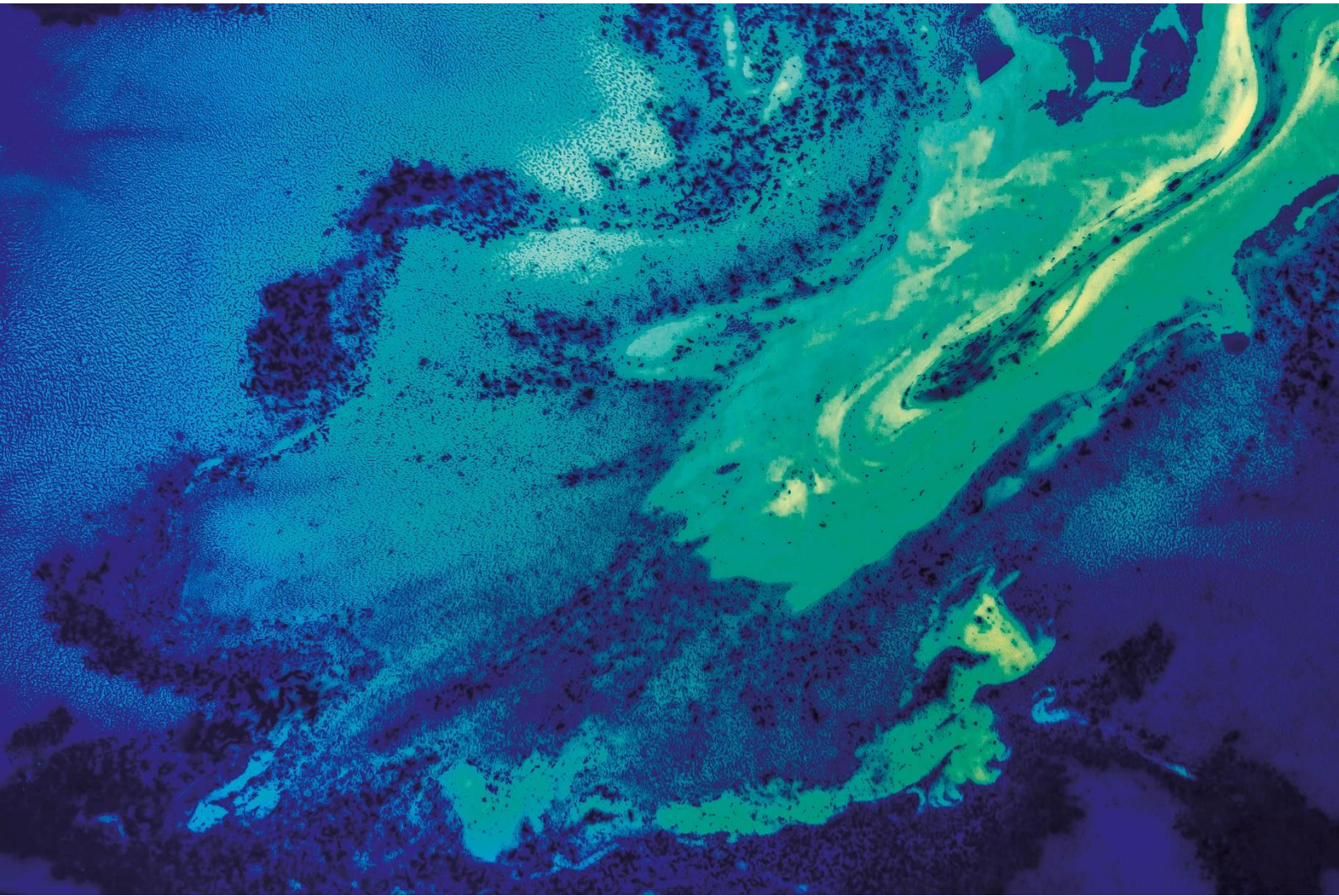




Local Growth Assurance Framework

VERSION 21 – JUNE 2023



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Introduction

The National Local Growth Assurance Framework sets out Government's guidance for places that are required to develop their own Local Assurance Framework. This applies to Mayoral Combined Authorities (MCAs) with a Single Pot and Local Enterprise Partnerships (LEPs).¹

The Seven Principles of Public Life

The Seven Principles of Public Life (the Nolan Principles) underpin this Framework. Hertfordshire LEP complies with the spirit of these principles. The key test for the LEP is that our public and private members and our staff uphold the highest standards of conduct and operate according to these principles and are ensuring robust stewardship of the resources they have at their disposal. The detailed requirements and guidance that follows in this Framework provide Hertfordshire LEP with the tools to establish a culture in line with the principles below:

- **Selflessness:** Holders of public office should act solely in terms of the public interest;
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;

- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;
- **Honesty:** Holders of public office should be truthful; and
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Hertfordshire LEP is responsible for a significant amount of public funding to increase prosperity and improve productivity. As such, the LEP is required to fulfil their role as business led public-private partnerships whilst ensuring robust stewardship of public resources. The principles outlined above align with the corporate governance arrangements that Hertfordshire LEP has in place. Hertfordshire LEP has due regard for the relevant legislation governing companies when implementing this Framework, and ensures the Framework is reflected through their corporate governance.

Background to Local Growth Assurance Framework

LEPs are business led public-private partnerships entrusted with public funds and responsibilities to drive growth across England. As legal entities they are required to follow relevant legislation and governance arrangements which align to the model they adopt. The type of legal entity which LEPs can adopt varies. For example, LEPs may be part of an MCA or CA, a company limited by guarantee or a

¹ Note that this guidance relates to MCAs with a Single Pot and their role overseeing this fund rather than any wider MCA remit. Where this document refers to MCAs in their role as the Accountable Body for LEPs, the document will make specific reference to this role.



community interest partnership. LEPs are responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve productivity. As such, in addition to any private sector corporate governance, Hertfordshire LEP has developed their own Local Assurance Framework based on Government requirements and guidance in the [National Local Growth Assurance Framework](#). Formerly this guidance was provided through the Local Enterprise Partnership National Assurance Framework.

The National Local Growth Assurance Framework requires all LEPs to produce and publish a Local Assurance Framework that sets out the arrangements they have put in place to ensure that public money is being managed effectively. This Local Assurance Framework explains how Hertfordshire LEP will identify, appraise, monitor and evaluate schemes to achieve value for money. In addition, the LEP is required to meet specific requirements on governance, accountability and transparency arrangements.

The Department for Levelling up, Housing and Communities (the Department) continues to develop its assurance process to provide the necessary assurances to Ministers and the Accounting Officer. The Framework implements the recommendations of the *Non-Executive Director Review into LEP Governance and Transparency* (the Mary Ney Review) including those addressed by the *LEP Governance and Transparency Best Practice Guidance* (published in January 2018) and the recommendations from *Strengthened Local Enterprise Partnerships* following the Ministerial review into LEPs. It takes on board the recommendations of the Public Accounts Committee *Report into the governance of the Greater Cambridge Greater Peterborough Local Enterprise Partnership* which followed the National Audit Office investigation.²

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/679430/LEP_Governance_and_Transparency_Best_Practice_Guidance.pdf

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2017/CAMbridge-peterborough-lep-17-19/>

<https://www.nao.org.uk/report/investigation-into-the-governance-of-greater-cambridge-greater-peterborough-local-enterprise-partnership/>



Local Enterprise Partnership

Local Enterprise Partnership Arrangements

The Government has entrusted Hertfordshire LEP with significant public funds and responsibilities to play an active role in delivering an economy that makes the most of the opportunities available. The purpose of this framework is to ensure that Hertfordshire LEP demonstrate the standards of governance, accountability and transparency consistent with this role, providing value for money at all times.

Whilst the LEP determines its own specific priorities, it will continue to focus on the following four activities to support the development and delivery of their Strategic plans aligned with the ~~as set out in the~~ [Strengthened Local Enterprise Partnerships](#):

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area;
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy;
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors; and
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

Hertfordshire LEP will ensure that the relevant legislation governing companies, as well as corporate governance best practice, is met. The Accountable Body for Hertfordshire LEP is Hertfordshire County Council who are an essential part of the system and processes required to provide the assurances that the LEP are operating with the associated values.

Hertfordshire LEP will demonstrate the highest standards of conduct when carrying out their responsibilities. As part of this LEP Board Members and Officers, in carrying out their duties will have regard to the principles below.³ They should:

- a. Act solely in the public interest in line with the Nolan principles; make decisions purely on merit, in accordance with agreed LEP processes and act with regularity and propriety when managing public money⁴;
- b. Keep records which demonstrate they meet all their legal obligations and all other compliance requirements placed upon them ensuring these are accessible if requested;
- c. Actively cooperate with stakeholders and other regeneration organisations. This involves engaging deliberately and constructively with the private sector and public sector including national and local partners such as: Government Departments, subnational bodies, Local Authorities, third sector representatives, community interest groups, universities and research institutions, MCAs and other LEPs in order to collect information which can be factored into decisions;
- d. Ensure partnership working and engagement on projects or decisions which are likely to have an effect across MCA or LEP borders or

³ Note that the use of 'Board Member' in this document refers to both Board and Sub-Board members in the LEP. All Sub-Board Members are required to adhere to the same standards as members of the main LEP Board. Where Sub-Boards have delegated authority; they should apply the standards set out in this Framework.

⁴ Meeting the highest standards of public conduct, including robust governance and the relevant expectations, especially transparency; compliant with all relevant legislation in force at the time, requirements set out by Government (whether in the Framework, directions or funding conditions) and the systems and processes in place for the handling of public money in the LEP.



significantly affect the plans of another MCA or LEP; and

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

Hertfordshire LEP is committed to meeting these principles through the Local Growth Assurance Framework.

LEP Governance

In line with corporate governance, Hertfordshire LEP has adopted clear systems, rules, practice and processes to ensure that decisions are made on a transparent basis, by the appropriate persons or groups and on merit. Members of Hertfordshire LEP Board, other LEP Sub-Boards, Advisory Groups and LEP Officers will work within these agreed governance structures and should at all times demonstrate the highest standards of conduct. Third parties who provide services to the LEP should also ensure that their conduct is consistent with the standards exhibited by the LEP.

