



South East Midlands Local Enterprise Partnership

Assurance Framework 2023/24

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SEMLEP
South East Midlands
Local Enterprise Partnership

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Introduction

The South East Midlands Local Enterprise Partnership (SEMLEP) was set up in May 2011 as one of 38 Local Enterprise Partnerships (LEPs) in England to enhance and support economic growth. In 2019 we published the [Local Industrial Strategy](#) with Government which now sets the direction of our activity. In November 2020 alongside our extensive evidence base we published our [Economic Recovery Strategy](#) which sets out our plans and actions to assist business to survive, stabilise and grow again post the economic impacts brought on from lockdown.

We work closely with private, public and third sector partners and with Government to achieve the best economic outcomes for the South East Midlands, the Oxford to Cambridge Pan regional Partnership area and the UK.

SEMLEP is a company limited by guarantee; a locally owned public-private partnership and involving an extensive range of stakeholders. Our members comprise 6 local authorities, in addition to local businesses, Higher and Future Education, business representative organisations and many other private, public and third sector organisations. SEMLEP works closely with Luton Borough Council as our Accountable Body.

Our 2022/23 Annual Conversation review with government in early 2023 confirmed SEMLEP as meeting expectations on governance, delivery and strategy.

However with the Levelling Up White Paper published in February 2023 and the announcement in March 2023 that Government was no longer minded to provide LEP core funding from 2024, SEMLEP is in a period of change and refocus.

This 2023/24 SEMLEP Assurance Framework adheres to the Department of Levelling Up, Housing and Communities' [guidance](#) and subsequent updates to ensure necessary systems and processes are in place to manage delegated funding from central government. We have robust processes in place but as the organisation adapts in line with the changing focus of Government, compliance with the Assurance Framework in certain areas is likely to be challenging and we will require on Government exemptions from some of these requirements.

Our Finance Risk and Audit Committee will continue to review our governance and compliance with our accountable body.

Governance and decision making

This section covers:

- > SEMLEP role – [go to section](#)
- > What is the Assurance Framework? – [go to section](#)
- > Equality and diversity statement – [go to section](#)
- > SEMLEP Board – [go to section](#)
- > Executive team – [go to section](#)
- > Collaboration with LEP Network and other LEPs – [go to section](#)
- > SEMLEP Policies – [go to section](#)

SEMLEP's role

From 2011, SEMLEP set the strategic economic direction for the South East Midlands in collaboration with our private, public and third sector partners now consolidated into our [Economic Recovery Strategy](#).

SEMLEP works with and convenes partners to support activity that strengthens prosperity and tackles barriers to long-term, sustainable growth in line with the Economic Recovery Strategy. We are focussed on achieving a green and inclusive recovery for the South East Midlands.

Our work prioritises our data intelligence and evidence and activity delivered by SEMLEP's Growth Hub and the South East Midlands' Careers Hub. Up to 2023/24, we had a substantial focus on our £265m of Local Growth Funds, over £10m of Growing Places Funds. and £27.3m of Getting Building Fund. We also acted as a facilitator of European Structural Investment Funds worth over £100m. Since changes to Government's policy has led to growth funding being allocated to local authorities, we are working with partners on the Levelling Up Fund and UK Shared Prosperity Fund.

All our services are free at the point of access, and we do not operate on a paid membership basis. We will revise our Governance and Stakeholder Engagement Strategy as part of the changes in 2023/24.

What is the Assurance Framework?

This 2023/24 Local Assurance Framework sets out the engagement, governance and decision-making structure of SEMLEP – highlighting where changes will be required.

In fulfilling our Assurance Framework, SEMLEP works closely with our Accountable Body, Luton Borough Council, to ensure that we are compliant with our Framework. The s151 Officer at the council oversees a team who participate in meetings, review SEMLEP's activity, review decision making and funding as well as holding the bank account for the Growth Funds.

The requirements for the Assurance Framework are set out in the Government's publication [National Local Growth Assurance Framework](#).

Equality and diversity statement

Underpinning our strategy, governance and delivery, SEMLEP is committed to promoting equality and eliminating unlawful discrimination in everything we do as an employer and service provider as set out in the 2010 Equality Act.

Our vision is to embed equality and diversity into our day-to-day business and create an inclusive working culture where everyone is treated with respect and dignity and feels valued. We have a [policy](#) and implementation plan which was updated by the Board in May 2021 which covers the commitment to have a gender balanced Board by 2023, but also looks beyond that towards broader representation.

Between 2020 and 2022 we focussed on:

1. Evidence base – to ensure that we hold and use an evidence base on all groups with protected characteristics to inform our strategy and service delivery.
2. Strategy development – to ensure that we consider all parts of our local communities in the development of our strategy.
3. Board recruitment – to ensure that we embed equality and diversity into our Board and recruitment to our board and committees.
4. Engagement – to reach out further and wider to engage more people in the delivery of our services, governance and strategy development.
5. Delivery – to consider how we can better understand the impact of our services and enable more businesses and people to benefit from them.
6. Growth Hub delivery – to consider how we can better monitor and use this information to ensure we refresh our service delivery to maximise the ability of all businesses to access our services.

We reported to our Board in May 2021 the progress against these [areas of work](#) in line with the 4 objectives of our policy which covers:

1. Our Governance processes effectively consider the equality implications in all of our key decision-making, and we work towards increasing the diversity of those who make those decisions so that they are more representative of the SEM area.
2. We provide a strong focus on SEMLEP as an inclusive employer and ensure that equality is built into all of our recruitment and HR processes.
3. In developing our key strategies, we have a firm and relevant evidence base which we will utilise to inform these strategies and ensure that there is a focus on the role that these can play in advancing equality.
4. In relation to funding and implementation of SEMLEP strategies we will aim to ensure that we know who is benefiting from our work, meet the requirements of our funders and provide tangible outcomes in relation to advancing equality.

We continue to enhance our staff and Board knowledge of our responsibilities on this agenda so that we can maximise our impact, within the constraints of our resources. We undertook

staff training sessions on our work in this area and the evidence base in Autumn 2020. The policy will not now be reviewed pending the review of the form and function of LEP activity in 2023/24.

SEMLEP Board Structure

SEMLEP Governance

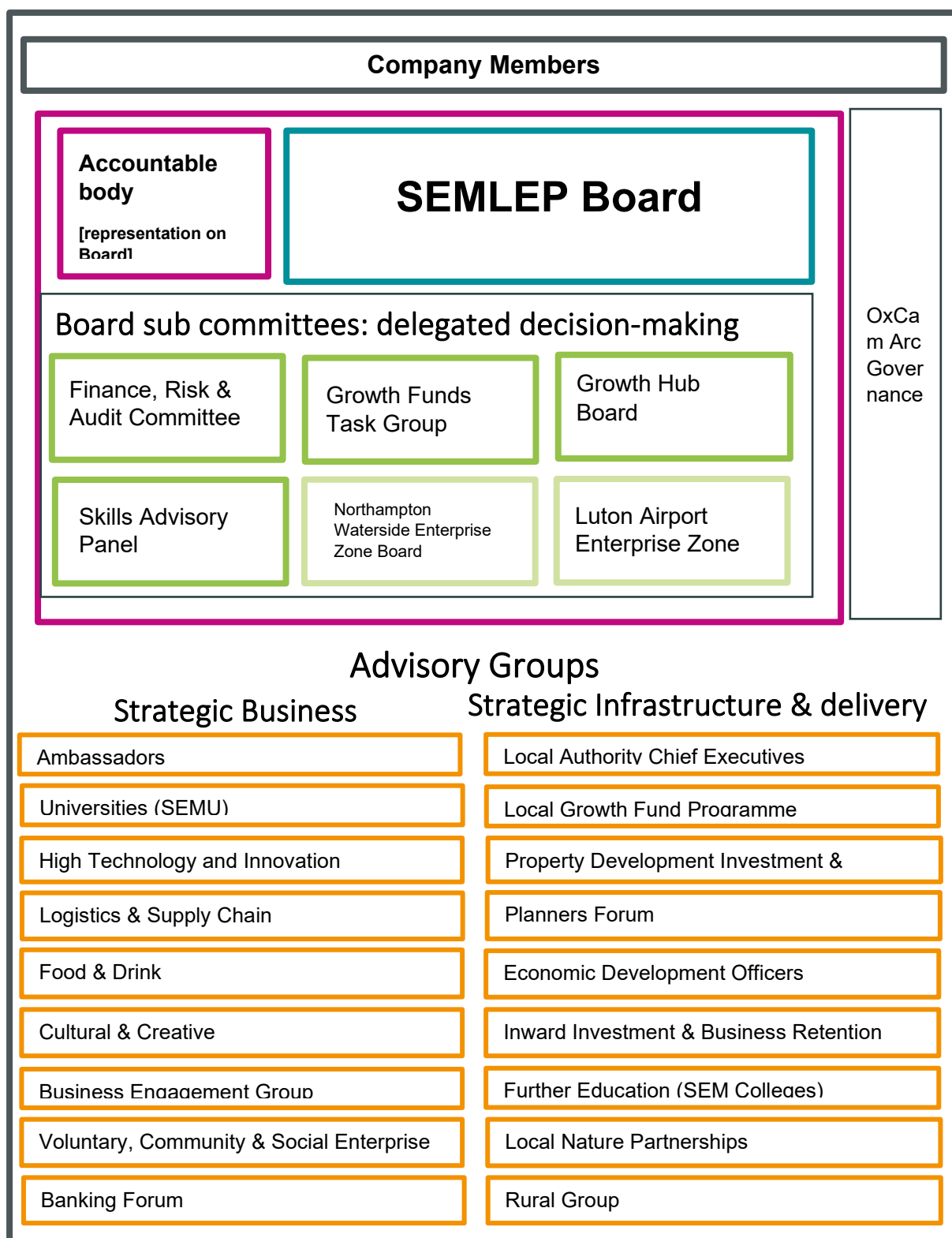
SEMLEP is an independent company with its own independent secretariat function supported by our Accountable Body.

