11.2 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 equality of opportunity between people from different equality groups; and
- (c) foster good relations between people from different equality groups.

2.12 Principles of Public Life and Code of Conduct

2.12.1 All SELEP Board and sub-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. As a minimum all members and officers must also comply with the SELEP Code of Conduct which is published on the SELEP website.

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.

2.12.3 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 - 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.

3 Transparent Decision Making

3.1 Overview

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.

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

3.2 Arrangements for making and recording decisions

3.2.1 Meetings of the Strategic and Accountability Boards are open to members of the press and public with the exception of any items that should be treated confidentially. The Policy for Public Questions to the Accountability Board is available on the SELEP Website and 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.

3.2.2 All decisions undertaken by the Investment Panel, Strategic or the Accountability Board must be supported by a full written paper setting out 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 the details of any implications arising as a result of the decision being sought. Where required, the Accountable Body will provide financial, legal and an Accountable Body comment in reports to Accountability Board.

- 3.2.3 All papers relating to the Accountability Board are made 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.
- 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 “confidential information” or in extreme circumstances where it is not possible to circulate papers in advance.
- 3.2.5 These timelines for publications of papers are clearly outlined on the SELEP website.
- 3.2.6 Information is classified as “Confidential Information” by virtue of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. This includes:
- Information provided by a government department on terms which forbid the disclosure of the information to the public;
 - Where disclosure to the public is prohibited by a court or;
 - 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.
- 3.2.7 Where information 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.
- 3.2.8 Board members and officers in receipt of confidential information from SELEP are required to adhere to the SELEP Code of Conduct which sets out the expectations of Members and Officers when handling confidential information.
- 3.2.9 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.
- 3.2.10 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 and Accountable Body Websites, 28 days before the decision is taken. This ensures transparency around future decisions.
- 3.2.11 All decisions made by the SELEP Managing Director 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.
- 3.2.12 Draft minutes of all meetings are publicly available on 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 practicably possible following the meeting.

- 3.2.13 Any declaration of interest made at the meeting must be included in the minutes of the meeting and document the nature of the interest (pecuniary or code) and what the declaring member did during the item to demonstrate the interest was handled appropriately and the what the declaring member did during the relevant item to demonstrate the issue was suitably handled. Where this is a new declaration of interest, this will also be updated on the relevant member's register of interest.
- 3.2.14 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 delegated budget during that quarter will be presented to Strategic Board and made available on the SELEP website.

3.3 **Communications and Publications**

- 3.3.1 Through the Chair, the Strategic Board shall be responsible for 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.

3.4 **SELEP Website**

- 3.4.1 A 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 provides access to a range of documents and information, including:
- (a) details of progress made on implementing the Growth Deal;
 - (b) contact details for the SELEP;
 - (c) Access to key documents and policies; and
 - (d) access to supporting documentation for decision making including:
 - forward plans
 - agendas
 - reports and business cases
 - annual delivery plan
 - annual financial statement
 - annual assurance statement
 - information on the process for applying for funding
 - minutes
 - summary of decisions of the SELEP boards.
- The website can be accessed at <http://www.southeastlep.com/>.
- 3.4.2 In addition to being published on the SELEP website, all Accountability Board Agendas, decisions and minutes are also published on the Accountable Body website, which can be accessed at <http://cmis.essexcc.gov.uk/essexcmis5/Home.aspx>

3.5 **Information requests**

- 3.5.1 Each County, Unitary Authority within 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.
- 3.5.2 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.
- 3.5.3 SELEP has data protection arrangements in line the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. SELEP acts in accordance with the policies of the Accountable Body, Essex County Council.

3.6 **Complaints to SELEP and Whistleblowing Policy**

- 3.6.1 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 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.
- 3.6.2 The Secretariat will maintain a record of all complaints received.
- 3.6.3 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 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**

- 3.7.1 All members of the SELEP Secretariat, SELEP Senior Officer Group, Strategic, Accountability Board and Federated Boards are required to complete a Register of Interest form, recording details of any relationship or other financial or personal interest which might conflict with their duties to SELEP. Declarations must be completed in line with the Register of Interest Policy which is published on the SELEP website and includes individual registers of interest for all Board Members, Federated Board Members, co-opted Members and the Chief Executive (or equivalent) should be completed and signed within 28 days of taking up post and before advising or participating in any decision making.
- 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. It is at the discretion of the LEP whether Officer interests (other than the Chief Executive) are published or remain on file. Each Board Member must review their individual

register of interests before each Board meeting and decision-making committee meeting, submitting any necessary revisions to the LEP at the start of the meeting. All declarations are reviewed, in accordance with the Register of Interest Policy. However, each member is required to ensure that their declarations are up to date, and therefore notify the Secretariat of any changes within 28 days of becoming aware of any change in circumstances.

