

**SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP**  
**ASSURANCE FRAMEWORK**

**Last Date Approved: 11<sup>th</sup> March 2016**  
**Revised date:**

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**Appendix 1 – Supporting Documentation**

## **1 Overview**

- 1.1 The South East Local Enterprise Partnership (SELEP) is one of 38 LEPs, established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area” [Local Growth: Realising every place’s potential, HMG, October 2010]. It encompasses the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.
- 1.2 The purpose of the Assurance Framework is to set out the systems and processes in place that are necessary to manage the delegated funding from Central Government Budgets effectively. It is intended to provide Government and Partners with the assurance that decisions over funding are proper, transparent and deliver value for money. This Assurance Framework reflects the expectations of Government as set out in the National Assurance Framework published October 2016.
- 1.3 The Strategic Board sets the strategic direction of SELEP, providing clear strategic leadership and championing shared SELEP priorities. It is the main SELEP interface with Government, bringing together both private and public sectors to drive local growth and job creation and to oversee all SELEP activity to deliver this aim.
- 1.4 Formal democratic decision-making is through the Accountability Board which approves all funding decisions and is responsible for monitoring delivery of SELEP’s capital programme and actively reviewing associated risks, informed by local area management information. The Joint Committee structure of the Accountability Board roots decision-making firmly in the democratic process and enables it to be subject to democratic scrutiny.
- 1.5 Federal Boards are responsible for local delivery and managing their local programme within tolerance levels for both spending and delivery.
- 1.6 Funding decisions made by the Accountability Board are based on impartial advice provided by an Independent Technical Evaluator who makes recommendations based on value for money assessments of individual business cases.
- 1.7 As the SELEP Accountable Body, Essex County Council, retains overall legal accountability for the SELEP investment programme, supported by Essex’s Section 151 Officer.
- 1.8 Federal Boards, local councils and project sponsors are required to adhere to this Assurance Framework in relation to allocations of SELEP funding and to ensure consistency of prioritisation, programme management and investment, cost control and approval and programme/risk management.
- 1.9 The Assurance Framework should be read in conjunction with the SELEP Terms of Reference agreed by the Strategic Board in December 2016 and published on the SELEP website.
- 1.10 The Assurance Framework will be reviewed and updated as required and will be agreed annually by the Strategic Board.

## **2 Governance and Decision Making**

### **2.1 Overview**

- 2.1.1 The SELEP is a clear partnership between business and public sector at both SELEP and local partnership levels. At the heart of this partnership is the devolution of local accountability and funding to ensure decision-making at the most appropriate level. Democratic accountability for funding decisions made by the SELEP are provided through local authority leader representation on the Accountability Board, with accountability to the business community flowing through the business leader representatives on the Strategic Board.
- 2.1.2 The SELEP operates a Federated Model under which there are two main decision making boards which are supported by the Greater Essex Business Board (GEBB), Kent and Medway Economic Partnership (KMEP), Opportunity South Essex (OSE) and Team East Sussex (TES) and a range of working groups. Each board and group has their own terms of reference which are aligned to the overall SELEP Terms of Reference and the SELEP Assurance Framework, and made available on the SELEP website.
- 2.1.3 The SELEP is committed to ensuring fairness in its decision making and ensures through regular reviews that its practices follow the best standards. In doing so SELEP has due regard to the general equality duty and the principles of public life.

## 2.2 **The Strategic Board**

- 2.2.1 The Strategic Board is the primary private/public partnership board within the SELEP structure. It is responsible for setting the LEP's strategic direction and providing clear strategic leadership to the SELEP.
- 2.2.2 Working collectively, Strategic Board members are responsible for:
  - a) setting the vision, strategic direction and priorities of the LEP overall;
  - b) ensuring the development and maintenance of the Strategic Economic Plan and for determining its key funding priorities;
  - c) ensuring that that adequate capacity and expertise is maintained to deliver against b);
  - d) considering and agreeing a position on major items of strategic importance;
  - e) publishing arrangements for developing, prioritising, appraising and approving projects with a view to ensuring that a wide range of delivery partners can be involved;
  - f) developing a Skills Strategy for the area;
  - g) approval of European Structural Investment Funds (ESIF) strategy;
  - h) deciding how the activities of the LEP should be delegated;
  - i) championing the LEP and the LEP area in all other forums;
  - j) supporting pan-LEP activity undertaken by the working groups;
  - k) working closely with federal boards to oversee Growth Hub, Enterprise Zone and City Deal activities; and
  - l) endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP.
- 2.2.3 The Strategic Board is made up of 28 members selected by their local private/public sector partnerships or their representative bodies and at least 50% of the members are required to be from the private sector. The Strategic Board membership is as follows:

<b>Membership</b>	<b>Count</b>
Chair	1
Business representatives taken from Greater Essex Business Board and Opportunity South Essex	5
Local Government representatives taken from Greater Essex Business Board and Opportunity South Essex	5
Business representatives from Kent and Medway Economic Partnership	4
Local Government representatives from Kent and Medway Economic Partnership	4
Business representatives from Team East Sussex	3
Local Government representatives from Team East Sussex	3
A representative of the Higher Education sector	1
A representative of the Further Education sector	1
A representative of SMEs/Social Enterprise TBC	1

2.2.4 The SELEP terms of reference sets out how members are appointed to the Strategic Board.

### 2.3 The Accountability Board

2.3.1 The Accountability Board provides the accountability structure for decision-making and approval of funding within the overarching vision of the Strategic Board.

2.3.2 The Accountability Board is responsible for the final sign-off of funding decisions having regard to the Independent Technical Evaluation recommendations. This includes any direct awards of funding from the Government including retained schemes. Flexibilities have been implemented to allow for minor project changes as referenced in paragraph 5.11.