The Chief Executive and staff are employed by the LEP and are directed by the Board. The Board are supported by committees with delegated authority in key areas. In addition, our governance structure included a wide-ranging network of groups to ensure that the Board and committees have access to the appropriate level of expertise and maximise engagement to enable effective evidence-based decisions.

Please see the link to our registration at Companies House [here](#). In addition to Government requirements for LEPs, we also have to follow the requirements of the Companies Act and other Governance practice of the private sector.

The diagram below illustrates the roles and groups within the published governance structure. Those groups inside the magenta box make decisions with authority delegated from the Board and are formally part of the governance structure of SEMLEP. Those in orange are critical to the wider engagement and evidence base of decision making across the area but inform rather than take decisions. This diagram will be reviewed and reconsidered as the form and functions of the LEP are reviewed in 2023/24.

The **SEMLEP Board** is accountable for all the decisions and actions taken by SEMLEP. The Board is participating in the wider strategic relationships across the Oxford to Cambridge Pan regional Partnership area.



Delegated decision-making sub-committees were established by the Board to ensure focus on key responsibilities. There are delegations in place to take a particular level of decisions on behalf of the Board and report to the Board on progress and risks.

The [Terms of Reference](#) for each group are on our website. The terms of reference will be reviewed and reconsidered as the form and functions of the LEP are reviewed in 2023/24.

Each Terms of Reference sets out the quorum for that meeting, which is confirmed by the chair of each meeting before commencing decision making items.

Details about the advisory groups are within the Transparency and Accountability section.

The diagram above also indicates where representatives from our Accountable Body sit and participate. As stated above, Luton Borough Council are the Accountable Body for all areas of SEMLEP business except the Northampton Waterside Enterprise Zone, which has West Northamptonshire Council as its Accountable Body. The accountable body role is set out in greater detail below.

Decision making

At Board, decisions are typically taken unanimously but votes are held where necessary and the chair will have a casting vote if required.

In some circumstances, decisions need to be taken outside of the meeting cycle. [The scheme of delegations](#) is currently being updated and will be agreed in June 2023. It sets out the authority of the Chief Executive to work with the Chair and Chair of Finance, Risk and Audit Committee to make urgent decisions. In addition to this, where a quick decision is required, an email may be sent to all members seeking confirmation of a decision which will then be further ratified at a full meeting.

It is permissible to send a “deputy” to a meeting on behalf of a Board member and the [policy](#) is published on the website.

Articles of Association

Our [Articles of Association](#) have been updated to be compliant with all Government requirements and the new unitary structure in Northamptonshire. We have from 1 April 2021 up to:

- 6 local authority members
- 12 private sector members including HE and FE representatives leading to 2:1 balance of the private/public sector board members
- Maximum number of board members up to 20

In addition to the Articles, the Board terms of reference are available [here](#). These terms of references will be reviewed and reconsidered as the form and functions of the LEP are reviewed in 2023/24.

In 2021, Government published 4 exemptions for LEP Governance understanding that the 2021 LEP Review was impacting on compliance. SEMLEP used these exemptions to allow a Board of 14 with 6 local authority leaders and 8 private sector members in 2021 and 2022.

To recognise the importance of the Oxford to Cambridge Pan regional Partnership to the activities of SEMLEP, the SEMLEP Board have offered Observer Board Member status to the Chair of the Pan regional Partnership. We also have an observer from the Voluntary and

Community Sector who are informed by a VCSE Forum. We have scope in the Articles for up to 5 observers.

Board membership

Peter Horrocks CBE is the chair of SEMLEP and has commenced a second term in 2022. The Chair has a term of three years with a maximum of two terms, with the possibility of an additional one year for exceptional circumstances.

The profiles of current board members can be seen [here](#). Private Sector Board members have a term of three years with a maximum of two terms, with the same possibility of an additional one year for exceptional circumstances.

Two deputy chairs are sought from among Board members and therefore have the same term. We have one public and one private sector deputy chair to support the full Board chair. The deputy chairs are nominated by the members of the public sector leader and private sector board member groups. In May 2023, the deputy chairs are: Neus Garriock from the private sector and Cllr Richard Wenham from the public sector directors.

Vacant Board directorships are filled by an open and transparent recruitment process. The private sector member places are advertised widely and proactively to ensure a diverse business representation. This is overseen by a recruitment panel of the board which meets as a minimum annually.

Public sector members are nominated by those local authorities, to reinforce the local democratic accountability. Their term depends on their election and nomination to the role.

Board recruitment

The Recruitment Panel, which operates with delegated authority from the Board, is chaired by a Private Sector Board member with two other Private Sector Board members and one Public Sector member attending. In addition, the chair of the local authority Chief Executives Group may attend as an observer with the Chair of the Ambassadors' group. The group is supported by the Executive team. There is a [Board Membership, Succession and Recruitment Policy](#) last updated in February 2020.

The Board is committed to an open, transparent process which attracts the best candidates from across the South East Midlands and reaches communities of interest that had not been reached previously. The Panel sign off the [Chair](#) and [Board member Job descriptions](#) and a detailed communications plan for the recruitment of all roles. This includes an active social media campaign with video material from [existing board members](#) explaining their role and the opportunities.

The public sector board members are not openly recruited as they are nominated by virtue of being a local authority leader. All 6 SEMLEP area Local Authority Leaders are then represented on the Board.

In addition, the SEMU group of the 7 SEMLEP Universities and the South East Midlands Colleges also nominate the Principal of one of their members to sit on the SEMLEP Board.

The Community and Voluntary Sector nominate a member from their sector to observe the Board.

All the SEMLEP Board members and committee members are unremunerated for their roles on the Board and committees. Members can claim travel expenses and this policy can be read [here](#). From 2022/23 SEMLEP will have a register of expenses available on the website, alongside the [hospitality register](#).

Board Training & Development

The Recruitment Panel oversee Board training and development. All new Board members benefit from a comprehensive induction session prior to their first board meeting and then the opportunity to follow up. In addition, all members will have an annual 1:1 meeting with the chair to provide feedback and discussion on key governance and wider issues of Board membership and development.

Code of Conduct for Board members

A common standard [Code of Conduct](#) across the LEP Network is in place based on the Nolan Seven Principles of Public Life. This was adopted by the Board and published on our website. All Board members and staff sign this document annually. SEMLEP, our Board members and staff are committed to upholding the highest standards of conduct in public life and ensuring robust stewardship of the resources at our disposal.

Managing Interests

SEMLEP have an approved [Managing Conflicts of Interest policy](#) which is available online and updated regularly. This policy was last updated in May 2021.

We have adopted the register of interest form from the 2019 Guidance. This form is completed by all Board members and signed off by the Chief Executive and S151 Officer at Luton Borough Council annually. These are published on [SEMLEP's website](#), under the Board member [profiles](#).

All senior staff have completed the same form which is also published. From 2019, all Board sub-committees also complete the form, and this is also published online.

We manage potential conflict by an active emphasis on declarations as agenda items by all Chairs and on all agendas. All members are asked to declare any relevant interests at the start of a meeting and before a particular item. Steps are followed in line with the policy and with the agreement of the chair to ask members to leave where decisions may involve them. This can involve the meeting being chaired by another member to ensure transparent decision making. All such steps are minuted.

Whistleblowing & Complaints policies

The guidance requests that all LEPs have a third party [Whistle blowing policy](#) on their website and that the policy follows the guidance provided.

The guidance requested that all LEPs have a confidential complaint reporting policy on their website and that the policy follows the guidance provided. To meet this requirement, our [complaints policy](#) includes an appendix for the confidential reporting of complaints.

SEMLEP Board: delegations

As of April 2023, there were 4 Board decision making sub-committees that meet and have delegated responsibilities for the Board for taking forward particular actions. The Growth Funds Task Group role has been subsumed into the Finance, Risk and Audit role as the Growth Funds are mainly spent. The Skills Advisory Panel has been closed in favour of other local structures to develop the Local Skills Improvement Plans.

In principle SEMLEP operates on the basis that decisions should be taken at the most appropriate level so they can be taken quickly and efficiently. In practice this means that decision making takes place at different levels across the governance structure. However, all complex and substantial matters are taken to the full Board and ratified to confirm a decision.

[SEMLEP Board sub-committee Terms of References](#) are available on the website. These include the membership requirements of each committee. These will be reviewed in 2023/24 as part of the future of the LEP work. The Government announced the outcome of the 2021 LEP Review on 31 March 2022 and we will be reviewing SEMLEP's governance and the diagram as part of that transition and implementation.

