South East Midlands
Local Enterprise Partnership

Assurance Framework 2019
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 2017, we published our refreshed strategic economic plan *The South East Midlands: where innovation fuels growth* which aims to double our gross value added (GVA) by 2050. In 2019 we will publish our Local Industrial Strategy with Government to further set out our growth ambitions.

We work closely with all private, public and third sector partners and with Government to achieve the best economic outcomes for the South East Midlands, the Oxford- Cambridge Arc and the UK, as a whole.

SEMLEP is a locally-owned public-private partnership and involves an extensive range of stakeholders. From April 2019, this includes 13 local authorities, local businesses, business organisations and many other private, public and third sector organisations. SEMLEP is a company limited by guarantee. We work closely with Luton Borough Council as our Accountable Body.

In 2017 we merged with Northamptonshire Enterprise Partnership (NEP) and in 2018/19 were moving ahead with the Government’s recommendations to reduce overlaps with other LEPs. In April 2019, Cherwell DC consolidated their position in OXLEP and plans are being confirmed with government for the future of Aylesbury Vale and Buckinghamshire.

Our Annual Conversation review with government in early 2019 established SEMLEP as an “exceptional” performing Local Enterprise Partnership across the three areas of governance, delivery and strategy. SEMLEP is ambitious to build on our professionalism, accountability and prudent use of public funds to continue to deliver economic growth, support further projects across the area. In 2019 we will continue to strengthen our position to support our delivery against our strategic economic plan and contribute even more effectively to the success of the UK economy.

This 2019 SEMLEP Assurance Framework responds to the Ministry of Housing, Communities and Local Government’s January 2019 guidance to ensure necessary systems and processes are in place to manage delegated funding from central government. This framework continues to cover robust governance and decision making, accountability and transparency and strong practices to ensure probity. It specifically covers how we ensure value for money, clear project prioritisation, independent appraisal, approval, due diligence, risk management, project delivery and evaluation when running a Government Growth programme.

We will continue to enhance our processes during 2019 to ensure our full compliance and capture these priorities in our Assurance Framework action plan which is overseen by our Finance, Risk and Audit Committee and our Accountable Body. Any further revisions will be approved by the Board and updated on our website. This document will be reviewed again in early 2020.
Governance and decision making

This section covers:

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SEMLEP’s role

SEMLEP sets the strategic economic direction for the South East Midlands in collaboration with our private, public and third sector partners through our Strategic Economic Plan and from 2019, our Local Industrial Strategy. We engage work collaboratively across the Oxford Cambridge Arc and contribute to Arc wide governance and strategy.

We convene partners, fund and directly deliver key projects to support activity that strengthens prosperity and tackles barriers to long-term, sustainable growth in line with the three Strategic Economic Plan themes: Growing Business; Growing People; Growing Places.

One key area of intervention is the management and delivery of government funding. SEMLEP manages £265m of Local Growth Funds with over £10m of Growing Places Funds and a range of legacy Regional Growth Fund programmes. We also currently act as a facilitator of European Structural Investment Funds worth over £100m. In 2019 we anticipate the further development of the Government’s UK Shared Prosperity Fund (UKSPF).

All our services are free at the point of access and we do not operate on a paid membership basis.

What is the Assurance Framework?

This 2019 Local Assurance Framework provides a structure to ensure that Local Growth Funds are allocated to key strategic priorities and managed using robust systems. It also sets out the engagement, governance and decision-making structure of the LEP.

In fulfilling our Assurance Framework, SEMLEP works closely with our Accountable Body, Luton Borough Council, to ensure that we are compliant with our Framework and continuously apply and review our processes. The s151 Officer at the council oversees a team who participate in meetings, review the output of SEMLEP’s activity, review decision making and funding as well as holding the bank account for the Growth Funds. Luton Borough Council sign off the Framework annually and oversee our compliance with this Framework.
The requirements for the Assurance Framework are set out in the Government’s 2019 publication National Local Growth Assurance Framework.

Equality and diversity statement

Underpinning our strategy and delivery, SEMLEP is committed to promoting equality and eliminating unlawful discrimination in everything we do as an employer and service provider. 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 November 2018 to cover the commitment to have a gender balanced Board by 2023. This covers our governance, employment, strategy and delivery role with 4 clear objectives:

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 recognise that in 2019 we will need to continue to review our performance and ensure that we comply fully with legislation and that we maximise inclusion of all parts of our community in our governance, employment and delivery. We are enhancing our staff knowledge of our responsibilities on this agenda so that we can maximise our impact, within the constraints of our resources.

Our Board recruitment aims to generate a diverse and representative group of people committed to taking forward economic growth reflecting the local businesses and communities including our geography and protected interest. We have made good progress towards a more gender balanced board and have an equality Champion on our Board. In 2019 we will work with our Champion to agree a review process to refresh our diversity commitment and statement. This will be reported to the Board in February 2020.
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 six committees with delegated authority in key areas. In addition, our robust governance structure includes 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 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.
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 Cambridge Arc. These are shown in the dark teal colour.
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. 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 Northampton Borough Council as its Accountable Body. The accountable body role is set out in greater detail below.

**Decision making**

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 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. In other circumstances a special meeting may be scheduled.

Prior to Board meetings, there are pre-meetings with private sector and public sector board members to explore and discuss agenda items. The Public Sector Board members are joined by all Public Sector leaders across the South East Midlands.