3.7.3 Further, all Strategic, Accountability, Investment and Federated Board members (including substitute members) are required to declare interests at the outset of the respective meetings at which an item is to be discussed. Such declarations and associated actions taken will be recorded in the minutes of the meeting which are available on the SELEP website.

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 SELEP Boards, Board members and officer are required to advise the SELEP Managing Director in advance of the meeting and to declare such interests during the relevant meeting.

3.8 **Engagement**

3.8.1 The SELEP ensures there is appropriate local engagement, with public and private stakeholders, to inform key decisions and with the general public 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.

3.8.2 Actively cooperate with stakeholders and other regeneration organisations. This involves engaging deliberately and constructively with the private sector and public sector including national and local partners such as: Government Departments, subnational bodies, Local Authorities, third sector representatives, community interest groups, universities and research institutions, MCAs and other LEPs in order to collect information which can be factored into decisions;

3.8.3 Ensure partnership working and engagement 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; and

3.8.4 The Federated Boards are the primary forum for engagement with local businesses, councils and members of the public, utilising public and private sector knowledge and expertise, to enable effective and meaningful engagement of local partners to inform key decisions and future strategy development and; to develop projects and delivery to provide the greatest benefit to the SELEP area.

3.9 **Maximising Social Value**

3.9.1 SELEP and local partners will, at all times, 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.

- 3.9.2 The SELEP will endeavour to ensure a level playing field for small businesses and voluntary, charity and social enterprise (VCSE) organisations in bidding for SELEP or local delivery contracts as appropriate in the delivery of SELEP objectives.

4 Accountable Decision Making

4.1 Approving Funding

- 4.1.1 All funding decisions made by the Accountability Board to approve funding for a specific project or programme must be supported with a robust Business Case which has been independently assessed. This impartial advice on the merits of project Business Cases is provided by SELEP Independent Technical Evaluator.
- 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) Deliverability and risk
- 4.1.3 The Accountability Board is responsible for checking that decisions are made in accordance with the process that is set out in this Assurance Framework.
- 4.1.4 A decision which is made in contravention of the process set out in the Assurance Framework will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision making process.

4.2 Devolution of Funding for LGF

- 4.2.1 To devolve LGF, the Accountable Body ensures that there is a Service Level Agreement or Grant Agreement in place with the respective Partners which sets out the minimum requirements and expectations relating to the grant allocations, including but not limited to:
- (a) Providing grant funding to the relevant Partner for all schemes within its area approved by the Accountability Board following independent technical 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) All Government grant conditions shall be adhered to;
 - (d) Any monitoring or reporting requirements; and
 - (e) Committing the Partner to be responsible for any project overspend.
- 4.2.2 With regards to Capital Skills funding, the Accountable Body ensures that there is a Grant Agreement in place, on similar terms to the Service Level Agreement, between the Accountable Body and the respective College before any funding is released.

- 4.2.3 The Accountable Body will only transfer funding for the purpose of delivering the schemes for which the grant has been allocated, 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 and Value for Money assurance process as set out in Section 5.6 and 5.10 below;
 - (b) A copy of the respective Service Level Agreement 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.
- 4.2.4 The grant for each LGF Project will be paid to the Partner on a quarterly basis in advance, through the submission of a Transfer Request Form by the Partner.
- 4.2.5 The amount of LGF transferred to the Partner in relation to an LGF Project will not exceed the LGF spend approved by the Accountability Board.
- 4.2.6 The Partners 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 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**
- 4.3.1 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 before any funding is released.
- 4.3.2 The loan for each GPF project will be paid to the Partner in advance for the purpose of delivering the project which the grant has been allocated, provided the conditions are met:
- (a) The loan allocation must have been approved by the Accountability Board, in line with the Business Case development and Value for Money assurance process as set out in Section 5.5 and 5.6 below;
 - (d) 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
 - (e) The Accountable Body is in receipt of sufficient funds from the repayment of existing GPF loans.
- 4.3.3 The Partners 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 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.
- 4.3.4 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 will be responsible for all cost increases that may occur through the delivery period.

