

DATED

2021

ESSEX COUNTY COUNCIL

AND

SOUTH EAST LEP LIMITED

**SERVICE LEVEL AGREEMENT FOR THE
PROVISION OF ACCOUNTABLE BODY SERVICES**

THIS AGREEMENT is dated

2021

BETWEEN:

- (1) **ESSEX COUNTY COUNCIL** whose principal office is situated at County Hall, Market Road, Chelmsford, CM1 1QH ("**Accountable Body**"); and
- (2) **SOUTH EAST LEP LIMITED** a company incorporated and registered in England and Wales with registered number 12492037 and having its registered office at County Hall, Market Road, Chelmsford, CM1 1QH ("**SELEP Ltd**")

BACKGROUND

- (A) The unincorporated South East Local Enterprise Partnership (SELEP) was established in 2011 with the aim of stimulating growth in the economy across South East of England area. It is a primary partnership of the public sector and businesses.
- (B) The South East LEP Ltd (SELEP Ltd) was incorporated on 28 February 2020, as a company limited by guarantee, in response to the requirement of Central Government for all Local Enterprise Partnerships to have legal personality.
- (C) Essex County Council (ECC) is the Accountable Body for the purposes of funding allocated to SELEP Ltd by Central Government and other responsibilities as set out in the Assurance Framework.
- (D) This Agreement is to set out the services which ECC acting as the Accountable Body for SELEP Ltd will deliver to SELEP Ltd and the respective roles and responsibilities of the parties in respect of associated matters related to the application and allocation of developed Funding by government to relevant projects and programmes of the SELEP Ltd.

AGREED TERMS

1 Definitions and Interpretation

- 1.1 In this Agreement the words and expressions set out below shall have the meanings set out below (unless the context requires otherwise):

"Accountable Body" means Essex County Council, the local authority which has responsibility for adhering to any conditions made by the Government in relation to the Grant, including ensuring that expenditure is spent in accordance with all legal requirements and complying with any reporting requirements to the Government

"Accountability Board" means the joint committee of the East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend Borough Council and Thurrock Council constituted in accordance with Schedule 2 of the Framework Agreement.

“Additional Services” the additional services as set out in Schedule 1 that SELEP Ltd may request from Accountable Body.

“Agreement” means this agreement including the schedule to this agreement;

“Assurance Framework” means the local assurance framework of SELEP Ltd as adopted by SELEP Ltd with the agreement of the Accountable Body and the Accountability Board from time to time in accordance with the requirements of Central Government in order to pay funding to local enterprise partnerships;

“Charges” means the charges which shall become due and payable by SELEP Ltd to Accountable Body (using the SELEP cost centre held within ECC accounting records) in respect of the Services in accordance with the provisions of this Agreement, as such charges are set out in Schedule 2;

“Council Contribution” for a particular Financial Year means a contribution which East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend Borough Council or Thurrock Council has agreed to make to the Support Funding;

“Data Protection Legislation” means:

- (a) the GDPR, the LED and any applicable national implementing Laws as amended from time to time;
- (b) the DPA to the extent that it relates to processing of personal data and privacy; and
- (c) all applicable Law about the processing of personal data and privacy.

“DPA” means the Data Protection Act 2018;

“Effective Date” means 1 April 2021;

“Exit Plan” means the plan for the provision of Transitional Services in the event of termination of this Agreement for any reason, which is to be developed and agreed by the Parties.

“Financial Year” means during the continuance of the Agreement any period commencing on 1 April and ending on the following 31 March;

“Framework Agreement” means the agreement in relation to the South East Local Enterprise Partnership between the Partner Authorities and SELEP Ltd setting out the duties and obligations, roles and responsibilities of the parties to that agreement in relation to delivery of SELEP Ltd’s objectives;

“Funding” means all and any devolved government revenue and capital funding which Central Government pays to the Accountable Body for the purpose of SELEP;

“GDPR” means the General Data Protection Regulations 2016, Regulation (EU) 2016/679 as implemented in UK law under the European Union (Withdrawal) Act 2018 and any United Kingdom Act or European Union Regulation recognised in UK law substantially replacing the same;

“Intellectual Property” means all patents, rights to inventions, copyright and related rights, database rights, rights in designs, trademarks, know-how, trade secrets and other similar or equivalent rights or forms of protection (whether registered or

unregistered) and all applications (or rights to apply) for, and for renewals and extensions of such rights as may now or in the future exist anywhere in the world;

“Law” means any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972, regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which Accountable Body is bound to comply;

“LED” means Law Enforcement Directive (Directive (EU) 2016/680).