Authority and delegations within SEMLEP governance

Group	Membership	Authority/Delegation from Board includes (please refer to full terms of reference for further details)
SEMLEP Board	Up to: 6 public sector Directors 12 private sector directors including 1 director from the higher education sector & 1 director from the further education sector An observer each representing the voluntary and community sector and Arc Leaders Group.	<ul style="list-style-type: none">• Setting the strategic direction in the Strategic Economic Plan (SEP) and Local Industrial Strategy• Providing stewardship of funds, programmes and projects.• Agreeing an annual budget and ensuring that resources are available to deliver the priorities• Agreeing the prioritisation of projects for funding• Confirming final sign off for funding decisions• Overseeing governance process

		<ul style="list-style-type: none"> Overseeing the Assurance Framework Maintaining a risk register
Finance, Risk and Audit Committee	<p>Three public sector members</p> <p>Three private sector members</p> <p>Accountable Body</p> <p>SEMLEP Chief Executive and staff team</p>	<ul style="list-style-type: none"> Oversee the SEMLEP finances in accordance with the Board approved budget Oversee corporate risk and escalate where appropriate Oversees the Assurance Framework and action plan Oversees procurement and wider compliance issues Oversee HR and remuneration
Growth Hub Board	<p>SME Board champion as chair with other SME representatives. SEMLEP CEO is a member and attends with Accountable Body representative.</p>	<ul style="list-style-type: none"> Oversee SEMLEP's Growth Hub Monitor risk and escalate where appropriate Oversee the Growth Curve ERDF project Oversee the Growth Hub gateway to business support Oversee Growth Hub delivery and in particular development of the Knowledge Bank and IAG role Oversee core DBT funding
Luton Airport Enterprise Zone	<p>SEMLEP Chair chairs the Board with a SEMLEP Private Sector Board member and Chief Executive attending.</p> <p>Representatives from Luton BC & London Luton Airport Ltd</p>	<ul style="list-style-type: none"> The terms of reference were revised in 2019 Works within the strategic direction and resource allocation set by SEMLEP Board Performance and monitoring report quarterly Lead operational delivery and monitoring progress
Northampton Enterprise Zone (Accountable Body is Northampton)	<p>SEMLEP Chair and Chief Executive</p> <p>West Northamptonshire Council</p> <p>University of Northampton</p>	<ul style="list-style-type: none"> Revised terms of reference were adopted in March 2021 Works within the strategic direction and resource allocation set by SEMLEP Board

Borough Council)		<ul style="list-style-type: none"> • Performance and monitoring report to each SEMLEP Board meeting • Lead operational delivery and monitoring detailed progress of the Enterprise Zone through the Executive Group
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The Board will appoint Board member ‘champions’ of particular topics to ensure energy and focus on particular issues.

- Rachel Mallows OBE is our SME champion and took up the role from August 2021
- Our equality and diversity champion to work with staff and stakeholders is Hazel Simmons MBE who was appointed in 2018 as the equality and diversity champion

Our Chief Executive will lead on risk and value for money and report to the relevant committees and Board. This role will sign off all funding decisions at officer level with consent of the Board.

SEMLEP Executive Team

In April 2022, SEMLEP commenced a restructure process to reduce the size of the organisation to fit a smaller budget. The Chief Executive oversees compliance with the Assurance Framework to support the Board. We have published the salaries of senior staff in line with the Localism Act as from 2020/21.

The Executive team is funded by the Government core LEP funding and the financial contributions of the local authority and other members. Some team members are funded via specific project funding.

Support from the private sector largely comes through the provision of time and expertise as well as attendance at Board meetings.

The Job Description of the Chief Executive is available [here](#).

Collaboration, the LEP Network and working with neighbouring and other LEPs

SEMLEP is always committed to working strategically and operationally with our neighbouring LEPs and wider LEP Network for the benefit of SEMLEP's objectives and the wider economic growth agenda, as well as ensuring good governance across the LEP Network.

We continue to collaborate with our local authority and LEP neighbours at sub-national level on the Ox Cam Pan Regional Partnership (PRP) and to share best practice. We are active contributors to the PRP and the LEP Network.

The PRP and its earlier iterations has strengthened the relationship with our neighbouring LEPs, and we worked together with the Mayoral Combined Authority in Cambridgeshire and Peterborough to develop the aligned published Local Industrial Strategies and an overall Vision for the Arc.

SEMLEP continues to play an active role in the developing Sub National Transport Board of England's Economic Heartland (EEH). We have contributed to the development of an evidence base and a Transport Strategy for EEH.

Although SEMLEP is no longer a part of the Midlands Engine, we work closely with our LEP colleagues in the Midlands, alongside the British Business Bank and Fund Managers delivering the Midlands Engine Investment Fund, which benefits local businesses in the SEMLEP area by addressing the constraints around access to finance.

SEMLEP Policies

Our policy documents are on the [Resource Hub](#) of the website but key documents ensuring good governance and management of the LEP, and public money include:

Procurement

This policy is regularly updated and reported to our Finance, Risk and Audit Committee. The SEMLEP [procurement policy](#) is available here.

Risk management

SEMLEP has a [corporate risk management](#) policy and the risk register, which is overseen by Finance, Risk and Audit Committee, is reported to the Board at each meeting. Each work area of SEMLEP has its own section of the risk register. Each funded project is reviewed regularly for delivery risks and all high and medium risk projects are reported and discussed at the Finance, Risk and Audit Committee.

Social value

In 2021 the SEMLEP Board refreshed the policy on [social value](#) in line with our ongoing commitment to ensuring our commitment to maximising the impact that our work has in the local communities. As part of the review, we worked with VCSE organisations. We also circulated the revised document to local authority partners and discussed it at a meeting of Economic Development Officers. Following these discussions, a specialist group has been set up to oversee the implementation of the plan and to make suggestions on practical ways to embed social value.

SEMLEP's commitment to creating Social Value is in 3 key areas by working in partnership:

- a) Strategy
- b) Funding
- c) Procurement

We recognise that we cannot by ourselves achieve a significant Social Value impact but that we can collectively by working in partnership. We also recognise that as a small organisation we can only have an impact on this agenda by working collaboratively with others.

Transparency and Accountability in Decision Making

Introduction

SEMLEP recognise the importance of openness, transparency and accountability in all our decision making. We are committed to having clear arrangements in place which enable effective and meaningful engagement with local partners and the public. We are committed to transparency in decision making and in giving the public confidence that decisions are made properly, based on evidence and capable of being independently scrutinised.

To support this, we have ensured that all staff have been trained in the principles and requirements of the Assurance Framework and that this is built into the staff and Board induction process.

Beyond our staff and board, in order to facilitate this transparency and accountability we use our website www.semlep.com as the main portal for publishing relevant documentation. This website includes a “[Transparency](#)” tab at the top to allow quick and easy access to documents and explanation around our governance and decision making. Much of this is discussed earlier in this document.

This section covers:

- > Strategic decision making - [go to section](#)
- > Transparency and accountability - [go to section](#)
- > Stakeholder engagement - [go to section](#)
- > Accountable body role - [go to section](#)
- > Audit - [go to section](#)
- > Management of dispute - [go to section](#)
- > Managing funding through the Accountable Body - [go to section](#)
- > Scrutiny - [go to section](#)
- > Performance review - [go to section](#)
- > Data Protection & freedom of Information requests - [go to section](#)
- > Transparency about Growth Deal spend - [go to section](#)

Strategic decision making

SEMLEP have a central role of working with stakeholders to develop strategic economic plans to support economic growth. Following extensive engagement, we prepare the strategy and then work with partners to support delivery as well as using Government funds to support direct intervention. In 2023/24, there remain four critical strategic frameworks:

Strategic Economic Plan

All LEPs have responsibility to set a strategic direction for their geography through a Strategic Economic Plan (SEP). SEMLEP's 2017 SEP, [Where Innovation Fuels Growth](#), is available online in full and in summary. The primary purpose of this document is to establish key priorities and then align activity and funding to make progress on those agreed key objectives. The SEP was signed off at Board level after consultation with all the key engagement groups. It helps to set out the long-term priorities for the key documents below.

Local Industrial Strategy & Economic Recovery Strategy

In 2019, SEMLEP co-produced a [Local Industrial Strategy \(LIS\)](#) with Government for the SEMLEP area, which aligns with the Government's Industrial Strategy priorities and Grand Challenges, and which focuses on increasing local productivity, and positioning SEMLEP's role within the Oxford-Cambridge Arc. The LIS ambitions were arrived at through a combination of extensive evidence gathering and stakeholder engagement, building on the work done and foundations laid in the area's Strategic Economic Plan. [SEMLEP's LIS Evidence Base](#), and a SEMLEP paper which sets out how this evidence base was used to arrive at the LIS ambitions, [SEMLEP LIS: Policy Themes and Propositions](#), are both available online.

In 2020, in response to the COVID-19 pandemic, SEMLEP produced an [Economic Recovery Strategy](#). This document provides a brief summary of the key evidence and projections of the pandemic's impact, with links to the supporting – and regularly updated – detail. It also provides a high-level look at the actions being taken by way of response, and with a continued view to meeting the LIS ambitions, across the five foundations of productivity. These are brigaded by the categories of Survive, Stabilise and Grow, which roughly equate to priority actions in 2020, 2020-22, and beyond respectively.

Annual delivery plan

Up to 2022/23, LEPs published an annual delivery plan in line with Government and LEP Network expectations. This will be published on our website from June each year. Due to the review a 2023/24 plan has not yet been produced. A report on progress will be produced the following year. This document will set out the economic context for SEMLEP activities and will have Key Performance Indicators (KPIs) for direct delivery of the skills area, growth hub and to complete Growth Deal programmes. It will also set out the broader activities of the LEP to deliver the strategy. This will be in the public domain on the website and will facilitate accountability and transparency.

Transparency and accountability through the Board

SEMLEP has published Board agendas, minutes and papers in full on the [website](#). We minute declarations of interest and include this as a standard item on all Board & Committee agendas.