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 ensures the delivery of the project in compliance with the conditions of the Loan Agreement between SELEP Accountable Body and the Partner.

4.4 **Allocation of revenue grants**

4.4.1 With regard to 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.

4.4.2 The revenue grant will be paid for the purpose of delivering the project which the revenue grant has been allocated, provided 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;
- (b) The revenue grant allocation must have been approved either by the Accountability Board or by the SELEP Managing Director, in line with 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 grant.

4.4.3 The Section 151 officer or equivalent responsible finance officer is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of that funding. The Partner Authority ~~and will be~~ is responsible for providing regular reports to the Accountable Body and the SELEP Managing Director to enable biannual reporting to the Strategic Board.

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

4.5 **Effective Management of Resources**

4.5.1 The use of resources by the SELEP are subject to the usual local authority checks and balances, including 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.

4.5.2 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 appropriate use of the funding.

4.5.3 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 use of that funding.

4.5.4 The Accountable Body will ensure that there are arrangements for local audit of funding allocated by SELEP which is equivalent to those in place for local authority spend.

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

4.5.6 Once incorporated, if 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, LEPs limited by guarantee should follow the Companies Act (2006) and consider relevant corporate governance best practice.

4.5.7 Through the nominated Section 151 Officer (or equivalent) of the Partner organisation, 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**

4.6.1 The SELEP is a multi-authority partnership with different 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.

4.6.2 The SELEP welcomes requests to attend local authority partner scrutiny committees and prioritises attendance at these, as part of having decisions and work by SELEP scrutinised by local authorities within the South East.

4.6.3 As part of the SELEPs incorporation arrangements, appropriate scrutiny arrangements for the SELEP will be reviewed and aligned to fit with the outcome of the work regarding incorporation.

4.6.4 Decisions made by the Accountability Board 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:

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

4.6.5 In the case of a call in of a decision, a two stage process will be followed:

- 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;
- 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 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.

4.6.6 This process is in compliance 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.

4.7 Conflicts with the Accountable Body

- 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
 - (d) the decision does not comply with the requirements of this Assurance Framework.
- 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 on the action required to resolve issue.
 - (b) In the event that the Chairman 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

5.1 Overview

- 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 that effective processes are in place.

5.2 Prioritisation of LGF

- 5.2.1 Through adopting the recommendations of the MHCLG Deep Dive in 2018, SELEP is committed to developing and maintaining a single pipeline of LGF projects, should LGF underspend become available.
- 5.2.2 As the SELEP covers such a wide geographical area encompassing a number of local authorities facing competing challenges, the initial identification of projects is most effectively managed within local areas through the federated model. It is for local areas to identify their strategic priority projects for submission for prioritisation against the (one SELEP) pipeline. The 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.

- 5.2.3 The initial identification and assessment of projects will be undertaken by the Federated Boards through their submission for funding opportunities. Through the Federated Board discussions there must be a fair and equal opportunity for discussion around the relative merits of each of the projects put forward for consideration for funding. In completing the local prioritization 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 Panel Board, as appropriate. The local Federated Board feedback will be reflected within the Investment Panel papers. This will be used to support the decision making in generating a single LEP prioritization list which will be published on the SELEP website.
- 5.2.4 Responsibility for the final prioritisation of projects rests with the Strategic Board or the Investment Panel, as a sub-committee of the Strategic Board. In advance of a prioritisation exercise being completed, the Strategic Board will be asked to agree the prioritisation approach to be applied. At this stage, the Strategic Board may choose to delegate responsibility for the prioritisation of LGF projects to the Investment Panel.
- 5.2.5 The criteria for prioritisation of projects for funding, in addition to the points set out in 4.1.2, will include an assessment of projects based on Her Majesty's Treasury's The Green Book: Appraisal and Evaluation in Central Government (The Green Book), and related departmental guidance. Prioritisation will give consideration to the five cases listed below:
- (a) The Strategic Case – The project should be aligned with the Economic Strategic Statement and support delivery of the objectives and outcomes contained within the plan;
 - (b) 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 proposed deal is attractive to the market place, can be procured and is commercially viable;
 - (d) 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 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.
- 5.2.7 In prioritising projects, consideration will 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.