Partner Authority: means either East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend-on-Sea Borough Council or Thurrock Council as appropriate;

“Pass Through Costs” means third party costs incurred by Accountable Body in the provision of the Services which are specific to SELEP Ltd and to which no value is added by Accountable Body;

“Project Funding” means that part of the Funding which is to be used for the purposes of schemes allocated by SELEP Ltd and Accountability Board;

“Secretariat” means those persons employed by Accountable Body for the purposes of providing administrative, technical or professional support to SELEP Ltd and the Accountability Board;

“Services” shall be those services as set out in Schedule 1;

“Sub-Contractor” means the contractors or suppliers that enter into a sub-contract with Accountable Body to provide any of the Services;

“Support Funding” means that part of the Funding which is not Project Funding aggregated with the Council Contributions.

“Transitional Services” means the services to be provided to SELEP Ltd pursuant to Schedule 1.

“Transitional Services Charges” means the charges payable by SELEP Ltd (using the SELEP cost centre held within ECC accounting records) to Accountable Body for the provision of the Transitional Services, which shall be calculated in accordance with Schedule 2.

- 1.2 Clauses, schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 The schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the schedules.
- 1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

- 1.6 A reference to a statute or a provision of a statute is a reference to it as it is in force for the time being, taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.7 A reference to **a Party** or **the Parties** is a reference to a party or the parties (as the case may be) to this Agreement.
- 1.8 Words in their singular shall include the plural and vice versa (unless the context otherwise requires).
- 1.9 A reference to **writing** or **written** excludes a reference to electronic communications, facsimile transmissions or comparable means of communication.
- 1.10 Any obligation in this Agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.11 A reference to a document is a reference to that document as varied or novated (in each case, other than in breach of the provisions of this Agreement) at any time.
- 1.12 References to clauses and schedules are to the clauses and schedules of this Agreement; references to paragraphs are to paragraphs of the relevant schedule.
- 1.13 Where there is any conflict or inconsistency between the provision of the agreement, such conflict or inconsistency shall be resolved according to the following order of priority:
- 1.13.1 the clauses of the Agreement;
 - 1.13.2 Schedule 1 to this Agreement;
 - 1.13.3 the remaining schedules to this Agreement.

2 Supply of Services

- 2.1 The Accountable Body shall provide the Services as set out in Appendix 1 to SELEP Ltd with effect from the Effective Date until 31st March 2022 on the terms and conditions set out in this Agreement.

3 Service Standards

- 3.1 Accountable Body shall provide the Services, or procure that they are provided:
- 3.1.1 with all reasonable skill, care at attention in accordance with the best industry practice within the timescales appropriate to the Service in question;
 - 3.1.2 in accordance with the Assurance Framework and the Framework Agreement;
 - 3.1.3 in accordance with relevant accounting standards including but not limited to guidance from the Chartered Institute of Public Finance and Accountancy and GAAP (generally accepted accounting principles);
 - 3.1.4 in all respects in accordance with Accountable Body's and SELEP Ltd's policies; and

3.1.5 in accordance with all applicable Law.

3.2

4 Change Control Procedure

4.1 If a Party wishes to make a change to the nature, volume or execution of any of the Services, it shall submit details of the requested change in writing to the other Party. Following the submission or receipt of a change request, Accountable Body shall, within a reasonable time, provide a written estimate to SELEP Ltd of:

4.1.1 the time required to implement the change;

4.1.2 any proposed variations to the fees arising from the requested change;

4.1.3 any other impact of the requested change on the Services or the terms of this Agreement.

4.2 The Parties shall consider the request in good faith but Accountable Body shall be under no obligation to accept any requested change to the Services, such agreement should not be reasonable withheld. The receiving party shall give their formal response to the other within two weeks of receipt of the change request. If the Parties cannot agree on the appropriate variation to the fees within four weeks of agreeing the requested change, the matter shall be referred to a nominated director of SELEP Ltd and a nominated officer of Accountable Body who shall attempt in good faith to resolve it.

4.3 Accountable Body may, from time to time and without prior notice, change the Services in order to comply with any applicable regulatory or statutory requirements. Where practicable, it will give SELEP Ltd not less than 3 months' written notice of any change, but in any event, it will give SELEP Ltd notice of any such change within 1 month of its taking effect.

5 Secretariat

5.1 Accountable Body will employ the Secretariat and the Secretariat will be subject to the employment policies of the Accountable Body.

