SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK

Draft October 2020

SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Contents

Section 1: Summary Guide to Governance 4

A. Introduction 4

B. Who is "The LEP"? 4

C. What is this Assurance Framework? 8

Section 2: Guide to SELEP Documents and Policies 9

D. This Assurance Framework 9

E. Other Documents and Policies 9

Section 3: Aims and Objectives 11

F. Core Objectives 11

G. Diversity 12

Section 4: Who We Are 13

H. Governance Structure 13

I. Our Boards 13

I.1. Strategic Board 13
I.2. Investment Panel 17
I.3. Accountability Board 18
I.4. Responsibilities of the Board Chairs 19
I.5. Federated Boards 20

J. Secretariat/Chief Executive Officer 22

K. Working Groups 23

L. The Accountable Body 25

L.1. Introduction 25
L.2. Functions of the Accountable Body 26
L.3. Accounts and Audit Arrangements 29

Section 5: How We Work 31

M. Principles of Public Life 31

N. Code of Conduct and Registers of Interests 32

O. Complaints and Whistleblowing 33

P. Communications and Engagement 34

Section 6: How We Make Decisions 37

Q. Making and Recording Decisions 37

SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

R. Scrutiny Arrangements 38

Section 7: How We Manage Our Programmes 40

S. Value for Money 40

T. Effective Management of Resources 40

U. Prioritisation 41

U.1. Capital Grants (including LGF and GBF) 41
U.2. GPF 44
U.3. SSF 44

V. Business Case and Gate Assessments 45

V.1. Role of the ITE 45
V.2. Process from outline to full business case 46
V.3. Recommendations to the Accountability Board 51

W. Approving Funding 54

W.4. Devolution of Capital grants 54
W.5. Devolution of GPF 55
W.6. Revenue Grants (including Sector Support Fund) 56

X. Monitoring and Evaluation 57

Y. Managing Project Slippage 60

Capital Grant Programme 60
Y.2. GPF 61

Z. Managing CAPITAL GRANT Underspends 61

AA. Pipeline Management 63

BB. Change Control 63

BB.1. CAPITAL GRANT PROGRAMMES 63
BB.2. GPF 64
BB.3. SSF 65

Section 8: Glossary 66

Section 9: Index 70

SECTION 1: SUMMARY GUIDE TO GOVERNANCE

A. INTRODUCTION

A.1. The South East Local Enterprise Partnership (SELEP) is a partnership between public and private sectors who come together to drive sustainable economic growth in our region. Because we have two different sectors with differing legal frameworks working together our governance structures are more complex than those in one sector alone. It's because of the benefits of those sectors working together that Local Enterprise Partnerships (LEPs) were created and our governance structures need to be robust enough to encompass the complexities and allow those benefits to be realised.

A.2. With this in mind, this first section will give an overview of our governance and provide links to more detail. Everyone who is involved with the LEP, whether a Board member, a member of Secretariat or working in a partner organisation should read and understand this overview and know which policies and procedures apply to their activities.

A.3. The funding that the LEP directs is taxpayers' money and the stewardship of that money on behalf of those taxpayers, is the most important role that all of those involved in the LEP has. When decisions are made on how those funds are spent, they must be made transparently and openly so that taxpayers can see how their money is being used. This principle is at the heart of our Assurance Framework.

B. WHO IS "THE LEP"?

B.1. SELEP is used as a colloquial term and applied to different groups of people and organisations. Legally the LEP is registered under the name South East LEP Ltd (SELEP Ltd) at Companies House, as a company limited by guarantee. The Articles of Association for SELEP Ltd can be found here. But the LEP has a broader remit than that. The board of directors of SELEP Ltd (also known as the Strategic Board) come from a cross-sector background and provide a wider representation of views. More detail on the Strategic Board can be found at I.1 below.

B.2. A simplified diagram of how the component parts of SELEP work together on the agreed objectives of SELEP Ltd can be found below, along with high level responsibilities for the different organisations/boards which can be seen at B.12.

Section 1: Summary Guide to Governance

B.3. The Strategic Board recognises the very important role of democratic accountability, especially with regard to spending public funds. That is why the three County Councils and three Unitary Councils in the SELEP Ltd area have come together to form a board that supports the activities of SELEP Ltd and ensures that due process has taken place before any public funds can be invested. This board is called Accountability Board. Accountability Board only considers decisions that relate to funding associated to SELEP Ltd or other decisions related to SELEP Ltd. Accountability Board is not a sub board of SELEP Ltd but pays very close regard to the wishes and advice of SELEP Ltd and vice versa. More detail on the Accountability Board can be found at I.3 below.

B.4. Both SELEP Ltd and the Accountability Board are supported by a small team of paid individuals. This group is known as the SELEP Secretariat. The Secretariat supports the administration of the partnership, provides advice and support to all Board members and ensures that policy and procedures are both in place and abided by. More detail on the Secretariat can be found at J below.

B.5. The majority of funding, both investment and operational, for SELEP Ltd comes from Central Government. Central Government cannot easily make grants to commercial companies and therefore they ask a local authority to take receipt of funding on behalf of a LEP. This local authority then has a responsibility to ensure that the funding is used in the way that Government directs. This local authority is known as the Accountable Body. Government has asked that Accountable Body's take a further role for LEPs and provide some oversight of their governance processes to provide assurances to Government that both the correct governance processes are in place and are being adhered to

B.6. SELEP's Strategic Board agreed before incorporation that the all funding would remain within the Accountable Body rather than be transferred to SELEP Ltd. This means that SELEP Ltd has no assets or liabilities. It also means that SELEP Ltd can't employ the Secretariat, so the Accountable Body also undertakes that role.

B.7. The Accountable Body provides a finance function for SELEP Ltd. This involves holding and managing public funds paid by Government on behalf of SELEP Ltd. It also provides a support function (as agreed with SELEP Ltd) providing technical advice on the relevant law, discussing risks associated with pursuing a particular course of action for the Strategic Board to consider, drafting funding agreements and contracts.

B.8. The Accountable Body ensures that 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.

B.9. The Accountable Body is also responsible for escalating concerns around non-delivery and/or mis-management. If this can't be resolved at the local level the Accountable Body will report any concerns to the Cities and Local Growth Unit. More detail on the Accountable Body can be found at L below.

B.10. SELEP is the largest LEP in the country and whilst that size brings scale and opportunities, it is recognised that this means there are many more stakeholders who need a voice if we are to properly understand our economies in the geography. In order to do that the partnership has adopted a federated model, and there are four Federated Boards. More detail on the Federated Boards can be found at I.4 below I.4 below.

B.11. To ensure that all the organisations that have a direct role in working with SELEP Ltd on joint objectives understand their responsibilities a Framework Agreement will be in place before the 20/21 financial year signed by all parties. This will be found here. All the parties of the Framework Agreement will have agreed that they will abide by this Local Assurance Framework.

B.12. The table below sets out the high-level responsibilities for the different parts of the wider partnership.

SELEP Responsibilities

SELEP Ltd/Strategic Board	Sets strategy
	Prioritises and selects interventions to deliver strategy (projects)
	Oversight of outcomes of programme of projects and accountable to Govt
	Considers effectiveness of interventions/strategy
Joint Ctee/Accountability Board	Approves investment in projects selected by SELEP Ltd
	Oversight of the delivery of projects – incl change control
	Oversight of SELEP Operational spend
Accountable Body	Oversight of Governance arrangements
	Provides finance function for SELEP Ltd: holds & manages public funds
	Employs the Secretariat and enters into operational contracts on their behalf
	Provides technical advice on legal and financial operations of SELEP Ltd
Federated Boards	Has oversight of projects in their area
	Advise SELEP Ltd on challenges and opportunities in their area
	Recommends prioritised projects/interventions to SELEP Ltd

Secretariat provides support

C. WHAT IS THIS ASSURANCE FRAMEWORK?

C.1. The Local Assurance Framework (Assurance Framework) is a document that sets out all of the SELEP's governance and brings together the policies and procedures into one place. The SELEP Ltd Assurance Framework must comply with the National Local Growth Assurance Framework (National Assurance Framework), and the Section 151 Officer of the Accountable Body assesses whether our Local Assurance Framework is compliant and whether it is being adhered to in all the operations and decisions of the partnership.

C.2. The National Assurance Framework is written by the Cities and Local Growth Unit ("Government"), which is a joint unit between the Department for Business, Energy and Industrial Strategy (BEIS) and the Ministry of Housing, Communities and Local Government (MHCLG). This unit is responsible for LEPs nationally.

C.3. The details of how a decision is made will depend on the type of decision and the financial value associated with that decision. Details on how to classify a decision and how each decision flows can be found at Section 6: How We Make Decisions but below is an example of how the LEP's Investment Panel (a sub-committee of the Strategic Board) decides to invest in a project with the assistance of the Independent Technical Evaluator (ITE).

SECTION 2: GUIDE TO SELEP DOCUMENTS AND POLICIES

D. THIS ASSURANCE FRAMEWORK

D.1. This Assurance Framework is not a legal document, but provides a guide to the structure of the SELEP Partnership together with the processes and systems which are used to manage its activities, including the detailed processes applied to manage the funding awarded from Government. It is intended to provide Government, Partner Authorities and wider stakeholders with the assurance that decisions over funding are proper, transparent and deliver value for money.

D.2. This Assurance Framework reflects the expectations of Government as set out in the revised National Assurance Framework published January 2019 which incorporates the LEP Governance and Transparency Best Practice Guidance, published in January 2018.

D.3. This Assurance Framework will be reviewed and agreed at least annually or as required by the Strategic Board, consulting the Accountability Board and in accordance with the Framework Agreement.

D.4. SELEP Ltd, Accountability Board, Federated Boards and Partner Authorities are required to adhere to this Assurance Framework in respect of their involvement with the SELEP partnership.

D.5. This Assurance Framework should be read in conjunction with the SELEP Ltd Articles of Association and the SELEP Ltd Framework Agreement (in place before the 20/21 financial year).

D.6. In light of the COVID19 pandemic, a list of exceptions to this Assurance Framework has been published by Government, which is accessible here.

E. OTHER DOCUMENTS AND POLICIES

Name of the policy/document	Purpose of the policy/document
National Assurance Framework	Provides guidance on how LEPs should build their own Local Assurance Framework. It explains how LEPs should appraise, monitor and evaluate schemes to achieve value for money. It provides Government, stakeholders and the public the necessary assurances that LEPs have the policies and processes in place to ensure the robust stewardship of public funds.
Assurance Framework (this document)	Provides information on the structure of the SELEP together with the processes and systems which are used to manage its activities including the detailed processes applied to manage the funding provided by HM Government. It is intended to provide Government, Partner Authorities and wider stakeholders with the assurance that decisions over funding are proper, transparent and deliver value for money and be a reference point for those involved in the activities of SELEP

Section 2: Guide to SELEP Documents and Policies

Framework Agreement	This Agreement will be in place by the 20/21 financial year between the SELEP Ltd and the six Partner Authorities who make up the Accountability Board. The agreement sets out how the partnership will function, the relationship between SELEP Ltd and Accountability Board. It also contains the Joint Committee Agreement that lays out the terms of reference for Accountability Board.
Articles of Association	The Articles of Association is a legal document containing the written regulations setting out the way in which the SELEP Ltd will be governed, including the resignation procedure for Directors of the company.
Terms of Reference	Provides the detailed purpose, remit and governance processes for the Strategic Board.
Board Recruitment Policy	Explains the processes for the recruitment of Strategic Board members (Directors), including the Chair and Deputy Chair, and Federated Board members (Members of the Company)
Code of Conduct	A set of rules outlining the norms, rules, and responsibilities of, and or proper practices for any Member or Director; the Secretariat and any other officers supporting SELEP Ltd must comply with the Code of Conduct in addition to any code applicable to their employing organisation
Public Questions Policy	Sets out the process for members of the public to submit questions to the Accountability Board and Strategic Board, as well as the rights of District/City/Borough Councils in relation to Strategic Board meetings.
Register of Interests Policy	Explains the requirements for Members, Directors and relevant officers to complete Registers of Interest, declaring interests in relation to meetings and appropriate actions in case of a conflict of interest.
Confidential Reporting of Complaints Policy	Explains the process to report a complaint confidentially.
Subsistence and Hospitality Policy	Explains the regulations around expense claims, gifts and hospitality to safeguard the use of public funds.
Whistleblowing Policy	Provides a framework for its Board Members, Officers, those working for the SELEP, members of the public and third parties to report concerns or perceived wrongdoings within the SELEP which they believe are in the public interest and may relate to illegal, improper or unethical conduct.

E.1. All these policies are available on the SELEP website.

SECTION 3: AIMS AND OBJECTIVES

F. CORE OBJECTIVES

F.1. The South East Local Enterprise Partnership (SELEP Ltd) is one of 38 Local Enterprise Partnerships (LEPs), established to "provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area[1]". It encompasses the Local Authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.