Governance arrangements reflect the breadth and scope of the LEP's work, and its relationships – formal and informal – with other key partners.

The following principles apply to the LEP Board, Strategy & Engagement Group, Audit & Scrutiny committee, Assessment Panel, Programme Boards (and sub-groups), and Herts IQ Partnership Board – i.e. the decision-making (or decision-informing) for which the LEP has responsibility – and to their memberships:

- recruitment exercises for all Board members operate on the basis of merit, fairness and openness in line with the Nolan Principles and the LEP's Equalities and Diversity policy;
- members of LEP groups have a set term of office of three years, with an optional extension of three years. There is a further option to extend for an additional three years in exceptional circumstances if approved by the Board. The term should not exceed a nine year period.

- all members of LEP groups are unremunerated as they give their time on a voluntary basis;
- all members are expected to commit up to a maximum of 3 working days per month;
- all members abide by and are required to sign the Board Members Code of Conduct. This includes the seven principles of public life.
- all meetings are held at least quarterly with the exception of the Programme Boards who meet three times per year. Dates are set out in an annual meetings calendar which can be found on the [LEP website](#).
- In case of an equality of votes, the Chair shall have the casting vote.
- No business shall be transacted at any Board meeting unless a quorum is present. A quorum shall be eight for LEP Board or 55% for other committees/Boards. These should include at least one Business/SME representative and one Local Authority representative.
- In exceptional circumstances any meeting can be held via electronic communication means, at the discretion of the Chair.

Urgency Procedure

Where an urgent decision by the Boards is required within a timescale which does not allow for a Board meeting to be arranged, the Chair may decide to seek agreement to a proposed decision via electronic communication (for example email or video conferences). All decisions made in this way will remain subject to the normal business case, evaluation and scrutiny arrangements. The normal procedure for asking the Chair and S151 to comment on the draft Board paper will still apply.

Papers will be circulated electronically to each Board member setting out the proposed decision and seeking the Board Member's agreement to it within a specified timescale. Board Members will be required to declare any conflicts of interest as usual. The responses will be collated and the majority view acted upon, provided that the total number of responses meets the requirements for a quorate meeting in line with the Board Terms of Reference.

Any decision taken via the urgency procedure will be uploaded to the [Board Papers](#) section on the LEP website, summarising the decision requested and clearly outlining if any conflicts of interest were



declared. This paper will also be reported to the next Board meeting where it will be recorded in the minutes.

The urgency procedure can be used by the LEP Board, Assessment Panel, Audit & Scrutiny committee, Programme Boards and Herts IQ Zone Partnership Board.

Corporate Structure for LEPs

As set out in *Strengthened Local Enterprise Partnerships*, Hertfordshire LEP has its own legal personality and abides by the laws and regulations that apply to its Articles of Association.

All sixteen of the LEP Board's members are named Directors of the Company.

All businesses across Hertfordshire have equal access to the LEP, it does not operate on a paid-membership basis.

LEP Board and sub-groups

The role of each of the Boards and sub-groups are outlined below and are described in further detail in Annex A.

LEP Board: Our business-led Board is responsible for setting the overall strategic vision and priorities for economic development in the county. It also approves projects for funding over £250k.

The Board is the LEP's ultimate decision making authority. It is comprised of public and private sector members who work collaboratively to ensure that decisions are made in the interests of promoting inclusive growth, prosperity and improved productivity in the local area and beyond. The LEP Board remain the ultimate decision making authority, even when the LEP Board puts in place a scheme of delegation, and will therefore be responsible and accountable for any delegated decisions.

The LEP Board contains representatives from different parts of the community. In addition, at least two-thirds of the Board are representatives from the

private sector as defined by the National Accounts Sector Classification.⁵

The LEP have Local Authority representatives on the LEP Board to ensure democratic accountability and to provide local intelligence and are committed to being compliant with the requirements of board structure.

At least one member of the main LEP Board must be designated as a Small and Medium Enterprise (SME) Champion for the LEP. They should be clearly named on the LEP website. Their role is to champion SME businesses and their interests within the LEP and local community.

The LEP board has a maximum of 16 people, with the option to co-opt an additional four Board members with specialist knowledge on a one year basis, unless there are exceptional circumstances.

Co-opted members should adhere to the standards that all permanent LEP Board Members are required to adopt, for example, they should act in line with the Nolan Principles and declare any conflicts of interests.

All LEP Boards and their Members should ensure that they meet the governance and transparency requirements outlined in this Framework. Further information is provided in the Governance Chapter.

Chair and Deputy Chair of the LEP Board

The current Chair of Hertfordshire LEP is central to its success. He is an influential local leader, who champions Hertfordshire economic success. He exuberates sufficient standing to be able to convene the local business community and public sector stakeholders, whilst having the insight to oversee the development of an economic strategy. The Chair also has an effective relationship with Government.

Any future Chair of Hertfordshire LEP will come from the private sector. Given the role involves overseeing public funds and responsibilities; they will be expected to display the highest levels of integrity and honesty.

To support the Chair in their role, the LEP has a Deputy Chair both of which have a defined term limit of three years, with an optional extension of three years. There

⁵ A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts. Those from Higher Education or Further Education Institutions are not classified as public sector organisations. Public Sector

Classifications can be viewed on the Office for National Statistics website:

<https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide>



is an option to extend for a further three years in exceptional circumstances if approved by the Board.

The LEP will ensure the Deputy Chair is from the Private Sector in line with best practice. This will support the LEP succession planning and ensure the LEP is business led at all time.

LEP Staff and Independent Secretariat

To ensure that all Board Members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise, the LEP requires an independent secretariat. The LEP should be able to draw on impartial advice for all Board Members; regardless of their organisational background. This means that the Chief Executive, as a minimum, should report exclusively to the LEP and be under the direction of the LEP Board. This has been achieved for Hertfordshire by being employed by HCC, with a contract which specifies that they report exclusively to the LEP Chair.

The job description of the Chief Executive reflects their role as an independent and impartial advisor working under the direction of the LEP Board.

Strategy & Engagement Group: The focus of this group is to develop new approaches to areas of activity where there is a clear leadership role for the LEP or where there is currently a leadership vacuum at local level that LEP is best placed. It will also focus set/recommend to LEP Board the future direction and priorities for growth/expansion of the LEP programmes and investments based activity.

Assessment Panel: The function of this Panel is to fully assess and scrutinise any applications for funding before these are sent onto the LEP Board for final approval. The most important in relation to this Assurance Framework is that of considering and prioritising project concepts in line with the overall Growth Strategy/SEP. This Panel also approves decisions for funding under £250k.

Audit & Scrutiny Committee: The role of this Committee is to provide oversight of Performance and Risk across the key program areas giving challenge to ensure effective use of resources. This will include Audit and Scrutiny. In addition the committee will have oversight of all incorporation issues

Programme Boards: Working in support of the Board are two strategic Programme Boards, these are concerned with:

- Enterprise and Innovation (Under Review)
- Skills & Employment Board

The Programme Boards are tasked by the LEP Board with driving forward the delivery of specific parts of the LEP's Strategic Economic Plan. Programme Boards are generally chaired by a LEP Board member with the exception of the Skills & Employment Board to ensure that there is a clear link to the LEP Board and that individual Programme Boards do not operate in silos. Each Programme Board also brings in expertise from the wider business community.

The Programme Boards' role is to make strategic recommendations to the Board.

Herts IQ Partnership Board: The role of the board is to oversee the operation of the Herts IQ programme, approve and monitor the annual Project delivery Plan and be the decision making body for all matters relating. It operates on behalf of the partnership with;

- a. Hertfordshire LEP
- b. Hertfordshire County Council
- c. Dacorum Borough Council
- d. St Albans City & District Council.
- e. University of Hertfordshire
- f. BRE
- g. Rothamsted

Recruitment Process ⁶

Recruitment of all members is based on merit and fairness and openness.

Business Representatives, both Corporate and SME, and the Not-for-Profit/ Social Enterprise sector Representative are recruited through an open recruitment process guided by Herts County Council HR Department. Vacant roles are advertised widely on;

- a number of online platforms and social media feeds,
- through, Herts Chamber of Commerce and direct contact with candidates.
- Current Board Members are also asked to make recommendations of suitable candidates.
- public appointments sites as recommended by BEIS.

⁶ This section does not apply to members of sub-boards.



The Local Authority Representatives are nominated by the Herts Leaders Group.

A County Council Representative is nominated by the Cabinet of the County Council.

Further Education Representatives join on rotation from one of the four FE Colleges in Hertfordshire.

The Higher Education Representative comes from the University of Hertfordshire as the only HE establishment fully based within the County.

Interview Process

All applications are reviewed by the interview panel which consists of a panel of two Board members and one Executive Team member.

Interviews consist of a set of questions and desired responses which have been devised by the Executive Team and agreed in advance by the panel.

All candidates are asked the same questions and scored on their answers. The candidate with the highest score is offered the position.

The Panel can consider any applicants who were not successful to join a Programme Board if there is a strategic fit.

Terms of Office

The following Terms of Office apply:

- The normal term of appointment is three years, to provide a regular opportunity to refresh the membership of the Board through rotation of members in approximately equal numbers each year. Any recruitment will be phased where possible to enable consistency and continuity however, Members may be re-elected for a further three-year period. With an additional extension of up to three years in exceptional circumstances.
- The Further Education Representative serves for two years and should follow a rotational basis through each College Principal.
- The Higher Education and County Council Representatives have a permanent place on the Board.
- In exceptional circumstances all member terms may be extended to ensure a degree of continuity

Succession Planning

As set out above, appointments are made on an open, transparent and non-discriminatory process. However, succession planning helps to ensure that there is a good range of experienced candidates available.

The LEP undertakes this by using the sub-boards and other groups to enable individuals to gain experience of public life and providing strategic decision-making and advice in the LEP structure. To maintain organisational memory, the LEP also seeks to time recruitment rounds so not all terms end at once.

Project Pathway

Within this structure, the process for making decisions in advancing project development, approval and delivery is critical – and it sits at the heart of this Assurance Framework.

The overall “project pathway” has been developed (see **Figure 1** overleaf). It builds in a number of checks and balances, and records will be maintained throughout.