2.3.3 Within the SELEP's Growth Deal and Strategic Economic Plan and other plans as may be approved by the Strategic Board, the Accountability Board is responsible for the implementation of the Assurance Framework and will agree all processes by which bids are assessed, risks considered, approvals made and performance managed. The responsibilities are set out in the Accountability Board Joint Committee Agreement, signed on 13<sup>th</sup> November 2015, and are summarised below:

- (a) Appraisals and approvals of grants and loans in accordance with Independent Technical Evaluator recommendations;
- (b) Monitoring project assessment/implementation and delivery;
- (c) Ensuring accountability from each of the federated areas relating to expenditure and programme delivery (through their responsible S151 officer);
- (d) Approving variations to schemes;
- (e) Quarterly performance reporting on an exceptions basis (within approved tolerance levels) to the Strategic Board;
- (f) Reporting on progress to central government;
- (g) Any other accountability or assurance function required by central government or recommended by the Partnership's auditors or the Chief Finance Officer of the Partnership's Accountable Body;
- (h) Approving an Annual Report to be made available to the Partner Authorities; and
- (i) Agreeing all new or revised processes, including the Assurance framework.

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

2.3.5 The Accountability Board membership is as follows:

Voting Members

- 1 member appointed from each of the 6 member councils

Non-voting Co-opted members

- The Vice Chairs of the Strategic Board appointed by the Federal Boards
- One member appointed by the Accountability Board on the nomination of the higher education sector
- One member appointed by the Accountability Board on the nomination of the further education sector

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

## **2.4 The Federal Boards**

2.4.1 SELEP is supported by Federal Boards who are the local public/private partnerships for East Sussex, Essex, Kent, Medway, Southend and Thurrock. The Federal Boards have responsibility for:

- (a) ensuring that the Managing Director is informed of all meetings and that the SELEP team is given the opportunity to attend;
- (b) working with the incumbent Vice Chair to provide the SELEP Team with clear and updated nominations for membership of the Strategic Board;
- (c) finalising local priorities and/or a vision for the federal area which is in line with the LEP's Strategic Economic Plan and the LEP's approach to project prioritisation;
- (d) coordinating reports as required to the LEP Strategic and Accountability Boards and monitoring and reporting on all LEP investments in the area;
- (e) championing the work of the LEP to local communities;
- (f) ensuring the transparency and accountability of decisions and recommendations made at local level;
- (g) enabling collective engagement with all local authority leaders within the Federal Area to ensure that there is a clear mandate for decision making on growth priorities and supporting collaboration and joint delivery at executive level;
- (h) ensuring on-going local engagement with public and private sector partners to inform key decisions and set out how they will evidence effective engagement
- (i) ensuring that there is local engagement with and feedback to the general public about future strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced; and
- (j) working with the LEP to publish arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved.

- 2.4.2 The Federal Boards engage local business and utilise public and private sector knowledge and expertise to ensure prioritisation and delivery to provide greatest benefit to the SELEP area in terms of achieving economic growth through the delivery of development, infrastructure and regeneration projects. They are responsible for prioritising, monitoring delivery and management of the SELEP programme within local tolerance levels for spending and delivery agreed by the Accountability Board, and for agreeing a prioritised list of growth schemes that will deliver on SELEP objectives.
- 2.4.3 Each Federal Board shall determine their own processes for the selection and term of office of their membership. The process shall be conducted through a competitive procedure which is open, transparent and non-discriminatory. The process will be set out within their terms of reference, which is available on the SELEP website.
- 2.4.4 Each Federal Board will ensure that the following is published on either their own website or the SELEP website:
- (a) its terms of reference,
  - (b) calendar of future meetings;
  - (c) papers and minutes; and
  - (d) declarations of interest.

## **2.5 The Working Groups**

- 2.5.1 From time to time SELEP may establish non decision making working groups to provide expertise and support to the Strategic and Accountability Board in shaping its strategy or delivering pan LEP priorities, as it considers appropriate. Each working group will ensure that its terms of reference, calendar of future meeting dates and any papers produced in relation to the meetings are available on the SELEP website.
- 2.5.2 Currently the SELEP is supported by the following groups:

### Sector Working Groups

- Rural
- Coastal/CORE
- U9
- Growth Hubs
- Skills Advisory Group
- Creative Economy Network
- Tourism
- Housing

### Officer Advisory Groups

- Senior Officer Group
- Transport Officer Group
- Programme Consideration Group
- Directors Group



## 2.6 The Accountable Body

- 2.6.1 The Strategic Board agreed that, Essex County Council will be the Accountable Body for SELEP and through its Section 151 Officer, or their representative, supports the SELEP. The complementary roles of both the financial responsibilities of the Accountable Body and the leadership role and accountabilities of the SELEP are supported by a set of agreed systems and practices and managed through the Accountability Board. This ensures proper, transparent decision making which delivers value for money and also supports timely, informed decision making by the SELEP.
- 2.6.2 All funding allocated to the SELEP is transferred to the Accountable Body who is responsible for the proper use and administration of the funding, in line with any requirements set out in the grant determination letter. The Accountable Body is not able to use this funding for its own purpose without a clear mandate from the Accountability Board.
- 2.6.3 The Accountable Body, (through its Responsible Financial Officer - the Section 151 Officer), is responsible for ensuring that:
- (a) grant income received, payments out and any applicable repayments are accounted for and administered correctly;
  - (b) all decisions are made in accordance with any requirements stipulated by the grant awarding body;
  - (c) all reports for Strategic and Accountability Board are reviewed and signed-off by the Accountable Body prior to publication;
  - (d) all grant is transferred to partner authorities under a service level agreement (SLA) which reflects the grant requirements of the awarding body;
  - (e) decisions and activities of the SELEP conform with all relevant law (including State Aid and Public Procurement), and ensuring that records are maintained so that this can be evidenced and shall be responsible for its management if challenged;
  - (f) the SELEP Assurance Framework is adhered to;
  - (g) the official record of the LEP proceedings is maintained and holding copies of all SELEP documents relating to Local Growth Fund (LGF) and other funding sources received from Government;
  - (h) account for all spend allocated to the SELEP;
  - (i) there are arrangements for local audit of funding allocated by Local Enterprise Partnerships at least equivalent to those in place for local authority spend;
  - (j) SELEP is supported in accounting to Government on programme delivery and financial management;
  - (k) appropriate responses to FOI requests with regard to the responsibilities of the Accountable Body;
  - (l) all necessary legal agreements are in place, including:
    - SLAs between the Accountable Body and Partners (see paragraph 4.6); and
    - Grant agreements and conditions; and
  - (m) the use of resources will be managed in accordance with the Accountable Body's established processes including financial regulations and contract regulations.
- 2.6.4 SELEP and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. These are reflected in the Service Level Agreements between the Accountable Body and the Partner and include ensuring that:

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

## **2.7 Equality and Diversity**

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

- (a) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act;
- (b) advance equality of opportunity between people from different equality groups; and
- (c) foster good relations between people from different equality groups.