Accepting the application of the 1972 Local Government Act on confidentiality in commercially sensitive circumstances, we comply with the guidance which requires that:

- The minutes and papers any sub-committees responsible for making decisions about public money are all published
- agendas and papers will be published five days before meetings
- minutes will be published 10 days afterwards after approval, but draft minutes should be available before final approval.
- Declarations of interest must be minuted by all Board committees and the Board

To support this, we have [procedure](#) for handling confidential proceedings) and papers. This is in line with “exempt information” under Schedule 12A of the Local Government Act 1972.

Furthermore, our annual general meeting (AGM) is open to the public; The most recent AGM was held in Northampton in December 2022.

Stakeholder engagement

SEMLEP published a new [Stakeholder Engagement Strategy](#) in 2019. This will need to be reviewed as part of the plans for the future of the LEP in 2023/24. We have a full programme of engagement activity covering all SEMLEP programmes and supported by the communications team which is critical to our transparency. . Our typical annual meeting and event programme has included:

- public events including strategy launches, programme and investment celebration events and our AGM
- business-focused events such as our autumn SME business event, ‘Show me Success’ and our Spring showcase sector events
- consultations and roundtables on key strategy development and appraisal
- programme or project-focused information events and shows, such as the National Apprenticeship Show,
- hosting events and dinners in collaboration with partners delivering the Midlands Engine Investment Fund or Local Authority colleagues at MIPIM.
- Regular meetings and exchange with our advisory groups.

Social media is a key engagement channel for us. We have LinkedIn, Twitter and Facebook channels for SEMLEP and our Growth Hub, for a more targeted SME business audience.

We publish press notices and blog posts on the SEMLEP and Growth Hub websites, alongside our monthly business-to-business print media articles and campaigns published in local print media.

SEMLEP produces a range of monthly e-newsletters: one targeted at small and medium businesses, one for the Enterprise Adviser Network, one for organisations delivering European-funded projects or are interested in EU funding opportunities and a SEMLEP-wide

newsletter that informs people about showcase sector news and events, features of Local Growth Fund investment projects, and more. For key campaigns, we also circulate e-bulletins which include consultations or surveys.

As part of this engagement, **Advisory groups** meet to directly advise SEMLEP and the Board of the perspective of that group, sector or member organisations. They do not have authority to make decisions, but their input is critical for evidence-based decision making. They do not have any delegated authority from the Board but inform the board and are a key engagement tool for SEMLEP. These groups will need to be reviewed as part of the plans for the future of the LEP in 2023/24

Business engagement

Within the advisory group model, SEMLEP has four showcase sector groups that represent key growth sectors identified in a review February 2020. The review determined the sectors, how to manage the sectors and the adoption of Stakeholder Plans (in accordance with Stakeholder Engagement Strategy). Membership consists of private, public, voluntary and sector participants whose role is to represent the interests of each sector. They are chaired by business representatives and act as a mechanism for SEMLEP to engage with businesses in these sectors and to inform our decisions, strategy development and interventions. These are recorded in a Stakeholder Plans for each sector. The showcase sector groups are currently High Technology and Innovation, Logistics and Supply Chain, Cultural and Creative and Food and Drink.

SEMLEP has a business Ambassador group, a select cohort of influential business leaders, covering a wide range of industry sectors, all of whom have a common business interest in the South East Midlands. They have two roles consultation and advocacy. Advocates for SEMLEP to their peers, to government and to inward investors and SEMLEP consults our ambassadors on key strategy development. They were actively involved in the development of the Local Industrial Strategy and in our role, profile and work specifically related to the Oxford to Cambridge Pan regional Partnership.

Our Growth Hub provides a direct route to engage and support businesses within the SEMLEP area. The Growth Hub delivers a number of programmes to provide practical support to help businesses to grow. Through our team of business advisers, we engage one-to-one with business owners and directors about their growth and aspirations as well as their challenges. Our Growth Hub team also delivers a programme of events to support businesses often in partnership with local accelerators and specialist advisers and support organisations, covering a wide range of business themes.

SEMLEP is the lead partner for the Growth Curve project part funded by the European Regional Development Fund. Growth Curve provides tailored and targeted support to high-potential and scaleup SMEs in the South East Midlands. Led by SEMLEP's Growth Hub together with three local universities University of Northampton, Cranfield University and the University of Bedfordshire, the project aims to stimulate growth within the region's most promising small and medium sized businesses.

In 2022, the Growth Hub completed the peer networks programme to provide peer support to businesses, working in partnership with Cranfield University to deliver a programme of

facilitated peer learning sessions to help businesses to recover from the impacts of COVID19, funded by HM Government.

Accountable Body role

Luton Borough Council is the Accountable Body for SEMLEP. The Accountable Body is responsible for ensuring that SEMLEP prepares an Assurance Framework and then makes decisions in accordance with it. Luton Borough Council ensures that SEMLEP have a strategic framework and then that the processes are in place to enable the delivery of key priorities. The Accountable Body is responsible for overseeing the proper administration of financial affairs within the LEP when these affairs relate to public funds. Luton BC ensures that SEMLEP operates according to the Local Growth Fund Accountability System.

The role is set out in a formal SLA agreement between SEMLEP and Luton which sets out the scope of the role of SEMLEP and Luton and the reporting against the framework and financially. This agreement also oversees the administration of funding and sets out the process for this. This will need to be reviewed and updated in 2023.

To ensure compliance and day to day support for good governance and practice, the Accountable Body attend all high-level decision-making meetings within SEMLEP to ensure decisions are made in line with due process. Luton BC attend LGF Programme Management Board and Growth Funds Task Group meetings as well as the Growth Hub Board and Finance, Risk and Audit Committee. Regular dialogue continues between meetings.

Prior to Board meetings, Luton BC review decision making Board papers, prior to them being sent out to members. Luton BC is represented as the Accountable Body at the Board.

The Accountable Body report the annual accounts of the Local Growth Fund and other funds regularly to the Finance, Audit and Risk Committee. The budgets and annual financial statements are presented to the Finance, Audit and Risk Committee, Board and AGM.

Audit

Audit of financial and other processes is within the remit of the Accountable Body role. Luton BC has in place appropriate arrangements for the proper use and administration of funding, building on their local government systems and their own audit requirements. Luton BC may undertake sample audits of the projects and annually SEMLEP and Luton BC agree an audit plan for projects to provide further assurance. The audit programme agreed with SEMLEP each year is at least equivalent to those in place for local authority spend.

All audit reports are tabled at Finance, Risk and Audit Committee for their consideration and review.

All SEMLEP official records, minutes and reports are saved on SharePoint and are accessible to the Accountable Body as required.

Management of a dispute

Where a dispute between SEMLEP and the Accountable Body arises, how this is handled is set out in the Accountable Body agreement. It can be raised at officer or committee level. Where the Accountable Body raises an issue, this would be handled at officer level and if not resolved, handled at board level to conclude. Regular discussion at officer, task group and board level mean that advice is received, and proposals developed with that advice to avoid a formal dispute developing.

If there is an irreconcilable difference arising between the Accountable Body and SEMLEP and the Accountable Body structures, the dispute will be resolved through a mediation process led by an independent party.

If a decision was made that was in contravention of the Assurance Framework and the published principles, then this would be returned to the Board for reconsideration with the explanation of why the decision was in contravention of the Assurance Framework, with the expectation that the decision would be revised. We also commit to raising this issue with Government LEP Compliance team at the time it arises.

Managing funding through the Accountable Body

The Accountable Body, Luton Borough Council, oversees SEMLEP's use of public funds and is therefore critical to the accountability for public funds. Luton Borough Council holds the public funds in their bank accounts for SEMLEP and manages the defrayal of these funds. Each year the Government writes to Luton BC on behalf of SEMLEP about this award and seeks confirmation from Luton BC about the defrayal of these sums on behalf of SEMLEP.

SEMLEP Board makes decisions on these funds, through the governance processes set out above, within stated criteria and the rules of public accounts, with the support of the Accountable Body, who attend the meetings. The Accountable Body makes the grant payments following agreed SEMLEP due process and appropriate checks and balances by the Accountable Body.

Requirements to ensure the proper management of public money in liaison with the Accountable Body will continue including:

- To ensure that all decisions regarding public funds are made on merit having considered all the relevant information available at the time.
- To consider state aid (or since 1 January 2021, Subsidy Control) in all cases where this may apply and to take legal advice where necessary, ensuring that all decisions are recorded and reported
- To oversee the development and application of the SEMLEP-wide procurement policy alongside the Finance, Risk and Audit Committee, once again ensuring that all decisions are recorded and reported
- To ensure that all funding agreements reflect the conditions that need to be placed on any grant and that these conditions are upheld
- To ensure that clawback is enforced where non-compliance, misrepresentation, underperformance or mismanagement or a failure to deliver has occurred and where this is appropriate but only when other options have been exhausted by the LEP to enable delivery and the Board have agreed this cause of action, following detailed reports and legal advice
- To retain copies of all LGF and other government funding documentation and to ensure that the LEP is retaining the complete record
- To ensure transparency in the annual and quarterly accounts

- To ensure compliance to the Assurance Framework
- To maintain the official record of SEMLEP proceedings and noting the system for holding all SEMLEP documents.
- To review that the SEMLEP's decisions are lawful and follow the correct processes

Luton Borough Council Accountable Body Agreement sets out the agreed role of how the Council will oversee the financial practices of SEMLEP to ensure the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending.

In addition to the programme and project reports on the SEMLEP website covering key LGF projects, SEMLEP publish an annual account of LGF as well as the balance and status of other funds from Government on our website and will keep this updated annually. These accounts are also reported to Finance, Risk and Audit Committee and to the Board.