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 and 2019 proposals**

The Government’s 2018 LEP Review Strengthened Local Enterprise Partnerships sought a number of revisions to LEP structures nationally. Although SEMLEP had many of the requirements in place including being incorporated, several will require amendments to our Articles of Association. We held a Special General Meeting in line with the Articles in May to address:

- How LEP geography will be resolved to cover the future Aylesbury Vale
- The departure of Cherwell DC from SEMLEP
- To agree up to 5 observers

We will hold a further EGM in 2020 when the scope of all these changes is fully confirmed. They are to ensure that:
• The LEP Board will consist of at least two thirds private sector members
• The LEP Board will have a maximum of 20 members
• Private sector numbers can include the directors from the higher education and further education sectors

In March 2019 the Articles state that there are:

• eight public sector directors, who are the leaders of eight of the 13 local authorities in the area
• 11 private sector directors (including the Chair)
• one director from the higher education sector
• one director from the further education sector

In addition to the Articles, the Board terms of reference are available here and will need to be updated as appropriate, taking into account the views of the new chair and geography alterations.

To recognise the importance of the Oxford Cambridge Arc to the activities of SEMLEP the SEMLEP Board have offered Associate Board Member status to the Chair of the Cross Arc Leaders group. This will be subject to review but is felt critical to the wider Arc governance.

**Board membership**

Dr Ann Limb CBE DL commenced her term as chair from 2011 and served 2 terms with a one year extension. Dr Limb stood down in February 2019 and we welcomed Peter Horrocks CBE from 28 February as our new chair for his first term.

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 possibility of an additional one year for exceptional circumstances.

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 deputy chair is sought from among Board members and therefore has the same term. 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. Public sector members are nominated by those local authorities, to reinforce the local democratic accountability.

We currently have two observers: one from the Voluntary and Community Sector and the Chair of the Ox-CAM Arc Leaders Group. We have scope in the Articles for up to 5 observers.

**Board recruitment**

The 2018 board member recruitment process resulted in the appointment of three business people to the board in late 2018 and another from April 2019.
Recruitment of new members is overseen by the Recruitment Panel, which operates as a Task and Finish Group for the Board with delegated authority from the Board and 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 attended as an observer and the Chair of the Envoys group. The group was supported by the Executive team. In 2018 the Panel was authorised by the Board to oversee the recruitment of the private sector board members and a new chair and make any recommendations to the board about the process including for example on remuneration and the need for appointment of a recruitment agency.

The panel decided to appointment an agency for the chair recruitment and an agency was appointed in autumn 2018 to facilitate the chair appointment by February 2019. The commitment of the Panel was to an open, transparent process which would attract the best candidates from across the South East Midlands and would reach communities of interest that had not been reached previously. They signed off the Chair and Board member Job descriptions and the detailed communications plan for the recruitment of all roles. This included an active social media campaign with video material from existing board members, and the outgoing chair explaining their role and the opportunity.

The public sector board members are not openly recruited as they are nominated by virtue of being a local authority leaders. The Local Authority Leaders then agree, according to political balance, who will be represented on the Board.

In addition, the SEMU group of the 7 SEMLEP Universities and the FuSE Group of the local FE 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 and that position will be advertised in 2019. In 2019 it is being openly advertised on the SEMLEP website.

It was agreed that the SEMLEP Board would have a deputy chair from February 2019. It was felt that to reflect the 2/3 private sector profile and workload, it would be appropriate to have a chair team from February 2019. This would comprise the new chair and 2 deputies: one private sector and one public sector. This process lead to an appointment in February 2019 of Mary Clarke as a private sector Board member chair and the public sector chair will be agreed after the May 2019 local election results are known, overseen by the Recruitment Panel.

From 2019 the Recruitment Panel will work with the Board to develop a formal Succession Policy and Plan to ensure appropriate succession planning and arrangements for the resignation of Board members. This policy was adopted at the May 2019 Board and is available on our website.

All the SEMLEP Board members and committee members are unremunerated for their roles on the Board and committees. They can claim travel expenses and this policy can be read here. This policy will be revised and updated in 2019 and the register will be published online from September 2019.
Board Training & Development

All new Board members benefit from a comprehensive induction session prior to their first board meeting and then the opportunity to follow up with the Chair, Chief Executive and Director of Programmes and Governance for further information and discussion. 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. It is intended to hold an annual board away day.

In 2019 the LEP Network will develop a Network wide training package and SEMLEP hope to benefit from this wider LEP wide scheme to further raise governance standards and support for Board members. From 2019 this is expected to include a LEP Network led review process where one LEP reviews the strategy, delivery and governance of another LEP to create a self-regulating sector.

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 have signed this document. 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.

SEMLEP reissued the Code of Conduct in January 2019 to reinforce the importance and the content will be refreshed in 2019 to ensure that all the issues in the 2019 National Guidance are properly highlighted in the Code of Conduct and in any Governance training.

Managing Interests

SEMLEP have an approved Managing Conflicts of Interest policy which is available online.

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. These are published on SEMLEP’s website, under the Board member profiles. All senior staff have completed the same form which is also published. The aim is that all Board sub-committees also complete the form and this is held by SEMLEP. In 2019 we will be revising the Managing Conflicts of Interest policy to require all Board sub-committees register of interests are published and other updates required from the guidance.

We manage potential conflict by an active emphasis on declarations 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.

We continue to keep these areas under review and will ensure that the register of interests is updated every six months as a minimum or where Board members report a change.
Board member is individually responsible for their own reporting and this is discussed at the Board induction session for all new board members.