5.2 Accountable Body will ensure that line management is provided to the Secretariat in consultation with the Chair of SELEP Ltd, where necessary, in order to ensure that the Secretariat is effectively performing its role.

5.3 The role of the Secretariat is

5.3.1 to support allocation of Funding;

5.3.2 to liaise with members of SELEP Ltd and Accountability Board, grant applicants for Funding;

5.3.3 to procure and manage SELEP Ltd and Accountability Board contracts;

- 5.3.4 to administer SELEP Ltd and Accountability Board;
 - 5.3.5 to respond to requests for information regarding SELEP Ltd and its business from the Accountability Board, and SELEP Ltd;
 - 5.3.6 to manage the expenditure and recovery of Project Funding;
 - 5.3.7 to manage SELEP Ltd's website and ensure it is kept updated;
 - 5.3.8 to report to SELEP Ltd, to the Accountability Board and to the Accountable Body about issues affecting SELEP Ltd and to provide such information as those bodies shall reasonably require;
 - 5.3.9 to liaise with Central Government and anyone providing funding;
 - 5.3.10 to draft the Assurance Framework and to review it annually to ensure that it meets the requirements of the National Local Growth Assurance Framework;
 - 5.3.11 to ensure that all operations and decision-making of SELEP Ltd and the Accountability Board meet the requirements of the Assurance Framework.
- 5.4 In addition, the Secretariat will act as budget holder for SELEP including but not limited to;
- 5.4.1 Before the start of each Financial Year in consultation with the Company will bring a report to the Accountability Board with the proposals (a **Proposed Budget**) setting out
 - (i) the proposed level of Council Contributions
 - (ii) the total Support Funding available
 - (iii) how the Support Funding is to be allocated with respect to that Financial Year.
- 5.5 If at any time during this Agreement any one or all of the Secretariat ceases to be employed by Accountable Body for whatever reason then Accountable Body's obligation to provide such person or persons of the Secretariat will cease forthwith but Accountable Body's obligation to provide the Secretariat will continue and Accountable Body shall if SELEP Ltd deems it necessary be required to provide further employees

as part of the Secretariat, where available, a suitably qualified and experienced employee to SELEP Ltd on substantially the same terms as set out in this Agreement.

- 5.6 The cost of employment of the Secretariat will be passed directly by accounting transaction to the SELEP cost centre held within ECC accounting records.
- 5.7 The cost of employment of the Secretariat will be managed within the annual budget (plus any subsequent variations to that budget) as Agreed by the Accountability Board. Once agreed by the Accountability Board, the budget will be managed under the Financial Regulations of the Accountable Body and the associated Scheme of Delegation of SELEP as required by the SELEP Assurance Framework.

6 Charges and Payment

- 6.1 The fees for the Services provided by Accountable Body shall be calculated in accordance with the Charges and transferred from the SELEP cost centre held within ECC accounting records, to the Accountable Body's cost centre pursuant to this clause 6. For the avoidance of doubt, no direct payment shall be made by SELEP Ltd to the Accountable Body or from the Accountable Body to SELEP Ltd, all fees shall subject to an internal accounting journal transaction within the Accountable Body's accounts.
- 6.2 Accountable Body shall generate a journal transfer to the SELEP cost centre held within ECC accounting records, for payment of the Charges at the end of each quarter or such other period as agreed between the Parties.
- 6.3 Charges shall be transferred by Accountable Body from the SELEP cost centre held within ECC accounting records, to Accountable Body's cost centre via accounting journal transactions processed by Accountable Body's Accounts Team and approved by Accountable Body's Section 151 Officer
- 6.4 Subject to approval by Accountability Board, Accountable Body shall be entitled at any time and from time to time, by written notice to SELEP Ltd, to vary Charges upwards or downwards, to reflect any change in its underlying cost base and margin in the provision of the Services (or changes in the underlying cost base and margin of Accountable Body's group). In making any such changes, Accountable Body shall act reasonably at all times and shall have regard to the interests of SELEP Ltd.
- 6.5 Any Pass-Through Costs shall be payable by transfer from the SELEP cost centre held within ECC accounting records, to Accountable Body cost centre who will then pay the third party's valid invoice. The Pass Through Costs shall be transferred by Accountable Body from the SELEP cost centre held within ECC accounting records to Accountable Body's cost centre via an Accounting Journal transaction processed by Accountable Body's Accounts Team and approved by the Secretariat within the agreed scheme of delegation.