Scrutiny

The SEMLEP Board has 6 political leaders on the Board which allows for democratic accountability to local authority members.

All and any member local authority can call SEMLEP to give evidence as part of their scrutiny committee functions. In January 2023 SEMLEP were called by Luton BC for scrutiny.

In addition, there is an opportunity at the AGM each year for company members to scrutinise representatives of the SEMLEP Board and Executive Team on the basis of Annual Report on achievements. The report for the 2021 AGM is available on the website.

Performance review

Each year the Government undertakes a performance review of each Local Enterprise Partnership. As part of this process, the LEP produces a self-assessment questionnaire and statements by our Chair and Accountable Body confirming those statements. The link to the latest documents can be found [here](#). [The National Assurance Framework](#) sets out how any underperformance will be addressed. Government also requires a Mid-Year Review which SEMLEP will actively join and review progress with the Area Lead and other Government officials responding to any areas of concern and reporting back at the annual review session.

Data Protection and Freedom of Information requests

This area of our business is managed by our Chief Executive and overseen by our Finance, Risk and Audit Committee. SEMLEP revised our data protection and security practices and our privacy notices in line with requirements and obligations set out in the General Protection Data Regulation 2015 and the Data Protection Act 2018. Our [privacy notices](#) are published on our website. We have a designated Data Protection Officer who manages our day-to-day data protection requirements.

On Freedom of Information, we work with our Accountable Body to ensure that any requests for information are responded to within the timescales set by the legislation and following due process. As above, SEMLEP is committed to ensuring compliance with existing local authority rules and regulations and ensuring our compliance through this framework.

Transparency about Growth Deal spend

On the SEMLEP website, our [Local Growth Fund](#) information and [Investments](#) pages are updated regularly to reflect the progress with Growth Deal projects. We have taken the same approach for our Getting Building Fund projects approved in 2020. Where possible, site visits, milestones and openings are covered actively with social media campaigns, in collaboration with project delivery teams. All funding calls are appropriately published online and supported with social media. Notifications are made to stakeholders. Our [LGF Evaluation](#) was published in July 2021.

SEMLEP seeks updates on communications and material that can be used to post online to demonstrate the progress on delivery. We also undertake to work with communications officers from the project teams to ensure that we are aware of key dates and communications opportunities and link in with this. This information is provided to the Cities and Local Growth team as part of their quarterly briefing. More generally, we use social media and SEMLEP's newsletters, and blogs to widen knowledge of the projects. We have a [communications protocol](#) which contains the HM Government publicity requirements for LGF. Further guidance and best practice is provided at our Programme Management Board by SEMLEP's communications manager.

Managing Public Money: Prioritising investment and projects

This section from p28 to 48 relates to the Local Growth Deal Funding, which is no longer available, but we are still required to maintain this as part of the Assurance Framework

This section will need to be reviewed as part of the plans for the future of the LEP in 2023/24 as the legacy of these funds may need to be transferred to other parties. Any new grant programmes will have details of the criteria for applicants and eligible projects on the website at www.semlep.com

Introduction

SEMLEP's [2020 Economic Recovery Strategy](#) builds on the [2019 Local Industrial Strategy](#) and brings together in one place the various actions that SEMLEP and its local partners have taken, are taking and will take in future, to help the South East Midlands to recover from the impacts of the COVID pandemic, and to grow and prosper over the longer term. The Economic Recovery Strategy and Local Industrial Strategy now steer the priorities for funding intervention for SEMLEP.

Since 2016, SEMLEP has agreed three headline priorities for funding:

- Strategic alignment to the SEP objectives and since 2019, the Local Industrial Strategy and from 2020 includes the Economic Recovery Strategy
- Direct and wider economic impact and Value for Money
- Deliverability - delivered effectively and in the timeframe.

The approaches set out in this section are those that the Board apply on looking at any Government or public funding decisions unless steered by Government or funders to take a different approach. It sets out the process by which SEMLEP identify its priority investments across a range of intervention areas. It also sets out the minimum requirements that all SEMLEP funded projects are expected to deliver. An overview of the process for identifying and prioritising projects and ensuring value for money is set out in the figure overleaf.

This section covers:

- > Programme governance - [go to section](#)
- > Stage 0. Expressions of Interest and Project Pipeline - [go to section](#)
- > Stage 1. Options appraisal and prioritisation - [go to section](#)
- > Stage 2. Full business case and value for money - [go to section](#)
- > Stage 3. Funding agreement - [go to section](#)
- > Stage 4. Monitoring and evaluation - [go to section](#)
- > Governance and delivery of Growth Deal projects - [go to section](#)
- > Appendix A: Additional outline business case guidance for transport related projects - [go to section](#)

Programme governance

SEMLEP has a robust focus on implementation and governance to ensure that day-to-day project and programme delivery is overseen and approved. For the allocation and delivery of public funding, including the Growth Hub, our Accountable Body also participates in all stages of the governance structure to ensure due processes are followed for public funds.

For the allocation, prioritisation and delivery of public funding for capital investments (including Local Growth Fund (LGF) and Getting Building Fund (GBF)), we have a three-tier governance process:

1. **Programme Management** Board sat around 4 times per year and comprises the project managers of each LGF and GBF funded project. The group has Terms of Reference outlining their roles and responsibilities. This group supports providing effective stewardship of public funds and allows best practice to be shared between projects. It does not have any delegated decision-making role but supports good decision making and information flow. Due to the end of the programme, it is no longer meeting
2. **The Growth Funds Task Group** sits at least 6 times per year and comprises the Local Authority Chief Executives and at least two Private Sector Board members. The group has [terms of reference](#) and this was updated in 2021. The group oversees the delivery and expenditure of the Local Growth Fund, Getting Building Fund and Growing Places Fund and takes decisions on funding approval, project change requests, risks, programme spend and payments, programme wide policies such as evaluation and new funding rounds.
3. The **SEMLEP Board** receives reports from the **Growth Funds Task Group** and provides final approval for decisions at project and programme level.

The Accountable Body attends each of these groups. Updates on all projects receiving public funding are available on the SEMLEP website (for example, details of our LGF and GBF investments are available on the [LGF page](#)) and the papers for all Growth Funds Task Group meetings are published on the [website here](#).

The diagram below shows the standard call for projects, appraisal, prioritisation and approval process for Government or other public funding decisions that SEMLEP will follow, unless steered by Government or funders to take a different approach, or where there are specific requirements of a future fund that require an amended approach. Any variation from the approach set out below will be agreed by SEMLEP's Growth Funds Task Group. Stage 0 will not always be followed but is a key part of project pipeline management.

Project Prioritisation and Selection Process

Stage 0	Expression of Interest
	Project Identification / Pipeline Development
Stage 1	Call for Projects
	Completion of Pro-Forma (Stage 1 Submission)
	Project Appraisal and Prioritisation
	In Principle Approval
Stage 2	Stage 2 Submission
	Initial Review
	Detailed Due Diligence
	Decision to Proceed
Stage 3	Funding Agreement
Stage 4	Monitoring and Evaluation

Stage 0: Expression of Interest and Project Pipeline

From 2021, we are no longer running Eol and developing a project pipeline as the Government is no longer routing Growth Funding through LEPs. This process is what we did carry out up to 2020.

Expressions of Interest

SEMLEP may choose to issue calls on a speculative basis (i.e., where no funding has been identified). To ensure a strong supply of potential investments and to best position SEMLEP to respond to rapid funding calls, SEMLEP may periodically request Expressions of Interest (Eol). These may be general in nature or limited to, for example, projects that align to specific strategic priorities or are deliverable with set time scales. The focus of each request for Eols would depend on the strategic and delivery objectives of SEMLEP at the time of the call and would be agreed with the Growth Funds Task Group and the Board ahead of any public announcement.

Eols would follow a set template covering project description, strategic alignment, economic impact and potential value for money, project status and deliverability. Eols would be assessed against the agreed criteria by SEMLEP or its independent advisers to identify a shortlist of projects suitable for further consideration.

Project Identification / Pipeline Development

Projects identified as 'suitable for further consideration' following the Eol process will be included in a project pipeline. Where pipeline projects are identified as having the potential to be strategically important, SEMLEP may engage in co-development of the proposals to ensure a robust pipeline.

Detailed applications may subsequently be invited from pipeline projects under future Government funding calls. However, it is important to note that the prioritisation of projects under each call (including those benefiting from co-development) will take place on a competitive basis and preference may not be given to projects included in any SEMLEP Pipeline.

This action has been deferred pending an outcome of the 2021 Government's LEP Review.

Stage 1: Options appraisal and prioritisation

Project Identification and Pipeline

Open Calls for Projects

The primary method for identifying projects for investment will be through a series of *Open Calls for Projects or Bidding Rounds*. These 'calls' will be issued on a periodic basis in response to the availability (or expected availability) of funding.

In general, SEMLEP will invite applications from public, private and third sector organisations for each call, however in some cases eligibility may be restricted by the requirements of the funding streams available to SEMLEP or the strategic priorities at that time. Each call will be advertised on SEMLEP's website, through social media, and details will also be circulated to

relevant contacts and partner organisations. SEMLEP will also use relevant business networks and contact lists to ensure that the call is sufficiently well publicised among private sector organisations in the region.