The LEP is able to consider funding requests from applicants at any time. The LEP may also issue an ‘open call’ for projects from time to time. An [Applicants Pack](#) is available to guide applicants through the project pathway process.

In relation to projects, it is the LEP Board that has final approval of funding decisions over £250k. The Assessment panel can approve or recommend projects up to £250k. The Assessment Panel have a key role in recommending project priorities (in the light of strategic fit and overall deliverability) and the Audit & Scrutiny Committee has a major scrutiny role, particularly in relation to detailed value-for-money considerations once outline approval has been given.

The LEP have balances within the Usable Capital Receipts reserve against which it can choose to make loans or grants. Applications will be assessed through the project pathway and consideration will be made on the loan element as set out in the pathway.






There will be some exceptions to this project pathway. The most significant is that relating to transport projects where Hertfordshire LTB has a critical role to play. Where Hertfordshire County





Council is the Project Sponsor for Local Growth Fund transport project, the process set out in the LTB Assurance Framework should be followed.



Figure 1: Assurance Framework Project Pathway

| Project Stage | Steps | Responsible Body | Supporting Documents |
|--|--|---|---|
| Stage 1: Strategy Stage  | Growth Strategy for Hertfordshire | LEP Board | Strategic Economic Plan |
| | Programme Board Project Planning (Prospectus and Open Call) | Strategy & Engagement Group | |
| Stage 2: Pre-application Stage  | Pre-application discussions with prospective applicants and project logged on LEP system | LEP Strategic Leads & Project Manager | <ul style="list-style-type: none"> • Applicants Pack • LEP Project Pipeline |
| Stage 3: Strategic Outline Case  | Strategic Outline Case submitted to LEP or application for funding for projects <£250k | Project Applicant | <ul style="list-style-type: none"> • Strategic Outline Case Application Form • Application for Projects under £250k |
| | Application sifted by Executive Team | LEP Executive Team | <ul style="list-style-type: none"> • Strategic Outline case gateway check |
| | Result fed back to applicants and invited to complete full business case if successful | Exec Team & applicants | |
| Stage 4: Full Business Case & Appraisal Stage  | Full Business Case completed and submitted to LEP | Project Applicant & LEP Project Manager | <ul style="list-style-type: none"> • Full Business Case Application Form • Full Business Case supporting Appendices • Growth Deal Project Funding Guidance |
| | Application independently assessed by officers and Finance lead. State Aid/subsidy control advice considered by HCC legal. | LEP Executive Team, HCC Finance & Legal | Officer Sift Scoring Matrix |
| | Application submitted for independent due diligence | External Consultant | Independent appraisal standard form (based on Green Book principles where appropriate) |
| | Application comments and scores from Executive Team agreed at Officer Sift, including input from External appraisal. | LEP Officer Sift | Officer Sift Scoring Matrix |
| | Any queries raised at Officer Sift fed back to applicants to address before applications are recommended for funding. | Applicant | |
| | Recommendations considered for type of funding to be offered. | LEP Executive Team | Grant/Loan criteria |
| | | | |
| Stage 5: Approval Stage  | All applications go to the Assessment Panel for funding consideration. | Assessment Panel | Project Assurance and Contract Approval Form |
| | Assessment Panel can approve projects under £250k. | Assessment Panel | |



| | | | |
|---|---|---|--|
| | Applications over £250k, if approved are submitted to the LEP Board for full approval. | LEP Board | |
| Stage 6: Contract Stage  | Letter of Intent sent to applicant | LEP Contracts, Assurance & Monitoring Manager | Standard Letter of Intent Form |
| | Contract drawn up and sent to applicant | LEP Contracts, Assurance & Monitoring Manager | Standard Contracts Template |
| | Project Assurance and Contract Approval Form presented to S151 to show compliance with project pathway and funding requirements | LEP Executive Team, HCC Finance & Legal | Project Assurance and Contract Approval Form |
| Stage 7: Claims & Monitoring Stage  | Handover of project to monitoring team where an annual schedule of review meetings will be agreed with applicant | LEP Contracts, Assurance & Monitoring Manager | |
| | Applicant to submit claims against eligible expenditure included in contract | Project Applicant | <ul style="list-style-type: none"> • Claims Form • Claims Process Guidance • Eligible Expenditure Guidance Note |
| | Monitoring of contracted outputs and regular reporting to Audit & Scrutiny Committee and Programme Boards | LEP Contracts, Assurance & Monitoring Manager | Quarterly Monitoring Form Remedial Action Plan (if necessary) |
| Stage 8: Post Contract Decisions | If the approved outputs or financial profile requires revising, the requested changes will be submitted to the Officer Sift panel for review. If the proposition requested includes a variation of over 10%, this will be submitted to Assessment Panel for review. | LEP Officer Sift Panel & HCC Finance | Project Change Request Template |
| | The Assessment Panel will review the requested change and agree whether they are happy with the changes to the original profiles. The Assessment Panel reserve the right to escalate the decision to the LEP Board if there is a significant deviation to the original business case. | LEP Assessment Panel | |
| | The LEP Board will approve or reject any changes to the original project profiles. | LEP Board | |
| | Audit & Scrutiny committee will be informed of any changes to the agreed profiles in their role of the overview of the funding programmes. | LEP Audit & Scrutiny committee | |



Stages 1-2: Developing and prioritising projects

- The LEP Board sets out a clear strategic vision and priorities in the Strategic Economic Plan which all decisions throughout the project pathway will be judged against. The Strategic Economic Plan has been subject to wide consultation.
- The LEP ensures open advertising of funding opportunities. The intention is to use three main mechanisms for developing projects:
 - The LEP's website will be open for the receipt of project concepts on an ongoing basis.
 - From time to time, the LEP will issue a "general call" for projects. This will be published on the website and applicants will be given on average a month to respond. This will be in response to specific funding opportunities.
 - The LEP will work with partners to develop strategic projects from time to time.
- All of these processes will be underpinned by the ongoing work of the LEP's sub-groups, which will be working with partners and stakeholders in a developmental manner.

Stage 3: Strategic Outline Case

- Applicants are able to submit a Strategic Outline Case at any time. The purpose of the two stage process is to filter out projects that may not be suitable for LEP funding from the outset. This will save time and money for both applicants and the LEP Executive Team, who will only consider Business Cases that will be suitable for LEP funding.
- The case will be considered by Contracts, Monitoring and Assurance Manager and the Ops Director, as to whether this project would be suitable for LEP funding against a set of high level pass / fail criteria.
- The outcome of this process will be fed back to applicants within 3 weeks. Applicants will either be informed of why their Strategic Outline Case was not suitable or be invited to submit a Full Business Case.

Stages 4-5: Full Business Case and Approval

- Applicants will be invited to submit a Full Business Case if the Strategic Outline Case is approved by the LEP.
- Applicants can also submit a shorter application for funding for projects upto £250k.
 - Once the Full Business Case is submitted to the LEP, this will be assessed by members of the Executive Team. A robust independent due diligence assessment of the business case and value for money will then be completed. Principles of proportionality (reflecting the scale, complexity and risk profile of the project) will be applied in relation to the scale of the appraisal, but it will be consistent with Green Book principles. The appraisal will be conducted by an independent third party.
 - An Officer Sift Panel will then take place to moderate the scores and will include input from the external appraisal. The Panel, made up of the LEP Executive Team, will filter out weaker projects and/or seek more information if this is required before appraising all projects submitted. This will check (in broad brush terms) strategic fit, deliverability and value for money against the standard Officer Sift Matrix. Expertise from HCC Finance and HCC Legal where necessary will feed into this process. Minutes will be taken during the officer sift, with the basis for decisions for the inclusion and rejection of projects being clearly minuted.
 - Any queries or issues raised at the Officer Sift stage will be fed back to the applicant. Once the queries are addressed, the funding recommendations including grant / loan split will be prioritized before submission to the Assessment Panel for consideration.
 - This will be considered by the Assessment Panel which has the delegated authority for funding decisions of up to £250k. For projects above the value in excess of £250k, the Assessment Panel will recommend their prioritized list of project applications to the LEP Board.

Stages 6-7: Contracts, Claims & Monitoring

- If a project is awarded funding by the LEP Board, the Project Applicant will enter into a



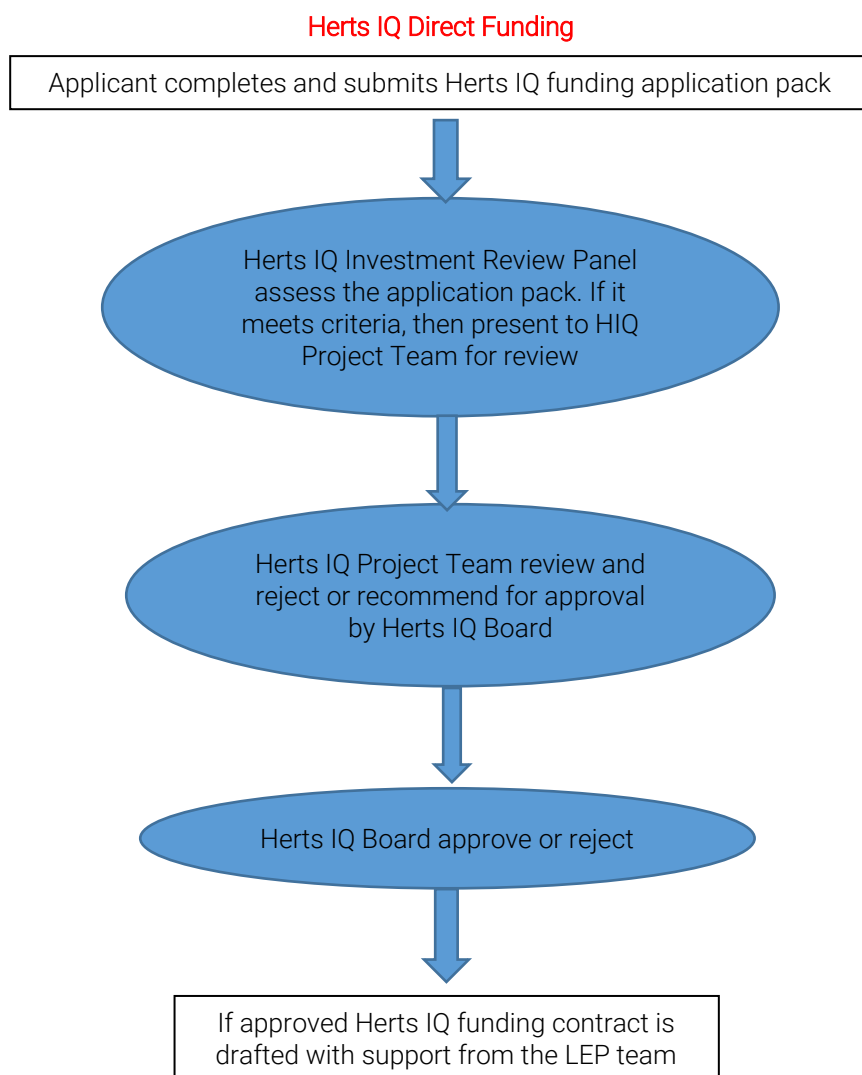
legal agreement with the LEP. This will be based on a standard contracts template developed with Hertfordshire County Council.