**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. Our policy is published on the website.

The guidance requested that all LEPs have a confidential complaints 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 stated above, there are 6 Board decision making sub-committees that meet and have delegated responsibilities for the Board for taking forward particular actions.

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. The details for the Skills Advisory Panels will be added later in 2019 as this group is only becoming a formal committee with delegated decision making in 2019. Delegations from Board to sub-committees are set out in the table below.

**Authority and delegations within SEMLEP governance**

<table>
<thead>
<tr>
<th>Group</th>
<th>Membership</th>
<th>Authority/Delegation from Board includes (please refer to full terms of reference for further details)</th>
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</table>
| SEMLEP Board    | Eight public sector Directors  
11 private sector directors  
One director from the higher education sector  
One director from the further education sector  
An observer representing the voluntary and community sector. | • 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 |
<table>
<thead>
<tr>
<th>Committee</th>
<th>Members/Description</th>
<th>Responsibilities</th>
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| Finance, Risk and Audit Committee | Three public sector members, Three private sector members, Accountable Body, SEMLEP Chief Executive and staff team | - 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 Funds Task Group     | Comprises the Chief Executives of each member Local Authority, Representatives from overlapping LEPs as required, Accountable Body, Chief Executive of SEMLEP and officer team, A Private Sector Board member | - Oversee the management of the Local Growth Fund and Growing Places Fund  
- Compliance with Assurance Framework on growth funds  
- Oversee appraisal and prioritisation for new funding rounds  
- Escalate high risks and new programmes and projects to Board  
- Approve funding agreements and payments in line with Board approved programme  
- Approve change requests at project level within the agreed programme and escalate where risks are significant  
- Report to each Board meeting on programme performance  
- Recommend the recovery of funding or clawback to the Board if required  
- Role of the Local Transport Board is incorporated |
| Growth Hub Board           | SME Board champion as chair with other SME representatives. SEMLEP CEO is a member and | - Oversee the merged Growth Hub  
- Monitor risk and escalate where appropriate  
- Oversee the Growth Hub gateway to business support |
| **Luton Airport Enterprise Zone** | SEMLEP Chair SEMLEP Private Sector Board member and Chief Executive Luton BC Central Bedfordshire Council London Luton Airport Ltd London Luton Airport Operations Ltd | • The terms of reference of this group are due to be revised and considered by the May 2019 Board • Works within the strategic direction and resource allocation set by SEMLEP Board • Performance and monitoring report quarterly • Lead operational delivery and monitoring detailed progress |
| **Northampton Enterprise Zone (Accountable Body is Northampton Borough Council)** | SEMLEP Chair and Chief Executive Northampton BC Northamptonshire CC West Northamptonshire Development Corporation University of Northampton Homes and Communities Agency (HCA) Environment Agency (EA) Highways Agency (HA) | • The revised terms of reference were adopted in 2018 • Works within the strategic direction and resource allocation set by SEMLEP Board • Performance and monitoring report to each SEMLEP Board meeting • Lead operational delivery and monitoring detailed progress of the Enterprise Zone through the Executive Group |

The Board will appoint Board member ‘champions’ of particular topics to ensure energy and focus on particular issues.

- Yvette Lamidey is our SME champion and takes up the role from February 2019
- 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.

These roles will be reviewed annually by the Board. 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 Leaders group**

The [Leaders group Terms of Reference](#) are available on the SEMLEP website. The leaders of all member local authorities meet prior to each Board meeting and feed their collective views into the Board via the public sector board directors. This provides a key element of the
necessary democratic accountability to each local authority in the LEP area. In addition, the local authority Chief Executives meet prior to each Board meeting and local authority officer groups on key economic development issues including planning and transport also meet as advisory groups in order to brief the committees and Board.

Private sector board members also meet prior to all Board meetings to discuss the forthcoming agenda items.

**SEMLEP Executive Team**

Working to the Board, SEMLEP has an Executive team of 39 people, led by the Chief Executive. The Director of Programmes and Governance oversees the programme activity and the compliance with the Assurance Framework to support the Chief Executive and Board. We will publish the salaries of senior staff in line with the Localism Act as from 2019/20.

The Executive team is funded by the Government core LEP funding and the financial contributions of the local authority and other members. From 2018, the decision was taken to top-slice up to 0.5% of the Local Growth Fund to support the Accountable Body and SEMLEP team to properly resource the delivery of that programme.

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 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.

Following the merger with NEP, completed in April 2017, SEMLEP had overlaps with Bucks Thames Valley LEP (BTVLEP) and Oxfordshire LEP (OXLEP).

In April 2019 Cherwell DC left SEMLEP and remains within OXLEP. The situation with Aylesbury is as yet unresolved pending a Government decision on the future of the LEP with the intention to form a single unitary authority in Buckinghamshire. We continue to collaborate with all our LEP neighbours at sub-national level.

As a result of the report by the National Infrastructure Commission in 2016 on the potential for growth along the Oxford Cambridge Arc, there are developing governance arrangements for the Arc with all 3 LEPs and the Mayoral Combined Authority engaged. SEMLEP has worked closely with local authority partners to develop appropriate governance structures and
continues to host meetings of the emerging Central Area Growth Board and the Cross Arc Leaders’ and Chief Executives’ groups.

The Arc has strengthened the relationship with our neighbouring LEPs and we all are now working together with the Mayoral Combined Authority in Cambridgeshire and Peterborough to develop aligned Local Industrial Strategies and an overall Vision for the Arc.