F.2. Whilst LEPs determine their own specific priorities, in their document Strengthened Local Enterprise Partnerships Government set out the requirement that LEPs should focus on the following four activities to support the development and delivery of their Local Industrial Strategy:

F.2.1. 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;

F.2.2. 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. Details on the current funds available for award can be found on the website. The current funding streams awarded by SELEP at time of writing are:

i. the Local Growth Fund (LGF), which is a capital grant for investment in capital infrastructure projects and includes the Skills Capital Fund. This funding aims to support the delivery of jobs, homes, new learners and other economic growth objectives;

ii. the Growing Places Fund (GPF), which is a capital loan, awarded as a low or zero percent interest rate. Similarly to the LGF and GBF, this funding aims to tackle barriers to economic growth; and

iii. the Sector Support Fund (SSF), which is a revenue grant aimed at supporting the work of SELEP sector working groups (K.1 below).

iv. the Getting Building Fund (GBF), a capital grant in response to the economic slowdown caused by the COVID19 pandemic lockdown.

v. COVID19 Recovery Funds, revenue funds that are targeted in response to the COVID19 pandemic:

a. COVID19 SME Business Support Fund; and

b. COVID19 Skills Support Fund.

F.2.3. Advocacy: Collaborating with a wide-range of local stakeholders to act as an informed and independent voice for their area.

[1] Local Growth: Realising every place's potential, HMG, October 2010

G. DIVERSITY

G.1. SELEP Ltd commits to diversity and representing the local business community, including a gender balance within the Directors of at least one third female directors , with a view to equal representation by 2023. To implement this, SELEP Ltd has:

G.1.1. an objective recruitment processes in place for all board appointments, with applications assessed against the criteria in a board member job specification; and

G.1.2. regular reporting received by the Accountability Board as part of reporting against the governance KPIs;

G.1.3. eliminated unlawful discrimination, harassment and victimisation and other conduct prohibited by the act; and

G.1.4. the aim of advancing equality of opportunity between people from different equality groups.

G.2. SELEP Ltd and local partners will always consider how added economic, social or environmental benefits can be maximised and secured and through its commissioning, procurement and delivery. All partners in the SELEP Ltd support the principles of the Social Value Act 2012. Within each capital project business case, project promoters are asked to consider any opportunities available to maximise social value

G.3. SELEP Ltd will endeavour to ensure a level playing field for small businesses and voluntary, charity and social enterprise (VCSE) organisations in bidding for the SELEP Ltd or local delivery contracts, as appropriate in the delivery of SELEP Ltd objectives.

SECTION 4: WHO WE ARE

H. GOVERNANCE STRUCTURE

H.1. SELEP is a partnership between business and public sector at both SELEP Ltd 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 is ensured through Local Authority representation on the Accountability Board, whilst accountability to the business community is provided by the private sector representation on the Strategic and Federated Boards.

H.2. The partnership operates under a Federated Model (see above diagram). The Strategic and Accountability Boards are supported by four Federated Boards; Success Essex (SE), Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES). Each Federated Board has their own Terms of Reference (aligned to the overall SELEP Ltd Terms of Reference (D.5 above) and this Assurance Framework).

H.3. The partnership is committed to ensuring fairness in its decision–making and to follow best practice, with due regard to the general equality duty and the principles of public life.

I. OUR BOARDS

I.1. **Strategic Board**

I.1.1. The Strategic Board (SELEP Ltd) consists of the Directors of the SELEP Ltd and sets the strategic direction of the SELEP Ltd, providing clear strategic leadership and championing shared SELEP Ltd priorities. It is the main interface with Government, bringing together both private and

public sectors to drive local growth and job creation, and to oversee all activity to deliver these aims.

I.1.2. Working collectively, SELEP Ltd Directors (Strategic Board members) are responsible for:

i. setting the vision, strategic direction and priorities of the LEP overall;

ii. ensuring the development, maintenance and delivery of evidence-based strategy. These strategies include, but are not limited to:

a. the Economic Strategy Statement (ESS);

b. a Skills Strategy;

c. The Energy Strategy;

d. the European Structural Investment Funds (ESIF) strategy; and

e. a Local Industrial Strategy;

iii. developing a pipeline of projects for investment: a role it has delegated to the Investment Panel in respect of specific funding streams;

iv. considering and agreeing a position on major items of strategic importance;

v. publishing arrangements for developing, prioritising, appraising and approving projects with a view to ensuring that a wide range of delivery partners can be involved;

vi. approving the annual Delivery Plan;

vii. monitoring progress in completing the activities and KPIs set out in the Delivery Plan;

viii. championing the LEP and the LEP area in all other forums;

ix. supporting pan-LEP activity undertaken by the working groups;

x. working closely with Federated Boards to oversee Growth Hub, Enterprise Zone and City Deal activities;

xi. endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP;

xii. ensuring that adequate capacity and expertise is maintained to deliver against the above (i-xi).

I.1.3. Where the Strategic Board puts in place schemes of delegation to the Federated Boards or Investment Panel, the Strategic Board remains responsible for the delegated decision.

I.1.4. The Strategic Board is made up of 25 members (including 5 co-opted members), and two-thirds of the Board is required to be from the private sector. All Board members, including the Chair and Deputy Chair, are appointed on a 2-year term, up to a maximum of 3 consecutive terms.

I.1.5. The Strategic Board membership currently is as follows (please see the Terms of Reference for more detail):

i. Chair (private sector);

ii. Deputy Chair (private sector);

iii. Leader or Cabinet member from each of the 3 County and 3 Unitary Councils;

iv. 12 business representatives from the Federated Boards (one of whom must be designated as the SELEP-wide SME champion), comprising of:

a. 2 from Success Essex;

b. 5 from the Kent and Medway Economic Partnership;

c. 2 from Opportunity South Essex; and

d. 3 from Team East Sussex;

v. There are also 5 co-opted positions on the Board; these Board members are also Directors of SELEP Ltd, but are appointed on a 1-year rolling term (please see I.1.8.i below for more detail). The co-opted members are as follows:

a. 2 representatives from District/Borough/City Councils (Kent and Essex areas for 2020/21, and it is expected that one of the representatives will be from East Sussex in 2021/22);

b. a further education representative;

c. a higher education representative; and

d. a social enterprise representative.

I.1.6. Recruitment to the Strategic Board and Federated Boards will be conducted through an open, transparent, competitive and non-discriminatory process, with extensive private sector engagement.

I.1.7. The Board Recruitment Policy (above) sets out how Directors are appointed to the Strategic Board. Any updates to this policy will be agreed by the Strategic Board.

I.1.8. The Succession Plan for Strategic Board members is as follows:

Category of Board Member	Succession Approach	Policy/Governance
Chair of SELEP	Open recruitment – run by Secretariat/Decided by Strategic Board	Board Recruitment Policy
Deputy Chair of SELEP	Open recruitment – run by Secretariat/Decided by Strategic Board	Board Recruitment Policy

Council representatives	Each Council puts forward their representative. Must be a leader or member of Cabinet or equivalent committee	Terms of Reference/Articles of Association/Board Recruitment Policy
Federated Board business representatives	Nominated by Federated Boards. Recruitment to Federated Boards via open recruitment	Federated board recruitment policies which comply with Board Recruitment policy
Higher and Further Education and Social Enterprise representatives	Nominated by relevant working groups.	Board Recruitment Policy

i. In order to vote on the Board of Directors it will be necessary for the co-opted members to be Directors of SELEP Ltd for the year of their service. This means that there may need to be approvals gained from their employing organisation. The Assurance Framework runs from April to March, as does the financial year and the delivery plan for SELEP Ltd. It is recommended that the year that co-opted members serve would also be April to March (covering June, September, December and March Boards) to align.

ii. Further Education, Higher Education and Social Enterprise Co-opts will be nominated by their sector groups as set out within the Board Recruitment Policy. This would be the Skills Advisory Group, the U9 Group and the Social Enterprise Group respectively.

iii. The Strategic Board will consider the future year's Delivery Plan at its December Board meeting and make any recommendations to the sector groups for particular skills/knowledge from their representatives that would align with the Delivery Plan. The sectors groups will confirm names of representatives at the March Board.

iv. There are two Council co-opted seats on the Board. These seats are reserved for representatives of District/Borough/City Councils. At the December meeting, the Strategic Board will discuss which two of the three shire areas would be invited to put forward a representative for the forthcoming year, looking for alignment with the Delivery Plan for that year.

v. The District/Borough/City Councils for the relevant area will then be asked to select a representative who must be confirmed by the March meeting of the Strategic Board.

vi. Board members will complete an induction process in advance of participating in their first decision-making meeting. This will involve a meeting with a senior member of the Secretariat and the receipt of the Board Member Induction Pack. All board members are required to complete their Register of Interests, which includes agreement to comply with

the Code of Conduct, within 28 days of taking up the post and in advance of participating in any decision making.

vii. Board members are not entitled to any remuneration for sitting on either the Strategic Board or any other SELEP Ltd Boards or panels, however, the Chair and Deputy Chair of the Strategic Board are entitled to an allowance of up to £20,000 or £10,000 per annum respectively under the terms of their appointment.

viii. Expenses may only be claimed by board members under the terms of the Subsistence and Hospitality Policy. All expense claims paid will be published on the website, in line with the Localism Act.

I.2. **Investment Panel**

i. 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 (I.1.2.iii above).

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

iii. The Investment Panel's role and responsibilities include:

a. Reviewing the initial list of projects for LGF and GPF funding that has been sifted and prioritised by each Federated Board (U.1.7 below);

b. Conducting a prioritisation process for those projects requiring capital investment based on the approach agreed by the Strategic Board, with regard for the outcome of the ITE assessment of projects and in accordance with this Assurance Framework;

c. Making recommendations for the provisional allocation of funding to projects prioritised by the Investment Panel. The final award of funding will be made by an Accountability Board decision; and

d. Considering priorities for future funding from Government in accordance with the priorities identified through the SELEP Ltd's Economic Strategy Statement (ESS) and Local Industrial Strategy along with emerging SELEP Ltd and Government priorities.

iv. The Investment Panel operates under its own Terms of Reference, which are available on the website. The Investment Panel Terms of Reference are agreed by the Strategic Board

v. All members of the Investment Panel must be members of the Strategic Board. The membership of the Investment Panel consists of:

a. the Chair of the Strategic Board;

b. 6 County/Unitary Council Representatives;

c. 6 Private Sector Business Representatives, including 2 from TES, 2 from KMEP and 2 from across SE and OSE;

d. 1 Higher Education Representative; and

e. 1 Further Education Representative.

vi. 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 website.

I.3. **Accountability Board**

I.3.1. The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board. No changes to the structure of the Accountability Board are proposed as a result of the LEP Review.

I.3.2. The Accountability Board operates under a Joint Committee Agreement, signed by each of the six County/Unitary Councils within the SELEP area. A revised Joint Committee Agreement has been created to take into account the establishment of SELEP Ltd. This is part of the Framework Agreement which has been agreed in principle by the partner organisations and signed before the beginning of financial year 2020/21.

I.3.3. The Accountability Board is responsible for the sign-off of all funding decisions, having regard to the Independent Technical Evaluator (ITE) recommendations, as detailed in V.1.1 below. This includes any direct awards of funding from the Government, such as for Department for Transport retained schemes.

I.3.4. The responsibilities of the Accountability Board are summarised below:

i. Appraisals and approvals of capital grants and loans with regard to the ITE recommendations;

ii. Monitoring project assessment, implementation and delivery;

iii. Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible Section 151 Officer);

iv. Approving project changes;

v. Quarterly performance reporting on an exception's basis to the Strategic Board;

vi. Reporting on progress to Government;

vii. Any other accountability or assurance function required by Government or recommended by the auditors or the S151 Officer of the Accountable Body;

viii. Agreeing all new or revised processes in relation to the spend of grant funding;

ix. 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;

x. Providing comment on changes to the Assurance Framework; and

xi. Ensuring the implementation of this Assurance Framework

xii. The Accountability Board is advised by the Secretariat and the Accountable Body's S151 Officer and Monitoring Officer.

I.3.5. The Accountability Board membership is as follows:

i. Voting members:

a. 1 member appointed from each of the 6 County/Unitary Councils.

ii. Non-voting co-opted members:

a. the Deputy Chair of the Strategic Board (Chair);

b. one member appointed by the Accountability Board on the nomination of the higher education sector;

c. one member appointed by the Accountability Board on the nomination of the further education sector.

I.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.

I.4. **Responsibilities of the Board Chairs**

I.4.1. The responsibilities of the Chair of the Strategic Board and the Investment Panel are set out in the Terms of Reference (D.5 above); however, in relation to this Assurance Framework, the following specific responsibilities are applicable:

i. Demonstrating the highest levels of integrity, honesty and transparency;

ii. Maximising connections with Small and Medium-sized Enterprises (SMEs) across the SELEP area;

iii. Providing an annual statement on the status of governance and transparency in conjunction with the Chief Executive Officer. This statement will be explored in greater detail during the Annual Performance Review process with Government, and published on the website;

iv. The Communication Strategy (P.1 below);

v. Supporting any resolutions of conflict between the Accountable Body and the Accountability Board (R.7 below);

vi. Ensuring that declarations of interest are requested, and acted upon, at the outset of each Strategic Board and Investment Panel meeting (N.5 below).