- Quarterly contracts review meetings will be set up with the LEP and project applicant to review the project progress and ensure it is on track against the agreed spend, outputs and milestones. This will be supported by the submission of quarterly monitoring reports. The information from these will be fed back to the Audit & Scrutiny committee.
- Once the legal agreement is signed the applicant will be required to submit claims to the LEP in line with the claim profile included in the agreement. All claims will be paid in arrears. Supporting evidence of eligible expenditure in the form of invoices and supporting cost reports will be required. The LEP will review the claim against the grant requirements and eligible expenditure breakdown in the contract with support from HCC Finance.
- Projects will be expected to collect monitoring data (outputs and outcomes) and provide verified information to the LEP (potentially including beneficiary contact details). The details will be set out in offer letters/agreements.
- The LEP will undertake annual site visits and annual sample audits of project output data to ensure this outputs and outcomes are verifiable.
- Process and impact evaluations will be taken as appropriate, informed by the Hertfordshire Growth Deal Monitoring and Evaluation Plan.

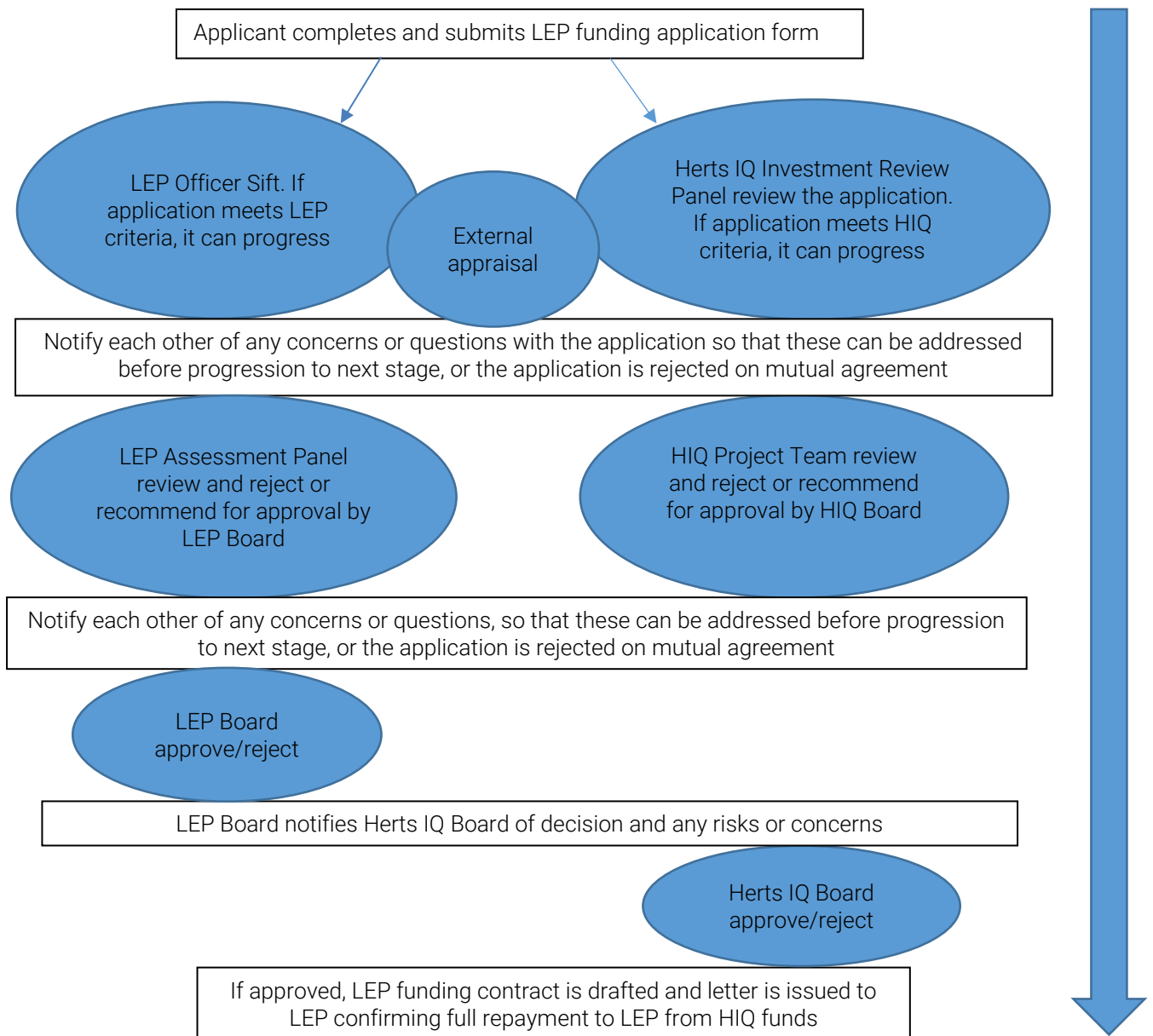
- To request a change to the agreed project business case, the applicant will be required to submit a Project Change Request Form. This includes any changes to the nature, purpose, eligible expenditure, key milestone dates, output targets or variances to the annual awarded allocation. The Applicant should first speak to the Contracts, Assurance & Monitoring Manager before submission.
- All changes will first be considered by the Officer Sift panel where they may request further information from the Applicant. The Panel will draw on expertise from HCC Finance, Legal and the Risk team where necessary before submitting the proposition to the external appraisal if deemed appropriate. The external appraiser will review whether the changes requested significantly impacts the overall business case.
- Drawing upon the outcome of the external appraisal, the Officer Sift Panel has the delegated authority to approve any variances to spend, outputs and milestones up to 10%. The Officer Sift Panel will confirm to the Assessment Panel any change requests that have been approved to the next meeting.
- Any variances over 10% and any changes to the nature, purpose or eligible expenditure will be submitted to the Assessment Panel for approval. The Assessment Panel will take a view on whether to approve or reject the change request. They also reserve the right to escalate the decision to the LEP Board if the change would have a significant impact on the programme.
- The Audit & Scrutiny committee will be informed of any post contract changes in their role in having an overview of the funding programmes.

Stage 8: Post Contract Decisions





Forward funding by LEP from LGF/GPF/GBF with repayment by Herts IQ



Claims and monitoring will follow the same process as all other funding awards.



UK Shared Prosperity Fund

The Hertfordshire LEP was awarded circa £2.75m of UKSPF funding from local district/boroughs for the delivery of a range of countywide business support and skills development activities for the period from 2022/23 to 2024/25.

The programme will have a Steering group made up of a nominated representative from each participating Local Authority, LEP Executives and HCC Finance representing the Accountable Body

The LEP will report to each District/Borough on a quarterly basis in line with the Governments UKSPF requirements and will work with all delivery partners.

The Audit & Scrutiny Committee will review oversight reporting on a quarterly basis.

The LEP will manage the performance of the delivery contractor through the management of its contract with the selected delivery organisation.

Social value for investment

Hertfordshire LEP will consider how additional social value could be obtained through its procurement activities, which will primarily focus on how its economic objectives can be achieved through each project e.g. employment and skills requirements in construction projects. Part of the remit of the Audit & Scrutiny committee is to ensure compliance with social value requirements.

Making and recording decisions

Board Papers and Minutes are published under Board Papers on the LEP website. Papers are published for the LEP Board, Assessment Panel, Audit & Scrutiny Committee, Programme Boards and Herts IQ Partnership Board to the following timescale:

- Board papers are published and sent out to members 5 clear working days before the meeting takes place.
- The draft minutes of Board meetings are published 10 clear working days of the meeting taking place, before being approved by the relevant Board at the following meeting. The final minutes of Board meetings are published within 10 clear working days of being approved.

In addition, all Board Agendas have a standing item for Declarations of Interest. Any Declarations of Interests made at the meeting and action undertaken from that declaration of interest will be recorded in the minutes of the Board meeting.

Confidential Reporting Arrangements

The only exception to publishing Board papers on the LEP website relates to material of a confidential or commercially sensitive nature that includes, but is not exclusive to the following:

- Information provided by a government department on terms which forbid the disclosure of the information to the public;
- Where disclosure to the public is prohibited by a court or;
- Where the LEP holds "exempt information" under Schedule 12A of the Local Government Act 1972. This includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

The LEP has a standard process for marking documents which are not for publication on the website but for consideration at meetings. This includes marking confidential papers as 'confidential' and storing them in a separate electronic folder internally. The non-confidential papers for publication on the website are saved in a separate folder.

Website

Transparent decision making is supported by the publication of information. The LEP website is a key product to ensure that we provide both the public and stakeholders with key information and helps to achieve transparency. As such, the LEP is committed to ensuring information is updated regularly and as a minimum provides:

- a. The Local Assurance Framework, reviewed annually and updated in line with any such Government updates;
- b. An annual financial statement;
- c. The LEP annual report and delivery plan;
- d. A statement on the publication of meeting papers, minutes and agenda items;
- e. Copies of LEP Board meeting agendas, papers and minutes;



- f. The Annual Assurance statement from the leadership of the LEP;
- g. The LEP's Code of Conduct and Conflict of Interest policy;
- h. Board Members' registers of interest and the register of the Chief Executive Officer;
- i. The LEP gifts and hospitality register and separate expenses register;
- j. Complaints policy;
- k. Whistleblowing policy;
- l. A rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funds designated by year. This will be updated on a quarterly basis or more frequently if relevant (e.g. when new projects are signed-off); and
- m. Key LEP documentation e.g. the Strategic Economic Plan and Local Industrial Strategy (where applicable).
- n. Uses the correct Government branding on all relevant pages and documents.