SEMLEP plays an active role in the developing Sub National Transport Board of England’s Economic Heartland (EEH), which currently comprises Northamptonshire, Buckinghamshire, Oxfordshire, Cambridgeshire and Peterborough. 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 will benefit local businesses in the SEMLEP area by addressing the constraints around access to finance.

We are active members of the LEP Network and have contributed to a number of the key task and finish groups emerging from the July 2018 LEP Review at Chair and Officer level. We have been active members of the groups on the National Assurance Framework and the Delivery Plan. We are active part of the Communications Managers group as well as the Data Leads group. Our Director has led a national project on behalf of all LEPs to consider evidence required for output collection for the LGF programme and to use this learning for the future programme development.

**SEMLEP Policies**

There are a range of policy documents on the Resource Hub of the website but key documents ensuring good governance and management of the LEP and public money include:

*Procurement*

Where procurement needs to be undertaken to facilitate the programme delivery this will be subject to compliance with the SEMLEP procurement policy which is overseen by the Finance, Risk and Audit Committee. We procure independent advice on stage 1 and 2 appraisals and financial due diligence for the Local Growth Fund.

*Risk management*

SEMLEP has a corporate risk management policy. This covers Corporate risk process and register which is overseen by Finance, Risk and Audit Committee and reported to the Board. Each work area of SEMLEP has its own risk register and in addition, the LGF Programme and Project level risks identified, reviewed and managed as described above. Within the overall corporate risk register, there is a LGF programme risk register which is managed by the Director of Programmes and Governance. The projects are reviewed for risk at the LGF Programme Management Board and all high and medium risk projects are reported and discussed at the Growth Funds Task Group.
On a day to day operational basis, where individual projects are higher risk, the programme management team at SEMLEP have regular and frequent contact with the projects, for medium risk this is monthly and low risk it remains quarterly. There is a programme of site visits during the year to verify progress and these are reported to the Programme Board and Growth Fund Task Group. Reports of the visits are maintained on Sharepoint and photographs uploaded there and to the website to ensure progress is transparent.

**Social value**

In 2016 the SEMLEP Board adopted a policy on social value and ran a training session for all staff to ensure that this is embedded into project thinking and development. This is included in the project pro-forma and informed the SEP refresh. A report was made to the Finance, Risk and Audit Committee on progress in 2018. Social value is included in all procurements that SEMLEP undertake and is never less than 5% of the scoring. This will be reviewed in 2019/20.
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](http://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.

Communications monitoring reports are taken to the Finance, Risk and Audit Committee so that we can monitor and respond to the levels of transparency and engagement through that platform. We will also be considering how we receive feedback on our information and engagement through our revised stakeholder engagement strategy in 2019 and strengthen the scrutiny element.

This section covers:

- Strategic decision making  
- Transparency and accountability  
- Stakeholder engagement  
- Accountable body role  
- Audit  
- Management of dispute  
- Managing funding through the Accountable Body  
- Scrutiny  
- Performance review  
- Data Protection & freedom of Information requests  
- Transparency about Growth Deal spend

Strategic decision making

SEMLEP have a central role of developing with stakeholders strategic economic plans to support economic growth. We prepare the strategy and then work with partners to support
delivery as well as using Government funds to support direct intervention. In 2019/20, there are three 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. This document forms a key element of implementation, as for a project to be supported with funding it must contribute to the achievement of SEP priorities. The agreement of the SEP is a key platform of our ongoing decision making.

**Local Industrial Strategy**

SEMLEP is co-producing 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 have been 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; meanwhile, SEMLEP and Government are looking to publish the full LIS document in late May/early June 2019.

**Annual delivery plan**

From 2019/20 SEMLEP will produce and publish an annual delivery plan in line with Government and LEP Network expectations. This will be published on our website from June 2019. 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 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](http://www.seMLEP.com) since 2016. We have always minuted declarations of interest and included this as a standard item on all Board Committee agendas.

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 approved in 2018 a procedure for handling confidential proceedings (add link) 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 but we will take proactive steps to make this a more available and accessible event in 2019.

Stakeholder engagement

SEMLEP has a full programme of engagement activity covering all SEMLEP programmes and supported by the communications team and is critical to our transparency. Our annual meeting and event programme includes:

• 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.

In 2016 the Board approved the SEMLEP Stakeholder Engagement Strategy. A revised Stakeholder Engagement Strategy, measurement report, as well as our 2019/20 communications plan will go to the Board in 2019 to support the LEP’s annual delivery plan.

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.

Examples of effective engagement by Advisory Groups include the engagement on the Local Industrial Strategy development in 2018. In formulating the Local Industrial Strategy (LIS) themes and ambitions, SEMLEP presented evidence to its Business Envoys group around the SEMLEP area’s strong record of commercialisation and its engineering and technical testing expertise vis-à-vis the rest of the Oxford-Cambridge Arc. The Business Envoys group proposed that SEMLEP positioning itself as the ‘connected core’ of the Arc. This is now a key theme of the SEMLEP area LIS and one that resonates with both local stakeholders and with government. Similarly, the SEM Universities (SEMU) group has helped SEMLEP to shape strong case studies within the LIS, and to think about how the area, and the wider Arc, can strengthen business to business and business to university networking, and better promote the Arc on the world stage. Meanwhile, SEMLEP’s sector groups have been instrumental in drawing up LIS ambitions around sector skills, and in adding qualitative heft to the quantitative evidence around market failures in relation to commercial premises.