7 Insurance

- 7.1 The Parties shall affect and maintain an adequate level of insurance cover in respect of all risks that may be incurred in the performance of this Agreement.

8 Confidentiality

- 8.1 Each Party hereby acknowledges that it may be a party to confidential information about the other Party during the course of this Agreement. For the purpose of this clause, "confidential information" means any information whatsoever relating to a

Party's business including, but not limited to, information relating to pricing, information relating to customers and information relating to the business plans of a Party. The Parties undertake to keep confidential all confidential information disclosed to each other both during the continuance of this Agreement and after the termination of this Agreement unless one Party is required to disclose the information by law or unless the information has already become public.

9 Intellectual Property

- 9.1 All Intellectual Property Rights created by SELEP Ltd shall vest in Accountable Body on creation. Accountable Body shall grant to SELEP Ltd a licence to use such of its Intellectual Property as is necessary to allow SELEP Ltd to enjoy the benefit of the Services provided by Accountable Body and shall at all times maintain standards of quality equivalent to those used by the Accountable Body in relation to its Intellectual Property and shall comply with such reasonable instructions as may be notified to it by the Accountable Body in connection with the use of such Intellectual Property from time to time.
- 9.2 SELEP Ltd acknowledges that, where Accountable Body does not own the Intellectual Property, SELEP Ltd's use of rights in Accountable Body's Intellectual Property is conditional on Accountable Body obtaining a written licence (or sub-licence) from the relevant licensor or licensors on such terms as will entitle Accountable Body to license such rights to SELEP Ltd.
- 9.3 Where the circumstances set out in clause 9.2 arise, Accountable Body agrees to use its reasonable endeavours to enable SELEP Ltd use of the Intellectual Property required to enable it to enjoy the benefit of the Services.

10 Termination

- 10.1 This Agreement shall come into force on the Effective Date and, subject to clauses 10.3 and 10.4, expire on 31st March 2022.
- 10.2 During the term of this Agreement, either party may give the other party not less than six months' notice in writing to terminate this Agreement.
- 10.3 A notice pursuant to clause 10.2 shall not be effective unless a replacement Accountable Body has been identified, the replacement Accountable Body has agreed in writing to accept such role and approval has been provided by the Accountability Board.
- 10.4 Where a process is instituted that would lead to SELEP Ltd being wound up, notice shall be provided as soon as reasonably practicable to Accountable Body and Accountability Board.
- 10.5 This Agreement shall automatically terminate in relation to a Party in the event that:
- that Party goes into liquidation (except for the purposes of amalgamation or reconstruction and in such manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that other Party under this Agreement);
- that Party ceases to carry on business.

11 Consequences of Termination

11.1 Upon the termination of this Agreement or part thereof for any reason:

- 11.1.1 all amounts due to Accountable Body's cost centre including amounts which have accrued but have not yet been invoiced by Accountable Body shall become immediately due and payable by SELEP Ltd from the SELEP cost centre held within ECC accounting records; Accountable Body shall repay to the SELEP cost centre held within ECC accounting records, any Charges paid from the SELEP cost centre held within ECC accounting records, in respect of Services not received by SELEP Ltd at the date of termination (and in the instance that only part of this Agreement is terminated, Accountable Body shall repay to the SELEP cost centre held within ECC accounting records, any Charge paid by the SELEP cost centre held within ECC accounting records, in respect of those Services not received by SELEP Ltd at the date of termination and which are relevant to the part of the Services which have been terminated);
- 11.1.2 Accountable Body shall provide the Transitional Services to SELEP Ltd in accordance with the requirements of the Exit Plan and both Parties shall comply with their respective obligations under the Exit Plan. The Parties shall co-operate to facilitate the smooth migration of the Services from Accountable Body to SELEP Ltd and/or the replacement Accountable Body. The Transitional Services Charges in respect of the Transitional Services provided shall be transferred by internal journal from the SELEP cost centre held within ECC accounting records, to the Accountable Body;
- 11.1.3 SELEP Ltd shall have no claim against Accountable Body for compensation for loss of profit, loss of goodwill or any similar loss;
- 11.1.4 any access to a Party's IT systems by the other Party shall cease immediately and any equipment, materials or property belonging to the other Party shall be returned as soon as practically possible;
- 11.1.5 any right or licence by Accountable Body to SELEP Ltd to use Accountable Body's Intellectual Property shall cease to have effect;
- 11.1.6 SELEP Ltd shall return any Accountable Body equipment within a reasonable time, unless the parties agree otherwise; and
- 11.1.7 subject as otherwise provided in this Agreement and to any rights or obligations which have accrued prior to termination, neither Party shall have any further obligation to the other Party under this Agreement.