B.5.2. The Accountability Board Chair, as a non-voting private sector representative, is responsible for:

i. Demonstrating the highest levels of integrity and honesty;

ii. Ensuring that the decisions made by the Accountability Board are consistent with the strategic direction set by the Strategic Board; and

iii. Ensuring that declarations of interest are requested, and acted upon, at the outset of each Accountability Board meeting.

I.5. **Federated Boards**

I.5.1. The Federated Boards are the local public/private partnerships which support the SELEP Ltd (H.2 above). The Federated Boards utilise public and private sector knowledge and expertise to identify priorities that will deliver the greatest benefit to the SELEP area.

i. They have responsibility in their respective areas for:

a. leading the opening call for capital funding projects for and ensuring the call is widely publicised;

b. the identification and prioritisation of capital projects for investment by SELEP Ltd, prior to projects being prioritised at a pan-LEP level by the Strategic Board/Investment Panel (depending on funding stream);

c. overseeing SELEP Ltd capital investment programmes within the agreed local tolerance levels for spending and delivery;

d. coordinating reports as required to the Strategic and Accountability Boards;

e. identifying local priorities and/or a vision for the federated area which are aligned with SELEP Ltd's Economic Strategy Statement, Local Industrial Strategy and the LEP's approach to project prioritisation;

f. enabling collective engagement with all Local Authority leaders within the federated area to ensure that there is a clear mandate for decision making on growth priorities and supporting collaboration and joint delivery at executive level;

g. championing successes within their communities, including bringing to the attention of Government local growth projects which should be recognised as innovative, or examples of best practice, and ensuring that stakeholders are able to make informed decisions on local growth matters;

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

i. supporting SELEP Ltd's local engagement with, and feedback to, the general public about future strategy development and progress against delivery of the Growth Deal, including key projects and spend against those projects and that this can be evidenced;

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

k. ensuring that the Chief Executive Officer is informed of all meetings and that the Secretariat is given the opportunity to attend;

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

m. providing SELEP Ltd Secretariat with clear and updated nominations for membership of the Strategic Board;

n. championing the work of the LEP to local communities; and

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

ii. Each Federated Board shall determine its own board size and ratio of its private / public sector membership, with the following caveats:

a. being business led will mean that a majority of the membership is private sector;

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

c. each Federated Board's process for board member recruitment will be set out within their Terms of Reference (H.2 above);

d. each Federated Board should ensure that their membership provides representation which is diverse and reflects the local population and business community.

e. the total number of SELEP Ltd Members is limited to 50 for each Federated Board, as stated in the Articles of Association.

iii. Federated Boards are required to publish their Terms of Reference (H.2 above) which meet the minimum requirements of Federated Boards, as set out in section ii above) This must be consistent with the same high level of governance and transparency that is required of the SELEP Ltd, as set out in this Assurance Framework and associated policies.

iv. Each Federated Board will ensure it complies with the LEP Governance and Transparency Best Practice Guidance (D.2 above). Each Federated Board will be required to ensure it has in place the following policies, through agreeing to adopt the SELEP Ltd policy or publication of their own policy, and that the policies are published on its own and/or the SELEP Ltd website:

a. Confidential reporting procedures for third parties and the public;

b. Whistleblowing Policy;

c. Code of Conduct for Board Members; and

d. Register of Interests Policy.

v. Each Federated Board will comply with the Local Government Act 1972 requirements for the publication of meeting agendas and meeting minutes (Q.3 below).

vi. Federated Board meeting papers and minutes shall be made available to Strategic Board members on the SELEP website.

vii. The membership of SELEP Ltd is made up of members of the Federated Boards. Up to 50 members from each Federated Board are eligible for membership of SELEP Ltd. When Federated Board members cease to be members of the Federated Board they are expected to relinquish their SELEP Ltd membership at that time

J. SECRETARIAT/CHIEF EXECUTIVE OFFICER

J.1. The Chief Executive Officer is responsible for the following activities pertaining to this Assurance Framework:

J.1.1. ensuring, on behalf of the Accountability Board, that the Assurance Framework is being fully implemented and embedded within the activities and operations of the SELEP Ltd, and that the Accountability Board is updated on areas of risk of non-compliance at each Board meeting as appropriate;

J.1.2. providing, on an annual basis, in conjunction with the Strategic Board chair, a statement on the status of governance and transparency within SELEP Ltd. This statement will be explored in greater detail during the Annual Conversation process with Government. This statement will be published on the SELEP website;

J.1.3. Providing 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;

J.1.4. keeping records which demonstrate that the SELEP Ltd meets all legal obligations and all other compliance requirements placed upon them, ensuring these are accessible if requested;

J.1.5. ensuring that SELEP Ltd cooperates with stakeholders and other regeneration organisations;

J.1.6. ensuring that the Secretariat acts as an independent secretariat to the SELEP Ltd and Accountability Board. This includes providing impartial advice and support to all Board members;

J.1.7. delegated responsibility to approve up £1m of expenditure/income within the Accountability Board approved operational budget;

J.1.8. publishing as a Chief Officer Action on the website, all decisions made under the Chief Executive Officer's delegated responsibilities; these must be in line with:

i. the Accountable Body's scheme of delegation and Financial Regulations;

ii. respective decisions made by the Accountability Board and the Strategic Board, including decisions related to the approved budget of the Secretariat;

iii. this Assurance Framework.

J.2. Salary information for the Chief Executive Officer will be published on the SELEP website.

J.3. The Chief Executive Officer is employed by the Accountable Body but works under the direction of the Chair, the Strategic Board and the Accountability Board.

J.4. The Chief Executive Officer and Chief Operating Officer have been appointed as Attorneys of SELEP Ltd under a Power of Attorney. This is to allow them to jointly:

J.4.1. execute legal documentation on behalf of the company following a decision of the Board to enter into agreements;

J.4.2. sign executive letters of support on behalf of SELEP Ltd following an assessment by the Chief Executive Officer/Chief Operating Officer that the project aligns with SELEP Ltd's strategies.

J.5. The Power of Attorney is for a period of 12 months. This will be reviewed to ensure that it is still appropriate and will be renewed on a 12-monthly basis. The Board will be provided with details of where this power has been exercised on their behalf at each general meeting of the Strategic Board.

J.6. The Secretariat is responsible for:

J.6.1. overseeing the working groups (K.1 below);

J.6.2. making recommendations to the Accountability Board and Strategic Board;

J.6.3. providing impartial advice to all Accountability and Strategic Board members;

J.6.4. engaging with the Federated Boards;

J.6.5. production and day to day implementation of the Delivery Plan, to be agreed by the Strategic Board in advance of each financial year. This will define the activities to be undertaken during the financial year, along with Key Performance Indicators (KPI); progress against which will be reported to the Strategic Board throughout the year;

J.6.6. production of the Annual Report, which will review SELEP Ltd's performance against the agreed KPIs set out in the Delivery Plan and be presentation at each Annual General Meeting (AGM);

J.6.7. practical co-ordination and organisation of meetings (including the AGM, a public meeting annually in July, an opportunity to engage with the wider business community), Strategic Board minutes, preparation of papers and maintenance of the website;

J.6.8. ensuring appropriate engagement with stakeholder, local partners, neighbouring LEP's, and Government (P.5 below);

J.6.9. carry out the day to day business of the LEP in compliance with the requirement of the National Assurance Framework and this Local Assurance Framework, and SELEP's own policies;

J.6.10. ensuring the Central Government Growth Deal branding guidance is adhered to;

J.6.11. management of financial and operational risk by the Chief Operating Officer;

J.6.12. management of project and capital programme risk by the Capital Programme Manager;

J.6.13. induction of new Secretariat team members, incorporating ECC training (including GDPR and Diversity and Equality);

J.6.14. ensuring that SELEP Ltd is properly administered through the establishment and maintenance of registers of Directors and Members and the correct filing of information with Companies House and properly administered for the purposes of Company law and regulation.

K. WORKING GROUPS

K.1. The SELEP Ltd may establish, as it considers appropriate, informal non-decision-making working groups to provide expertise and support to the Strategic and Accountability Board, in shaping its strategy or delivering pan-LEP priorities. Each group operates according to their own terms of reference.

K.2. Currently the SELEP Ltd is supported by the following groups which lead on specific work streams as required:

K.2.1. Sector Working Groups

i. Coastal Communities

ii. Enterprise Zones

iii. Housing and Development

iv. Skills Working Group

v. Skills Advisory Panel

vi. Digital Skills Partnership

vii. Rural

viii. Social Enterprise

ix. South East Creative Economy Network (SECEN)

x. Tourism

xi. Transport Officers (meets on ad hoc basis)

xii. U9 (Universities)

xiii. Growth Hubs (Business Support)

xiv. Clean Growth

K.2.2. Officer Advisory Groups

i. Senior Officer Group

ii. Programme Consideration Meeting

iii. Directors Group

K.3. The Working Groups should provide the following as a minimum:

K.3.1. a simple Terms of Reference, which will be made available on the SELEP website;

K.3.2. a designated direct link to the Strategic Board, either through existing representation, or through an existing Board member acting as a champion for the sector;

K.3.3. notification of future meetings and meeting notes made available on the SELEP website;

K.3.4. clarifications around how federal areas have been engaged in any process which culminates in recommendations being made to the Strategic Board;`

K.3.5. an action plan which clearly associates milestones, outputs and monitoring arrangements when SELEP funding is being spent;

K.3.6. an assurance that SELEP funding will not be used until full approval has been sought from SELEP; and

K.4. updates to Strategic Board meetings, and Federated Boards where there is specific local interest in their work. Through the working group activities, representation, and involvement with other organisations across a wider geography, the SELEP Ltd actively engages in cross-LEP working on strategic issues. This includes, but is not limited to, joint working with neighbouring LEPs regarding:

K.4.1. The development and implementation of the Energy Strategy;

K.4.2. The Greater South East Energy Hub;

K.4.3. Engagement with Transport Bodies; and

K.4.4. Southern LEPs' work programme.

K.5. There are two groups external to, but critical to SELEP's successful discharge of its duties and will therefore continue to be resourced. These are:

K.5.1. the European Structural and Investment Fund (ESIF) sub-committee, administered by Ministry for Housing Communities and Local Government for the discharge of European funding in the SELEP area;

K.5.2. the Thames Gateway Strategic Group, which incorporates South Essex, North Kent and East London, continues to meet to progress the delivery of Government policy objectives in the area and continues to benefit from special ministerial attention.

K.6. Furthermore, SELEP Ltd is committed to working with the LEP Network to discuss issues of shared importance as a sector, engage Government, and share knowledge and good practice.

K.7. The SELEP Ltd has four enterprise zones:

K.7.1. Discovery Park, Kent;

K.7.2. Harlow, Essex;

K.7.3. North Kent;

K.7.4. Newhaven, East Sussex.

K.8. The Strategic Board has overall oversight for the Enterprise Zones, however day to day management and the development of Enterprise Zone strategy sits at the local level.

K.9. SELEP Ltd secured a City Deal for Southend, which has now evolved into a new area of work with The Hive Enterprise Centre and has also received funding from the Local Growth Fund (LGF). The Strategic Board receives regular updates on the progress of all projects which have received SELEP investment, which includes work from the City Deal.

K.10. Ultimate leadership of the South East Business Hub (Growth Hubs) sits with the Strategic Board. Any strategic decisions pertaining to the Growth Hubs are raised at the Federated Boards, considered by the working group and taken to the Strategic Board where appropriate.

L. THE ACCOUNTABLE BODY

L.1. Introduction

L.1.1. As the Accountable Body, Essex County Council, retains overall legal accountability for the funding streams, and is responsible for overseeing the proper administration of financial affairs when these affairs relate to public funds.

L.1.2. Essex County Council's Cabinet agreed that the organisation would continue to act as the Accountable Body for SELEP on 21 January 2020.The complementary roles of both the financial responsibilities of the Accountable Body and the leadership role and responsibilities of the SELEP Ltd 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 supports timely, informed decision making by the SELEP Ltd.

L.1.3. The Accountable Body will receive funds from Government on behalf of the SELEP Ltd.

L.1.4. The Framework Agreement in place before the 20/21 financial year between SELEP Ltd, the respective County and Unitary Authorities, including Essex County Council clearly defines the roles and relationships between the SELEP Ltd and the Accountable Body; this will be supported by a service level agreement (SLA) which will be agreed between the Accountable Body and SELEP Ltd and published on the SELEP Ltd website. The SLA will set out how the Accountable Body will collaborate with the SELEP Ltd to ensure that the terms of the Framework Agreement and the SLA are met.