**Business engagement**

Within the advisory group model, SEMLEP has four showcase sector groups that represent key growth sectors identified in SEMLEP’s Strategic Economic Plan. Membership consists of public, voluntary and private sector 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 for each sector. The showcase sector groups are High Technology and Innovation, Advanced Logistics, Cultural and Creative and Food and Drink. Plans are in place to develop a sector group for Aerospace.

SEMLEP has a business ambassador group, Envoys, 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 are advocates for SEMLEP to their peers, to government and to inward investors. SEMLEP consults our envoys on key strategy development. They are actively involved in the development of the Local Industrial Strategy and in our role, profile and work specifically related to the Oxford-Cambridge Arc.

Our Growth Hub provides a direct route to engage with our small and medium sized businesses. Through our gateway service or through with our team of business advisers, we can talk one-to-one with business owners and directors about economic and growth challenges and successes, including issues such as EU exit preparations. Our Growth Hub team also attends business networking events and conferences and hosts a busy workshop programme, often in partnership with local accelerators and specialist advisers, covering a wide range of business themes.

**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 SEP 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.

In 2018 CIPFA published 5 principles which oversee the relationship of the accountable body in relation to LEPs and these are key to how Luton BC and SEMLEP work together. Further details are available here. The principles are:

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

Following this enhanced clarity, the relationship with the Accountable Body is central to ensuring our compliance with the Assurance Framework and our transparency and accountability. This is set out in a formal 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 be reviewed for 2019 and accompanied by a service level agreement.

We hold senior level quarterly review meetings as well as an annual review each February with the Chief Executive of SEMLEP and the s151 officer at Luton BC; this includes the review of the Assurance Framework and action planning for the following year to ensure compliance. Each year by 28 February, the s151 officer of Luton BC writes to Government confirming assurance on the role of the LEP, its management of public money and decision making.

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 also attends all LGF Programme Management Board and Growth Fund 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 and the Leader also attends the Leaders Group.

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

This senior review and officer contact, at all levels in the governance structure of SEMLEP, supports the successful delivery by the Accountable Body of their legal and financial responsibilities. It enables and supports the leadership role and democratic accountabilities of SEMLEP. Their close engagement and advice throughout the decision making and funding processes ensure accountability; transparency and value for money during SEMLEP programme develop and service delivery.
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 undertake sample audits of the Local Growth Fund projects and in 2018 SEMLEP and Luton BC agreed an audit plan for Local Growth Fund to provide further assurance.

All SEMLEP official records, minutes and reports are saved on Sharepoint and are accessible to the Accountable Body as required. Luton BC has an audit programme agreed with SEMLEP each year and that will be approved annually to ensure that it is at least equivalent to those in place for local authority spend.

In 2018 our Annual Conversation resulted in a ‘Good’ scoring in all three areas: Strategy, Delivery and Governance and our compliance with the Assurance Framework and recent Best Practice Guidance was signed off by our s151 at the Accountable Body on 28 February 2018. This was further tested at a Government Deep Dive in March 2018 as a part of a control group of high performing LEPs and the “good” scores were endorsed by that Deep Dive process. In 2019, the Annual Review Process led to SEMLEP scoring ‘Exceptional’ in all three areas.

The responsibility of the SEMLEP Board’s Finance, Risk and Audit Committee is to maintain oversight and scrutiny of all SEMLEP’s risk, HR, remuneration and financial transactions. The Accountable Body is represented at that Committee.

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 bring to a conclusion. 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.

In the event that 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 and supports 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.

Luton Borough Council ensures that the SEMLEP Board is complying with government regulations for the use of public funds. This includes legal requirements such as equalities; sustainability and social value are embedded into the monitoring, reporting and evaluation requirements for each project.

Requirements to ensure the proper management of public money in liaison with the Accountable Body include:

- To ensure that all decisions regarding public funds are made on merit having taken into account all the relevant information available at the time.
- To consider state aid 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, mis-representation, 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 that this Assurance Framework as approved by Government is adhered to.
- To maintain the official record of SEMLEP proceedings and approving 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.

As stated above, Luton Borough Council as an Accountable Body consider papers, attend and inform:

- LGF Programme Management Board
- Growth Funds Task Group
- Growth Hub Board
- Finance, Risk and Audit Committee
- SEMLEP Board
Quarterly Accountable Body review meetings and annual review meeting

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 up to 8 political leaders on the Board and the wider group meet a week before the Board with the Board papers to ensure democratic accountability to 13 local authority members.

All and any local authority can call SEMLEP to give evidence as part of their scrutiny committee functions. This has occurred several times by local authority scrutiny committees. SEMLEP does not have its own scrutiny committee function as the Board believes that democratic accountability is enhanced by the ability of any local authority member scrutinising SEMLEP’s activities. Typically, this occurs 3-4 times per year. From April 2019 we will record all attendance at local authority scrutiny sessions on our website and work with local authorities to agree a scrutiny programme. In 2019/20 we will be called for scrutiny by Luton BC and Central Bedfordshire Council.

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 2018 AGM is available here.

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 on our website. The National Assurance Framework sets out how any underperformance will be addressed. From 2019 this process will be supplemented by the LEP Network peer review process which is being introduced from Spring 2019.