## **2.8 The Principles of Public Life**

2.8.1 Members of all SELEP boards are required to maintain high standards in the way they undertake their duties. As a member they are a representative of the SELEP, and therefore their actions impact on the way in which the SELEP is viewed by the public.

2.8.2 All members are required to have regard to the Principles of Public life, known as the Nolan Principles, contained within the provisions of S.29(1) of the Localism Act 2011, and set out below:

- (a) SELFLESSNESS - To serve only the public interest and never improperly confer an advantage or disadvantage on any person.
- (b) INTEGRITY - Not to place themselves in situations where their integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
- (c) OBJECTIVITY- Make decisions on merit, including when making appointments, awarding Contracts or recommending individuals for rewards or benefits.
- (d) ACCOUNTABILITY - To be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their Office.
- (e) OPENNESS - To be as open as possible about their actions and those of the SELEP and should be prepared to give reasons for those actions.
- (f) HONESTY - Not to place themselves in situations where their honesty may be questioned, should not behave improperly and should, on all occasions, avoid the appearance of such behaviour.
- (g) LEADERSHIP - Should promote and support these principles by leadership and by example and should always act in a way that secures or preserves public confidence.

## **3. Transparent Decision Making**

### **3.1 Overview**

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

### **3.2 Arrangements for making and recording decisions**

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

3.2.2 All decisions undertaken by either the Strategic or the Accountability Board must be supported by a full written paper setting out details of the decision being sought from the respective board and contain all relevant information so as to enable the decision maker to make an informed decision. All reports will be signed off by the Accountable Body prior to publication of the meeting's agenda.

3.2.3 All papers relating to the Accountability Board are made available on both the SELEP and the Accountable Body website. Papers relating to the Strategic Board are made available on the SELEP Website. All papers are published at least 5 clear working days before the meeting, except for those papers which are not suitable for release into the public domain as they are exempt from publication by virtue of Schedule 12A of the Local Government Act 1972, as amended or in extreme circumstances where it is not possible to circulate papers in advance.

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

3.2.5 Draft minutes of all meetings are publicly available on SELEP website no more than 10 days after the meeting, and will similarly be published in final form no more than 5 working days following approval by the respective board. Those minutes relating to exempt items under Schedule 12A are not published, but are stored confidentially by the Secretariat. The Accountability Board summary of decisions shall be published as soon as practicably possible following the meeting.

### **3.3 Communications and Publications**

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

### **3.4 SELEP Website**

3.4.1 A dedicated website for the SELEP is available for local partners and members of the public. As well as providing an overview of the work undertaken by SELEP it also provides access to a range of documents and information, including:

- (a) details of progress made on implementing the Growth Deal;
- (b) Contact details for the SELEP;
- (c) Access to key documents and policies; and
- (d) access to supporting documentation for decision making including:
  - forward plans
  - agendas
  - reports and business cases
  - minutes
  - summary of decisions of the SELEP boards.

3.4.2 The website can be accessed at <http://www.southeastlep.com/>. In addition to being published on the SELEP website, all Accountability Board Agendas, decisions and minutes are also published on the Accountable Body website, which can be accessed at <http://cmis.essexcc.gov.uk/essexcmis5/Home.aspx>

### **3.5 Information requests**

3.5.1 Each Council within SELEP is responsible for handling and responding to Freedom of Information and Environmental information regulation requests received relating to SELEP functions within their authority. All responses are prepared in consultation with the Secretariat.

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

### **3.6 Complaints to SELEP**

3.6.1 SELEP has made all attempts to ensure that it operates in a fully transparent and engaging way, with its business partners, press and members of the public. However, if a member of the public wishes to complain about a particular function of SELEP, this can be done in writing to the Managing Director at: South East LEP Secretariat, c/o Essex County Council, County Hall, Market Road, Chelmsford, CM1 1QH.

3.6.2 The Managing Director will aim to review and respond to all complaints received within 10 working days, ensuring that a full and fair response is provided. The complainant will be kept updated throughout the process and where it is not possible to respond within this time, an indicative timescale will be provided. If the complainant remains dissatisfied with the response received, they may further

discuss this with the Managing Director or may choose to make a complaint to the Local Government Ombudsman.

3.6.3 The Secretariat will maintain a record of all complaints received.

### **3.7 Declarations of Interest**

3.7.1 All members of the Strategic or Accountability Board are required to complete a Declaration of Interest form, recording details of any relationship or other financial or personal interest which might conflict with their duties to SELEP. This includes recording memberships of external bodies, undertaking outside work (voluntary or paid) with anyone who has or seeks to have, dealings with SELEP. They are also required to identify close family members who are also a SELEP representative, or has the ability to exercise significant influence over SELEP's agenda or activity.

3.7.2 Copies of all declarations are retained by the Secretariat, and published on the SELEP website. All declarations are reviewed annually, in accordance with the Register of Interest Policy. However, each member is required to ensure that their declarations are up to date, and therefore notify the Secretariat of any changes midyear as soon as possible.

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

3.7.4 Where a conflict of interest arises at a meeting, the member may be asked to leave the room by the Chair whilst the item is discussed, and in any event will not be entitled to vote on the item, but may, with leave of the Chair participate in the discussion.