Local Engagement

Hertfordshire LEP has a number of different mechanisms to ensure high levels of local engagement. Many of these are embedded in the key LEP structures outlined. In addition:

- Communications – Hertfordshire LEP has a communications team who are responsible for ensuring that the aims, decisions and achievements of Hertfordshire LEP are publicised through a range of media channels in order to reach both stakeholders and the general public
- Other Board Groups – the composition of the different Board groups has been informed by the need to design in appropriate local engagement.

In addition, the LEP will hold an Annual General Meeting which is open to the public each year. These will be open to the public and businesses to attend and will be properly promoted in the stakeholder community.

Hertfordshire LEP intends to refresh its Growth Strategy (which underpins its Strategic Economic Plan) every three years. This process will be overseen by the LEP Board with inputs from all of the other Board Groups. The draft Growth Strategy will be published and there will be a 6-week window for public consultation.

Diversity Statements

The LEP are committed to ensure that at least one third of members of LEP Board are women with an expectation for equal representation by the beginning of 2023. Hertfordshire LEP currently meet this requirement; however, it is not responsible for the selection of five of the Board Members and therefore has no influence on the overall balance.

The Hertfordshire LEP Executive encourage applications regardless of gender, ethnicity, religion, disability, sexual orientation or age. The Board will receive an annual report in order to discuss progress and encouraging diversity.

The Board has a nominated Diversity Champion whose role is to encourage diversity and ensure that the LEP is acting in line with its diversity statement.

Board Remuneration and LEP Officer Salaries

Although LEPs are business led private-public sector partnerships, they receive large amounts of public funding. [LEPs expenditure policy](#) for Chairs and Board Members is published on the website. In addition to this, [Officer Salaries](#) are published in line with best practice guidance.

Induction and Training

The LEP has a training and induction programme in place for both Board members and LEP Officers to ensure an understanding of their role, are adequately supported to provide challenge and direction to their LEP and understand how best to work with Government.

New members and officers of the LEP should undertake a full induction within the first quarter they are in post. Government will support the development of an induction and training offer for all LEPs. .

The LEP undertakes regular reviews with Board Members and staff to ensure they have the capacity and capability to deliver their respective roles. The Management Team ensure support is in place to develop expertise and update it to take account of developments to the wider areas of the business. Where any training needs are identified which would benefit the wider LEP Network as a whole, Hertfordshire will raise accordingly for further sharing and/or escalation to the Department who may offer to set up events with trainers and organisations that have expertise and experience in the relevant area. Government, alongside the LEP Network will support this through their training programme for Board Members in addition to encouraging peer support and the sharing of best practice across the Network.

Policies

The LEP has a number of policies to ensure robust corporate governance is in place. All policies are available to view on the LEP website.

Code of Conduct - This policy is to ensure that Board members and all officers fully understand the expected ethical values, standards and behaviours associated with their roles, including the Seven Principles of Public Life. New Board Members and LEP Officers will sign up to the code before commencing their post.



If LEP Officers are employed by an organisation other than the LEP (e.g. the Accountable Body or MCA), they may adopt their employer's code of conduct if it is based on the principles of public life.

Conflict of Interests - The policy is set out to ensure Board Members and senior members of staff are not influenced by employment, sponsorship, contracts, land or property, securities and gifts and hospitality when making decisions, by their own ventures or those of their spouse/partner.

- The policy outlines the process of when to declare a conflicts of interest at a meeting and the process for the Chair and Secretariat to follow when a conflict is declared. The declarer will not be entitled to vote on the matter.
- The policy clarifies that all are required to declare and relevant interest in all aspects of work undertaken on behalf of the LEP, i.e. during official meetings and outside of the formal decision-making environment and will be recorded.
- Councilors will need to consider the interests they hold as Council Leaders/ Cabinet Members for council land and resources, as well as for aspects of the council's commercial interests. Council Leaders will need to consider the declarable interests this may give rise to in relation to their board membership of the LEP.
- Hertfordshire LEP has adopted the Department's bespoke pro-forma register of interests. Individual registers of interest for all Board Members, Sub-Board Members, Co-opted Members and the Chief Executive (or equivalent) should be completed and signed within 28 days of taking up post and before advising or participating in any decision making. Each register will be published on the LEP website under **Register of Interests**. Due to Data Protection these will not be signed copies. Non-senior Officers interests are not published but they do remain on file.
- All Board Members should take personal responsibility for declaring their interests before any decision is considered. Each Board Member must review their individual register of interests before each board meeting and decision-making committee meeting, submitting any necessary revisions to the LEP at the start of the meeting. This should be evidenced in the meeting minutes and by

producing and updating their register as soon as practically possible if new interests arise. Any member seen as not declaring such interests will be marked inactive.

Complaints – to allow third parties and the public to confidentially report concerns about LEP processes and decisions.⁷

Travel & Expenses – this outlines what is acceptable to claim for Board members and the process to follow for claiming reasonable business related expenses associated with their role.⁸

A **Register of Board Members Travel and Expenses** will be uploaded to the website to ensure transparency and will be updated on an annual basis.

Gifts & Hospitality – to give Board members and staff guidance on what constitutes as 'gift giving' or 'hospitality' and what they are able to accept.⁹

Whistleblowing – the process by which LEP Board members and staff should follow if they feel something:

- is against the LEP's procedures and protocols as set out in its code of conduct and individual LEP Assurance Framework;
- falls below established standards of practice the LEP subscribes to;
- amounts to improper conduct; or
- is an abuse of power for personal gain.

LEPs must also ensure that their Responsible Officer informs the Department of any concerns raised under their whistleblowing procedure by emailing:

localgrowthassurance@communities.gov.uk

or by writing to:

LEP Compliance Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF.

⁷ HM Government, *Best Practice Guidance*, Points 14-16, p. 10.

⁸ DCLG, *Mary Ney Review*, Point 9.1, p. 12.

⁹ DCLG, *Mary Ney Review*, Point 4.3, p. 7.



Data

The LEP has put in place appropriate data protection arrangements in line with the [Data Protection Act 1998](#), the General Data Protection Regulations (GDPR) and the [Data Protection Act 2018](#). The LEP is the data controller for Board Member's data and any other data they collect including data around projects and programmes. More information about GDPR can be accessed on the Information Commissioners Office website. No data will be sold by a LEP for commercial purposes.

Publication of Meeting and Agenda Items

The LEP will publish all minutes and papers for full board meetings and any sub-board which involve decisions or recommendations about public money on its website under the [Board Papers tab](#). This includes a commitment to meet the timelines set out below, in line with the Best Practice Guidance in accordance with the Local Government Act 1972:

- meeting agendas and papers to be published 5 clear working days before the meeting takes place; and
- minutes of board meetings to be published within 10 clear working days of the meeting taking place. This will be in draft until the minutes are formally approved at the next meeting. The final minutes of board meetings must be published within 10 clear working days of being approved.

Any declaration of interest made at a board meeting must be included in the minutes. A new declaration of interest should be updated on the relevant member's register of interest. Additional guidance on registers of interest is included in the 'Conflict of Interest' section of this document.

Handling Confidential and Exempt Information

The only exception to publishing Board papers on the LEP website relates to material of a confidential or commercially sensitive nature that includes, but is not exclusive to the following:

- Information provided by a government department on terms which forbid the disclosure of the information to the public;

- Where disclosure to the public is prohibited by a court or;
- Where the LEP holds "exempt information" under Schedule 12A of the Local Government Act 1972. This includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

The LEP has a standard process for marking documents which are not for publication on the website but for consideration at meetings. This includes marking confidential papers as 'confidential' and storing them in a separate electronic folder internally. The non-confidential papers for publication on the website are saved in a separate folder.

Publication of Accounts and Financial Information

The LEP will publish their Annual Accounts and ensure financial information is transparent providing clear links on the website. The Accountable Body will also publish their accounts which will include the funding they receive from government on behalf of LEPs

The LEP will publish a financial statement each year within the annual report detailing;

- a. The total amount of funds within the LEP's direction or control at the start and end of the financial year¹⁰;
- b. The total amounts committed by the LEP to external organisations through grants and risk finance (loans, equity, guarantees and quasi-equity);
- c. The total amounts committed to suppliers to purchase goods, works or services; and
- d. The total amounts incurred in running the LEP (for example salary costs, lease payments and expenses).

The LEP will link to the Accountable Body accounts on their website as well as a link included in the annual statement to the accounts of the LEP for the financial year on the Companies House website.

¹⁰ This shall include money committed to the LEP but paid into the Accountable Body's bank account to be invested at the LEP's direction, any commercial funds which it has generated and legacy funds generated from investments, but not including the value of

any assets which it holds. It shall also not include funds which the LEP has a role in allocating but does not currently commit such as European Structural and Investment Funds.



Transparent Use of Public Funding

The LEP will ensure that public resources are managed appropriately.

Given that LEPs are responsible for significant amount of public funds, the LEP will follow the principles that apply to Government and Local Authorities preventing public expenditure being incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue. No LEP funds will be spent on such costs.

Management of Contracts

Hertfordshire LEP currently uses Hertfordshire County Council commercial legal team for the drafting of legal agreements between the LEP and

providers (for all services delivered through the public procurement process).

The Audit & Scrutiny committee receives updates regarding the progress of the legal agreements at each meeting.

All changes to agreements that are requested by providers are considered through a Project Change Request process, which are considered by the Assessment Panel, who may escalate it to the LEP Board if necessary. The Assessment Panel agrees all changes above 10%; LEP officers can agree changes below 10% but still advise Assessment Panel that the change has been agreed.

A project monitoring summary is reported to Audit & Scrutiny Committee and LEP Board at every meeting, highlighting performance, any issues, risks and mitigations that are in place and all projects are RAG rated.