Data Protection and Freedom of Information requests

This area of our business is 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. In 2018/19 we received three Freedom of Information request and responded in timescale. We referred one to Northampton Borough Council to address as it was concerning the Enterprise Zone.

**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. 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 members of the committees and advisory groups.

At each LGF Programme Management Board, 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 provided to the Local Growth Minister. More generally, we use social media and SEMLEP’s newsletters, and blogs to widen knowledge of the projects.

In 2017, we developed 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. Most recently this occurred in February 2019.

The detailed arrangements for developing, prioritising, appraising and approving are outlined below in Chapter 5. The process is available on the website for all project developers to see and review. Updates are provided on the website as and when available, as well as direct mailing to key stakeholders and applicants.
Managing Public Money – Local Growth Fund: Prioritising investment and projects

Introduction

The SEMLEP Strategic Economic Plan (SEP) (2017) provides the overarching framework for identifying, developing and prioritising investment in the region. It sets out an economic vision and a series of supporting Strategic Economic Objectives for the South East Midlands and identifies its key challenges, opportunities for growth and priorities. In 2018 SEMLEP developed an evidence base and draft Local Industrial Strategy which drills further into the Growing Business objective and in particular looks at raising productivity and innovation across SEMLEP and the wider Oxford Cambridge Arc.

It is necessary to ensure that the decision-making process for identifying, developing and prioritising investments is undertaken on a transparent and consistent basis. The SEMLEP Board has agreed three headline priorities:

- Strategic alignment aligning to the SEP objectives and the emerging Local Industrial Strategy
- Direct and wider economic impact and Value for Money
- Deliverability - delivered effectively and in the timeframe.

This section sets out the process by which SEMLEP will 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 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 Local Growth Fund and the Growth Hub, our Accountable Body also participates in all stages of the governance structure implementation to ensure due processes are followed for public funds.
For the Local Growth Fund, which is the largest fund held by SEMLEP we have a three tier governance process:

1. **LGF Programme Management** Board sits 4 times per year and comprises the project managers of each LGF funded project. The group has Terms of Reference outlining their roles and responsibilities. This includes providing effective stewardship of public funds and allows best practice to be shared between projects. This is a useful forum to share best practice and information as well as allowing a collective project and programme level risk management approach involving the projects themselves.

2. **The Growth Fund Task Group** sits at least 5 times per year and comprises the Local Authority Chief Executives with a Private Sector Board member. The group has terms of reference and this was updated in 2017. The group oversees the delivery and expenditure of the Local Growth 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. The terms of reference will be reviewed in 2019.

3. The **SEMLEP Board** receives reports from the **Growth Fund Task Group** and provides final approval for decisions at project and programme level.

The Accountable Body attends each of these groups. Updates on all LGF projects are available on the LGF page of the website and the papers for all Growth Fund Task Group meetings are published on the website here.

Following the NEP/SEMLEP merger, the two **ESIF committees** have merged and have adopted a joint, revised ESIF implementation plan. SEMLEP is not the managing agent for EU funds and so the direct accountability for these funds is only when SEMLEP is a funding recipient.

**The diagram below shows the appraisal, prioritisation and approval process for any LGF project.**
Project Prioritisation and Selection Process

Stage 1
- Project Identification / Pipeline
- Call for Projects
- Completion of Pro-Forma
- Project Appraisal and Prioritisation
- In Principle Approval

Stage 2
- Business Case Development
- Initial Review
- Detailed Due Diligence
- Decision to Proceed

Stage 3
- Funding Agreement

Stage 4
- Monitoring and Evaluation
Stage 1: Options appraisal and prioritisation

Project Identification and Pipeline

Open Calls for Projects

The primary method for identifying projects will be through a series of Open Calls for Projects. These ‘calls’ will be issued on a periodic basis in response to the availability (or expected availability) of funding. SEMLEP does not expect to issue calls on a speculative basis (i.e. where no funding has been identified).

In general, SEMLEP will invite applications from public and private sector organisations for each call, however in some cases eligibility may be restricted by the requirements of the funding streams available to SEMLEP. 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 (including the information required at each stage) 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).

The selection and prioritisation criteria are set out in greater detail in the following section, however the precise requirements may vary between calls to reflect:

- The balance of projects funded to date and any requirement to boost funding against specific objectives
- SEMLEP’s progress against the SEP objectives
- The requirements of Central Government and relevant funding bodies

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.

Project Pipeline

SEMLEP does not expect to put out calls on a speculative basis (i.e. where no funding has been identified) in order to develop a formal pipeline of projects. However, through the course of delivering its strategic priorities, SEMLEP may identify suitable projects that could be considered as part of a future call for projects. Such projects may include:

- Projects applications from earlier calls for projects that were identified as suitable for funding, but not prioritised for investment.
- Additional projects identified through the strategic and day to day working of the LEP and facilitated through its members and advisory groups.

These pipeline projects will have the potential to contribute to SEMLEP’s Strategic Objectives and will have a clear rationale for public investment. Applications will be invited from pipeline projects under relevant future calls, however it is important to note that the prioritisation of projects under each call will take place on a competitive basis and preference will not be given to projects included in any SEMLEP Pipeline.
Completion of Pro-Forma: Requirements of scheme applicants

Project applicants should respond to a Call for Projects using the Pro-Forma. 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 SEMLEP Strategic Objectives.

SEMLEP will endeavour to make resources available to assist or advise on the completion of the pro-formas. The guidelines for each call will set out the process by which SEMLEP (or its external advisors) can provide impartial advice and guidance to applicants in a clear and transparent manner. This option will be available to all applicants and may include an initial review of applications to advise on missing information and relevant options for demonstrating Value for Money.