L.1.5. The Accountable Body is responsible for ensuring that the usual Local Authority checks and balances apply to the awards of public funding directed by the Accountability Board. The Accountable Body cannot use funding allocated to the SELEP Ltd for its own purposes, without a clear mandate from SELEP Ltd

L.2. **Functions of the Accountable Body**

L.2.1. The Accountable Body, with oversight as appropriate from the Section 151 Officer, the Monitoring Officer and the Senior Information Risk Owner, are responsible for the following:

i. The managing of grant income received, payments out and any applicable repayments to be accounted for and administered correctly;

ii. to publish annual accounts which include the funding they receive from government on behalf of LEPs, to be linked on the SELEP Ltd website;

iii. the provision of a Treasury Management function in relation to cash balances held by Accountable Body on behalf of the SELEP Ltd. This function will be administered in accordance with the approved Treasury Management Strategy of the Accountable Body;

iv. to account for all spend and income made or received by the SELEP Ltd;

v. to ensure there are arrangements for local audit of funding allocated to partners by the SELEP Ltd at least equivalent to those in place for Local Authority spend; and

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

vii. An oversight function which will ensure:

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

b. all decisions and activities of the SELEP Ltd 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;

c. the SELEP Ltd Local Assurance Framework is adhered to;

d. 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;

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

f. 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 Ltd Strategic Board and/or Accountability Board;

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

h. appropriate responses to Freedom of Information requests, with regard to the responsibilities of the Accountable Body;

i. procurement of all contractual services as appropriate and oversight of the contract management arrangements administered by the Secretariat;

j. all necessary legal agreements are in place, including:

- SLAs between the Accountable Body and partners;
- grant agreements and conditions; and
- an annual assurance statement is provided by the Section 151 Officer on the governance and transparency arrangements implemented by SELEP Ltd, with a specific requirement to identify any issues of concern to localgrowthassurance@communities.gov.uk

viii. A support function (as agreed with the SELEP Ltd):

a. providing technical advice on the relevant law;

b. discussing risks associated with pursuing a particular course of action for the LEP Board to consider;

c. drafting funding agreements and contracts

d. provision of advice and support with regard to the financial and legal operation of the SELEP Ltd, as appropriate; and

e. the SELEP Ltd is supported in accounting to Government on programme delivery and financial management.

ix. an audit function:

a. the internal audit function of the Accountable Body will undertake an annual risk-based audit programme with SELEP Ltd; and

b. arrangements will be made to provide an external audit of the accounts of the monies held on behalf of SELEP Ltd.

L.2.2. In providing the support set out above, consideration is given to ensuring that the standards set out in the CIPFA guidance on the role of the Section 151 Officer are met (L.2.7 below).

L.2.3. The SELEP Ltd 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.

L.2.4. In addition, where the Accountable Body is required to review or approve reports to Government, or similar by the SELEP Ltd, 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.

L.2.5. The SELEP Ltd 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:

i. arrangements are in place for monitoring delivery;

ii. there are clear expectations in relation to the information required from scheme partners and delivery agents; and

iii. when the SELEP Ltd 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).

L.2.6. In acting as the Accountable Body for the SELEP Ltd, 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 Ltd.

L.2.7. The standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) document, "Principles for Section 151 Officers in accountable bodies", form part of the assurance process undertaken by the Accountable Body on behalf of the SELEP Ltd.

L.2.8. The following five principles set out in the CIPFA guidance are required to be addressed by the SELEP Ltd and the Accountable Body:

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

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

iii. Embedding good governance into decision making;

iv. Ensuring effective review of governance; and

v. Ensuring appropriate skills and resourcing.

L.2.9. The Section 151 Officer will exercise their duties in line with the CIPFA guidance and this framework.

L.2.10. The SELEP Ltd is required to ensure that the Section 151 Officer is given sufficient access to information in order to carry out their role. All SELEP Ltd 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 set out in L.2.3 above).

i. Details of the checks that the Section 151 Officer (or deputies) has taken to assure themselves that the SELEP Ltd has in place the processes that ensure proper administration of financial affairs in the SELEP Ltd;

ii. A statement outlining whether, having considered all the relevant information, the Section 151 Officer believes the financial affairs of the SELEP Ltd are being properly administered (including consistently with the National Assurance Framework (D.2 above) and this framework); and

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

L.3. **Accounts and Audit Arrangements**

L.3.1. The Accountable Body will produce accounts of the monies held on behalf of SELEP Ltd, on an annual basis,; these will be subject to External Audit. The Accounts will be considered by the Strategic Board and published on the SELEP Ltd website in a timely manner.

L.3.2. SELEP Ltd and the Accountable Body will agree an internal audit plan each year. This will include a risk-based audit plan of SELEP Ltd activity that will provide assurance to the Section 151 Officer and the Accountability Board at appropriate points through the year.

L.3.3. The internal auditors of the Accountable Body provide assurances to the Accountability Board, Secretariat and Accountable Body Section 151 Officer. A key role of the internal auditors is to provide independent assurance that internal controls are designed well, are proportionate to risk and are operating effectively in practice. Following a completed audit, where there are recommendations that relate to the SELEP Ltd, these will be reported back to the Accountability Board by internal audit. Accounts are also audited externally and reported to the Strategic Board.

L.3.4. SELEP Ltd is required to ensure that there are arrangements for funding audit activity.

L.3.5. As part of the SELEP's incorporation arrangements, SELEP Ltd and the Accountable Body will agree appropriate audit committee arrangements which fit the chosen model of incorporation.

L.3.6. If the SELEP Ltd decides in future for additional funds to run through its own accounts, they will ensure appropriate external audit arrangements in line with the Companies Act (2006) and consider relevant corporate governance best practice.

L.3.7. Essex County Council will be adhere in all aspects with respect to the Accountable Body role for SELEP Ltd to:

i. the Financial Regulations and Scheme of Delegation for Financial Management;

ii. the Procurement Regulations;

iii. information handling and data policies; and

iv. the Treasury Management Strategy.

L.3.8. Furthermore, the 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.

SECTION 5: HOW WE WORK

M. PRINCIPLES OF PUBLIC LIFE

M.1. All SELEP Ltd Board and Federated Board members, advisors and officers are expected to demonstrate the highest standards of conduct when carrying out their responsibilities, and to adhere to their respective authority and business code of conducts or equivalent. As a minimum all members and officers must also comply with the SELEP Code of Conduct.

M.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 SELEP Ltd, and therefore their actions impact on the way in which SELEP Ltd is viewed by the public.

M.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:

M.3.1. Selflessness- to serve only the public interest and never improperly confer an advantage or disadvantage on any person.

M.3.2. 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.

M.3.3. Objectivity- Make decisions on merit, including when making appointments, awarding Contracts or recommending individuals for rewards or benefits.

M.3.4. 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.

M.3.5. Openness– To be as open as possible about their actions and those of SELEP Ltd and should be prepared to give reasons for those actions.

M.3.6. 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.

M.3.7. 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.

M.4. In signing their SELEP Ltd Register of Interest, Board members and officers are required to agree that they will comply with all SELEP Ltd policies, including, but not limited to, the Code of Conduct and Gifts and Hospitality Policy.

M.5. The Secretariat are also required to sign up with the Nolan Principles through their contract of employment through Essex County Council, as the Accountable Body.

N. CODE OF CONDUCT AND REGISTERS OF INTERESTS

N.1. All members of the Secretariat, Senior Officer Group and Strategic, Accountability and Federated Boards are required to complete a register of Interests form, recording details of any relationship or other financial or personal interest which might conflict with their duties to SELEP Ltd. Declarations must be completed in line with the Register of Interests Policy and includes individual registers of interest for all Board Members, Federated Board Members, co-opted Members and the Chief Executive (or equivalent). The Register of Interest form should be completed and signed within 28 days of taking up post and before advising or participating in any decision making.

N.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 website. Excluding the Chief Executive Officer, all other officer registers of interests are held on file but are not published.

N.3. Each board member must review their individual register of interests before each board meeting and decision-making committee meeting, submitting any necessary revisions at the start of the meeting.

N.4. All declarations are reviewed every 6 months in accordance with the Register of Interest Policy. However, each member is required to ensure that their declarations are up to date, and therefore must notify the Secretariat of any changes within 28 days of becoming aware of any change in circumstances.

N.5. All Strategic, Accountability, Investment and Federated Board members (including substitute members) are required to declare interests regarding any items to be discussed at the beginning of meetings, even if the interest is already on the member's Register of Interests form. Such declarations and associated actions taken will be recorded in the minutes of the meeting which are available on the website.

N.6. Where there is a potential conflict of interest between the commercial enterprise and activities of the Partner Authority and the decision making by the Boards, Board members and officers are required to advise the Chief Executive Officer in advance of the meeting and to declare such interests during the relevant meeting.

N.7. Conflicts of interest will be managed in accordance with the Register of Interest Policy. This policy sets out the process for managing Disclosable Pecuniary Interests and code interests during the course of meetings.

N.8. Where a Disclosable Pecuniary Interest declaration has been made, the board member must:

N.8.1. withdraw from the room where the meeting considering the business is being held, at the time that the item of business is being discussed; and

N.8.2. not participate in any debate or vote on the matter.

O. COMPLAINTS AND WHISTLEBLOWING

O.1. The SELEP Ltd 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 Ltd's work to come forward and voice those concerns without fear of reprisal.

O.2. Employees and those working closely with SELEP Ltd should follow the Whistleblowing Policy, third parties and members of the public should follow the confidential complaints procedure, as detailed in the Confidential Reporting of Complaints Policy.

O.3. These policies are available on the website and provide details of:

i. the relevant contacts for disclosers to contact;

ii. the confidential process by which complaints will be considered and respond to; and

iii. the timescales for response by the responsible officers.

O.4. Confidential complaints and whistleblowing are managed by the Secretariat's Governance Officer and Chief Executive Officer, who will maintain a record of all complaints received.

O.5. If the complainant is not satisfied with the outcome of the complaint or how the complaint procedure has been followed, this should first be escalated to the Accountable Body, Essex County Council. If it is not possible to resolve the complaint at this stage, then it will be referred to the Cities and Local Growth Unit at MHCLG.

O.6. 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.

O.7. Each County and Unitary Council member of Accountability Board is responsible for handling and responding to Freedom of Information and Environmental Information Regulations requests relating to SELEP funded activities within their authority. All responses are prepared in consultation with the Secretariat.

O.8. 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.

O.9. The SELEP Ltd has data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The SELEP Ltd acts in accordance with the policies of the Accountable Body, Essex County Council.

P. COMMUNICATIONS AND ENGAGEMENT

P.1. Through the chair, the Strategic Board shall be responsible for the SELEP Ltd's communications strategy. This shall include communications to Strategic Board members, participating organisations and the wider public, and the maintenance of an up-to-date, relevant and accessible website. The Secretariat shall be responsible for implementation of the communications strategy.

P.2. SELEP Ltd is committed to complying with the Government's branding and communication guidance for all LGF projects. The requirement for Local Partners to also comply with this guidance is set out within SLA and the grant agreements under which the funding is transferred from the Accountable Body to Local Partners.

P.3. A dedicated website for the partnership is available for local partners and members of the public. The website is updated regularly and provides a source of information about partnership and its activities, to ensure transparency. The website provides access to a range of documents and information, including:

P.3.1. details of progress made on implementing the Growth Deal;

P.3.2. updates on the delivery of individual LGF, GBF, GPF and SSF projects;

P.3.3. information about available funding opportunities and how open calls for projects will operate, including details of the criteria against projects will be assessed;

P.3.4. contact details for the Secretariat;

P.3.5. Access to all key documents and policies; including the Assurance Framework, Annual Report, Delivery Plan, Local Industrial Strategy, Economic Strategy Statement, Board member and Chief Executive Officer Registers of Interests, and the following policies:

i. Code of Conduct;

ii. Confidential Reporting of Complaints Policy;

iii. Whistleblowing Policy;

iv. Register of Interest Policy;

v. Declaration of Interest- Guidance;

vi. Board Recruitment Policy;

vii. Subsistence and Hospitality Policy;

viii. Gifts and Hospitality Capture and Declaration Form; and

ix. Public Questions Policy.

x. forward plans;

xi. agendas;

xii. reports and business cases;

xiii. annual Delivery Plan;

xiv. annual financial statement;

xv. annual assurance statement;

xvi. information on the process for applying for funding;

xvii. minutes;

xviii. summary of decisions of the SELEP Ltd Boards.

xix. The website can be accessed at http://www.southeastlep.com/.

P.4. In addition to being published on the SELEP Ltd website, all Accountability Board agendas, decisions and minutes are also published on the Accountable Body website and the websites of the six local authorities who are partners to the Accountability Board, which can be accessed at via their websites

P.5. SELEP Ltd ensures there is appropriate local engagement (with public and private stakeholders, and the general public) to inform key decisions around future 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.

P.6. SELEP Ltd actively cooperates and engages constructively with stakeholders and other regeneration organisations. These include:

P.6.1. Government departments;

P.6.2. subnational bodies;

P.6.3. Local Authorities;

P.6.4. third sector representatives;

P.6.5. the general public;

P.6.6. the local business community;

P.6.7. community interest groups;

P.6.8. universities and research institutions;

P.6.9. Mayoral Combined Authorities (MCAs); and

P.6.10. other LEPs.