11.2 Where a process is instituted that shall lead to SELEP Ltd being wound up, Accountable Body shall provide reasonable assistance to SELEP Ltd (at a cost to SELEP Ltd) to ensure that the assets and liabilities of the company, held by the Accountable Body are distributed in accordance with decision(s) of the Accountability Board.

12 Force majeure

- 12.1 In the event that either Party is affected by any circumstances beyond its reasonable control ("an event of Force Majeure") the affected Party shall promptly notify the other Party of the nature and extent of the circumstances in question.
- 12.2 Notwithstanding any other provision of this Agreement, neither Party shall be deemed to be in breach of this Agreement or otherwise liable to the other for any delay in performance or the non-performance of any of its obligations under this Agreement to the extent that the delay or non-performance is due to the occurrence of an event of Force Majeure of which it has notified the other Party, and the time for performance of that obligation shall be extended accordingly.

13 Entire agreement, Agreement review and variations

- 13.1 This Agreement (including the documents referred to in this Agreement) represents the entire agreement between the Parties in relation to the subject matter hereof and supersedes and replaces all prior agreements, communications, representations, warranties and undertakings between the Parties, whether oral or written.
- 13.2 The Parties agree that they shall together review this Agreement from time to time and shall agree such amendments to this Agreement as are necessary to reflect any changes in the circumstances of the Parties or any changes in the levels of benefit derived from this Agreement by the Parties. This review shall take place at least on an annual basis.
- 13.3 Subject to clause 13.4, amendments or variations to this Agreement shall only be effective if, and to the extent, that they are approved by Accountability Board. The amendments or variations shall then be presented to Strategic Board. Any amendments or variations shall be recorded in writing and signed by authorised representatives of each Party
- 13.4 Variations in respect of Charges, including but not limited to the annual budget setting process, shall be subject to the approval process set out in Schedule 2 paragraph 3, recorded in writing and signed by authorised representatives of each Party.

14 Assignment

- 14.1 SELEP Ltd shall not be entitled to assign or transfer any of its rights or obligations arising under this Agreement without the prior written consent of Accountable Body.
- 14.2 Accountable Body may assign, transfer, novate or otherwise dispose of any or all of its rights and obligations under this Agreement without the consent of SELEP Ltd.

15 Notices

- 15.1 A notice given to a party under or in connection with this Agreement shall be in writing and shall be delivered by hand or by pre-paid first-class post, recorded delivery or special delivery in each case sent for the attention of the person, and to the address given in clause 15.2 (or such other address or person as the relevant party may notify to the other party).
- 15.2 The addresses for service of notice are:

15.2.1 SELEP Ltd

Address: the current registered office of SELEP Ltd for the time being

For the attention of: The Directors

Accountable Body

Address: County Hall, Market Road, Chelmsford, CM1 1QH

For the attention of: Section 151

15.3 Delivery of a notice is deemed to have taken place if delivered by hand, at the time the notice is left at the address or if sent by post on the second Business Day after posting, unless such deemed receipt would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), in which case deemed receipt will occur when business next starts in the place of receipt (and all references to time are to local time in the place of receipt).

15.4 This clause 15 does not apply to the service of any proceedings or other documents in any legal action.

16 Data Protection

16.1 The Parties shall comply with their obligations under the Data Protection Legislation in the performance of their obligations under this Agreement.

17 Disputes

17.1 Any dispute between Accountable Body and SELEP Ltd shall:

17.1.1 first be escalated to the Chair of SELEP Ltd, the Deputy Chair (as Chair of the Accountability Board) and the and the Section 151 Officer of Accountable Body within ten (10) working days of the dispute arising. The Chair of SELEP Ltd and Accountable Body shall procure that Section 151 Officer agree to discuss and, in good faith, attempt to resolve any such dispute and try and reach agreement on the action required to resolve the dispute.

17.1.2 In the event that the Chair and the said Section 151 Officer are unable to resolve the dispute, then the matter shall be referred to central government (or grant awarding body if not central government) by any party to the dispute for consideration.

- 17.2 Prior to action under paragraph R8 of the Assurance Framework, if any Party has any issues, concerns or complaints about any matter relating to this Agreement that Party shall notify the other Party and the Parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Secretary of State for Business Environment and Industrial Strategy to resolve such dispute (January 2020 Assurance Framework, paragraph R8).