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 appraisal guidance (WebTAG).
- 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 including residential or non-residential development or regeneration projects 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 with clear reference to the emerging Local Industrial Strategy. Such projects should always consider their net additional impact on employment within the SEMLEP region and the associated contribution to Gross Value Added (GVA) via innovation, research and development and productivity increases.

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

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

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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 at a later date.

**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, including a strong market failure rationale.
- The potential to contribute to SEMLEP’s Strategic Economic Objectives, as specified in the current SEP.
- 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 scenario.
- An options appraisal has been undertaken and evidenced
- The benefits of the scheme are likely to exceed the public sector costs of the intervention. (For transport, the requirement is that project will offer at least ‘high’ value for money which is equivalent to a Benefit Cost Ratio (BCR) of 2 or more. 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 assessment should consider the potential for State aid 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:

- In relation to Value for Money, for non-transport related projects 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.

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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 according to the following criteria:

- 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.

At a programme level, SEMLEP will also consider the requirement to deliver a balanced programme of activity, including:

- The availability of funding.
- The balance of activity across SEMLEP’s Strategic Economic Objectives, and
- 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 from SEMLEP’s round 1-3 LGF and the 2018 bidding round appraisals and prioritisation are available [here](#). SEMLEP also commit to making the Assessment Framework for appraisal and prioritisation available and for the 2018 Bidding Round this can be found [here](#).

**In principle approval**

Independent Appraisal and prioritisation report will propose a programme of activity to the SEMLEP Growth Fund 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 Full Business Case and agreement of an annual profile and Funding Agreement with SEMLEP.

Once approval in principle has been granted by the Board, applicants of prioritised projects will subsequently be invited to submit a Full Business Case.

Projects that satisfy the minimum section criteria, but are not included in the prioritised list of projects may be placed on a secondary list of projects that may be drawn on in situations where prioritised projects are withdrawn by scheme applicants, fail to satisfy the requirements of the detailed due-diligence process, or in cases where further funding becomes available. Projects that have failed to meet the minimum requirements will be notified and may be placed on a pipeline list with advice about how the project may need to develop to be more successful in a later funding round.
Decisions by the Board will be fully informed. Each project report will be accompanied by an appraisal of the project and clear recommendations and any conditions. The full proforma, the detailed appraisal report and supplementary information including state aid advice will be available to all Board members.

Stage 2: Full business case and value for money

**Business case development**

Applicants of projects prioritised and approved in principle by SEMLEP Board will be invited to submit further information or Full Business Case. 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 Full Business Case development and 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 an Business Case.

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 WebTAG. 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 WebTAG framework.

<table>
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<tr>
<th>Requirements for an Outline Business Case</th>
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<tr>
<td>Small Projects (&lt;£5m)</td>
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<tr>
<td>Transport Project</td>
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<tr>
<td>Non-Transport Project</td>
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Projects that are not expected to have a significant impact on transport infrastructure should follow relevant national guidance, as specified above.

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 this due diligence stage.

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 Full Business Case or updated pro-forma is to be submitted to SEMLEP. SEMLEP will have independent advisors who will review the 2nd stage business case or revised proforma and they will report to the Growth Funds Task Group and Board on the business case and make a recommendation for approval.

SEMLEP does not provide development funding for applicants, however SEMLEP recognises that there are resource implications for applicants associated with the development of an Outline Business Case, 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 Outline Business Case, applicants should also 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.

**Initial review**

For all categories of project identified above, SEMLEP and/or SEMLEP’s independent appraisers will arrange a meeting with applicants to discuss:

- The information provided to date and the results of the Stage 1 assessment
- The requirements of the Assurance Framework
- Any obvious evidence gaps that should be completed prior to submitting the Business Case for formal Due-Diligence.
- Whether the approach proposed by the applicant is fit for purpose, given the national guidance
- Approval timelines.

It is recommended that this initial review takes place prior to the development of the Stage 2 Full Business Case so that an approach that satisfies the applicant and SEMLEP can be agreed at an early stage.
Detailed due-diligence

Once the Full Business Case 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
- 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 demonstrates that the benefits of the project exceed the cost of intervention.
- The economic case and Value for Money assessment incorporates sensitivity testing and considers the potential for optimism bias³.
- 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.
- Relevant internal approvals are met (e.g. council approval, board approval, financial/budget approval).
- Land purchases are identified and under legal instruction/in legals, 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 State aid risk with independent legal advice provided.
- 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 a chartered accountancy firm to deliver the scale of project proposed

Following the due-diligence process and advice from a chartered 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.

**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
- The quarterly profile of spending and appropriate milestones.
- 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.

**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. This process should be proportionate to the size of the project and will be agreed by SEMLEP and in line with the funding agreement.

The basis of the evaluation will be on input, output and outcome monitoring data and consideration of this against the original business case or proforma and build on the assumptions used in the appraisal process. In the design of evaluation plans at project or programme level there should be reference to the HMT Magenta book.

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 2017 SEMLEP published a new Monitoring and Evaluation Framework and refreshed evaluation plans are in place from each LGF project. These will be refreshed in 2019.