Each Call for Projects will include guidance to applicants setting out the deadline for responses, information on the application process and the requirements and expectations of projects. The supporting guidance will also set out the basis on which projects will be selected and prioritised (i.e., how SEMLEP plans to allocate a fixed amount of funding among a number of eligible projects), which will reflect relevant priorities of the Economic Recovery Strategy, Local Industrial Strategy and/or relevant criteria set by Government

Project submissions to SEMLEP at this stage should be in the form of a completed Pro-Forma which will be made available for each Call and will be available on the SEMLEP website. SEMLEP will always aim to provide support to applicants to complete the Pro-Forma via 1:1 or webinar-based advice.

Completion of Pro-Forma: Requirements of scheme applicants

Project applicants should respond to a Call for Projects using the Pro-Forma (the Stage 1 Submission). Applicants should ensure that they are using the most up to date pro-forma, as the requirement may vary between calls as a result of changes to national guidance and/or the specific priorities of each call.

The pro-forma is to be completed independently by the scheme applicants; however, applicants are advised to discuss their proposals with SEMLEP prior to submission to confirm whether the proposals will be eligible for funding and that they are suitably aligned with the priorities of the Call.

The pro-forma should be completed in line with relevant national guidance. All pro-formas should satisfy the requirements of the [HM-Treasury Green Book](#), however supplementary guidance will also be relevant to specific categories of projects. For example:

- Applications for transport projects (i.e., any project that significantly changes the transport network infrastructure) must be based on the [DfT's Transport Analysis Guidance \(TAG\)](#).
- Project applications involving funding for skills capital investment should be based on the latest good practice guidance established by the [Education & Skills Funding Agency \(ESFA\)](#).
- Projects resulting in a change of land use should be developed in line with Homes England good practice and the [MHCLG Appraisal Guide](#).
- Enterprise, innovation and business support related projects should ensure a connection to national expertise and infrastructure and non-duplication of existing support, investment and finance options. There should be clear reference to the Local Industrial Strategy and Economic Recovery Strategy. Such projects should consider their net additional impact on employment within the SEMLEP region, in line with Green Book guidance, as well as any improvements to productivity.
- In some cases, where there may be significant redistributive effects between different groups, it may also be appropriate to consider distributional costs and benefits. SEMLEP will want the form to demonstrate compliance with the [SEMLEP Equality and Diversity Policy](#) and the 2010 Equality Act.

The level of detail required from scheme applicants in the pro-forma should be in line with an Outline Business Case, as set out in the Green Book Supplementary Guidance¹.

Where necessary, more detailed information or supplementary guidance, relevant approaches for assessing value for money and the level of detail required from applicants may be provided by SEMLEP alongside each call for projects.

Applicants may seek independent advice when completing the pro-formas, however this would be at their own cost and would not be reimbursable should funding be granted later.

Project appraisal and prioritisation

Once a Call for Projects has closed and applications have been received, project applications will be assessed on the following basis:

- Project applications will be independently assessed to check whether they meet the minimum requirements for all projects funded by SEMLEP.
- Projects that meet the minimum criteria will then be prioritised according to the criteria set out below.

Project Appraisal: Minimum Requirements

In order to be considered suitable for funding by SEMLEP, all projects must demonstrate the following in their Pro-Forma:

- A clear case for public sector intervention, that aligns to the strategic priorities of the call for Projects.
- The potential to contribute to SEMLEP's Economic Recovery Plan, Local Industrial Strategy, and other relevant strategic priorities.
- The project has clearly defined inputs, activities, outputs and outcomes and provides sufficient evidence to demonstrate that the project outcomes are likely to provide an 'additional' improvement over a baseline scenario².
- An options appraisal has been undertaken and evidenced
- The benefits of the scheme should exceed the public sector costs of the intervention. Projects are expected to offer at least 'high' value for money which is equivalent to a Benefit Cost Ratio (BCR) of 2 or more. The economic assessment should capture benefits that are relevant to the strategic priorities of the proposed investment and the Call for Projects. In exceptional cases, projects that achieve a BCR below this level may be considered suitable for funding if they deliver substantial strategic impacts and there is evidence of significant non-monetizable benefits. Further information on transport projects is provided in Appendix A.
- Projects plans are sufficiently developed, given the proposed phasing of delivery (e.g., consideration of project costs, planning permission, contractual arrangements and project management is sufficiently advanced).
- A risk assessment has been completed and reasonable mitigating actions are in place, where necessary, which are appropriate to the stage of project development. This

¹ Guide to Developing the Project Business Case
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf)

² The HCA Additionality Guide provides further information on the estimation of net additional impacts.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/378177/additionality_guide_2014_full.pdf

assessment should consider the potential for Subsidy Control and other significant risks to project delivery.

- The project aligns broadly with available funding (e.g., phasing and the eligibility of proposed activity).

SEMLEP recognise that projects will be at different stages of development, and this will be reflected in the assessment process. For example:

- it is recognised that a detailed Value for Money Assessment may not be available for all projects at this stage. However, all pro-formas should provide sufficient detail, proportionate to the stage of project development, demonstrating that there is the potential for the scheme benefits to exceed the public sector costs of intervention. This may include an assessment of the potential net additional impacts linked to the scheme and any proposals for quantifying the wider benefits.
- Where information relating to the project plan is unavailable at this stage and/or external decisions concerning the project are pending, the project plan should set out how this relates to the overall delivery of the scheme, when this information is expected, and that appropriate risk mitigation measures are in place.

Project Prioritisation

Projects that satisfy the minimum project requirements will be prioritised in line with the criteria specified in the call for projects, which may include:

- The strategic case for investment and potential links to wider SEMLEP activity.
- The scale of the potential contribution to SEMLEP objectives (e.g., number of jobs created, homes delivered, learning outcomes, etc.).
- Project Value for Money (or the potential to deliver value for money).
- The scale of additional investment unlocked for the region, including private sector investment.
- The ability to deliver the scheme in line with the expectations of available funding.

Where calls are over-subscribed with projects suitable for funding, SEMLEP may also wish to consider programme level requirements to deliver a balanced programme of activity, including:

- The availability of funding.
- The balance of activity across SEMLEP's strategic priorities.
- The ability to deliver a flexible programme of activity that is not overly dependent on a small number of projects.
- The geographical spread of projects and outcomes

SEMLEP will identify a proposed programme of activity based on the appraisal and prioritisation criteria set out above. Reports on appraisals and prioritisation from the LGF and GBF rounds are available [here](#). The current Assessment Framework for appraisal and prioritisation is also available online and can be found [here](#). The Assessment Framework will be updated as necessary to reflect the requirements of each Call for Projects.

During this initial stage the project will be RAG rated for Subsidy Control and early indications of a Subsidy Control position will be reviewed with the applicant.

In principle approval

An independent appraisal and prioritisation report will propose a prioritised list of projects and if funding is available, a programme of activity to the SEMLEP Growth Funds Task Group who

will make a recommendation to the Board to approve a proposed programme of projects. This approval will be granted 'in principle', subject to the satisfactory completion of a Stage 2 Submission and agreement of an annual profile and Funding Agreement with SEMLEP.

Stage 2: Stage 2 Submission and value for money

Stage 2 Submission

Applicants of projects prioritised and approved in principle by SEMLEP Board will be invited to submit further information in the form of a Stage 2 Submission to demonstrate that the project is ready to proceed. Once submitted, this will undergo a detailed due-diligence assessment and be submitted to the SEMLEP Growth Funds Task Group who will make a recommendation on each project, to the Board.

The level of detail required in a Stage 2 submission from scheme applicants in the pro-forma should be in line with a Full Business Case, as set out in the Green Book Supplementary Guidance³ and the assessment process will proceed when individual projects are at a suitably advanced stage of development.

SEMLEP recognises that projects seeking LEP funding can vary considerably in size and complexity and that there is a need for the assessment process to be proportionate to the value of funding requested. To ensure that the level of information requested from applicants is proportionate to the level of funding requested:

- Projects requesting less than £5 million will be requested to submit an updated Pro-Forma (which will cover all relevant aspects of the Five Case Business Case, detailed below)
- Projects requesting £5 million or more will be required to develop a standalone Business Case, based on the five cases and tailored to the project.

In addition, transport projects (i.e., projects that are expected to significantly change the transport network infrastructure) will be required to follow a separate process outlined in Appendix A, which aligns with the requirements of TAG. Large transport infrastructure projects (historically with a total value in excess of £20 million) may be "retained" by the DfT, and subject to separate DfT scrutiny, with final funding decisions made by Ministers. Whilst this affects the review and decision-making processes, it does not alter the requirements of the Stage 2 submission by applicants, which should continue to follow the appropriate TAG guidance. Where transport projects also have non-transport related outcomes (e.g., projects that unlock land for housing or employment development), these additional impacts can be captured as part of the assessment of wider economic benefits within the TAG framework.

³ Guide to Developing the Project Business Case
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf)

Requirements for the Stage 2 Submission

	Small Projects (<£5m)	Large Projects (≥£5M)
Transport Project	Revised Pro-Forma including TAG assessment	TAG compliant Five Case Business Case
Non-Transport Project	Revised Pro-Forma based on principles of HM-Treasury Green Book, drawing on relevant national guidance.	Green Book compliant Five Case Business Case, in line with relevant national guidance

In addition to the requirements for projects to demonstrate a strategic rationale for investment and Value for Money, SEMLEP will also ensure that the commercial, financial and management arrangements in place are appropriate for effective delivery. These issues should be considered in the pro-forma or Five Case Business Case to be submitted at Stage 2.

Applicants may wish to consider relevant guidance provided by Infrastructure UK (part of the Infrastructure and Projects Authority). It's [Project Initiation Route Map Handbook](#) and associated Modules provide a framework to support public and private sector infrastructure providers in improving the delivery of their projects and programmes.