### **3.8 Local Engagement**

3.8.1 The Federal Boards are the primary forum for engagement with local businesses, councils and members of the public, utilising public and private sector knowledge and expertise to develop projects and ensure prioritisation and delivery to provide the greatest benefit to the SELEP area.

### **3.9 Maximising Social Value**

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

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

## **4 Accountable Decision Making**

### **4.1 Approving Funding**

- 4.1.1 All funding decisions made by the Accountability Board to approve funding for a specific project or programme must be supported with a robust Business Case which has been independently assessed. This impartial advice on the merits of project Business Cases is provided by SELEP Independent Technical Evaluator.
- 4.1.2 The Accountability Board will take into account the following factors when determining funding allocations:
- (a) Strength of strategic fit with SELEP objectives;
  - (b) Value for Money;
  - (c) Scale of the intervention and the amount of investment being sought, relative to funding availability; and
  - (d) Phasing of the investment being required.

## **4.2 Devolution of Funding**

- 4.2.1 For all devolved funding, the Accountable Body ensures that there is a Service Level Agreement in place with the respective Partners which sets out the minimum requirements and expectations relating to the grant allocations, including but not limited to:
- (a) Providing grant funding to the relevant Partner for all schemes within its area approved by the Accountability Board following independent technical appraisal;
  - (b) Devolving responsibility for all relevant requirements, including clawback provisions if applicable, as may be specified or intended by the grant awarding body;
  - (c) All Government grant conditions shall be adhered to;
  - (d) Any monitoring or reporting requirements that may assist decision making and prioritisation by the Accountability Board or the Strategic Board; and
  - (e) Committing the Partner to be responsible for any project overspend.
- 4.2.2 With regards to Skills funding, the Accountable Body ensures that there is a Grant Agreement in place, on similar terms to the Service level Agreement, between the Accountable Body and the respective College before any funding is released.
- 4.2.3 The Accountable Body will only transfer funding for the purpose of delivering the schemes for which the grant has been allocated, if the following conditions are met:
- (a) The grant allocation must have been approved by the Accountability Board;
  - (b) A copy of the Service Level Agreement signed by the respective council's Section 151 officer has been sent to the Accountable Body's Section 151 officer; and
  - (c) The Accountable Body is in receipt of the grant from the Government.
- 4.2.4 The Section 151 officer of the council is required to carry out the normal stewardship role in terms of monitoring and accounting in respect of that funding and will be responsible for providing regular reports to the Accountable Body and the SELEP Capital Programme Manager to enable quarterly reporting to the Accountability Board.
- 4.2.5 Following approval of funding for an LGF project by the Accountability Board, a capped contribution from the SELEP via the Accountable Body will be made to the project cost. The Partner will be responsible for all cost increases that may occur through the delivery period.

### 4.3 Process for Transferring LGF

- 4.3.1 The grant for each LGF Project will be paid to the Partner on a quarterly basis in advance provided the conditions set out in paragraph 4.2.3 are all met.
- 4.3.2 For any funding allocations made to Partners through a bidding process, the process for transferring funding will be agreed and set out in the bidding documentation by the respective SELEP lead officer from the Secretariat, in consultation with the Accountable Body.
- 4.3.3 Funding for projects must have been approved by the Accountability Board in line with the Business Case development and Value for Money assurance process as set out in Section 5.5 and 5.6 below.

### 4.4 Managing Project Slippage in the LGF Programme

- 4.4.1 Through effective management of the SELEP Capital Programme, opportunities are sought to reduce the levels of slippage in grant spend in any given financial year. However, where slippage exists, approval can be sought from the Accountability Board to implement mitigation.
- 4.4.2 The Accountability Board has approved a range of measures to enable slippage in spend of the LGF to be managed; these are embedded within the SLAs. This enables the Partner, subject to the approval of the Accountability Board, to manage any slippage of the funding between financial years within one of the following options:
  - (a) **Option 1:** Bringing forward of planned future year LGF spend on approved schemes being delivered in the current LGF programme;
  - (b) **Option 2:** Bringing forward of future year LGF schemes to spend in the current year;
  - (c) **Option 3:** Transfer of LGF spend on schemes between Partner authorities (this will be completed as a direct payment from Accountable Body to the Partner Authority, subject to Accountability Board agreement, under the grant payment process set out in paragraph 4.3); and
  - (d) **Option 4:** Re-profiling of spend between LGF projects and Capital Programme projects.
- 4.4.3 The use of Option 4 should only be applied where there is no opportunity to apply Options 1, 2 or 3, and Federated Areas are encouraged to only apply Option 4 mitigation as a last resort.
- 4.4.4 Should none of the options 1 – 4 above be implemented the alternative route will be for any LGF held by SELEP at the end of financial year to be carried forward into the subsequent financial year, within SELEP's accounts (Option 5).

### 4.5 Arrangements for Underspends of LGF

- 4.5.1 Under the terms of the SLAs, the respective Partner may retain the proceeds of project underspends for use on other LGF schemes or to offset overspend, provided that this is within the tolerance levels of no more than 10% variance on any individual local growth fund project and the underspend has been approved by Government, where required. As part of the on-going reporting process, the Accountability

Board will be informed of such amendments to support its assurance function.

- 4.5.2 Where the variance is greater than 10%, the Partner may request approval from the Accountability Board (and if necessary, the Government) for underspends on any individual project to be reallocated to another LGF project. In requesting approval for re-allocating underspends, the impact on outputs and outcomes for all projects affected by the re-alignment of funding must be reported to the Accountability Board and the replacement scheme must be an agreed local priority within the Federal Area's pipeline of projects.
- 4.5.3 Where a suitable scheme cannot be identified for re-allocating funding too, the Partner must return the funding to the Accountable Body. In such instances, the Accountability Board will review requests for funding from across the SELEP area, with priority given to projects on the agreed investment pipeline. In identifying a suitable scheme for funding, the Accountability Board will have regard to the factor set out in 4.1.2.
- 4.5.4 The Accountable Body will continue to monitor the process for managing underspends as set out above, in conjunction with the Accountability Board to ensure that the arrangements are operating effectively.
- 4.5.5 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.