P.7. SELEP Ltd works collaboratively on projects or decisions which are likely to have an effect across MCA or LEP borders or significantly affect the plans of another MCA or LEP.

P.8. A forward plan of funding decisions is published 28 days in advance of Accountability Board meetings to provide awareness of forthcoming decisions to the Accountability Board, and to enable the opportunity for comments to be raised by stakeholders and members of the public in advance of the meeting reports being published.

P.9. The Federated Boards are the primary forum for engagement with local businesses, councils and members of the public. The public and private sector knowledge and expertise on the boards enables effective and meaningful engagement of local partners; this informs key decisions, future strategy development, the development of projects, and provides delivery of the greatest benefit to the area.

SECTION 6: HOW WE MAKE DECISIONS

Q. MAKING AND RECORDING DECISIONS

Q.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.

Q.2. Arrangements are in place to support the effective and meaningful engagement of local stakeholders and the public. The Strategic Board, Accountability Boards and Investment Panel operate with transparency, openness and good communication, with processes in place to ensure that these principles are replicated as part of the decision-making processes.

Q.3. Meetings of the Strategic and Accountability Boards are open to members of the press and public, except for any items that should be treated confidentially (Q.9 below). The Public Questions Policy sets out the process under which questions can be made by a member of the public to either 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.

Q.4. The quorum requirements of the Strategic Board and details regarding Electronic Procedures are continued within the Terms of Reference.

Q.5. All decisions undertaken by the Investment Panel, Strategic or Accountability Board must be supported by a full written paper. This must provide details of the decision being sought and contain all relevant information to enable an informed decision. All reports will be reviewed by the Accountable Body prior to publication, who will add the details of any implications arising as a result of the decision being sought. If appropriate, the Accountable Body will provide comments on the financial and legal implications of recommendations being made to the Accountability Board.

Q.6. All papers relating to the Accountability Board are made available on both the SELEP Ltd and the Accountable Body website. Papers relating to the Strategic Board and Investment Panel are made available on the SELEP Website.

Q.7. All papers are published at least 5 clear working days before the meeting, except for papers containing confidential information (Q.9 below), or in extreme circumstances where it is not possible to circulate papers in advance.

Q.8. These timelines for publications of papers are clearly outlined on the SELEP website.

Q.9. Please see the SELEP Ltd Articles of Association for the definition of confidential information.

Q.10. Where information that is necessary to support a Board decision is exempt from publication, in line with the requirements above, this is clearly stated on the respective meeting agenda, with the reason for the exemption included. The standard reporting template must be applied when publishing all meeting agendas to ensure that appropriate reference is made to exempt items.

Q.11. Board members and officers in receipt of confidential information (Q.9 above) from the SELEP Ltd are required to adhere to the Code of Conduct and the ECC Confidential Information Policy which sets out the expectations of members and officers when handling confidential information.

Q.12. 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.

Q.13. 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 Ltd and Accountable Body websites, 28 days before the decision is taken. This ensures transparency around future decisions.

Q.14. All decisions made by the Chief Executive Officer that are Chief Officer Actions under the Financial Regulations and associated scheme of delegation of the Accountable Body, shall also be published on the SELEP website, including those made under the Power of Attorney .

Q.15. Draft minutes of all meetings are publicly available on the 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.

Q.16. The Accountability Board summary of decisions shall be published as soon as practicably possible following the meeting.

Q.17. Any declaration of interest made at the meeting must be included in the minutes of the meeting and must document:

Q.17.1. The nature of the interest (pecuniary or code);

Q.17.2. What the declaring member did during the item to demonstrate the interest was handled appropriately.

Q.18. When there is a new declaration of interest, this must also be updated on the relevant member's register of interest.

Q.19. For each quarter of the financial year, a table of decisions taken by the Accountability Board, Federated Boards or under the Chief Executive Officers delegated budget during that quarter, will be made available on the SELEP website.

R. SCRUTINY ARRANGEMENTS

R.1. There are scrutiny arrangements in place for all funding decisions taken by the Accountability Board.

R.2. Accountability Board decisions may be called-in by members of any Partner Authority in the same way they call-in decisions of their own executive arrangements, subject to:

R.2.1. the decision may not be called-in after 5pm on the third working day after the date of publication by the Accountable Body: and

R.2.2. call-in may only be made if the decision affects that partner area.

R.3. If a decision is called-in, a two-stage process will be followed:

R.3.1. 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, 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;

R.3.2. 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.

R.4. This process is compliant with the Joint Committee Agreement (JCA) within the Framework Agreement and ensures that scrutiny is managed in a way that gives equal footing for all partners.

R.5. Requests to attend County/Unitary Council Scrutiny Committees within the SELEP are welcomed, and attendance prioritised.

R.6. Challenge sessions will be included within each meeting of the company membership.

R.7. The Accountable Body would not be required to comply with an Accountability Board decision in the following circumstances:

- R.7.1. the decision does not comply with the financial regulations of the Accountable Body;
- R.7.2. 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;
- R.7.3. the decision is unlawful; or
- R.7.4. the decision does not comply with the requirements of this Assurance Framework.

R.8. In circumstances where there is a conflict between the any of the three parties (the Accountable Body, the Accountability Board and/or SELEP Ltd)the following process will be used to resolve the issue:

- R.8.1. 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 and, in good faith, attempt to agree on the action required to resolve the issue;
- R.8.2. if the Chair of the Strategic Board and the Section 151 Officer of the Accountable Body are unable to resolve the dispute, the matter will be referred to the Government (or grant awarding body, if not the Government) for consideration.

SECTION 7: HOW WE MANAGE OUR PROGRAMMES

S. VALUE FOR MONEY

S.1. SELEP Ltd 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 explains how SELEP Ltd ensures that effective processes are in place.

T. EFFECTIVE MANAGEMENT OF RESOURCES

T.1. The use of resources by SELEP Ltd are subject to the usual Local Authority checks and balances This includes the financial duties and rules which require councils to act prudently in spending, which are overseen and checked by the Responsible Chief Finance Officer of the Accountable Body, the Section 151 Officer.

T.2. All SELEP Ltd 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 regarding appropriate use of the funding.

T.3. Partners are required to maintain a robust audit trail of the use of Government funding, to demonstrate compliance in fulfilling its obligations regarding use of that funding.

T.4. The Accountable Body will ensure that there are arrangements for local audit of funding allocated by SELEP Ltd which is equivalent to those in place for Local Authority spend.

T.5. SELEP Ltd is required to ensure that there are arrangements for the funding of audit activity carried out by the Accountable Body.

T.6. If the SELEP Ltd has additional funds running through its own accounts, they will ensure appropriate external audit arrangements in line with the Companies Act (2006) and consider relevant corporate governance best practice.

T.7. Through the nominated Section 151 Officer (or equivalent) of the partner organisation, SELEP Ltd, 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.

U. PRIORITISATION

U.1. Capital Grants (including LGF and GBF)

U.1.1. Some steps of this process may be combined if there are significant time constraints . This will be communicated to the Strategic Board and partners at the start of the process.

U.1.2. Through adopting the recommendations of the MHCLG Deep Dive in 2018, the SELEP Ltd is committed to developing and maintaining a single pipeline of projects..

U.1.3. As SELEP Ltd covers such a wide geographical area, encompassing several local authorities facing competing challenges, the initial identification and prioritisation of projects is most effectively managed within local areas through the federated model.

U.1.4. At the outset of a funding round, the Strategic Board will agree the specific project eligibility and prioritisation criteria to be applied through the process. The Strategic Board may also choose to agree an upper limit on the number of applications submitted and/or the total value of funding that can be sought by a Federated Board for a particular funding round.

U.1.5. Upon the funding opportunity being launched by SELEP Ltd, scheme promoters will be invited to complete an Expressions of Interest, using the SELEP Ltd template, for submission to the respective Federated Board.

U.1.6. Federated Boards are required to identify and prioritise potential projects with support of the ITE through an open call for projects, publicised widely by SELEP Ltd, Partner Authorities and Federated Boards. As a minimum, funding opportunities are publicised on the website and through the media/social media.

U.1.7. The initial assessment and sifting of the Expression of Interest will be undertaken by the Federated Boards, with support from the ITE, to identify the priority projects of the respective Federated Board to be taken forward to the next stage of assessment. The role of the ITE at this stage of the process will be to support local areas in ensuring the suitability of the projects for the funding call, that the projects meet the eligibility criteria and to help identify any showstopper issues.

U.1.8. Through the initial Federated Board assessment, consideration will be given for the eligibility and prioritisation criteria, agreed by the Strategic Board for the specific funding opportunity and any upper limits on the number of applications and/or the maximum amount of funding that a Federated Board can seek during a particular funding round.

U.1.9. At the Federated Board, there must be a fair and equal opportunity for discussion around the relative merits of each of the projects put forward for the funding opportunity.

U.1.10. For those projects supported by a Federated Board, the project promoter will be invited to develop a Strategic Outline Business Case, using the SELEP Ltd template. The Business Case will be assessed by the ITE, with feedback being provided to the project promoter and the respective Federated Board.

U.1.11. Project prioritisation will then take place at a Federated Board level to consider each project's fit with the strategic priorities of SELEP Ltd and the Federated Area. This will be informed by the outcome of the ITE assessment and the Federated Board will be asked to focus on their top few priorities relative to the amount of funding available.

U.1.12. Should the Federated Board choose to prioritise a project which has been assessed by the ITE as having delivery issues or other project constraints, the burden of proof will be on the respective Federated Board representative to demonstrate to the Investment Panel how the project risks or issues can be mitigated.

U.1.13. The Federated Board will help inform the prioritisation of projects across SELEP and the information presented within the Investment Panel papers. The outcome of the ITE assessment

and the Federated Board prioritisation will be used to support the decision making, by the Investment Panel in agreeing a single SELEP Ltd prioritised list of projects.

U.1.14. Overall responsibility for the prioritisation of projects at a SELEP Ltd level rests with the Strategic Board, but this role has been delegated by the Strategic Board to the Investment Panel, as a sub-committee of the Strategic Board, for GPF and LGF prioritisation. Strategic Board retains the right to revoke this delegation at any time or chose to prioritise at Strategic Board rather than Investment Panel.

U.1.15. The specific eligibility criteria and prioritisation criteria for each funding round will be agreed by the Strategic Board at the outset of the process. As a minimum the prioritisation of projects for funding, will include an assessment of each project 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:

i. the strategic case- the project should be aligned with the Economic Strategy Statement and support delivery of the objectives and outcomes contained within the plan;

ii. the economic case- the projects are expected to deliver high or very high value for money for investment of public funds;

iii. the commercial case- the proposed deal is attractive to the market place, can be procured and is commercially viable;

iv. 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;

v. 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.

U.1.16. In prioritising projects, consideration will also be given to the phasing, suitability and availability of funding. The application of the five cases should be proportionate to the scale of intervention and the value of funding sought.

U.1.17. 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 website.

U.1.18. Once project prioritisation has been completed, partners will be required to further develop their business case for investment prior to a funding decision by the Accountability Board.

U.1.19. Before a project can be considered for inclusion in the single prioritised list, it must have been developed in consultation with the Federated Board, received Federated Board approval and S151 officer sign off from a Partner Authority.

U.1.20. For pan-LEP projects to be brought forward, they must also be prioritised by at least one Federated Area and have received Section 151 officer sign off from a Partner Authority.

U.2. **GPF**

U.2.1. On the 4th October 2019, the Strategic Board agreed the approach to the reinvestment of GPF capital funding and which is published on the website.

U.2.2. The first stage, for scheme identification and prioritisation, is led by federated areas based on the submission of an expressions of interest form. The initial prioritisation by the Federated Boards considers the projects fit with the GPF eligibility criteria and the projects fit with local and SELEP strategic objectives. Each Federated Board is asked to nominate projects to be submitted for consideration by the SELEP Ltd.

U.2.3. For projects nominated by Federated Boards, scheme promoters are required to complete a strategic outline business case, which will be reviewed independently by the ITE (V.1.1 below),

U.2.4. The independent assessment will be conducted based on the following criteria, as agreed by the Strategic Board:

i. need for Intervention;

ii. viability;

iii. deliverability;

iv. expected Benefits;

v. pace of benefit realisation; and

vi. contribution to the establishment of a revolving fund;

U.2.5. 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 (V.2.16 below), and fulfil the value for money requirements (V.3.2 below), prior to a funding decision by the Accountability Board.

U.3. **SSF**

U.3.1. On the 9th of June 2017, the Strategic Board approved the use of the GPF revenue grant to support the sector-focused activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP Ltd working groups. Further funds were allocated to the SSF on 12 June 2020.