18 General

- 18.1 No waiver by a Party of any breach of this Agreement by the other Party shall be considered to be a waiver of any subsequent breach of the same or any other provision.
- 18.2 In the event that any provision of this Agreement is held by a competent authority to be invalid or unenforceable in whole or in part, the validity of the remainder of the provision in question and the remaining provisions shall not be affected.
- 18.3 Third parties (that is any person, firm or company that is not Accountable Body or SELEP Ltd) shall not have any rights whatsoever to take any action under or in relation to this Agreement and, accordingly, all rights that are or may be conferred on such third parties pursuant to the Contracts (Rights of Third Parties) Act 1999 are hereby expressly excluded.
- 18.4 This Agreement may be executed in any number of counterparts and by the several parties to it on separate counterparts, each of which when so executed shall constitute an original of this Agreement, but all counterparts together shall constitute one and the same instrument.

19 Governing law and jurisdiction

- 19.1 This Agreement shall be governed by and construed in accordance with English law. Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Agreement (including any non-contractual dispute or claim).

20 Status

- 20.1 This Agreement is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this Agreement. The parties enter into the Agreement intending to honour all their obligations.

This Agreement is entered into on the date stated at the beginning of it.

Signed for and on behalf of **Essex County
Council as Accountable Body**

(Signed)

(Name)

Executed by Adam Bryan and Suzanne Bennett, jointly as attorneys for South East LEP Ltd under a power of attorney dated 3 September 2020 Adam Bryan Attorney for South East LEP Ltd Suzanne Bennett Attorney for South East LEP Ltd
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Schedule 1

The Services

1. The Services listed below are indicative of the types of Services that are provided under this Agreement and which are envisaged typically to arise. This list is not exhaustive and additional services may be discussed and instructed on written terms agreed by the parties.
2. The standard Services that are the subject of this Contract are as follows:

Accountable Body Basic Services:

Services include:

(a) Hosting the SELEP Secretariat

- Employment of Secretariat and supplementary services such as Payroll Services, HR Services, internal Corporate Systems
- Providing of laptops, mobiles and similar devices, including licensing, printing and storage will be charged directly to the SELEP cost centre held within ECC accounting records
- Providing premises for use by SELEP Ltd including Essex County Council County Hall, meeting rooms and facilities, use of internal Corporate Systems.
- Facilitating processing and payment of the allowance and expenses of SELEP Ltd's Chair and Deputy Chair.

(b) Financial Services to include;

i. Receipt and administration of all Financial Transactions

- Allocation of grants/other receipts received via Essex County Council bank account
- Payments of grants/other payments to other authorities/parties
- Maintenance of grant control account entries
- Preparation and authorisation of grant bids and submissions
- Sector Support Fund and Growing Places Fund and any other Revenue fund - payment of grants (based on 3 payments per quarter)
- Claims to Government/3rd parties where appropriate

ii. Capital Programme Support (Local Growth Fund, Getting Building Fund and Growing Places Fund) and any other Capital Programme)

- Maintenance of Finance records of spend/forecast for all grants
- Attendance at specific meetings – for example large, high risk project meetings
- Specific advice provided on Capital Programme
- Accounting for payments/repayments of all grants

iii. Budgetary Control/Financial Reporting

- Support the Secretariat in the monthly SELEP budget forecasting/reporting

- Drafting Accountability Board reports on the SELEP budget
- Quarterly forecast cashflow for Treasury Management
- Budget setting – for example completion of scenarios and papers for Board
- Providing information for reporting to Accountability Board on all grants and loans

iv. Treasury Management

The Accountable Body shall manage the monies in accordance with the principles it applies to its own existing treasury arrangements. Should monies accrue interest while in the Accountable Body's bank accounts, the interest accrued will be held on trust for SELEP until distributed as a grant.

The Accountable Body will transfer to the SELEP cost centre held within ECC accounting record, a grant on credit balance at the interest rate earned. The balance to which interest will be applied will be a calculated based on the following basis, and paid annually in arrears;