LEP accountability and transparent decision making

The LEP demonstrates the accountability and decision making process, and the commitment to transparent and accountable decision making by:

- a. Hertfordshire County Council, as accountable Body, receives all revenue and capital grant allocations from HM Government on behalf of the LEP.
- b. The Section 151 officer from the Accountable Body oversees that the LEP manages these resources appropriately. Grant claims and legal agreements are overseen and checked by the Section 151 officer (or deputy) to ensure financial regulations are met prior to being paid;
- c. Investment decisions using public funds are made with reference to statutory requirements, conditions of the funding, local objectives as set out in the Hertfordshire SEP and national core objectives such as housing, skills and employment; and
- d. Hertfordshire LEP has a number of different mechanisms to ensure high levels of local engagement. Many of these are embedded in the key LEP structures outlined above. In addition:
 - o Communications – Hertfordshire LEP has a communications team who are responsible for ensuring that the aims, decisions and achievements of Hertfordshire LEP are publicised through a range of media channels in order to reach both stakeholders and the general public
 - o Other Board Groups – the composition of the different Board groups has been informed by the need to design in appropriate local engagement.

In addition, the LEP will hold an Annual General Meeting which is open to the public each year. These will be open to the public and businesses to attend and will be properly promoted in the stakeholder community.

Hertfordshire LEP intends to refresh its Growth Strategy (which underpins its Strategic Economic Plan) every three years. This process will be overseen by the LEP Board with inputs from all of the other Board Groups. The draft Growth Strategy will be published and there will be a 6-week window for public consultation.

The LEP has a published [scheme of delegation](#) which sets out the roles and responsibilities of:

- the Chair / Deputy Chair;
- the LEP Board;
- any Sub-Boards;
- the Accountable Body; and
- the Section 151 Officer.

The Scheme of Delegation (*detailed in appendix A*) also sets out the membership requirements of the Board and Sub-Boards. For all financial decisions under £250,000, it is the Assessment Panel who are responsible for the final sign-off of funding decisions. For all financial decisions over £250,000, it is the LEP Board who are responsible for the final sign-off of funding decisions.

This will demonstrate a responsibility for checking that decisions are being made in accordance with the process that has been set out by using the Project Approval and Contract Authorisation forms which shows for all projects, their journey through the approval process from initial application through to LEP Board agreement. Any decision which is made in contravention of the process will be invalid based on non-compliance unless the Board has given prior approval for variation in the decision making process.

LEP Network: Cooperation, Collaboration and Partnership with other LEPs

The LEP Network is a membership organisation for LEPs whose purpose is to enable LEPs to discuss issues of shared importance as a sector, engage with Government, and share knowledge and good practice. Hertfordshire LEP are committed to working within the LEP Network. This will ensure a platform to share best practice, convene training for LEP Board Members and LEP Officers and represent LEPs' interests to Government and promote their role to businesses.

To ensure that strategies and best practice is shared to maximize the impact of investments are aligned across local geographies, Hertfordshire LEP establishes regular cross-LEP working groups across neighbouring geographies and the wider network to ensure that strategies and investments and are committed to working with other LEPs where this is appropriate. This includes both adjacent LEPs, and those that are non-contiguous but have shared interests.



Examples of joint working include:

- the Science and Innovation Audit for the East of England – which involves Hertfordshire, South East, New Anglia LEPs and Greater Cambridge & Greater Peterborough MCA;
- ongoing collaboration across the Greater Thames Valley LEPs, namely those for Hertfordshire, Buckinghamshire, Berkshire, Enterprise M3, Oxfordshire and Coast to Capital;
- collaboration in relation to the Cambridge-Milton Keynes-Oxford Corridor (Hertfordshire, SEMLEP, Oxfordshire and Buckinghamshire TV LEPs, The Business Board of the Cambridgeshire and Peterborough Combined Authority);
- collaboration with SELEP LEP, The Business Board of the Cambridgeshire and Peterborough Combined Authority in relation to four-tracking on the West Anglia Main Line;
- collaboration with SELEP, Essex County Council, Harlow Council and East Hertfordshire District Council in relation to the new Harlow Garden Town;
- collaboration with nine LEPs from the South East and the London Economic Action Partnership to deliver the BEIS South-East Local Energy Hub low-carbon economic growth programme;
- collaboration with Hertfordshire Growth Board who assist established businesses with real potential for growth to access the support they need to achieve even more.

The Accountable Body and Section 151 Officer

The LEP Board, and its supporting governance structure (*as per the schemes of delegation*), is the strategic body responsible for taking decisions on LEP business and LEP programme activity. The Accountable Body, however, is responsible for overseeing the proper administration of financial affairs within the LEP when these affairs relate to public funds.

Government will, therefore, pay funds on behalf of the LEP to Hertfordshire County Council who were chosen to represent Hertfordshire LEP to be its Accountable Body. The roles and responsibilities can be found in Section 2.

The Accountable Body ensures that the usual Local Authority checks and balances apply to the awards of public funding directed by the LEP Board. The Accountable Body cannot use funding for their own purposes, or without any clear mandate from the LEP. As such, the Government expects the agreement to outline the Accountable Body as carrying out the functions below:

- a. A finance function: involving holding public funds paid by Government on behalf of the LEP.
- b. An oversight function: ensuring public funds are handled in line with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money. This includes an oversight function of processes such as LEP governance and transparency arrangements, compliance with the Framework and agreement on scrutiny arrangements, to ensure that the checks and reporting requirements of the Section 151 Officer are met; this includes retaining appropriate documentation on decisions around funding. The Accountable Body is also responsible for escalating concerns around non-delivery and/or mis-management, if this cannot be resolved at the local level the Accountable Body should report any concerns to the Cities and Local Growth Unit through: localgrowthassurance@communities.gov.uk ; and
- c. A support function: to provide technical advice on the relevant law, discussing risks associated with pursuing a particular course of action for the LEP Board to consider, drafting funding agreements and contracts, if the LEP Board chooses to proceed. The Accountable Body will have a role in assisting with management of risk with the LEP.¹¹

This agreement between the Accountable Body and the LEP, sets out agreed timescales and operating practices. It sets out the checks and balances that exist between the LEP, as the decision maker, and the Accountable Body, as the organisation which provides the advice outlined above. LEPs and the Accountable Body will agree appropriate compensation and resourcing for this function.

¹¹ For example, the Accountable Body should ensure that LEPs deal with Freedom of Information and Environmental Regulation requests in line with relevant legislation.



Section 151 Officer Role

When a Local Authority, CA or MCA acts as the Accountable Body for a LEP, the role of the relevant Section 151 Officer¹² in overseeing the proper administration of financial affairs is extended to include those of the LEP. Following the *Non-Executive Director Review into LEP Governance and Transparency*, the Department has worked with the Chartered Institute of Public Finance and Accountancy (CIPFA) to develop guidance on the role of the Section 151 Officer. This guidance is available on CIPFA's website.¹³ When devising an Accountable Body arrangement, LEPs and Accountable Bodies must refer to this guidance. Note that the Government will incorporate the CIPFA guidance into its assurance process, therefore all LEPs and Accountable Bodies should ensure they meet the standards set out in this guidance. LEPs and Accountable Bodies should ensure that they address the five principles outlined in this guidance by:

- a. Enshrining a corporate position for the Section 151 Officer in LEP assurance;
- b. Creating a formal/structured mandate for the Section 151 Officer;
- c. Embedding good governance into decision making;
- d. Ensuring effective review of governance; and
- e. Ensuring appropriate skills and resourcing.

The Section 151 Officer should exercise their duties in line with the CIPFA guidance and this Framework.

The LEP will ensure that the Section 151 Officer is given sufficient access to information in order to carry out their role. All LEP Board documents will be provided to the Section 151 Officer and where decisions are being made the Section 151 Officer should have the opportunity to comment prior to decisions being taken.

The Section 151 Officer ensures that their oversight of the proper administration of financial affairs within the LEP continues throughout the year. In addition to providing an assurance statement as part of the Annual Performance Review, by 28 February each year, the Section 151 Officer is

required to submit a letter to the Department's Accounting Officer, a template of which details;¹⁴

- a. The checks that the S151 Officer (or deputies) have taken to assure themselves that the LEP has in place the processes that ensure proper administration of financial affairs in the LEP;
- b. A statement outlining whether, having considered all the relevant information, the Section 151 Officer is of the opinion that the financial affairs of the LEP are being properly administered (including consistently with this Framework and the LEP's Local Assurance Framework); and
- c. If not, information about the main concerns and recommendations about the arrangements which need to be implemented in order to get the LEP to be properly administered.

Decisions Relating to Awards of Public Funds

Hertfordshire LEP recognises the importance of having clear arrangements in place which enable effective and meaningful engagement of local partners and the public. It also acknowledges the importance of having transparent practices in place which give people confidence that decisions made are proper, based on evidence and capable of being independently scrutinised

In order to demonstrate public funding decisions have been made on merit, The S151 Officer working with the LEP Chief Executive and Chair agree to an effective responsibility arrangement and have set this out in Annex C.

In addition they have developed procedures to consider the financial implications of decisions before and during the decision making process rather than reviewing decisions afterwards.

The S151/S73 Officer, and supporting Finance Officers as per the shared responsibility model in Annex C, shall have the right to record an opinion on the financial implication and assessment of risk (such as delivery risks and cost overrun risks) if required in every Board paper. The LEP Board do not have to follow the S151/S73 advice, but where they

¹² Any reference to the Section 151 Officer also refers to any equivalent i.e. Section 73 Officer or Section 127 Officer.

¹³ The guidance can be accessed on the CIPFA website: <https://www.cipfa.org/policy-and-guidance/reports/principles-for-section-151-officers-working-with-leps>

¹⁴ A template will be provided to the S151 Officer each year, detailing the assurances required.



decide on a course of action which goes against that advice, the Board should indicate and record the rationale for not following it.

S151/S73 Officers (or their delegated representatives) should also be invited to attend all Board Meetings and Board agenda setting meetings, but shall not be entitled to vote or otherwise make LEP decisions.