The Stage 2 Submission is to be submitted to SEMLEP. SEMLEP will have independent advisors who will review the Stage 2 Submission and they will report to the Growth Funds Task Group and Board on the business case and make a recommendation for approval.

The Stage 2 Submission should also be accompanied by a letter from a legal advisor setting out a position in terms of Subsidy Control so that can be considered by SEMLEP, and a definitive Subsidy Control position agreed with the applicant ahead of any Board consideration of the project for full approval.

SEMLEP does not provide development funding for applicants, however SEMLEP recognises that there are resource implications for applicants associated with the development of the Stage 2 Submission, particularly if it is necessary to utilise external independent advice and support. Where it is possible for these costs to be capitalised alongside any other professional fees that are directly attributable to the capital investment, they can be included in the costs of delivering the project and may be reimbursable if the project is approved for funding.

In addition to the professional fees associated with developing the Stage 2 Submission, applicants should always allow for the costs associated with project monitoring and evaluation. SEMLEP can advise on the appropriate level for these costs in their initial discussion with applicants. The costs of the compliance with [communications protocol](#) should also be considered in the business plan for the project but cannot be funded as part of the grant award.

The remainder of this section relates to non-Transport projects. For guidance on projects that are expected to significantly change the transport network infrastructure, please refer to Appendix A (updated in 2021).

The process set out below is the standard approach that will be adopted by SEMLEP where possible. However, this approach may be amended on approval from the Growth Funds Task Group to reflect the requirements of government and/or the specific funding round.



Detailed due diligence

Once the Stage 2 Submission has been submitted to SEMLEP, its independent appraisers will undertake a detailed assessment to ensure that:

- The evidential basis on which the need for intervention has been determined is in line with best practice and appropriate national guidance
- There is a clear rationale for the intervention linked with the strategic objectives of SEMLEP and the call for projects.
- The project has clearly defined inputs, activities, outputs and outcomes, including a formal review of additionality (including deadweight and displacement).
- An evaluation framework has been identified for monitoring the outputs and outcomes identified above.
- The business case includes a Value for Money assessment which incorporates an assessment of the wider economic benefits of the project and delivers sufficient value for money. As specified above, SEMLEP typically require a BCR of at least 2:1.
- The economic case and Value for Money assessment incorporates sensitivity testing and considers the potential for optimism bias⁴.
- The project includes a full design and specification and an independently verified cost plan (if applicable)
- Planning permission submitted where relevant, or a clear timetable for achieving this is set out, which is considered in the Risk Register'
- A detailed Risk Register and risk management policy is included with the Business Case
- Profile of funding requested matches availability of funding
- Match funding has been identified and the applicant can provide confirmation that the funds will be made available or a clear timeline for such.
- Relevant internal approvals are met (e.g., council approval, board approval, financial/budget approval).
- Land purchases are identified and under legal instruction/in legalees, where relevant, or a clear timetable for achieving this is set out, which is considered in the Risk Register.
- A contracting and procurement process has been identified and timescales provided.
- There is sufficient consideration of Subsidy Control risk with independent legal advice provided. This will be signed off by SEMLEP's legal advisors.
- Project delivery lead can demonstrate sufficient experience of delivering the proposed activity.
- All projects may be subject to financial due diligence which will identify if the project applicant is sufficiently financially robust and resilient, as assessed by an accountancy firm, to deliver the scale of project proposed.

⁴ Green Book supplementary guidance: optimism bias:

<https://www.gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias>

Following the due-diligence process and advice from an accountancy firm, projects will be classified by the independent appraisers as:

- Ready to proceed
- Ready to proceed, pending limited additional information
- Not ready to proceed / requiring significant additional information

Decision to proceed

A report setting out the independent appraiser's recommendations will be submitted to the SEMLEP Growth Funds Task Group who will make a recommendation to the Board on which projects should be granted a Full approval. This report may be accompanied by a report setting out the financial position of the applicant to fund and deliver the project prepared by an accountancy or similarly qualified company. The Board or Task Group may ask for further reports to cover Subsidy Control or other technical aspects of the project.

Stage 3: Funding agreement

For projects granted a Full Approval or Decision to Proceed by the Board, SEMLEP will work with the project applicant to develop a formal annual funding agreement. This will require:

- Final project costs and procurement arrangements
- Confirmation that all conditions specified in the Due-Diligence recommendations have been satisfied
- The quarterly profile of spending and appropriate milestones.
- If some time has elapsed or circumstances have changed, a re-assessment of the strategic case for investment, value for money, and wider economic impacts validify updated since the Full Approval or Decision to Proceed

These will be reviewed internally by SEMLEP as part of developing the Funding Agreement. If there are significant changes to the project that may impact on the strategic or economic components of the scheme, SEMLEP may request that further independent due-diligence advice is sought with a further report to the Growth Funds Task Group. Funding agreements are issued annually, until project completion, unless a variation is requested which has to be approved by the Growth Funds Task Group.

Stage 4: Monitoring and evaluation

All projects receiving funding from SEMLEP must ensure that there is an appropriate output and outcome monitoring and evaluation process in place at least until 2024/25 and in line with the funding agreement terms.

The monitoring forms are completed on a quarterly basis, and these provide updates on delivery against key milestones, forecasts, outputs and spend and update on risks and issues. This expenditure and output monitoring data is reported to Government via MHCLG spreadsheets quarterly, signed off by our Accountable Body before submission. Key output

data is reported to Growth Funds Task Group and to the Board in the Annual Delivery Plan reports.

Reports are provided to the Growth Funds Task Group based on the most recent overall risk assessment. All medium and high-risk projects are reported in detail to Growth Funds Task Group with an overview on others and a programme spend update.

The basis of any evaluation will be on input, output and outcome monitoring data and consideration of this against the original business case or proforma, building on the assumptions used in the appraisal process. In the design of evaluation plans at project or programme level, reference to the [HMT Magenta book](#) will be helpful.

It is recognised that the specific outcomes that will be monitored and measured will differ depending on the type of intervention, with specific focus placed on those outcomes most relevant to the project objectives. Some projects will report on core LGF outputs of jobs, homes and learners; others will have a wider range of outputs and outcomes agreed at the approval stage or through a contract variation.

In 2019 SEMLEP updated the [Monitoring and Evaluation Framework](#). In 2020/21 updated plans for evaluation and evaluation reports are being sought from all projects. Where possible these are shared on the website link for that project.

In 2021, SEMLEP commissioned a LGF programme evaluation which alongside the project level evaluation will enabled a greater understanding of programme level of:

- Strategic impact of the programme
- Operational effectiveness and impact of projects
- Benefits of LGF and how these should inform future programme delivery
- Value for money and impact of public money
- Lessons learned from the delivery of the projects

The report is available [here](#). We aim to do a similar report on GBF in 2022.

Procedures for the delivery of Growth Deal projects

Record keeping

SEMLEP officers maintain all key documents on SharePoint to ensure a complete audit trail of decision making on all projects. This is audited annually by Luton BC. SEMLEP retains all the key documents associated with each project as it goes through the appraisals, approval, management, monitoring and evaluation stages. Luton BC holds all the funding agreements and financial transaction information.

For each project, the following are held:

- Original business case
- Any updates to the business case including supplementary information
- Independent appraisal of the business case
- Due diligence appraisal and reports
- Approval decisions and basis for them with terms agreed
- Copy of the funding agreement and schedule including milestones and outputs

- Quarterly monitoring forms sent in by projects with attachments including risk registers and communications plans
- Site visit records
- Minutes of all register expense and Growth Funds Task Group for decisions
- Reports and minutes of the SEMLEP Board including Funding approvals
- Evaluation plans and forecasts for each project
- Any change requests and decisions on this with supporting information

Making payments

Luton BC only release funds to a project with the necessary approvals and ensuring that the funding is compliant with the terms of the fund. A schedule of milestones is agreed with a project manager and confirmed in the funding agreement. The funds are only released once this milestone has been reached. To provide further assurance to the Accountable Body of the compliance, each project has to confirm compliance with the terms of their funding agreement prior to releasing each payment. Luton BC provides a regular report to SEMLEP and on an ad hoc basis to show funding agreements issued and payments made.

Where a milestone is no longer achievable this will be reviewed and considered by Growth Funds Task Group as a change request. The Accountable Body sits at the Growth Funds Task Group to advise. The 2021/22 funding agreement was reviewed by SEMLEP and Luton Borough Council to ensure that it continued to be fit for purpose and has all the necessary arrangements for protection of public funds including in the event of non-delivery or mismanagement. It was updated in 2021 for the Subsidy Control terms.

Legal advice

Where particular issues arise e.g. on Subsidy Control for a project, we obtain independent legal advice indicating how a project is compliant with Subsidy Control rules. This will be reviewed in detail and recorded prior to any funding being agreed. SEMLEP seeks legal advice to ensure that any risks are properly considered, and this is reported to the Growth Funds Task Group as well as overseen by the Accountable Body. In 2021 a Subsidy Control policy was developed and will be presented to the Growth Funds Task Group after which it will be available on the website.

Appendix A: Additional outline business case guidance for transport related projects

From 2021, we are no longer running EoI and developing a project pipeline as the Government is no longer routing Growth Funding through LEPs. This process is what we did carry out up to 2020 for transport related projects.

Introduction

Given the specific requirements of the Department for Transport (DfT), transport schemes have specific requirements for value for money assessment, assurance and evaluation that are set out in Appendix B of the document “[Local Enterprise Partnership National Assurance Framework](#)” (September 2021). This section sets out SEMLEPs interpretation of these requirements which scheme promoters must adhere to when developing their proposals.