- 5.2.8 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. For example, in June 2018, the Strategic Board agreed the approach to the prioritisation of SELEP's LGF short term single pipeline. The specific prioritisation and assessment criteria are published on the SELEP website.
- 5.2.9 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.
- 5.2.10 Once project prioritisation has been completed, it is expected that Partners will further develop the business case for investment. This Business Case will support any funding bid submissions to SELEP.
- 5.2.11 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.
- 5.2.12 For PAN LEP projects to be brought forward they must also receive endorsement from at least one Federated Board and a County, Unitary Authority to act as the promoting authority.
- 5.3 Prioritisation of GPF capital**
- 5.3.1 On the 9th June 2017, the Strategic Board agreed the approach to the reinvestment of GPF capital funding and which is published on the SELEP website.
- 5.3.2 The first stage, for scheme identification and 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 SELEP, based on a GPF ask totalling no greater than 50% of the total funding available.
- 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 SELEP Independent Technical Evaluator (see section 5.5 below),
- 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;
 - c) Infrastructure requirement;
 - d) Viability;
 - e) Deliverability;
 - f) Expected benefits;
 - g) Contribution to a revolving fund;
 - h) Risk
 - i) State Aid implications; and
 - j) Amount of GPF available

- 5.3.5 The independent assessment will be conducted to prepare a ‘RAG’ (Red-Amber-Green) assessment 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. In addition, consideration will be given to the phasing of the GPF ask relative to the amount to GPF available.
- 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, 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.

5.4 Prioritisation of Sector Support Fund

- 5.4.1 On 9th June 2017 the SELEP Board approved the use of the GPF Revenue grant to fund a programme of works to support the sector focussed activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP working groups.
- 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. All applications must meet the criterion, as set out in the SSF guidance published on the SELEP website. The funding will be deployed on a first come first served basis for those projects that meet the criteria.
- 5.4.3 Each bid must be supported by the completion of information using the SSF application template.
- 5.4.4 The appraisal of projects will be conducted by the SELEP Secretariat, followed by an independent review by the Accountable Body.
- 5.4.5 Projects which are successful through the appraisal process will be recommended to Strategic Board for endorsement, prior to funding being approved by the SELEP Managing Director.
- 5.4.6 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.
- 5.4.7 If the total amount of SSF sought exceeds the amount available then the Strategic Board will be asked to consider and prioritise the applications.

5.5 The Independent Technical Evaluator

- 5.5.1 An Independent Technical Evaluator has been appointed by 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 Accountability Board on funding decisions, taking into account the agreed criteria for funding, as set out in the Value for Money section, paragraph 5.10.

- 5.5.2 The Independent Technical Evaluator review of Business Case is the process through which SELEP assures that appropriate checks and balances are completed to ensure that fair and accurate information is presented to decision makers.
- 5.5.3 The Independent Technical Evaluator assessment is based on adherence of scheme business cases to the guidance set out in *The Green Book*, and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the Ministry for Housing Communities and Local Government (MHCLG) Appraisal Guide *The Green Book*, WebTAG and MHCLG Appraisal Guide provide proportionate methodologies for scheme appraisal (i.e. business case development). An assessment Pro Forma has been developed based on the guidance and is available on the SELEP Website.
- 5.5.4 The Pro Forma supports the assessment of the project based on the five Cases listed in 5.2.5, and which reflects the Green Book approach.
- 5.5.5 Each project is assessed and then given a RAG rating as follows:
- 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.
 - 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).
 - 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.
- 5.5.6 All funding decisions sought by the Accountability Board will be supported by a recommendation from the Independent Technical Evaluator.

5.6 Business Cases

- 5.6.1 Business cases for all projects must follow *The Green Book* guidance on appraisal and evaluation, and include a Value for Money statement.
- 5.6.2 Business cases will also follow Government departmental guidance such as the Department for Transport's Transport Analysis Guidance (WebTAG) or similar non-transport guidance appropriate to their scheme with appropriate proportionality.
- 5.6.3 Transport schemes are defined, within MHCLG's National Local Growth Assurance Framework as any scheme that significantly changes the transport network infrastructure, whatever its objective.