Hertfordshire LEP and Hertfordshire County Council have agreed timescales and operating practices to support the effective implementation of decisions. These include:

- Clear arrangements for monitoring delivery with reporting to the Programme Boards, Audit & Scrutiny Committee and any other sub group or committee as required.
- Clear expectations in relation to the information required from scheme promoters and delivery agents; these are set out in offer letters.
- Ensuring that before funds are released to a project there is a clear written legal agreement between Hertfordshire County Council and the delivery agent clearly setting out the split of responsibilities, including arrangements for the protection of public funds (including suspending or clawing back funding in the event of non-delivery or mismanagement).
- All Papers are published for the LEP Board, Audit & Scrutiny Committee, Programme Boards and Herts IQ Partnership Board to the following timescale:
- Board papers are published and sent out to members 5 clear working days before the meeting takes place.
- The draft minutes of Board meetings are published 10 clear working days of the meeting taking place, before being approved by the relevant Board at the following meeting. The final minutes of Board meetings are published within 10 clear working days of being approved.
- In addition, all Board Agendas have a standing item for Declarations of Interest. Any Declarations of Interests made at the meeting and action undertaken from that declaration of interest will be recorded in the minutes of the Board meeting.

For project and investment funding, the LEP Board will receive papers 5 clear working days in advance of making a decision to allow them to make an informed assessment of the issues, papers will include;

- a. The application made for funding;
- b. An appraisal of the application;
- c. A view by a legal expert, if required, on legal considerations including, where applicable, the percentage risk of challenge and non-compliance with the proposed course of action and any mitigating factors which may be taken to address this.
- d. A recommendation as to whether to fund the proposal; and
- e. A recommendation about conditions which should be attached to the proposal.

The LEP will ensure the recovery of funding where appropriate when non-compliance, misrepresentation or under-performance has been highlighted. In such circumstances, the LEP will provide LEP Board or delegated Sub-Board with a report detailing projects identified as a risk. The report will detail concerns, funding awarded which is at risk and where relevant, a legal which have received funding, which sets out the legal basis for recovery and likelihood of success.

The LEP has in place appropriate arrangements to recover non-compliant funding with appropriate wording within the legal agreements and have set out a schedule of when intervention may be appropriate for consideration. Where the LEP decides not to pursue recovery where it has identified non-compliance and has legal grounds to do so, it will provide a compelling justification for its decision.

As the LEP is entrusted with public money (either to carry out activities directly or where it directs the funding to others) it will fulfil its contractual obligations and maintain a robust audit trail to demonstrate compliance. Further information on the process for the selection, implementation, delivery and evaluation of projects can be found in the Ensuring Value for Money section.

Scrutiny Arrangements

The LEP will be subject to scrutiny through Hertfordshire County Council's existing Overview and Scrutiny Committee arrangements to monitor decision-making and the achievements of the LEP. This will support the LEP in continuing to achieve strong governance.

The LEP is an active member of the LEP Network, which in the past has included participation in the Peer to Peer review. This provides an opportunity for



the LEP's transparency around governance arrangements to be scrutinised by other LEPs. It is also a useful forum in seeking best practice from other LEPs.

LEPs governance arrangements are also assessed through the Annual Performance Review process. The LEP is required to provide an Annual Assurance Statement ahead of the meeting, including an assessment against the LEPs governance, delivery and strategy. This will be scrutinised at the meeting and discussed in more detail. The outcome of the conversation will affect the release of future LGF payments. It will also inform whether the LEP is in need of further scrutiny from BEIS, who may request further 'deep dives' on the LEP's governance and transparency.

The Scrutiny arrangements are set on the LEP website. An update on any scrutiny arrangements will be included in the annual performance review statement from the LEP Chief Executive and Chair. The LEP will respond positively to requests to share information to ensure that the Committee is in possession of the necessary information to provide robust scrutiny and advice.

For further advice on Local Authority Scrutiny arrangements, the LEP can refer to the Department's guidance on Overview and Scrutiny in Local Authorities and Combined Authorities.

Audit Arrangements

The LEP Audit & Scrutiny committee has the function of the audit committee. Before each meeting the LEP Executive Team meets with the Chair and Section 151 Officer to review the papers of the forthcoming meeting and should agree appropriate arrangements over the discharge of the functions of the audit committee.

The LEP has a developed annual internal audit plan. This will include a risk-based approach of LEP activity that will provide assurance to the S151/S73 and the LEP Board at appropriate points through the year. This is funded from the LEP Operational budget. All audits are independent of the LEP and are undertaken by Hertfordshire County Council's Shared Internal Audit Service. The Auditors may provide assurances to both the LEP Board and the S151 Officer. Ahead of each audit, the guidance will set out the assurances to be provided under reporting relationships to maintain audit independence.

The LEP will ensure an annual Assurance Framework audit is undertaken, the scope of which will be determined by S151 Officer who will consult with the LEP Executive and with feedback from the LEP Audit & Scrutiny committee and other LEP Boards where necessary.

Annual internal financial audits will also be undertaken on the expenditure relating to the Growth Hub, Peer Networks, LGF and GBF Capital Grant Payments.

The LEP Executive will report the outcome of all audits to the LEP Audit & Scrutiny committee and will regularly report progress against the Audit Management Action Plans to this group.

Public funds managed by the Accountable Body will go through their external audit procedures, these will be risk-based which means that they may not receive an external audit every year.



Ensuring Value for Money

Building on the arrangements for Growing Places Fund and Growth Deals, and drawing on the experience of the Hertfordshire Local Transport Body, Hertfordshire LEP has robust arrangements in place to ensure value for money and effective delivery, through strong project development, project and options appraisal, prioritisation, and business case development. These arrangements are encapsulated in the “project pathway” which is summarised in Figure 1.

Options Appraisal and Prioritisation

Hertfordshire LEP has developed a clear and transparent basis against which projects and programmes are initially identified / commissioned, appraised and prioritised. The overarching process is the “project pathway”.

Underpinning all of this is a substantial body of evidence. This is distilled in the Strategic Economic Plan Evidence Base, and an accompanying technical document which summarises high level market failures and intervention rationales, and a series of logic chains. It will be updated regularly and is available on the Hertfordshire LEP website.

Project concepts may be “bottom-up” (derived from a call for projects) or “top-down” (through a strategic commissioning route). In each case, the LEP’s Executive Officers will complete a “first sift” appraisal based on broad considerations of deliverability, value for money and strategic fit. There will then be a dialogue with the project sponsor to discuss – informally – whether and how the project might be developed. If appropriate, sponsors will be asked to complete a more detailed application form.

The outline application(s) will then be considered formally by the Assessment Panel. The Assessment Panel will seek to prioritise the range of project applications, producing a ranked list of recommendations for the LEP Board to consider. This process of prioritisation will again reflect considerations of deliverability, value for money and strategic fit, but the judgement will be made across the project portfolio within the relevant domain (i.e. skills and employment; enterprise and innovation).

In the light of the Assessment Panel recommendations, it will then be for the LEP Board to make a decision on funding priorities. It will need to look across the piece and agree the appropriate balance between very different types of projects; some will be large, complex and long term projects and others may well be smaller and likely to achieve impact more quickly, but it will form a rounded view. Its composite prioritised list will form the basis for funding bids..

Value for Money and Business Case Development

Once projects have received conditional approval (from the LEP Board) and the outcome of any bidding process is known, they will then be appraised independently and more formally, in a proportionate manner.

The methodology used to assess value for money and the degree of detail to which business cases are developed in support of particular projects or programmes will be proportionate to the funding allocated and in line with Green Book principles. Typically Hertfordshire LEP would expect business cases to address, in a proportionate manner, the 5 cases (strategic, economic, commercial, financial and management) set out in supplementary guidance to the Green Book.

Full Green Book principles will apply to larger and riskier projects. For transport projects, business cases will be developed in line with Local Transport Board (LTB) Assurance Framework and progress through the agreed project gateway process or alternative process agreed with DfT as part of the “retained approval” process.



The LEP will consider whether business cases produced by Project Sponsors to meet the requirements of majority project funders will meet the requirements and may accept an approach different from the Green Book but which still addresses fundamental value for money assessment. In all cases, however, the LEP will consider whether:

- o there is a clear economic rationale that justifies the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives;
- o the proposal has clearly defined inputs, activities, outputs and anticipated outcomes, which are additional, ensuring that factors such as displacement and deadweight have been taken into account where appropriate;
- o the benefits exceed the costs of intervention using appropriate value for money analysis
- o deliverability and risks have been appropriately considered and if there are likely to be clear mitigations for them;
- o The Audit & Scrutiny committee will take an overview of the pipeline of viable projects and it will provide a regular report to the LEP Board on progress, bottlenecks, achievements and concerns.

Most of the projects included within the early Growth Deals have adopted existing methodologies – e.g. Local Transport Body practices for transport projects.

Transport projects will be subject to the minimum requirements on value for money assessment, assurance and evaluation of transport projects. The basis of transport appraisal is the Department for Transport's (DfT's) appraisal guidance known as TAG.¹⁵ TAG will be used for all schemes but for schemes with low costs (for example below £5m) it is expected that a more proportionate approach to be taken. The use of TAG, which is mandatory for all schemes, does not preclude additional assessments or methodologies (e.g. wider economic benefits) being employed to prioritise and assess the overall business case for a scheme

TAG is not a standard 'one size fits all' process. It promotes the use of proportionate appraisal and gives some significant discretion in the level of detail that is appropriate depending on the nature of the transport scheme concerned. For these purposes a 'transport scheme' is defined as any scheme that significantly changes the transport network infrastructure, whatever its objectives. For example, improving journey times may not be the objective of a scheme but the impact on journey times, if expected to be significant, would still need to be considered as part of the overall value for money consideration of a scheme.

The expectation is that all schemes must achieve "high" VfM (where benefits are at least double costs as set out within DfT's guidance) at all stages of the approval process. VfM for these schemes will be independently scrutinised on behalf of Herts LEP as part of the assessment process. This will be via a commission to a specialist transport consultant, fully independent from the scheme promoter and with no involvement in the development of the scheme being appraised. The independent assessment will be published and made available to the Herts LEP and its Board as part of the decision making process.

A full range of the material costs and benefits of a scheme, both quantified and unquantified, will be available to decision-makers.

All projects will meet the basic expectations for different types of specific project appraisals will be in line with the Revised National Assurance Framework Guidance (2016).