## **4.6 Partners**

- 4.6.1 Partners refers to those organisations which the Accountable Body has a Service Level Agreement or Grant Agreement with. They have a responsibility to support the delivery of the Growth Deal and Strategic Economic Plan, through supporting the Strategic Board, Accountability Board, Federated Board, Secretariat and working groups.
- 4.6.3 In receiving LGF or other funding, and entering into a SLA or Grant Agreement, Partners are responsible for:
  - (a) Ensuring the delivery of projects, including the outputs and spend of funding received through SELEP and local partner funding contributions to the scope agreed in the Business Case.
  - (b) Providing regular and accurate reporting to Secretariat on Projects. The requirement for reporting on LGF projects are set out in paragraph 5.10. Reporting is required on a quarterly basis for all projects receiving funding from SELEP, including LGF and Growing Places Fund. This funding must be completed in the format and to the timescales specified by the Secretariat.



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

#### **4.7 Accounts and Audit**

- 4.7.1 With the support of the Accountable Body, the SELEP will prepare annual accounts which will incorporate all funding received from Government.
- 4.7.2 The Accounts will be reviewed and agreed by the Accountability Board and will be published on the SELEP website in a timely manner, and will be subject to an external audit.
- 4.7.3 The use of resources by the SELEP are subject to the usual local authority checks and balances, including the financial duties and rules which require councils to act prudently in spending, which are overseen and checked by the Responsible Chief Finance Officer, the Section 151 Officer.
- 4.7.4 All SELEP funding transferred to partners is, by agreement, subject to audit by the Accountable Body and, where required, by external auditors appointed to provide the required assurances with regard to appropriate use of the funding.
- 4.7.5 Partners are required to maintain a robust audit trail of the use of Government funding to demonstrate compliance in fulfilling its obligations with regard to use of that funding.
- 4.7.6 The Accountable Body will ensure that there are arrangements for local audit of funding allocated by SELEP which is equivalent to those in place for local authority spend.
- 4.7.7 Through the nominated Section 151 Officer, SELEP will undertake an audit of the Partner's project to ensure the correct use of funding and may, if necessary, arrange for the recovery of any funds.

#### **4.8 Scrutiny arrangements for SELEP**

- 4.8.1 The SELEP is a multi-authority partnership with different scrutiny arrangements in place in each of the respective local authorities; the over-arching scrutiny arrangements put in place for the LEP need to take this into account.
- 4.8.2 Decisions made by the Accountability Board are subject to the individual scrutiny arrangements of each partner authority, and the provision of call in are set out in the Joint Committee Agreement dated 13<sup>th</sup> November 2015. This provides each Council the ability to challenge a decision made by the Accountability Board which affects their area, providing checks and balances to the operation of SELEP, and ensures that scrutiny is managed in a way that gives equal footing for all partners in the SELEP.

#### **4.9 Conflicts**

- 4.9.1 The Accountable Body would not be required to comply with an Accountability Board decision in the following circumstances:
  - (a) the decision does not comply with the Financial Regulations of the Accountable Body;

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

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

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

4.9.3 In circumstances where there is a conflict between the Accountable Body and the Strategic Board, the following process will be used in order to resolve the issue:

- (a) In the first instance, any dispute would be escalated to the Chairman of the Strategic Board and the Section 151 Officer of the Accountable Body within 10 working days of the dispute arising. The Chairman of the Strategic Board and the Section 151 Officer to agree to discuss and, in good faith, attempt to resolve any such dispute and try and reach agreement on the action required to resolve the decision.
- (b) In the event that the Chairman of the Strategic Board and the Section 151 officer of the Accountable Body are unable to resolve the dispute, the matter will be referred to the Government (or grant awarding body of not the Government) for consideration.

## **5. Ensuring Value for Money**

### **5.1 Overview**

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

### **5.2 Prioritisation of Funding**

5.2.1 As the SELEP covers such a wide geographical area encompassing a number of local authorities facing competing challenges, prioritisation of projects is most effectively managed within local areas through the federal model. Any pan-LEP priority projects which will be prioritised by the Strategic Board. This will ensure that the priorities of the strategic economic plan within functional economic

areas can be delivered. The Accountability Board will oversee the delivery of the overall programme of investment and seek to ensure value for money across each of the projects.

- 5.2.2 Prioritisation will be undertaken by the Federal Boards through their submission for funding opportunities. Each Federal Board shall ensure that they comply with the prioritisation system, as approved by the Strategic Board, in order to ensure a consistent approach is utilised by the Federal Boards.
- 5.2.3 In completing the local prioritisation of projects, Federated Areas will engage with the Independent Technical Evaluator, who will help inform the recommendations made to the Federal Board and subsequently to the SELEP Strategic Board. This will be used to support the decision making in generating a single LEP prioritised list which will be published on the SELEP website.
- 5.2.4 The criteria for prioritisation of projects for funding will include an assessment of projects based on Her Majesty's Treasury's The Green Book: Appraisal and Evaluation in Central Government (The Green Book), and related departmental guidance. Prioritisation will give consideration to the five cases listed below:
- (a) The Strategic Case – The project should be aligned with the Strategic Economic Plan of the SELEP and support delivery of the objectives and outcomes contained within the plan;
  - (b) The Economic Case – The projects are expected to deliver high or very high value for money for investment of public funds;
  - (c) The Commercial Case – The proposed deal is attractive to the market place, can be procured and is commercially viable;
  - (d) The Financial Case – The project should demonstrate the proposed funding streams to finance the total project costs and the expected phasing of the funding. There is the expectation that opportunities will be sought to leverage private sector investment and other match funding to support delivery of the project;
  - (e) The Management Case – The project should set a proposed plan for project delivery, evaluation, progress reporting and monitoring of benefit realisation. It should also include details of any risks and how these will be managed, including the costs of mitigating these risks.
- 5.2.5 In prioritising projects, consideration should be given to the phasing, suitability and availability of funding. The application of the five cases should be proportionate to the scale of intervention and the value of funding sought.
- 5.2.6 Any amendments to the prioritisation methodology set out above to reflect, for example, additional funding criteria from Government will be agreed by the Strategic Board and will be published on the SELEP website.
- 5.2.7 Where Federal Boards put forward projects for inclusion on the single LEP prioritised list each project will be supported by a Strategic Outline Business Case using the Business Case template which can be found on the SELEP website.