- 5.6.4 For transport schemes, central case assessments shall be based on forecasts consistent with the latest version of National Trip End Model (NTEM) and the appraisal spreadsheets, assumptions and outcome must be included in the business case or supporting appendices to be considered by SELEP and its appointed Independent Technical Evaluator. 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.
- 5.6.5 Each business case will set out a statement of strategic and viable objectives and the specific outcomes that the scheme is intended to achieve.
- 5.6.6 The business cases will include sign-off by the promoting Partners Section 151 Officer, or equivalent, before being submitted to SELEP for ITE review, as per the processes described under 5.8. Where the business case has been developed by a Government Department or other Statutory Body under Value for Money Exemption 2 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.
- 5.6.7 The Independent Technical Evaluator 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 will collaborate with partners to minimise the time and cost associated with preparing business cases by adopting practices which are proportionate to the specifics of each project.
- 5.6.8 All Business Cases must provide a risk register, project programme, funding profile, monitoring and evaluation plan.

5.7 Business case review by the Independent Technical Evaluator for LGF Projects

- 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.
- 5.7.2 Only certain LGF projects will go through a Gate 4 and 5 review. This will include projects with a LGF allocation of over £8m and/or the project is identified as high risk by the Independent Technical Evaluator. These projects will be identified to the Accountability Board during the early gate submissions.
- 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.
- 5.7.4 Projects will be exempt from Gate 4 and 5 review, if the decision to award the full funding allocation to the project was made in advance of 24th February 2017, except where necessitated through the Change Request Process. See paragraph 6.6.
- 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.

5.8 The Gate Process

- 5.8.1 Gate 0:** Through the Capital Programme Manager, the Independent Technical Evaluator 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. Through though a Gate 0 meeting or teleconference the scheme promoters will agree with the Independent Technical Evaluator an approach which is considered fit-for-purpose.
- 5.8.2 Gate 1:** Following Gate 0, project promoters must develop a business case commensurate with an Outline Business Case as guided by The Green Book guidance on appraisal and evaluation or other relevant Government departmental guidance.
- 5.8.3** To progress through Gate 1, the Independent Technical Evaluator will independently assess the Outline Business Cases using a standard assessment pro-forma, and will, in the first instance, make recommendations to the Capital Programme Manager, and project promoter and relevant partners.
- 5.8.4 Gate 2:** All projects will have an opportunity to make changes to the Outline Business Case. Once resubmitted, the Independent Technical Evaluator will conduct the Gate 2 Assurance Review, using the same assessment pro-forma for Gate 1.
- 5.8.5** 5.8.5 On the basis of the Gate 2 Assurance Review, recommendations are made by the Independent Technical Evaluator 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.
- 5.8.6 Gate 3:** This is for projects that have funding retained by the Department for Transport or where the business case is being developed by another Government Department or Statutory Body. In these instances, the role of the Independent Technical Evaluator 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.
- 5.8.7 Gates 4 and 5:** 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 agreed with Accountability Board on the completion of Gate 2. 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 review of a Full Business Case under the Change Request process.
- 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.

- 5.8.9** Gate 4 is commensurate with Gate 0, outlining the approach, process, procedures and timescales for development of the Full Business Case.
- 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 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.
- 5.8.11** For projects seeking funding to support the development of a specific business case, the role of the Independent Technical Evaluator 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 as set out below.
- 5.8.12** Where a package of interdependent 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:
- (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 review of the package of investment has been completed which confirms that the overall package of investment demonstrates High Value for Money.
- 5.8.14 Where the LGF allocation to individual projects within a package of interventions does not exceed £8m and the package does not present high risk, the package will be exempt from completing Gate 4 and 5.
- 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 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 taken, subject to the removal of those parts which are commercially sensitive and confidential.

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. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision is taken, subject to the removal of those parts which are commercially sensitive and confidential.

5.8.17 The cost of SELEP Independent Technical Evaluator 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 SELEPs Growth Deal programme, subject to the council maintaining the level of their contribution to the SELEP Secretariat budget.