A ‘transport scheme’ is defined as any scheme that significantly changes the transport network infrastructure, whatever its objectives.

Transport Business Case

DfT has issued guidance on developing Transport Business Cases. The document “The Transport Business Cases” (2013)⁵ sets out how the department assesses the business case for major investments in support of decision making. A staged approach to major transport investment decisions is set out as well as the five-case model for producing a business case, both being aligned with HM Treasury’s Green Book guidance.

It is the intention of SEMLEP to adopt this approach given that it is HM Treasury’s standard methodology and recognised as best practice, given it provides a progressive structure for the development of business cases provides the opportunity for proportionate assessment according to the size of project being considered.

Business Case Stages for Transport Projects

The DfT document, The Transport Business Cases (2013), sets out three business case stages:

1. **Strategic Outline Business Case (SOBC)** – This sets out the need for intervention (the case for change) and how this will further stated aims and objectives (the strategic fit).
2. **Outline Business Case (OBC)** – reconfirms the conclusions of the SOBC but concentrates on detailed assessment of the options to find the best solution.

⁵ The Transport Business Cases (2013)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85930/dft-transport-business-case.pdf

3. **Full Business Case (FBC)** – Confirmation of the schemes value for money and details the proposed contract management resourcing, processes and benefit realisation plans.

DfT propose that the decision-making process should take place in accordance with the three stages outlined above. However, DfT acknowledge that smaller or more straightforward investments may require fewer phases. Drawing on this guidance SEMLEP will expect scheme promoters to develop transport schemes as follows.

- **Stage 1 of SEMLEP Assurance Process:** For SEMLEP Local Growth funded schemes and any future Growth Deal pipeline schemes the content of the Project Proforma is sufficient and a formal SOBC for transport projects is not required.
- **Stage 2 of the SEMLEP Assurance Process:**
 - Schemes of greater than £5m in total scheme value will need to complete both an Outline (OBC) and Full Business Case (FBC).
 - Schemes of less than £5m value will need to complete an updated Project Proforma and Full Business Case (FBC).

The Five Case Model

All schemes submitted by promoters are required to follow the DfT's Transport Business Case guidance, which is available at www.dft.gov.uk/publications/transport-business-case.

The Business Case guidance sets out the minimum requirements of the development of a scheme and use of the guidance will ensure that the information and assessment of a scheme is set out according to five cases:

- **The Strategic Case:** demonstrates the case for change including a clear rationale for making the investment; and strategic fit, how an investment will further the aims and objectives of the organisation.
- **The Economic Case:** assesses options to identify all their impacts, and the resulting value for money, to fulfil Treasury's requirements for appraisal and demonstrating value for money in the use of taxpayers' money.
- **The Financial Case:** concentrates on the affordability of the proposal, its funding arrangements and technical accounting issues.
- **The Commercial Case:** provides evidence on the commercial viability of a proposal and the procurement strategy that will be used to engage the market; and
- **The Management Case:** assesses whether a proposal is deliverable. It tests the project planning, governance structure, risk management, communications and stakeholder management, benefits realisation and assurance.

Advice for Scheme Promoters

There are a number of guidance documents that scheme promoters will need to be aware of when producing their business cases. These documents are listed below:

- HM Treasury: The Green Book (<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>)
- The Transport Business Case (<https://www.gov.uk/government/publications/transport-business-case>)
- Transport Analysis Guidance – TAG (<https://www.gov.uk/guidance/transport-analysis-guidance-webtag>)

- Value for Money Assessment: Advice Note for Local Transport Decision Makers (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/267296/vfm-advice-local-decision-makers.pdf)
- Design Manual for Roads and Bridges (DMRB) (<http://www.standardsforhighways.co.uk/ha/standards/dmr/b/>)
- Governance for Railway Investment Projects (GRIP) – For Rail Projects Only (<http://archive.nr.co.uk/aspx/4171.aspx?cd=2>)
- Highways England Project Control Framework – For Road Projects on the Strategic Road Network Only (https://assets.highwaysengland.co.uk/roads/road-projects/A46+Coventry+Junctions+Upgrade/Proofs+of+evidence/J.01+PROJECT+CONTROL+FRAMEWORK+HANDBOOK++V4-NOVEMBER+2018_.pdf)
- HM Treasury: The Magenta Book (<https://www.gov.uk/government/publications/the-magenta-book>)

SEMLEP expects scheme promoters to undertake modelling and appraisal work in line with the standards set out in TAG. However, in accordance with TAG requirements SEMLEP does not want promoters to undertake excessive appraisal work and will provide scheme promoters with early advice on whether the approach to be adopted is fit to purpose, particularly in relation to modelling and Social and Distributional Impacts. SEMLEP will also work with DfT to understand their own requirements and timelines, so the processes work effectively together if possible.

SEMLEP will provide early advice to scheme promoters via external independent technical specialists procured and managed by the Growth Funds Task Group in two ways:

1. Through opportunity to discuss the scheme and application requirements with an independent technical specialist nominated by SEMLEP at Stage 1 of the SEMLEP assurance process (completion of Project Proforma)
2. Discussion with an independent technical specialist nominated by SEMLEP following completion, by the scheme promoters at the beginning of Stage 2, of an Appraisal Specification Summary Table (ASST) and the provision of details of the modelling approach to be adopted (if applicable). The production of an ASST ⁶will provide the good base of information to begin discussions between the scheme promoter and nominated independent technical specialists regarding the most appropriate appraisal approach for each scheme.

Proportionate TAG Appraisal

SEMLEP expect scheme promoters to make appropriate and proportionate use of the DfT's TAG guidance in presenting value for money evidence. In particular, scheme promoters should consider Section 2.2 and 3.2 of the Transport Appraisal Process (January 2013) guidance document as well as the specific advice provided in individual TAG Units that provide guidance on the preparation of necessary outputs for the appraisal of transport schemes. It is important for scheme promoters to also consider how to deal with any updates to TAG that might occur during the progression of the scheme through the SEMLEP Assurance Process. Scheme promoters should refer to the TAG Proportionate Update Guidance⁷ and discuss the approach for the scheme as part of the early advice they receive from independent technical

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427107/tag-worksheet-assr.xlsx

⁷ WebTAG Proportionate Update Guidance
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427079/webtag-tag-proportionate-appraisal.pdf

specialists nominated by SEMLEP. Scheme Promoters should keep SEMLEP and DfT informed of progress.

Assessing TAG compliance

Modelling and the appraisal of transport schemes should be carried out by scheme promoters using central case forecasts that are consistent with the definitive version of NTEM (DfT's planning dataset) and in accordance with the guidance set out in TAG. Alternative planning assumptions will only be considered by SEMLEP through the use of sensitivity tests that can be determined by scheme promoters according to their needs.

The modelling and appraisal work will be carried out by the promoter and assessed on behalf of SEMLEP by independent technical specialists nominated by SEMLEP. These independent technical specialists will have the necessary skills and expertise to ensure that the assessment and scrutiny of business cases is quality assured.

The assessment and scrutiny undertaken will review compliance with TAG and identify if the required standards have been met, with a particular focus on modelling and appraisal.

If a scheme is assessed as not meeting the required standards, a series of recommendations will be produced that the scheme promoter will be expected to address. The independence of each review will be checked and signed off by the Growth Funds Task Group with relevant skills and expertise. The Growth Funds Task Group will be responsible for ensuring that scheme promoters act upon any recommendations resulting from a review and that the results are made available to promoting authorities and the SEMLEP Growth Funds Task Group.

Value for Money

A value for money statement for each scheme, in line with published DfT TAG guidance and DfT advice on assessing VfM, must be presented by the scheme promoters for consideration by SEMLEP at each stage of the approval process.

Value for money statements at Stage 1, are likely to be based on limited evidence. In Stage 2 (OBC and FBC) more robust Value for Money statements will be required.

The VfM statements will be checked by an independent technical specialist and adjusted if necessary. They will then be signed off as true and accurate by the Section 151 Officer of Luton Borough Council, the Accountable Body of SEMLEP.

The VfM statement will be presented to the SEMLEP Growth Funds Task Group as part of the decision-making process at appropriate stages in the approval process.

At each stage of the approval process SEMLEP will only approve schemes that offer at least "high" value for money, as assessed using DfT guidance (currently a BCR of greater than or equal to 2:1) except in the following limited circumstances:

- such as a scheme that unlocks a key development site
- scheme that supports significant jobs/GVA growth

In Stage 2 of the assurance process the production of the OBC and FBC will identify whether the scheme continues to offer high value for money. If a business case indicates a scheme will not provide the required value for money SEMLEP can decide to withdraw it from the programme. The scheme promoter is responsible for all business case costs – including if the scheme is withdrawn by SEMLEP at any point in the process.

External Views

Summaries of the transport business case documents (OBC and FBC) will be published on the SEMLEP and scheme promoter websites prior to a funding approval decision being made. This will allow for external comment. However, there will be a small number of exceptions to this rule where explicit reasons are given for not publishing information, such as that the material is commercially sensitive. It is recommended that the summaries are publicly available on the websites for a 3-month period prior to a funding approval decision, although the length of consultation can be determined in accordance with the needs of the scheme promoters.

Opinions expressed by the public and stakeholders will be made to the SEMLEP Growth Funds Task Group when decisions are taken. In doing so, scheme promoters and the SEMLEP Growth Funds Task Group will be required to identify (and make public via the SEMLEP website) how external comments have been considered prior to a funding approval decision is made.