- 5.2.8 Once project prioritisation has been completed, it is expected that Partners will further develop the business case for investment. This Business Case will support any funding bid submissions to Central Government.
- 5.2.9 Before a project can be considered for inclusion in the single prioritised list, it must have been developed in consultation with the Federal Board at and received Federal Board approval.

### 5.3 The Independent Technical Evaluator

- 5.3.1 An Independent Technical Evaluator has been appointed by SELEP, to provide technical advice to the Strategic and Accountability Board and local project sponsors on value for money and project deliverability. They are required to make recommendations to Accountability Board on funding decisions, taking into account the agreed criteria for funding (as set out in the Value for Money section, paragraph 5.7).
- 5.3.2 The Independent Technical Evaluator assessment is based on adherence of scheme business cases to the guidance set out in *The Green Book*, and related departmental guidance such as the Department for Transport's WebTAG (Web-based Transport Analysis Guidance) or the Homes and Communities Agency's *The Additionality Guide*. The Green Book, WebTAG and the Additionality Guide provide proportionate methodologies for scheme appraisal (i.e. business case development). A Pro Forma has been developed based on the guidance and is available on the SELEP Website.
- 5.3.3 Each project is assessed and then given a 'RAG' (Red – Amber – Green) rating as follows:
- Green:** approach or assumption(s) in line with guidance and practice or the impact of any departures is sufficiently insignificant to the Value for Money category assessment.
- Amber:** approach or assumption(s) out of line with guidance and practice, with limited significance to the Value for Money category assessment, but should be amended in future submissions (e.g. at Final Approval stage).
- Red:** approach or assumption(s) out of line with guidance and practice, with material or unknown significance to the Value for Money category assessment, requires amendment or further evidence in support before Gateway can be passed.
- 5.3.4 All funding decisions sought by the Accountability Board will be supported by a recommendation from the Independent Technical Evaluator.

### 5.4 Business Cases

- 5.4.1 Business cases for all projects must follow The Green Book guidance on appraisal and evaluation, and include a Value for Money statement.
- 5.4.2 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 as set out.

- 5.4.3 For transport schemes, central case assessments shall be based on forecasts consistent with the latest version of National Trip End Model (NTEM) and the appraisal results included in the business case to be considered by the SELEP.
- 5.4.4 For skills schemes funded by the current Local Growth Fund programme, the business cases will be evaluated based on Skills Funding Agency good practice, advice and guidance, tailored to reflect local circumstances as appropriate.
- 5.4.5 Each business case will set out a statement of objectives and the specific outcomes that the scheme is intended to achieve. The business cases will include sign-off by the promoting local authority and its Section 151 Officer before being submitted at each stage of the gate process. Where the business case has been developed by a Government Department or other Statutory Body written confirmation is required that an appropriate process has been followed to assure the value for money of this project. The allocation of funding for these business cases is still required to be approved by the Accountability Board.
- 5.4.6 The Independent Technical Evaluator will ensure that the approach taken by partners is robust, consistent with technical guidance and able to withstand scrutiny. In so doing, the Independent Technical Evaluator will collaborate with partners to minimise the time and cost associated with preparing business cases by adopting practices which are proportionate to the specifics of each project.

## 5.5 Business case review by the Independent Technical Evaluator

- 5.5.1 All business cases which have received a provision funding allocation and seek funding approval will progress through a controlled development progress, known as Gates 0 – 5.
- 5.5.2 Only certain projects will go through a Gate 4 and 5 review. This will include projects with a LGF allocation of over £8m and/or the project is identified as high risk by the Independent Technical Evaluator. These projects will be identified to the Accountability Board during the early gate submissions.
- 5.5.3 Business cases with an LGF allocation of over £8m which includes a programme of works, where no individual element exceeds a value of £5m, may not be required to go through a Gate 4 and 5 review. These projects will be agreed with Accountability Board on a project by project basis.
- 5.5.4 Projects will be exempt from Gate 4 and 5 review, if the decision to award the full funding allocation to the project was made in advance of 24<sup>th</sup> February 2017, except where necessitated through the Change Request Process. See paragraph 5.11.
- 5.5.5 A Gate 4 and 5 review may also be required where a Project Change necessitates the review of the Project Business Case.

## 5.6 The Gate Process

- 5.6.1 **Gate 0:** Through the Capital Programme Manager, the Independent Technical Evaluator will provide 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.