5.8.18 The cost of an Independent Technical Evaluator review of a Project Business Case will be funded by the Partner where a 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 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 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 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 Economic Strategic Statement;
- (b) Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;
- © 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.
 - A Government Department;
 - Highways England;
 - Network Rail;

Environment Agency; or
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.
- 5.10.8 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.
- 5.10.9 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.
- 5.10.10 Successful schemes will progress to delivery. Unsuccessful schemes will be considered by the local Federated area for revision, removal from the programme or adding to a reserve list. Strategic Board and Accountability Board will be informed of any amendments / removal of any projects to and from the SELEP pipeline of projects which have been provisionally allocated or awarded funding.
- 5.10.11 The SELEP Capital Programme Manager has overall responsibility for ensuring value for money for all projects and programmes and is responsible for overseeing the Independent Technical Evaluation 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.
- 5.10.12 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

- 6.1.1 For all GPF capital and LGF projects that are awarded funding by SELEP, the Partner will be required to provide an initial project programme including:
- (a) Outline/detailed design
 - (b) Statutory requirements
 - (c) Consultations
 - (d) Procurement
 - (e) Construction
 - (f) A statement of expected outputs and outcomes
 - (g) A risk and mitigations statement

- 6.1.2 The Accountability Board through the 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 monitoring and evaluation of individual projects and the impact of the overall programme.
- 6.1.3 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.
- 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 completed
 - (d) Number of new learners assisted
 - (e) Area of new or improved learning/ training floor space; and
 - (f) Apprenticeships
- 6.1.5 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.
 - (f) Identified Project Changes, as set out in paragraph 6.6 below.
- 6.1.6 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.
- 6.1.7 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.
- 6.1.8 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 spend from each Federated Area.
- 6.1.9 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.

6.1.10 The responsibilities of the Programme Consideration 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;
- (g) Act as officer representatives for each of the Federated Areas;
- (h) 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;
- (i) Report on the GPF capital investment to date and planned GPF capital spend
- (j) Receive updates on the delivery of GPF projects;
- (k) Identify risks in relation to GPF capital project delivery and the repayment of GPF loans

6.1.11 The Programme Consideration 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 Group are reported to Accountability Board for consideration and formal approval. Full terms of reference for the Programme Consideration Group are available on the SELEP website.

6.1.12 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 SELEPs standard templates for all projects with an LGF award of £2m or over.

6.1.13 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.

6.1.14 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.

6.1.15 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 SELEP.

- 6.1.16 All monitoring and evaluation reports discussed at the Accountability Board, Investment Panel and the Strategic Board will be published on the SELEP website.
- 6.1.17 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 prior to implementation.
- 6.1.18 For SSF projects, the Partner authority is required to provide SELEP Strategic Board with project updates on a bi-annual basis. 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, as set out in section 5.4.
- 6.2 Managing Project Slippage in the LGF Programme**
- 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.
- 6.2.2 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 of planned future year LGF spend on approved schemes being delivered in the current LGF programme;
 - (b) **Option 2:** Bringing forward of future year LGF schemes to spend in the current year;
 - (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 paragraph 4.2); and
 - (d) **Option 4:** Re-profiling of spend between LGF projects and Capital Programme projects.
- 6.2.3 The use of Option 4 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.
- 6.2.4 Should none of the options 1 – 4 above be implemented the alternative route will be for any LGF held by SELEP at the end of financial year to be carried forward into the subsequent financial year, within SELEP's accounts (Option 5).
- 6.3 Managing Project slippage in the GPF Programme**
- 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 Accountability Board.

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**

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

6.4.2 As stated under 6.6.1, 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%.

6.4.3 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, as long as 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 SELEP”.

6.4.4 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**

6.5.1 In the case of LGF underspend being identified and returned to SELEP, the Accountability Board may award funding to a project included within the pipeline of LGF projects agreed by the Strategic Board or Investment Panel, based on the amount of LGF available.

6.5.2 Provided sufficient funding is available, LGF should be allocated to the next priority identified within the single pipeline of LGF projects agreed by the Investment Panel.

6.5.3 As LGF underspend becomes available, the highest ranked project on the LGF pipeline will be made aware of the opportunity to come forward with an updated Outline Business Case for a Gate 1 and 2 review, prior to a funding decision being sought from the Accountability Board.