- Interest is paid on the daily SELEP cash balance as per the LIBID 7 day rate
- An additional 'bonus' is calculated each quarter for balances retained in full for that quarter. This is based on the average interest rate achieved for that quarter less LIBID.
 - a. Investment of grant funding
 - b. Calculation of interest receipt (for reinvestment in SELEP via the SELEP cost centre held within ECC accounting records)
 - c. Cashflow forecasting in conjunction with information from Secretariat

v. Assurance Framework support

- Review of new National Assurance Framework, advice and revising SELEP Ltd Local Assurance Framework
- Drafting or review of policies linked to Assurance Framework
- Preparation of notes for Section 151 officer (or deputy)
- Preparation or reviews of Assurance Framework related papers to Strategic Board or Accountability Board

vi. Provision of Accountable Body advice

- Attendance at Accountability Board meetings
- Attendance at Strategic Board meetings
- Attendance Investment Panel meetings
- Reviewing papers for Accountability Board and providing narrative
- Reviewing papers for Strategic Board and providing narrative
- Reviewing papers for Investment Board and providing narrative
- Review of Accountability, Strategic, Investment and Federated Board meeting minutes
- Advice to Accountable Body lead member

- Governance training for Board Members
- Ad hoc advice to Secretariat on Governance
- Review of robustness of annual budget
- Advice/responses on Freedom of Information
- Advice on public questions
- Senior Officers Group meeting attendance/advice

vii. Legal Agreements support (outside of Essex Legal Services)

- Local Growth Fund Agreements - review, circulate and authorisation
- Getting Building Fund Agreements - review, circulate and authorisation
- Growth Hub agreements - with upper tiers
- Growing Places Fund (GPF) Credit Agreements
- Growing Places Fund Interest Calculations etc
- Information sharing agreements
- Ad hoc legal agreement support

viii. Annual Statement of Financial Accounts (Preparation and Submission for SELEP Ltd and SELEP transactions included in ECC accounting records)

- Accounting preparation and close down processes
- Preparation and maintenance of accounting working papers
- Preparation of two sets of Financial Statements, these being SELEP Ltd and SELEP (ECC held transactions)
- Liaison with External Auditor
- Production of report for Strategic Board including narrative for SELEP Ltd website
- Preparation and Submission of annual statutory returns in accordance with regulations and deadlines

ix. Internal Audit

- Internal audit of Growth Hubs annual core funding grant claim and return for submission to Government
- Ad hoc additional internal audit support as required in accordance with grant agreements
- Annual Internal audit of ECC Accountable Body and Secretariat based on Risk assessment.

x. Insurance Cover

- Provision of Directors liability Insurance as set out in the Framework Agreement
 - Level of insurance coverage to £5,000,000
 - Cost of insurance premium to be paid in totality by Accountable Body
- Provision of employee insurance for the Secretariat as set out in the Framework Agreement
 - To be covered by the Accountable Body's insurance arrangements where that liability arises due to the actions of the Secretariat

(c.) Section 151 Officer

i. Duties will be exercised in line with the CIPFA guidance and the assurance framework. SELEP Ltd and the Accountable Body will address these five principles;

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

Additional Services

3. The Services listed in this Schedule 1 are not exhaustive. From time to time, additional services may be required by SELEP Ltd or may be provided by Accountable Body upon agreement, these include but are not limited to:

Accountable Body Enhanced Service Specification - Services to include;

I. Capital Programme Support (Local Growth Fund, Getting Building Fund and Growing Places Fund)

- Attendance at Programme Consideration Meeting
- Ad hoc advice and review of projects/Business Cases or advice to Independent Technical Evaluator
- Specific advice provided on Capital Programme

ii. Budgetary Control/Financial Reporting

- Ad hoc budgetary control advice to the Secretariat team
- Capital Programme Support (Local Growth Fund, Getting Building Fund and Growing Places Fund)
- Attendance at Programme Consideration Meetings
- Ad hoc advice and review of Projects/Business Cases or advice to Independent Technical Evaluator
- Attendance at specific ad hoc meetings e.g. Government, specific major project
- Specific advice provided on Capital Programme including reporting

iii. Procurement Advice

- Advising on ECC policies and procedures
- Advice on low risk procurements including; the review of Request For Quotation's, advising on questions, providing input to bid appraisals
- Advice/support on larger bids

iv. Ad hoc financial/Accountable Body advice

- Attending Growth Hubs meetings
- Modelling of costs for recruitments/projects etc

- Ad hoc advice to other parties, including partners
- Sector Support Funding - advice on bids/evaluation of bids

Transitional Services

Transitional Services shall include but are not limited to:

- Provide to the incoming organisation all information on the Funding income and expenditure including forecast income and expenditure;
- Provide the incoming organisation with all details of Loan repayments to be made to the new organisation;
- Transfer of loan agreements to new organisation
- Notify all Loan recipients of the details of the new organisation to whom Loan repayments must be made;
- Provide the incoming organisation with all details of grant payments to be made by the new organisation;
- Transfer all monies, and contracts held by Accountable Body on behalf of the LEP to the new organisation.
-
- Transfer of any data held on behalf of SELEP
- All equipment will be returned to ECC and will not transition