- 5.6.2 **Gate 1:** Following Gate 0, project promoters must develop a business case commensurate with an Outline Business Case as guided by The Green Book guidance on appraisal and evaluation and relevant Government departmental guidance.
- 5.6.3 To progress through Gate 1, the Independent Technical Evaluator will independently assess the Outline Business Cases using a standard assessment template, and will, in the first instance, make recommendations to the Capital Programme Manager and project promoter and relevant partners.
- 5.6.4 **Gate 2:** All projects will have an opportunity to make changes to the Outline Business Case. Once resubmitted, the Independent Technical Evaluator will conduct the Gate 2 Assurance Review, using the same assessment template for Gate 1.
- 5.6.5 On the basis of the Gate 2 Assurance Review, recommendations are made by the Independent Technical Evaluator to the Accountability Board on the Value for Money Assessment and the certainty of that assessment's accuracy. The Accountability Board will then decide whether or not to approve the funding allocation. This may be subject to completion of Gate 4 and 5.
- 5.6.6 **Gate 3:** This is for projects that have funding retained by the Department for Transport or where the business case is being developed by another Government Department or Statutory Body. In these instances, the role of the Independent Technical Evaluator is to review the business case and provide professional advice to the Accountability Board of any key risks or issues arising from that assessment that need to be considered by the board to support the associated decision for funding.
- 5.6.7 **Gates 4 and 5:** For large schemes over £8 million and those considered high risk by the Accountability Board, will be required to go through Gate 4 and 5 to develop a Full Business Case, where agreed with Accountability Board on the completion of Gate 2. As the project is further developed, costs could be significantly different from those estimated at Outline Business Case stage, altering the Value for Money assessment. This change to project cost would also lead to a requirement for Gate 4 and 5 review of a Full Business Case under the Change Request process.
- 5.6.8 The Gate 4 and 5 review will enable a proportion of the funding to be approved to the project to support capital spend on the development of the project prior to Full Business Case approval, at Gate 2. The approval of funding on this basis is at the discretion of Accountability Board and requires acceptance of the risk by the Partners with regard to repayment of grant awarded should the project not proceed to full delivery.
- 5.6.9 Gate 4 is commensurate with Gate 0, outlining the approach, process, procedures and timescales for development of the Full Business Case.
- 5.6.10 Gate 5 is an Assurance Review of the submitted Full Business Case. The Gate 5 review should take place following detailed design and procurement of the construction contract, but in advance of the construction contract award and construction works commencing. It is not anticipated that this process is iterative. Based on the Assurance Review, recommendations are made by the Independent Technical Evaluator to the Accountability Board on the Value for Money Assessment and the certainty of that

assessment's accuracy. The Accountability Board will then consider approval of the project for funding (see Value for Money below).

- 5.6.11 For projects seeking funding to support the development of a specific business case, the role of the Independent Technical Evaluator will be to review the intention to develop the business case and to provide professional advice to the Accountability Board of any key risks or issues arising from that assessment. In such instances, it is expected that the advice will include an indication of whether or not the business case to be developed will be expected to meet the value for money assessment criteria as set out below.
- 5.6.12 Where a package of interdependent projects is being considered for LGF, the Partner may bring smaller packages or projects forward through the Gate review process as appropriate. Each individual project within the programme should demonstrate benefits which contribute to the strategic and economic objective of the overall programme. The Business Case should provide evidence that double counting of Project benefits has not taken place.
- 5.6.13 Interdependent projects are defined as those where:
- (a) There is a clear strategic case which is consistent for all the packages of investment;
  - (b) Consistent strategic objectives are defined for the package of investment;
  - (c) There is clear evidence that the project directly contributes to the benefits of the package of investment;
  - (d) There is clear evidence that the delivery of the Project forms an integral part of the Programme Strategic Objectives and Value for Money being achieved; and
  - (e) An Independent Technical Evaluator review of the package of investment has been completed which confirms that the overall package of investment demonstrates High Value for Money.
- 5.6.14 The Gate 2 Outline Business Case for the project will be published on the SELEP website when it is submitted to the Secretariat and Independent Technical Evaluator for the Gate 2 review. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision is taken, subject to the removal of those parts which are commercially sensitive and confidential.
- 5.6.15 For those projects completing a Gate 4 and 5 review, the Full Business Case will also be updated at the point of Gate 5 submission to the Secretariat and Independent Technical Evaluator. This will be published at least one month in advance of the Accountability Board meeting at which the funding decision is taken, subject to the removal of those parts which are commercially sensitive and confidential.
- 5.6.16 The cost of SELEP Independent Technical Evaluator completing one review at each Gate of the Business Case review process, will be funded though the SELEP Secretariat revenue budget for all projects identified within SELEPs Growth Deal programme, subject to the council maintaining the level of their contribution to the SELEP Secretariat budget.

5.6.17 The cost of an Independent Technical Evaluator review of a Project Business Case will be funded by the Partner where a Project Change Request has triggered the review of the Business Case on more than one occasion and where a Project is required to repeat the ITE Gate review due to:

- (a) The Business Case being insufficiently well developed to complete a Gate of the ITE review process; or
- (b) The ITE having not been provided with the necessary information to enable them to complete a Gate of the review process.

## 5.7 Value for Money

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

5.7.2 To receive a recommendation for approval, projects should have:

- (a) A clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan;
- (b) Clearly defined outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;
- (c) Considers deliverability and risks appropriately, along with appropriate mitigating action (the costs of which must be clearly understood); and
- (d) A Benefit Cost Ratio of at least 2:1 or comply with one of the two exemptions listed in 5.7.4 and 5.7.5 below.

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

5.7.4 Exemption 1: This may be applied where:

- (a) a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but
- (b) has a Benefit Cost Ratio value of greater than 1.5:1; or
- (c) where the project benefits are notoriously difficult to appraise in monetary terms; and
- (d) only if the following conditions are satisfied:
  - (1) the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
  - (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
  - (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

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



conditions are satisfied:

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

- 5.7.6 On completion of a business case review, the Independent Technical Evaluator will make recommendations to Accountability Board on projects that perform well against the assessment criteria which is available on the SELEP Website and therefore should be funded. Where projects do not perform well against the assessment criteria, recommendations will be made back to SELEP and the promoting authority to either further develop the case for the project or to consider alternative options.
- 5.7.7 The Accountable Body will ensure that all projects sent for approval to the Accountability Board include a Value for Money statement that has been prepared in line with the requirements set out in this Assurance Framework.
- 5.7.8 The Accountability Board will review the recommendations made by the Independent Technical Evaluator, including the Value for Money statement when schemes are presented for approval to ensure that they meet the criteria set out above.
- 5.7.9 Successful schemes will progress to delivery. Unsuccessful schemes will be considered by the local area for revision, removal from programme or adding to a reserve list.
- 5.7.10 As necessary, the economic case shall be reviewed and updated to reflect project changes in scope, costs, outputs or outcomes.
- 5.7.11 The SELEP will identify a named individual with overall responsibility for ensuring value for money for all projects and programmes and a named individual (which may be a different person) responsible for the scrutiny of, and recommendations relating to each business case. These responsible individuals will be independent of the promoting organisation, or where this is impractical, will sit outside the management unit responsible for developing and promoting the business case.
- 5.7.12 The SELEP will seek assurances from the s.151 officer of the promoting authority that the Value for Money assessment is true and accurate.