6.5.4 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 sufficient LGF underspend is made available. If insufficient funding is available after six months, the next project on the LGF3b pipeline which can utilise the amount of LGF available will be brought forward for consideration by the Accountability Board for a funding award.

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

6.6 Approving changes to LGF projects

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 Board:

- (a) Cancellation of a project which had received a provisional funding allocation in the agreed Local Growth Plan;
- (b) Inclusion of a new project within the LGF which has been identified within the SELEP's pipeline;
- (c) 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.

6.6.2 The Partner shall not make any change to projects, as listed in 6.6.1, without the Accountability Board's prior approval.

6.6.3 Where there is a change to the nature of the 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.

6.6.4 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.

6.6.5 A copy of the Change Request template is available on the SELEP Website. It is expected that the Project Change will be agreed by the local delivery partners processes prior to submission to SELEP. This includes the review of the Change Request by Finance Officers and a Senior Responsible officer within the Partner Authority.

6.7 Approving changes to GPF projects

6.7.1 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 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.

The Partner shall not make any change to projects, as listed in 6.7.1 without the Accountability Board's prior approval.

6.8 Approving changes to Sector Support Fund (SSF) projects

- 6.8.1 Any variations to a 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.
- 6.8.2 Where there are changes to the scope and/or SSF allocation, the project promoter is required to update application for an updated independent review by the Accountable Body and endorsement by the Strategic Board.
- 6.8.3 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 SELEP, as per the conditions of the agreement.

APPENDIX 1 - The Responsibilities of the Accountable Body

1.1 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 the Assurance Framework and the SELEP Terms of Reference.

1.1.1 The Accountable Body, with oversight, as appropriate, from the s151 officer, the monitoring officer and the Senior Information Risk Owner, is responsible for ensuring that:

Finance Function:

- 1.1.1.1 grant income received, payments out and any applicable repayments are accounted for and administered correctly;
- 1.1.1.2 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.
- 1.1.1.3 account for all spend and income made or received by the SELEP;
- 1.1.1.4 there are arrangements for local audit of funding allocated to partners by SELEP at least equivalent to those in place for local authority spend;
- 1.1.1.5 the use of resources is managed in accordance with the Accountable Body's established processes including financial regulations and contract regulations.

Oversight Function:

- 1.1.1.6 all decisions are made, and funds used, in accordance with the conditions placed on each grant by the respective awarding body;
- 1.1.1.7 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;
- 1.1.1.8 the SELEP Assurance Framework is adhered to;
- 1.1.1.9 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;
- 1.1.1.10 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 and any additional requirements agreed by the SELEP Strategic Board and/or Accountability Board;
- 1.1.1.11 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;
- 1.1.1.12 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;
- 1.1.1.13 appropriate responses to FOI requests with regard to the responsibilities of the Accountable Body;

- 1.1.1.14 procurement of all contractual services as appropriate and oversight of the contract management arrangements administered by the SELEP Secretariat;
- 1.1.1.15 all necessary legal agreements are in place, including:
 - SLAs between the Accountable Body and Partners ; and
 - Grant agreements and conditions.
- 1.1.1.16 An annual assurance statement is provided by the Section 151 officer on the governance and transparency arrangements implemented by SELEP, with a specific requirement to identify any issues of concern.

Support Function:

- 1.1.1.17 Provision of advice and support with regard to the financial and legal operation of the SELEP, as appropriate
- 1.1.1.18 SELEP is supported in accounting to Government on programme delivery and financial management.

Audit Function:

- 1.1.1.19 The Internal Audit function of the Accountable Body will undertake an annual risk-based audit programme with SELEP.
- 1.1.1.20 Arrangements will be made to provide an external audit of the SELEP accounts.

1.1.2 In providing the support set out above, consideration is given to ensuring that the standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance (include link as a footnote) on the role of the Section 151 Officer, are met.

1.1.3 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.

1.1.4 In addition, where the Accountable Body is required to review or approve reports to Government, or similar, by 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.

1.1.5 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;
- (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).



1.1.6 SELEP will adhere to the following standards and regulations established by the Accountable Body:

1.1.6.1 The Financial Regulations and Scheme of Delegation for Financial Management

1.1.6.2 The Procurement Regulations

1.1.6.3 Information handling and data policies

1.1.6.4 The Treasury Management Strategy

1.1.7 Further, 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.