U.3.2. 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 SELEP area, including supporting recovery after the COVID19 pandemic and offsetting and impacts of the UK's withdrawal from the EU. All applications must meet the criteria a set out in the SSF guidance published on the website. The funding will be deployed on a first-come first-served basis for those projects that meet the criteria.

U.3.3. Each bid must be supported by a completed SSF application template.

U.3.4. The appraisal of projects will be conducted by the Secretariat, followed by an independent review by the Accountable Body.

U.3.5. Projects which are successful through the appraisal process will be recommended to the Strategic Board for endorsement, prior to funding being approved by the Chief Executive Officer.

U.3.6. 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 website.

U.3.7. If the total amount of SSF sought exceeds the amount available, then the Strategic Board will be asked to consider and prioritise the applications.

U.4. **COVID-19 Recovery Funds**

U.4.1. Contracts to deliver the activities identified as part of the COVID19 Recovery Fundsi will be awarded following an open and competitive procurement process.

U.4.2. There will be general principles for all procurements which will include a LEP wide approach, evidence of local employer support and collaboration and a good understanding of the local landscape in terms of the labour market, LEP Economic Strategy Statement and also existing programmes. Provision should not duplicate national mainstream or local funding but should cover gaps (e.g. industry qualifications). Support to specific cohorts will be included, for example to address issues such as gender and ethnic diversity in certain sectors and support for particular age cohorts.

U.4.3. Contracts will meet the value for money requirements that are part of the Accountable Body's procurement processes.

U.4.4. Programmes will be expected to deliver within one year of being awarded the contract.

U.4.5. All procurement will be subject to other Assurance Framework requirements including openness and transparency, value for money and monitoring arrangements.

V. BUSINESS CASE AND GATE ASSESSMENTS

V.1. **Role of the ITE**

V.1.1. An independent technical evaluator (ITE) has been appointed by the Accountable Body on behalf of the SELEP Ltd, to provide impartial technical advice to the Strategic Board, the Accountability Board, Investment Panel and local project sponsors on value for money and project deliverability. They are required to make recommendations to the Accountability Board on funding decisions, taking into account the agreed criteria for funding, as set out in the value for money section (V.3.1 below).

V.1.2. The ITE review and external scrutiny of business cases is the process through which the partnership assures that appropriate checks and balances are completed to ensure that fair and accurate information is presented to decision makers.

V.1.3. The ITE assessment is based on adherence of individual project business cases to the guidance set out in The Green Book (Q.8 above), and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the MHCLG Appraisal Guide. The Green Book, WebTAG and MHCLG Appraisal Guide provide proportionate methodologies for project business case appraisal. An assessment pro-forma has been developed based on the guidance and is available on the Website.

V.1.4. The pro–forma supports the assessment of each project on a consistent basis and is based on the five cases listed in U.1.15 above, and which reflects the Green Book approach.

V.1.5. Each project is assessed and then given a RAG rating as follows:

i. 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;

ii. 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 Gate 2 submission of the Business Case);

iii. 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 ITE assessment can be passed and recommendations made to the Accountability Board for the approval of the project.

V.1.6. all funding decisions sought by the Accountability Board will be supported by a recommendation from the ITE.

V.2. **Process from outline to full business case**

V.2.1. Business cases for all projects must include a value for money assessment and follow the Green Book (U.1.15 above) guidance on appraisal and evaluation.

V.2.2. 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. Transport projects are defined, within MHCLG's National Assurance Framework (D.2 above), as any scheme that significantly changes the transport network infrastructure, whatever its objective.

V.2.3. For transport schemes, central case assessments shall be based on forecasts consistent with the latest version of the National Trip End Model (NTEM) and the appraisal spreadsheets. Assumptions and outcomes must be included in the business case or supporting appendices to be considered by the SELEP Ltd and its appointed ITE.

V.2.4. For skills schemes funded by capital grants, the business cases will be evaluated based on Skills Funding Agency good practice, advice and guidance, tailored to reflect local circumstances as appropriate, or other appropriate government guidance.

V.2.5. Each business case will set out a statement of strategic and viable objectives and the specific outcomes that the scheme is intended to achieve.

V.2.6. The business cases will include sign-off by the promoting partners Section 151 Officer, or equivalent, before being submitted to the SELEP Ltd for ITE review, as per the processes described (V.2.9 below). Where the business case has been developed by a Government department or other statutory body under value for money exemption 2 (V.3.3.ii below), 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.

V.2.7. The ITE will ensure that the approach taken by partners is robust, consistent with technical guidance and able to withstand scrutiny. In so doing, the ITE will collaborate with partners to

minimise the time and cost associated with preparing business cases by adopting practices which are proportionate to the scale of each project.

V.2.8. All business cases must provide a risk register, project programme, funding profile and monitoring and evaluation plan.

V.2.9. All capital grant 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.

V.2.10. Only certain capital grant projects will go through a Gate 4 and 5 review. This will include projects with an allocation of over £8m and/or the project is identified as high risk by the ITE and/or SELEP Secretariat. These projects will be identified to the Accountability Board during the early gate submissions.

V.2.11. Business cases with a capital grant 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.

V.2.12. Projects will be exempt from Gate 4 and 5 reviews, 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 (BB.1.1 below).

V.2.13. A Gate 4 and 5 review may also be required where a project change necessitates the review of the Project Business Case.

Is responsibility for Business Case approval retained by DfT, or is the business case being developed by a Government dept or statutory body?
YES
NO
GATE 0
GATE 1
GATE 2
GATE 3
Is there a capital grant allocation of over £8m and/or is the project identified as high risk?
YES
NO
GATE 4
GATE 5
Funding decision by the Accountability Board

V.2.14. Gate 0:

i. through the Capital Programme Manager, the ITE will provide early advice to project promoters on applying the assessment process on a project by project basis, including the appropriate approach and the process, procedures and timescales;

ii. through a Gate 0 meeting or teleconference, the project promoters will agree with the ITE an approach to the project business case development which is considered proportionate to the project cost, capital grant ask and is fit for purpose.

V.2.15. Gate 1:

i. following Gate 0, project promoters must develop a business case commensurate with an outline business case as guided by The Green Book guidance (V.2.20 below) on appraisal and evaluation or other relevant Government departmental guidance;

ii. To progress through Gate 1, the ITE will assess the outline business cases using a standard assessment pro-forma, and will, in the first instance, make recommendations to the Capital Programme Manager, project promoter and relevant partners.

V.2.16. Gate 2:

i. all projects will have an opportunity to make changes to the outline business case, following the receipt of feedback from the ITE Gate 1 assessment. Once resubmitted, the ITE will conduct the Gate 2 assessment, using the same assessment pro-forma as for Gate 1;

ii. based on the Gate 2 assessment, recommendations will be made by the ITE to the Accountability Board on the value for money assessment and the certainty of that assessment's accuracy. The Accountability Board will then decide whether to approve the funding allocation. This may be subject to completion of Gate 4 and 5.

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

V.2.17. Gate 3:

i. this is for projects for which the responsibility for business case approval is retained by the Department for Transport (DfT), or when the business case is being developed by another Government department or statutory body (excluding local authorities);

ii. in these instances, the role of the ITE is to review the business case and provide professional advice to the Accountability Board of any key risks or issues arising that need to be considered by the Accountability Board to support the associated decision for funding.

V.2.18. Gates 4 and 5:

i. large schemes with capital grant 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 (if agreed with the Accountability Board on the completion of Gate 2);

ii. 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 a review of a full business case under the change request process (BB.1.1 below);

iii. Gate 4 is commensurate with Gate 0, outlining the approach, process, procedures and timescales for development of the full business case;

iv. 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 ITE to the Accountability Board on the value for money assessment and the certainty of that assessment's accuracy. The Accountability Board will then consider approval of the project for funding.

V.2.19. For projects seeking funding to support the development of a specific business case, the role of the ITE will be to review the intention to develop the business case, and to provide professional advice to the Accountability Board of any key risks or issues arising from that assessment. In such instances, it is expected that the advice will include an indication of whether the business case to be developed will be expected to meet the value for money assessment criteria (V.3.2 below).

V.2.20. Where a package of investment projects is being considered for capital grant funding, 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.

V.2.21. Projects are defined as a package of investment if:

i. there is a clear strategic case which is consistent for all the packages of investment;

ii. consistent strategic objectives are defined for the package of investment;

iii. there is clear evidence that the project directly contributes to the benefits of the package of investment;

iv. 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

v. an ITE review of the package of investment has been completed which confirms that the overall package of investment demonstrates high value for money.

V.2.22. Where the capital grant allocation to individual projects within a package of investment does not exceed £8m and the package does not present high risk, the package will be exempt from completing Gate 4 and 5.

V.2.23. The Gate 2 outline business case for the project will be published on the website when it is submitted to the Secretariat and ITE for the Gate 2 review. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision will be taken, subject to the removal of those parts which are commercially sensitive and confidential (Q.9 above).

V.2.24. 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 ITE. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision will be taken, subject to the removal of those parts which are commercially sensitive and confidential.

V.2.25. The cost of the ITE completing one review at each gate of the business case review process will be funded though the Secretariat revenue budget for all projects identified within the Growth Deal programme, subject to the County and Unitary Councils maintaining the level of their contribution to the Secretariat budget.

V.2.26. The cost of an ITE review of a business case will be funded by the partner where a project change request (BB.1.1 below) has triggered the review of the business case on more than one occasion, and where a gate review process needs to be repeated due to:

i. the business case being insufficiently well developed to complete a gate of the ITE review process; or

ii. the ITE having not been provided with the necessary information to enable them to complete a gate of the review process and make recommendations to the Accountability Board.

V.2.27. Projects seeking GPF capital loan funding will be required to complete Gate 2 of the business case review process (V.2.9 above) and fulfil the value for money requirements (V.3.2 below).

V.2.28. Projects seeking funding from the SSF will be subject to an independent review by the Accountable Body proportionate to the investment requested, and in line with the process for awarding the funding as agreed by the Strategic Board in June 2017 and published on the website.

V.2.29. Any other funding awards will follow the terms and conditions of the grant from the respective awarding body.

V.3. **Recommendations to the Accountability Board**

V.3.1. The ITE shall ensure that all evidence provided by the partners, including value for money, is robust and relevant. They will report back to partners on any inconsistencies that need to be addressed before the ITE review can be completed and the funding decision taken to the Accountability Board. Value for money is assessed based on the methodology outlined in The Green Book (Q.8 above) published by the Treasury or alternative appropriate Government guidance; this assessment includes the calculation of the benefit to cost ratio, which forms part of the value for money assessment.

V.3.2. To receive a recommendation for approval, projects should have:

i. a clear rationale for the interventions linked with the strategic objectives identified in the Economic Strategy Statement or other Strategy approved by Strategic Board;

ii. clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;

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

iv. a benefit to cost ratio of at least 2:1 or comply with one of the two exemptions listed (V.3.3 below).

V.3.3. Certain projects may be eligible for exemption from the condition stated in (d) above, under one of the following exemptions:

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

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

b. the funding sought from the SELEP Ltd is less than £2m; and

c. to conduct further quantified and monetised economic appraisal would be disproportionate to the capital funding ask; and

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

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

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

a. the project has a benefit to cost ratio of over 1:1; and

b. there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the ESS or other strategy; and

c. there is demonstrable additionality which will be achieved through investment to address a clear market failure; and

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

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

- a Government department;
- Highways England;
- Network Rail;
- Environment Agency;
- Skills Funding Agency; or
- Other Government Agency

V.3.4. On completion of a business case review, the ITE will make recommendations to the Accountability Board on projects that perform well against the assessment criteria and therefore should be funded. Where projects do not perform well against the assessment criteria, recommendations will be made back to SELEP Ltd and the promoting authority to either further develop the case for the project, or to consider alternative options.

V.3.5. 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.

V.3.6. When funding decisions are considered by the Accountability Board, the Accountability Board reports include:

a. the outcome of the ITE assessment;

b. the availability of funding;

c. details of any high project risks;

d. the alternative project options which have been considered;

e. any comments received by SELEP Ltd directly (prior to the publication of the report) from members of the public or other stakeholders, in relation to the project.

f. consideration as to whether the funding decision is compliant with the requirements of this Assurance Framework;

g. impartial advice and recommendations from the Secretariat on whether to fund the project under consideration; and

h. Accountable Body comments on the legal and financial implications of the funding decision.

V.3.7. The project business case is also made available as a background document to the Accountability Board report.

V.3.8. Successful projects will progress to delivery. Unsuccessful projects will be considered by the local partner for revision or will be removed from the programme.

V.3.9. The Accountability Board is required to agree the removal of any project from the capital programme regardless of funding stream . The Strategic Board will be informed of any amendments or removal of any projects to and from the pipeline of projects which have been provisionally allocated or awarded funding.

V.3.10. The Secretariat's Capital Programme Manager has overall responsibility for ensuring value for money for all projects and programmes and is responsible for overseeing the ITE assessment and recommendations relating to each business case. The 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.

V.3.11. SELEP Ltd 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.