In addition, in 2019 SEMLEP is aiming to commission a mid term LGF programme evaluation. Alongside the project level evaluation this will enable a greater understanding of:

- Transparency and accountability for the investment into LGF
- Spending allocations
- Operational effectiveness of projects
- Benefits of LGF and how these should inform future programme delivery
• Value for money and impact of public money

The monitoring and evaluation process is confirmed with the scheme applicant as part of the Funding Agreement and updated subsequently.

SEMLEP will work with project managers to agree a schedule of post completion project monitoring and reporting of outputs and outcomes including evaluations. This will be shared with the LGF Programme Management Board, Growth Fund Task Group and outputs data will be entered as part of the BEIS MHCLG reporting. Completed evaluation reports will be shared in the same way and be available on the SEMLEP website.

Governance of delivery of Growth Deal projects

Approving projects

The Growth Funds Task Group, with the support of the Accountable Body, reports and makes recommendations to the Board and oversees the Local Growth Fund management to ensure that the stages of the process are being carried out in line with this Assurance Framework.

All full approvals for funding are undertaken at the Board with recommendations from the Growth Funds Task Group, with advice from the Programme Management Board. The Growth Funds Task Group has delegations from the Board to agree annual funding agreements within overall Board approved sums and small project variations. These meetings are supplemented by site visits and active relationship management by the Director of Programmes and Governance and the Programme Officer.

Record keeping

SEMLEP officers maintain all key documents to ensure a complete audit trail of decision making on all projects. SEMLEP retains all the key documents associated with each project as it goes through the appraisals, approval, management, monitoring and evaluation stages. These are available for audit. 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 LGF Programme Management Board 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

**Performance monitoring**

At the LGF Programme Management Board, updates from each project are requested in addition to the monitoring forms about performance against milestones. This enables a collective a risk assessment of all the projects.

The LGF Programme Management Board also plays a critical role in supporting SEMLEP to meet the terms and conditions set out in the government’s Local Growth Fund Grant Offer Letter. Membership of the Board consists of SEMLEP’s Chief Executive (Senior Responsible Owner) and the Director of Programmes and Governance and the project manager(s) for each of the projects. We highlight the need for Evaluation and the [Communications Protocol](#), for instance.

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.

Reports are provided to the Growth Funds Task Group on the basis of 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. Presentations are received by the LGF Programme Board from all projects to ensure that the outcomes and lessons learned for all projects are shared.

**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 the funds are only released once this milestone has been reached as approved by the Task Group. 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 quarterly 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 Fund Task Group as a change request. The Accountable Body sits at the Growth Fund Task Group to advise. The 2018/19 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 mis-management. The [template](#) new funding agreement is available on our website.

**Legal advice**

Where particular issues arise e.g. on state aid for a project, we would seek reassurance on this issue from the project and request that they set out independent legal advice indicating how a project is compliant with state aid 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 considered and this is reported to the Growth Fund Task group as well as overseen by the Accountable Body. In 2017 state aid training to staff was provided to ensure these risks could be better managed. Access is available to independent legal advice for more complex or unusual cases.
Appendix A: Additional outline business case guidance 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” (November 2016)\(^4\). This section sets out SEMLEP’s 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 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.
3. **Full Business Case (FBC)** – Confirmation of the schemes value for money and details the proposed contract management resourcing, processes and benefit realisation plans.

\(^4\) Local Enterprise Partnership National Assurance Framework (November 2016)

\(^5\) The Transport Business Cases (2013)
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:

• Design Manual for Roads and Bridges (DMRB) (http://www.standardsforhighways.co.uk/ha/standards/dmrb/)
• Governance for Railway Investment Projects (GRIP) – For Rail Projects Only (http://archive.nr.co.uk/aspx/4171.aspx?cd=2)

SEMLEP expects scheme promoters to undertake modelling and appraisal work in line with the standards set out in WebTAG. However, in accordance with WebTAG 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 WebTAG Appraisal**
SEMLEP expect scheme promoters to make appropriate and proportionate use of the DfT’s WebTAG 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 WebTAG 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 WebTAG that might occur during the progression of the scheme through the SEMLEP Assurance Process. Scheme promoters should refer to the WebTAG Proportionate Update Guidance7 and discuss the approach for the scheme as part of the early advice they receive

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

**Assessing WebTAG 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 WebTAG. 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 WebTAG 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 WebTAG 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 TGF 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 taken into account prior to a funding approval decision is made.

Monitoring and Evaluation

Scheme promoters are required to put in place mechanisms to ensure that projects or schemes are monitored and evaluated in line with the latest DfT guidance on the evaluation of local major schemes. This will feed into the requirements of the Growth Funds Task Group. Compliance with this aspect will be assessed as part of the due diligence process. In addition to the requirements of the DfT guidance, SEMLEP has also developed the following minimum requirements that scheme promoters must include in their business case documents:

- Identify the impact of delivering the transport scheme on sustainable growth in jobs, housing and investment in town centres (Objective 7 of SEP);
- Identify the contribution of the transport scheme to economic output (GVA);
- Identify the impact of delivering the transport scheme on providing high quality, safe access to services and opportunities including training and apprenticeships;
- Identify the impact of delivering the transport scheme on maintaining and enhancing links with the wider economy.

Monitoring and Evaluation Plans will be published on the SEMLEP website as well as the website of the scheme promoter. A scheme promoter will be required to ensure an independent review of the monitoring and evaluation of their scheme, and the arrangements for this, including the production of an evaluation “handover pack” must be agreed with SEMLEP prior to a decision to proceed is granted.

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8 7 Monitoring and Evaluation Framework for Local Authority Major Schemes