Schedule 2

Charges

1. The fixed charge for 2021/2022 for the Services provided pursuant to paragraph 2 in Schedule 1 is as set out in the Payment Schedule.
2. The Payment Schedule is calculated based on the estimation of a person(s) hours utilised for delivery of the Service to SELEP Ltd. The total of estimated hours for each service is multiplied by the person(s) hourly rate. The hourly rate is based on full cost recovery for each Accountable Body role/grade delivering a service to SELEP Ltd.
3. The Payment Schedule shall be reviewed each quarter. Any amendments to the Payment Schedule:
 - a. up to and including £20,000 (twenty thousand pounds) or grant funded adjustments shall be agreed by the SELEP Budget Holder;
 - b. over £20,000 (twenty thousand pounds) shall be agreed by the Accountability Board.

Additional Services

4. All other services, whether or not specifically referenced in Schedule 1 will be calculated based on the estimated number of hours to deliver the Additional Services multiplied by Accountable Body's hourly rate.
5. The parties shall agree the charges payable for the Additional Services prior to commencement of the Additional Service.

PAYMENT SCHEDULE

The Payment Schedule included in Table 1 is an indicative allocation of time and associated costs across Finance activities delivered to SELEP Ltd by the Accountable Body. These will be flexed in accordance with the requirements of the SELEP Ltd, within the agreed fixed charge.

Any variation to services leading to a change from the fixed charge will be agreed in advance in accordance with Schedule 2, paragraph 3.

Table 1 - ECC as Accountable Body to SELEP Financial Services and Fixed Charges to SELEP Ltd 2021/22

Tasks	% of time spent							Cost							
	Senior Finance Business Partner x 1	Senior Finance Business Partner x 1	Accounting technicians /HUB	Treasury Management	Assistant Accountant	Audit and Financial Statements (Financial Accounting)	Section 151	Senior Finance Business Partner x 1	Senior Finance Business Partner x 1	Accounting technicians/HUB	Treasury Management	Assistant Accountant	Audit and Financial Statements (Financial Accounting)	Section 151	Total
BASIC SERVICE															
Receipt and admin of grants	13.6%	0.0%	78.2%	80.0%	48.9%	0.0%	7.5%	6,496	0	2,243	1,531	6,937	0	0	£17,207
Assurance Framework	7.4%	35.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3,543	13,374	0	0	0	0	0	£16,917
Accountable Body Advice	30.7%	30.2%	0.0%	0.0%	0.0%	0.0%	88.0%	14,662	11,561	0	0	0	0	0	£26,223
Legal Agreements	8.0%	6.9%	0.0%	0.0%	0.0%	0.0%	0.0%	3,838	2,647	0	0	0	0	0	£6,485
Annual Statements of Account	6.3%	2.5%	13.0%	0.0%	16.8%	100.0%	0.0%	2,991	945	374	0	2,378	957	0	£7,645
Total Basic Service	65.9%	74.6%	91.3%	80.0%	65.7%	100.0%	95.5%	31,530	28,527	2,617	1,531	9,315	957	0	£74,477
ENHANCED SERVICE															
Budgetary Control/Financial Reporting	4.6%	4.0%	0.0%	20.0%	26.8%	0.0%	0.0%	2,214	1,532	0	383	3,800	0	0	£7,929
Capital Programme Support	15.9%	8.0%	8.7%	0.0%	2.5%	0.0%	4.5%	7,582	3,065	250	0	356	0	0	£11,253
Chair relationship	1.2%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	591	557	0	0	0	0	0	£1,148
Procurement advice	5.6%	6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	2,657	2,508	0	0	0	0	0	£5,165
Ad hoc financial advice	6.8%	5.4%	0.0%	0.0%	5.0%	0.0%	0.0%	3,248	2,067	0	0	713	0	0	£6,028
Total Enhanced Service	34.1%	25.4%	8.7%	20.0%	34.3%	0.0%	4.5%	16,292	9,729	250	383	4,869	0	0	£31,523
Head of Finance & Section 151 input															
Additional tasks								0	0	0	0	0	0	4,000	£4,000
Total Additional	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0	0	4,000	£4,000
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	£47,822	£38,256	£2,867	£1,914	£14,184	£957	£4,000	£110,000