W.APPROVING FUNDING

W.1. All funding decisions are taken by the Accountability Board, unless they are decisions made under the Chief Executive Officer's delegated responsibilities, within the SELEP budget approved by the Accountability Board. The Chief Executive Officer delegation (J.1.7 above) operates within the Accountable Body's approved scheme of delegation.

W.2. All funding decisions made by the Accountability Board or Chief Executive Officer to approve funding for a specific project or programme must be supported with a robust, independently assessed business case. Impartial advice on the merits of project business cases is provided by the independent technical evaluator (ITE).

W.3. A decision which is made in contravention of the process set out in this Assurance Framework will be invalid due to non-compliance.

W.4. **Devolution of Capital grants**

W.4.1. To devolve capital grants, the Accountable Body ensures that there is a service level agreement (SLA) or grant agreement in place with the respective Partner Authorities which sets out the minimum requirements and expectations relating to the grant allocations. This includes but is not limited to:

i. providing grant funding to the relevant Partner Authority for all schemes within its area (approved by the Accountability Board following ITE appraisal);

ii. devolving responsibility for all relevant requirements, including clawback provisions if applicable, as specified or intended by the grant awarding body;

iii. adhering to all Government grant conditions;

iv. any monitoring or reporting requirements; and

v. committing the Partner Authority to be responsible for any project overspend.

W.4.2. For Capital Skills funding, the Accountable Body ensures that there is a grant agreement in place (on similar terms to the SLA) between the Accountable Body and the respective college before any funding is released. The Accountable Body will only transfer grant funding for the

purpose of delivering the project for which the grant has been awarded, if the following conditions are met:

i. the grant allocation must have been approved by the Accountability Board, in line with the business case development (V above) and value for money (S above) assurance process;

ii. a copy of the respective SLA or grant agreement, signed in accordance with the requirements of the agreement, has been sent to the Accountable Body's Section 151 Officer; and

iii. the Accountable Body is in receipt of the grant from the Government.

W.4.3. The grant for each Capital Grant Project will be paid in accordance with the SLA.

W.4.4. The amount of capital grant transferred to the partner in relation to a project will not exceed the capital grant spend approved by the Accountability Board.

W.4.5. The partner's Section 151 Officer or equivalent responsible financial officer is required to carry out the normal stewardship role, in terms of monitoring and accounting in respect of any capital grants received by the Partner Authority. The Partner Authority is responsible for providing regular reports to the Accountable Body and the Secretariat's Capital Programme Manager to enable quarterly reporting to the Accountability Board and Government.

W.5. **Devolution of GPF**

W.5.1. The Accountable Body ensures that there is a loan agreement in place between the Accountable Body and the respective partner for any GPF capital loans before funding is released.

W.5.2. The funding for each allocated GPF project will be paid to the partner in advance, provided that the following conditions are met:

i. The loan allocation must have been approved by the Accountability Board, in line with the business case development (V above) and value for money (S above) assurance process.

ii. 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

iii. The Accountable Body is in receipt of sufficient funds from the repayment of existing GPF loans.

W.5.3. The Partner Authority's Section 151 Officer or equivalent responsible financial officer is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of the GPF received by the Partner Authority. The Partner Authority is responsible for providing regular reports to the Accountable Body and the Secretariat's Capital Programme Manager to enable quarterly reporting to the Accountability Board.

W.5.4. Following approval of funding for a GPF capital project by the Accountability Board, a capped contribution from the SELEP Ltd via the Accountable Body will be made to the project cost. The Partner Authority will be responsible for all cost increases that may occur through the delivery period.

W.5.5. 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. This agreement ensures the delivery of the project in compliance with the conditions of the loan agreement between the Accountable Body and the partner.

W.6. **Revenue Grants**

W.6.1. Regarding revenue grant funding the Accountable Body ensures that there is a grant agreement in place between the Accountable Body and the respective partner before any funding is released if funds are to be awarded to recipients as grants. .

W.6.2. The funding for each allocated revenue grant project will be paid to the partner in advance, provided that the following conditions are met:

i. The established application process must be followed, where required, such as that in place for the Sector Support Funding process (U.3U.3 above);

ii. The revenue grant allocation must have been approved either by the Accountability Board or by the Chief Executive Officer, in line with Chief Executive Officer responsibilities ();

iii. 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

iv. The Accountable Body is in receipt of sufficient funding.

W.6.3. The Section 151 Officer or equivalent responsible finance officer within the respective Partner Authority is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of that funding. The Partner Authority is responsible for providing regular reports to the Accountable Body and the Chief Executive Officer to enable biannual reporting to the Strategic Board.

W.6.4. Following approval of funding by the Chief Executive Officer, a capped contribution from the SELEP Ltd via the Accountable Body will be made to the project cost. The Partner Authority will be responsible for all cost increases that may occur through the delivery period.

W.6.5. Following the introduction of a nationwide lockdown to respond to COVID19 and the consequent impact on the economy, Strategic Board agreed to divert £4.4 million of GPF repayments to the creation of two COVID19 Recovery Funds.

W.6.6. These funds are a one-off response to an exceptional situation and timeliness of application of these funds is paramount. On that basis VfM will ascertained through the procurement process when selecting suppliers to deliver the activities agreed by Board. Given the low value of individual contracts, or contract lots, and the exceptional nature of this funding an ITE will not be required. Contracts will require monitoring and evaluation of the effectiveness of the investment and demonstration of delivery of outputs as agreed with Board.

X. MONITORING AND EVALUATION

X.1. Partner Authorities refers to the six County and Unitary Councils across the SELEP area.

X.2. The County and Unitary Councils are:

X.2.1. East Sussex County Council;

X.2.2. Essex County Council;

X.2.3. Kent County Council;

X.2.4. Medway Council;

X.2.5. Southend–on–Sea Borough Council; and

X.2.6. Thurrock Council.

X.3. In receiving LGF or other funding, and entering into a service level agreement (SLA), loan agreement or grant agreement, Partner Authorities are responsible for:

X.3.1. Ensuring the delivery of projects, including the outputs, outcomes and spend of funding received through the SELEP Ltd and local funding contributions, to the scope agreed in the Business Case;

X.3.2. Providing regular and accurate reporting to the Secretariat on projects;

X.3.3. Reporting on a quarterly basis for all projects receiving funding from the SELEP Ltd, unless the SLA or grant agreement specifies otherwise . This funding must be completed in the format and to the timescales specified by the Secretariat;

X.3.4. Ensuring sufficient resource is allocated to support the delivery and the post-scheme monitoring and evaluation of all projects;

X.3.5. Complying with the conditions of the respective SLA, loan agreement or grant agreement under which funding has been transferred;

X.3.6. Providing briefings to Accountability Board members, which, as a minimum, should include project updates and decisions being presented to the Accountability Board for all areas, not just in relation to the decisions impacting their own area;

X.4. For all GPF and capital grant projects that are awarded funding by the SELEP Ltd, the partner will be required to provide an initial project programme including:

X.4.1. An outline/detailed design;

X.4.2. statutory requirements;

X.4.3. consultations;

X.4.4. procurement;

X.4.5. construction;

X.4.6. a statement of expected outputs and outcomes;

X.4.7. a risk assessment.

X.5. Partner Authorities are required to submit regular detailed project monitoring reports at quarterly intervals for all GPF capital and capital grant projects. This process will be managed by the Secretariat's Capital Programme Manager and will enable ongoing monitoring and evaluation of individual projects and the impact of the overall programme.

X.6. Through the delivery and completion of projects, SELEP Ltd will ensure that the publicity of projects meets with the Governments branding guidelines where this applies. This includes the use of the appropriate branding and wording for websites, signage, social media, press notices and other marketing materials.

X.7. 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.

X.8. Monitoring and evaluation will focus on 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 outcomes:

X.8.1. housing unit completion;

X.8.2. jobs created or safeguarded;

X.8.3. commercial/employment floorspace completed;

X.8.4. number of new learners assisted;

X.8.5. area of new or improved learning/training floor space; and

X.8.6. apprenticeships.

X.9. Partner authorities for capital grant projects must provide monitoring reports on the following measures, and any others identified by Government, to the Secretariat for each project:

X.9.1. grant spend to date and spend forecast across the agreed profile;

X.9.2. spend to date and forecast spend of matched contributions and funding leveraged compared to the agreed profile;

X.9.3. project delivery against agreed milestones;

X.9.4. identified risks and associated mitigations;

X.9.5. outputs and outcomes forecast and delivered to date against the agreed profile; and

X.9.6. identified Project Changes, as set out in BB.1.1 below.

X.10. Each Partner is required to provide reports to the Capital Programme Manager in advance of each Accountability Board meeting, in a format specified by the Secretariat.

X.11. 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

X.12. 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 capital grant spend from each federated area.

X.13. The Programme Consideration Meetings are held to ensure a coordinated approach to the management of the Capital Programme, in accordance with the Assurance Framework, grant agreements and SLAs in place between the Accountable Body and the partners.

X.14. The responsibilities of the Programme Consideration Meeting group are to:

- X.14.1. report and agree capital grant spend forecast against each specific project included in the Growth Deal to be reported to the Accountability Board;
- X.14.2. agree the capital grant spend forecast for the next quarter transfer of grant, in line with the conditions of the SLAs and/or grant agreements;
- X.14.3. agree the risk score for each specific Project in the Capital Programme and the mitigation to be put in place during the next quarter to manage project risk;
- X.14.4. agree the Project outcomes to be reported to Government;
- X.14.5. share lessons learnt from the delivery of capital projects;
- X.14.6. support the Capital Programme Manager in managing the capital programmes in accordance with the Assurance Framework, grant agreements, loan agreements and SLAs in place between the Accountable Body and the partners;
- X.14.7. report on the GPF capital investment to date and planned GPF capital spend
- X.14.8. receive updates on the delivery of GPF projects;
- X.14.9. identify risks in relation to GPF capital project delivery and the repayment of GPF loans.

X.15. The Programme Consideration Meeting group does not have authority to make decisions over the management of the capital programmes. However, all recommendations of the Programme Consideration Meeting group are reported to Accountability Board for consideration and formal approval. Full Terms of Reference for the Programme Consideration Meeting group are available on the website.

X.16. In addition to the quarterly updates on the delivery of capital grant projects, projects are also required to complete one-year post-scheme evaluation and three/five-year post-scheme evaluation reporting, following the SELEP Ltd's standard project evaluation templates for all projects.

X.17. 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.

X.18. 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 £8 million, 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 million the three/five-year post-scheme evaluation must be completed by within five years of project completion.

X.19. Projects are exempt from the requirement to complete one year and three/five years post-scheme evaluation if plans are in place for the evaluation of the project through an alternative Government department, Government-owned company or non-departmental public body, and the outcome of which can be shared with the SELEP Ltd.

X.20. The monitoring and evaluation reports, completed by local partners, will be subject to independent review by the SELEP Ltd.

X.21. All monitoring and evaluation reports discussed at the Accountability Board, Investment Panel and the Strategic Board will be published on the website on individual project pages.

X.22. Federated Boards will manage programmes within the agreed tolerance levels, and report regularly to the Accountability Board regarding delivery and risks. Changes required to projects outside the tolerance levels, or any significant modifications to project scope, outputs or outcomes arising during development or even construction, must be clearly reported for decision prior to implementation.

X.23. For SSF projects, the Partner Authority is required to provide the Strategic Board with project updates twice a year. The reporting, monitoring and evaluation requirements for SSF projects will be proportionate to SSF award and the overall scale of the project. It is expected that the respective working group for the SSF project will have an active role in overseeing the delivery of the project and considering any project changes, prior to submission to the Secretariat for approval (BB.3.1 below).

X.24. For COVID19 Recovery Funds, the Project Manager is required to provide the Strategic Board with project updates twice a year. The reporting, monitoring and evaluation requirements for COVID19 Recovery Fund projects will be proportionate to the award and overall scale of the project.

Y. MANAGING PROJECT SLIPPAGE

Y.1. Capital Grant Programme

Y.1.1. Through effective management of the 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.

Y.1.2. 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:

i. Option 1: increase the amount of LGF spend in 2019/20 for projects which were already profiled to spend LGF in 2019/20.

ii. Option 2: bring forward LGF spend in 2019/20 for projects which are not due to spend LGF until 2020/21;

iii. Option 3: transfer 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 the respective legal agreement for the project.

iv. Option 4: re-profile spend between LGF projects and Capital Programme projects. This option should only be applied where there is no opportunity to apply options 1, 2 or 3, and federated areas are encouraged to only apply option 4 mitigation as a last resort.

v. Option 5: Any LGF held by the Accountable Body on behalf of SELEP Ltd at the end of financial year to be carried forward into the subsequent financial year.

Y.1.3. The Accountability Board can approve the implementation of the five options listed above, where these options are permitted under the grant conditions from Central Government relating to the specific funding stream.

Y.2. **GPF**

Y.2.1. Where a project is unable to spend the full amount of GPF which has been allocated and transferred to the Partner Authority within a financial year, the Partner Authority may carry forward the GPF within partner accounts, subject to approval by the Accountability Board.