## 5.8 Monitoring and Evaluation of projects

- 5.8.1 For each project that is included in the programme, the Partner will be required to provide an initial project programme including:
- (a) Outline/detailed design
  - (b) Statutory requirements
  - (c) Consultations
  - (d) Procurement
  - (e) Construction
  - (f) A statement of expected outputs and outcomes
  - (g) A risk and mitigations statement
- 5.8.2 The Accountability Board through the Partners and nominated Section 151 Officer shall require the submission of regular detailed Project monitoring reports at quarterly intervals. This process will be managed by the Capital Programme Manager and will enable on-going monitoring and evaluation of individual Projects and the programme generally.
- 5.8.3 A proportionate approach to monitoring and evaluation will be implemented, ensuring that evaluation objectives relate back to the business case and builds on assumptions used in the appraisal process.
- 5.8.4 Monitoring and evaluation will focus on those outcomes that are most relevant to the impact of the project's objectives as defined in the project business case, but will include, where appropriate, an evaluation of the impact of the intervention on the following Growth Deal outcomes:
- (a) Housing unit completion
  - (b) Jobs created or safeguarded
  - (c) Commercial/employment floor space completed
  - (d) Number of new learners assisted
  - (e) Area of new or improved learning/ training floor space; and
  - (f) Apprenticeships
- 5.8.5 Federal Boards will manage programmes within the agreed tolerance levels and reporting regularly to the Accountability Board regarding delivery and risks. Changes required to projects outside the tolerance levels or any significant modifications to project scope, outputs or outcomes arising during development or even construction, must be clearly reported for decision.

## 5.9 **Criteria for Monitoring and Evaluation**

- 5.9.1 Scheme promoters must provide monitoring reports on the following measures and any others identified by Government, for each project through the quarterly reporting process to the Secretariat:
- (a) Grant spend to date and spend forecast across the agreed profile;
  - (b) Spend to date and forecast spend of matched contributions and funding leveraged compared to the agreed profile;
  - (c) Project delivery against agreed milestones;
  - (d) Identified risks and associated mitigations; and
  - (e) Outputs and outcomes forecast and delivered to date against the agreed profile.
  - (f) Identified Project Changes, as set out in paragraph 5.11 below.

5.9.2 All monitoring and evaluation reports discussed at the Accountability Board and the Strategic Board will be published on the SELEP's website.

## 5.10 Reporting on LGF

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

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

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

5.10.4 The Programme Consideration Meetings are held to ensure a coordinated approach to the management of the LGF Programme in accordance with the Assurance Framework and SLAs in place between the Accountable Body and the Partners.

5.10.5 The responsibilities of the Programme Consideration Group are to:

- (a) Report and agree LGF spend forecast against each specific Project included in the Growth Deal to be reported to the Accountability Board;
- (b) Agree the LGF spend forecast for the next quarter transfer of LGF, in line with the conditions of the SLAs;
- (c) Agree the risk score for each specific LGF Project in the Growth Deal Programme and the mitigation to be put in place during the next quarter to manage project risk;
- (d) To agree the Project outcomes to be reported to Government through the LOGASnet return;
- (e) Share lessons learnt from the delivery of LGF Projects;
- (f) Support the Capital Programme Manager in managing the LGF programme in accordance with the Assurance Framework and SLAs in place between the Accountable Body and the Partners;
- (g) Act as officer representatives for each of the Federated Areas; and
- (h) Provide feedback to the Federal Boards about management of the LGF programme and the delivery of the Growth Deal within their Federated Area.

5.10.6 The Programme Consideration Group does not have authority to make decisions over the management of the LGF programme. However, all recommendations of the Programme Consideration Group are reported to Accountability Board for consideration and formal approval. Full terms of reference for the Programme Consideration Group are available on the SELEP website.

## 5.11 Approving changes to LGF projects

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

- (a) Cancellation of a project that is included in the agreed Local Growth Plan;
- (b) Inclusion of a project not included in the agreed Local Growth Plan;
- (c) Moving forward of a project previously programmed to start in later years;
- (d) Delays to project start or end dates of more than six months;
- (e) All changes to LGF allocations above the 10% threshold;
- (f) Any re-profiling of LGF between financial years;
- (g) Any changes to total project costs above a 30% or a £500,000 threshold;
- (h) Any substantial changes to the expected project benefits, outputs and outcomes as agreed in the business case which may detrimentally impact on the Value for Money assessment. In such circumstances, it is expected that the business case should be re-evaluated by the ITE; and
- (i) Any further changes as may be defined by the Government.

5.11.2 The Partner shall not make any change to projects without the Accountability Board's prior approval. Such approval shall be notified to the Accountable Body and the Secretariat who will notify and seek approval from the Government, in accordance with such processes and sign-off, as required by the Government.

5.11.3 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

5.11.4 A copy of the Change Request template is available on the SELEP Website.

## **Appendix 1 – List of supporting documents available on SELEP website**

1. SELEP Terms of Reference
2. Greater Essex Business Board Terms of Reference
3. Kent and Medway Economic Partnership Terms of Reference
4. Opportunity South Essex Terms of Reference
5. Team East Sussex Terms of Reference
6. Rural Terms of Reference
7. Coastal/CORE Terms of Reference
8. U9 Terms of Reference
9. Growth Hubs Terms of Reference
10. Skills Advisory Group Terms of Reference
11. Creative Economy Network Terms of Reference
12. Tourism Terms of Reference
13. Housing Terms of Reference
14. Policy for Public Question to the Accountability Board
15. Accountability Board Forward Plan
16. Declarations of Interest
17. Register of Interest Policy
18. SELEP Accounts
19. Business Case Template
20. Pro Forma Template
21. Assessment Criteria
22. Change Request Template
23. Programme Consideration Group Terms of Reference