Y.2.2. The Partner Authority will be required to declare the amount of GPF spent and GPF carried forward at the end each financial year.

Z. MANAGING CAPITAL GRANT UNDERSPENDS

Z.1. **Local Growth Fund**

Z.1.1. Under the terms of the SLAs, the Partner Authority may retain the proceeds of project underspends for use on other LGF schemes or to offset overspend, if this is within the tolerance levels of no more than 10% variance on any individual LGF project. As part of the ongoing reporting process, the Accountability Board will be informed of such amendments to support its assurance function.

Z.1.2. As stated in BB.1.1 below, a project cannot receive an additional LGF allocation which exceeds the 10% threshold; i.e. an additional LGF allocation which exceeds the projects original LGF allocation by greater than 10%, unless additional funding is allocated by the Investment Panel

or Strategic Board through the prioritisation of the project following a competitive call for projects.

Z.1.3. 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 (if this does not exceed the 10% threshold of the project to which the underspend is being transferred). In the event of underspends being identified on a specific project of below the 10% threshold, but no alternative LGF project being identified locally which can spend the LGF allocation without exceeding its 10% threshold, then the funding must also be returned to the Accountable Body on behalf of SELEP Ltd.

Z.1.4. In the event of LGF underspend being identified which exceeds the 10% threshold of the project's LGF allocation, this must be returned to the Accountable Body on behalf of SELEP Ltd for reinvestment in projects included in the LGF pipeline.

Z.1.5. In the event of a project being cancelled from the LGF programme, the expectation is that the LGF allocation would be returned to SELEP Ltd for reinvestment in projects included in the LGF pipeline, unless a project change is approved by the Accountability Board, or the Accountability Board agree a compelling reason not to recover the LGF spend to date (assuming the expenditure remains a capital cost).

Z.1.6. 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.

Z.2. Other funding streams

Z.2.1. Any underspend must be returned to the Accountable Body on behalf of SELEP Ltd, in accordance with the requirements of the respective legal agreement for the funding, for reinvestment in pipeline project(s).

AA. PIPELINE MANAGEMENT

AA.1. In the case of capital grant underspend being identified and returned to the Accountable Body on behalf of SELEP Ltd, the Accountability Board may award funding to a project included within the pipeline(s) of projects agreed by the Investment Panel or Strategic Board for that funding stream, based on the amount of funding available.

AA.2. Provided enough funding is available, capital grant should be allocated to the next priority identified within the pipeline(s) of projects agreed by the Investment Panel or Strategic Board.

AA.3. As underspend becomes available, the highest ranked project on the appropriate 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.

AA.4. If there is insufficient underspend available to fund the next project included within the pipeline, then the Accountability Board can agree to hold a funding decision for a maximum of six months (from the point of the Accountability Board being aware of the underspend), until enough underspend is made available. If insufficient funding is available after six months, the next project on the appropriate pipeline which can utilise the amount of capital grant available will be brought forward for consideration by the Accountability Board for a funding award.

AA.5. The funding pipelines will be reviewed by the Investment Panel, at the request of the Strategic Board.

BB. CHANGE CONTROL

BB.1. CAPITAL GRANT PROGRAMMES

BB.1.1. Any variations to a project's costs, scope, outcomes or outputs from the information specified in the business case must be reported to the Accountability Board. The following changes would require approval by the Accountability Board:

i. cancellation of a project which has received a provisional funding allocation ;

ii. inclusion of a new project within the capital programme which has been identified within the SELEP Ltd's pipeline;

iii. acceleration of a project previously programmed to start in later years;

iv. delays to project start or end dates of more than six months;

v. all changes to project capital grant allocations above the 10% threshold;

vi. any re-profiling of capital grant between financial years;

vii. any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;

viii. 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

ix. any further changes as may be defined by the Government.

BB.1.2. The partner shall not make any change to projects, as listed in BB.1.1 above, without the Accountability Board's prior approval.

BB.1.3. 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.

BB.1.4. Where it is less apparent as to whether there is a project change or whether a new project is being developed, then the Accountability Board will be asked to consider these decisions on a case by case basis. Furthermore, any proposals by Partner Authorities to reallocation of capital grant underspend within a package of investment (as defined in Z.1 above), is also subject to consideration and approval by the Accountability Board on a case by case basis.

BB.1.5. 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.

BB.1.6. A copy of the change request template is available on the website. It is expected that the project change will be agreed by the local delivery partners processes prior to submission to the SELEP Ltd. This includes the review of the change request by finance officers and a Senior Responsible Officer within the Partner Authority.

BB.1.7. Where a project is found to be non-compliant with the SLA under which the funding was transferred, the project will be brought to the attention of the Accountability Board and a decision sought as to the appropriate action to be taken. There must be compelling justification for any decision to not pursue recovery of capital grant spent against the conditions of the SLA where there are legal grounds to do so.

BB.2. **GPF**

BB.2.1. 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 Accountability Board:

i. cancellation of a project that which had received a provisional funding allocation;

ii. acceleration of a project previously programmed to start in later years;

iii. delays to project start or end dates of more than six months;

iv. all changes to a project's GPF allocation;

v. any changes to total project costs above 30% or a £500,000 threshold which are identified prior to the construction contract award;

vi. any changes to the GPF repayment schedule;

vii. 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

viii. any further changes as may be defined by the Government.

BB.2.2. The partner shall not make any change to projects, as listed in i-viii without the Accountability Board's prior approval.

BB.3. **SSF**

BB.3.1. Any variations to an SSF project's costs, scope, outcomes or outputs from the information specified in the application must be reported to the Secretariat prior to implementation.

BB.3.2. Where there are changes to the scope and/or SSF allocation, the project promoter is required to complete a SSF Change Request Form, using the SELEP Ltd template. For minor changes, which are in keeping with the scope and benefits stated in the original application, the SELEP Ltd Chief Executive Officer will consider the approval of the change request.

BB.3.3. For more substantial changes to the scope of the project and/or expected benefits the project promoter is required to update the SSF application template for an updated independent review by the Accountable Body and endorsement by the Strategic Board, prior to the change being agreed by the SELEP Ltd Chief Executive Officer.

BB.3.4. Change request must be considered by the lead Partner Authority for the project, prior to submission to the Secretariat.

BB.3.5. If the project change is not agreed and the conditions of the grant cannot be satisfied, the applicant will be required to repay the grant to the Accountable Body on behalf of SELEP Ltd, as per the conditions of the agreement.

BB.4. **COVID19 Recovery Funds**

BB.4.1. Any changes to a project's costs, scope, outcomes or outputs must be reconsidered by the Accountability Board or CEO where Accountability has delegated responsibilities.

BB.4.2. If a project is unable to proceed or the Accountability Board decides that it cannot proceed, the processes will follow the Accountable Body procurement processes for ending a contract; this process will need to be considered in accordance with any exit provisions within the contract in place.

BB.4.3. If underspend results in additional funding becoming available, new projects will be selected in alignment with the Accountable Body procurement processes; if this isn't appropriate, a further decision will be brought back to the Strategic Board to re-prioritise this funding.

SECTION 8: GLOSSARY

Accountability Board	The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board. The Accountability Board operates under a Joint Committee agreement, agreed by each of the six Partner Authority members including, East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend on Sea Borough Council and Thurrock Council.
Accountable Body	Essex County Council, who retains overall legal accountability for the investment programme, supported by Essex's Section 151 Officer.
Additionality	The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.
Branding Guidelines	The guidelines issued by the Ministry of Housing Communities and Local Government to provide clarity of LEPs should use Government branding to help promote projects via Local Growth Fund other UK Government funded projects and collaborate on external communications opportunities.
Call-in	Call-in provides an opportunity to ensure that the SELEP Ltd adheres to the principles of good decision-making. Local Authority Scrutiny Committees have the power to call in and scrutinise the decisions before they are implemented. Under the Accountability Board Joint Committee Agreement, each of the six Partner Authorities has the ability to challenge a decision made by the Accountability Board.
Capital Cost	Capital grant allocations received by SELEP from Central Government may only be used for the purposes that a capital receipt may be used, in accordance with regulations made under section 11 of the Local Government Act 2003.
Co-opted members	Board members appointed by the board.
COVID19 Recovery Funds	Revenue funds made available to support skills acquisition and SME businesses in the immediate aftermath of the COVID19 lockdown
Deadweight	It is the proportion of total outputs/outcomes that would have been secured without the investment in question.
Devolution	The transfer or delegation of power to the Federated Boards by the Strategic Board.
Displacement	Displacement is the number or proportion of outputs/outcomes that reduce outputs/outcomes and economic activity elsewhere.
Economic Strategy Statement	The South East Local Enterprise Partnership (SELEP Ltd) has agreed its new Economic Strategy Statement (ESS), outlining its priorities and aims to drive a more productive and prosperous economy for the area over the next decade. The ESS replaces the previous SELEP Strategic Economic Plan 2014.
Federated Boards	The Federated Boards are the local public/private partnerships which support SELEP Ltd. There are four Federated Boards; Essex Business Board

	(EBB), Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES)
Freedom of Information request	The Freedom of Information Act 2000 provides public access to information held by public authorities. It does this in two ways: public authorities are obliged to publish certain information about their activities; and members of the public are entitled to request information from public authorities.
Gate Process	All capital grant 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.
Governance	The structure, roles, responsibilities and system of decision-making and the process by which decisions are implemented (or not implemented).
GBF	Getting Building Fund to deliver jobs, skills and infrastructure, targeted in areas facing the biggest economic challenges as a result of the pandemic. It supports the delivery of shovel-ready infrastructure projects to boost economic growth, and fuel local recovery and jobs.
GPF	Growing Places Fund. A capital loan, awarded as a low or zero percent interest rate. This funding aims to tackle barriers to economic growth.
Growth Deal	Growth Deals provide funds to LEPs for projects that benefit the local area and economy.
Growth Hub	Growth Hubs are local public and private sector partnerships led by the Local Enterprise Partnership (LEP). They provide a mechanism for integrating national and local business support so it is easier for businesses to access the help and advice they need to thrive and grow.
Independent Technical Evaluator	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.
Investment Panel	A sub-committee of the Strategic Board. The Investment Panel has responsibility for the prioritisation of projects following an approach agreed by the Strategic Board.
LEP Network	A membership organisation for LEPs, whose purpose is to enable LEPs to discuss issues of shared importance as a sector, engage with Government, and share knowledge and good practice.
LEPs	Local Enterprise Partnerships (LEPs) are public private partnerships between local authorities and businesses. LEPs were set up by the government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create jobs.
LGF	Local Growth Fund A capital grant for investment in capital infrastructure projects. This funding aims to support the delivery of jobs, homes, new learners and other economic growth objectives that were identified as part of the Growth Deal
LIS	Local Industrial Strategy

Section 8: Glossary

MHCLG	Ministry of Housing, Communities and Local Government
Local Assurance Framework	This Assurance Framework reflects the expectations of Government as set out in the revised National Assurance Framework published January 2019.
Partner Authority	The six County Council/Unitary Authorities within the SELEP area, including East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Southend – on – Sea Borough Council and Thurrock Council.
Nolan Principles of Public Life	the seven ethical principles expected of public office holders, including people who are elected or appointed to public office, nationally and locally.
RAG Rating	The RAG system is a popular project management method of rating for issues or status reports, based on Red, Amber, and Green colours used in a traffic light rating system.
Registers of Interest	All members of the Secretariat, Senior Officer Group and Strategic, Accountability and Federated Boards are required to complete a Register of Interests form, recording details of any relationship or other financial or personal interest which might conflict with their duties to the SELEP
Retained schemes	Projects which are included in the Growth Deal and have been identified for LGF investment, but where the Department for Transport (DfT requires additional project progress reporting and/or business case approval by the DfT. The funding for these projects is received by the Accountable Body from the DfT directly, rather than via MHCLG.
Section 151 Officer	An officer appointed under section 151 of the Local Government Act 1972 which requires every Local Authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.
Sector Support Fund	A revenue grant, funded through Growing Places Fund revenue, aimed at supporting the work of the SELEP sector working groups.
SELEP	The South East Local Enterprise Partnership (SELEP Ltd) 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.
SLA	A service-level agreement (SLA) is the agreement under whichfunding is transferred between the Accountable Body, Essex County Council and the Partner Authorities.
Slippage	Slippage refers to the amount of grant funding which is no spent within the financial year in which it was received.
SME	Small and medium sized enterprises or subject matter expert
Social Value	Added economic, social or environmental benefits.
Strategic Board	The primary private/public partnership board within the SELEP structure. It is responsible for providing clear strategic direction and leadership
Terms of Reference	The scope and limitations of an activity or area of knowledge.
VCSE	Voluntary Community and Social Enterprise.
WebTAG	WebTAG is the Department for Transport web-based transport analysis guidance (TAG) which provides information on the role of transport modelling and appraisal.

Working Groups	Informal non-decision-making groups intended to provide expertise and support to the Strategic and Accountability Board