Given their importance to achieving local growth, the LEP will not focus purely on the value for money aspects of business cases but also ensure that the commercial, financial and management arrangements are appropriate for quick and effective delivery. It will refer to the Infrastructure UK Project Initiation Routemap handbook and associated modules when reviewing those aspects of the business cases.

¹⁵ <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>



Risk Management

For all projects and programmes, the LEP will ensure that there is a named individual with overall responsibility for ensuring value for money and named individuals (not necessarily the same person) responsible for scrutiny and recommendations on each business case.

The LEP will ensure that arrangements are in place which support the active management and mitigation of risk across all matters for which the LEP is responsible, including but not limited to propriety and value for money issues.

These responsible individuals should ideally be independent of the promoting organisation or where this is impractical, should sit outside the management unit responsible for developing and promoting the business case.

The LEP has developed a two tier risk management process. Project Risk registers which are maintained by the projects and updated with the Monitor on a quarterly or bi annual basis. and a wider LEP register.



Monitoring and Evaluation

The LEP has appropriate input, output and outcome monitoring and evaluation of projects taken forward. The arrangement for this are set out in the 'Project Pathway'

Evaluation of projects will deliver the following objectives:

- a. Provide accountability for the investment;
- b. Justify future spending allocations;
- c. Enhance the operational effectiveness of existing projects or future project extensions;
- d. Improve future initiatives (as well as future VFM appraisal) based on learning;
- e. ensure a proportionate approach to monitoring and evaluation. Evaluation objectives should relate back to the business case and build on the assumptions used in the appraisal process. A good starting point for both the business case and monitoring and evaluation is the creation of a logic model (see Annex D); and
- f. The specific inputs, outputs and outcomes that will be monitored and measured will differ depending on the type of intervention. Monitoring and evaluation should therefore focus on those inputs and outcomes that are most relevant to the impact of the project's objectives.



Annex A: LEP Boards Terms of Reference

Board Principles and Transparency

Each Board has responsibility for different priorities of the LEP. Some Boards are responsible for making decisions whereas others are strategic and are focused on informing policy. The responsibilities of each of the Boards can be found under their Terms of Reference below.

The timetable for all Board and sub-board meetings can be found [here](#).

The agendas, meeting papers and minutes can be found under the Board Papers tab on the LEP website. The timeframe for publishing Board papers and minutes can be found under section 5.5. Please note as per section 5.6., material of a confidential or commercially sensitive nature will not be published on the LEP website. The membership of each of the LEP Boards, including each Board member's Register of Interests are able to view on the LEP website. Declarations of Interest will be a standing agenda item at each Board meeting in line with the Conflicts of Interest policy. To support Board members to better understand the corporate governance and culture of the LEP, inductions are held as and when required.

Recruitment exercises for all Board members operate on the basis of merit, fairness and openness in line with the Nolan Principles and the LEP's Equalities and Diversity policy.

Board members of LEP groups have a set term of office of three years, with an optional extension of three years. There is an option to extend for up to a further three years in exceptional circumstances if approved by the Board. The term should not exceed a nine year period. All Board members are unremunerated and give their time on a voluntarily basis. It is expected they will dedicate up to a maximum of up to 3 days per month for their LEP activity.

LEP Board Terms of Reference

The LEP Board is the lead decision making entity within the LEP governance structure. The LEP Board

provides strategic leadership and determines policy direction on LEP business and LEP programme activity.

The LEP Board will set the roadmap for the delivery of the Strategic Economic Plan.

From its links with private sector business, it will determine the Strategic plan for Hertfordshire, aligning the priorities and opportunities for growth within Hertfordshire.

The Board will respond to government consultations that align to the LEPs strategic priorities.

The Board is responsible for having an oversight of the operational activity of the LEP, including setting the priorities for resource in the LEP Operational Plan that will be signed off by the LEP Board annually.

The Board is responsible for approving funding decisions over the value of £250,000. Funding decisions below this value are delegated to the Assessment Panel.

Board members will contribute knowledge and expertise to identify the economic and demographic issues facing the area the strengths and opportunities and the initiatives which should be taken to drive economic growth.

Membership

There are 16 members of the Board of Hertfordshire LEP. A board of this scale allows for a strong team ethic, fully inclusive debate, and a capacity for rapid decisions.

The Board Members are set out below. Board members are unpaid.

The composition of the Board is as follows:

Chair who is recruited from the private sector by open competition and is selected by a panel comprising senior members of the Board. The Chair,



on behalf of the Board, represents Hertfordshire LEP between meetings or delegates this role to other members.

Eleven other private sector representatives, one of whom acts as Deputy Chair, comprised of:

- six corporate representatives
- two SME representatives
- one non-for-profit commercial sector or social enterprise representative
- one Higher Education representative
- one representative from the field of further education.

(Both Education representatives are to be nominated by the community represented by Hertfordshire's FE colleges, HE institutions and Research Institutions.)

and four local authority representatives comprised of:

- one member from Hertfordshire County Council, nominated by the Council
- three members from District Councils, who are nominated by the Hertfordshire Leaders Group.

As with the majority of other Board members, the term for the Chair and Deputy Chair is three years, or for the remainder of their term if elected part way through their Board membership. The Chair and Deputy Chair posts can be re-elected once and can

serve on the Board for a maximum of six years in total with an option to extend, in exceptional circumstances, for up to a further three year period and not exceeding nine years. The position for LEP Chair will be advertised on the Centre for Public Appointments website.

In case of an equality of votes, the Chair shall have the casting vote. No business shall be transacted at any Board meeting unless a quorum is present. A quorum shall be eight to include at least one Business/SME representative and one Local Authority representative.

The Board has the power at any time and subject to the agreement of its members, to co-opt further member(s), if and when appropriate candidate(s) become available and are deemed a valuable asset by the Board.

Quorum

A quorum shall be eight to include at least one Business / SME representative and one Local Authority representative. In the case of an equality of votes, the Chair will have the casting vote. No business shall be transacted at any Board meeting unless a quorum is present.

Frequency of meetings

The LEP Board meets no less than once per quarter.



LEP Board Membership

As of 23 March 2023, the members of Hertfordshire LEP's Board are as per the table below:

| Sector | Name | Organisation | Local Authority Area Lead |
|-----------------------------------|-----------------------|-------------------------------|--|
| 1. Chair (Business Rep) | Adrian Hawkins OBE | Hawksure Limited | Hertfordshire County Council |
| 2. Business Rep | Chris Hulatt | Octopus Group | St Albans City and District Council |
| 3. Business Rep (Deputy chair) | Neil Rutledge | Amberside Advisors Ltd | Dacorum Borough Council |
| 4. Business Rep | Richard Whitehead | AECOM | Watford Borough Council |
| 5. Business Rep | David Conway | ITN | Hertsmere Borough Council |
| 6. Business Rep | Dr Sally Ann Forsyth | Stevenage BioScience Catalyst | Stevenage Borough Council |
| 7. Business Rep | Ceri Humphreys | EDF Energy | TBC |
| 8. SME Rep | Emma Cameron | VWV | North Hertfordshire District Council TBC |
| 9. SME Rep | Dianne Lee | DLRC Ltd | TBC |
| 10. Higher Education Rep | Prof. Julie Newlan | University of Hertfordshire | Welwyn Hatfield Borough Council |
| 11. Commercial Not for Profit Rep | Steve Woodcock | B3 Living | Three Rivers District Council - TBC |
| 12. Further Education Rep | Gill Worgan | West Herts College | East Herts District Council -TBC |
| 13. County Council Rep | Cllr Richard Roberts | Hertfordshire County Council | N/A |
| 14. Local Authority Rep | Cllr Jeremy Newmark | Hertsmere Borough Council | N/A |
| 15. Local Authority Rep | Cllr Richard Henry | Stevenage Borough Council | N/A |
| 16. Local Authority Rep | Mayor Peter Taylor | Watford Borough Council | N/A |



Board Member Roles and Responsibilities

The individual roles and responsibilities of the Chair, Vice-Chair and other Board members are summarised in the following table:

| Role | Key Responsibilities |
|-------|--|
| Chair | <p>The Chair must have a strong private sector background and experience of building effective organisations to ensure they are equipped with the skills needed to steer the work of the LEP. The Chair must be able to work collaboratively with a range of stakeholders, including local people, businesses and their representatives, elected officials, education institutions and voluntary and community sector bodies, holding stakeholders to account for delivery and ensuring tough decisions are taken. They must also act as an advocate for the place and be able to represent the concerns of its people, institutions and businesses, both locally and at the highest levels of Government.</p> <p>The Chair must also be a strategic operator - able to interpret the external environment, articulate the LEP's position within it and amplify the board's stated ambitions. The Chair will also have an eye on the detail and ensure that the correct processes are in place to provide assurance on both how funding is allocated and how it is managed.</p> <p>The Chair will lead the Board in defining vision and direction, and in delivering the desired outputs, whilst ensuring that appropriate procedures for governance and management of resources are in place. More specifically, the Chair will:</p> <ul style="list-style-type: none"> • provide strategic leadership and direction to ensure that Hertfordshire LEP achieves its goals • lead the efforts of Hertfordshire LEP in developing and implementing an effective LEP vision, strategy and strategic economic plan that identifies and addresses the key priorities for local economic growth • chair meetings of the LEP Board, leading it towards decisions that ensure the strategic vision and key objectives of the Partnership are delivered. • be an effective influencer and "ambassador" for Hertfordshire, championing the LEP at local, regional and national levels working with appropriate partner organisations and individuals • be an effective advocate on behalf of Hertfordshire LEP, the businesses and people of Hertfordshire, in particular at conferences and events/meetings with Ministers, MPs and key civil servants • reflect the agreed policies of Hertfordshire LEP Board and its members in all discussions with partners, stakeholders, government and its agencies. • ensure that Hertfordshire LEP (including the Board) adheres at all times to high standards of ethics and governance in public life and is an exemplar to other organisations • ensure that all Board members participate actively in the work of the Board, encouraging their attendance and engagement and keeping regular contact with all members • exercise a casting vote in LEP Board decisions if circumstances so require • direct the activities and priorities of the Executive Director, setting annual performance targets and conducting reviews and appraisals • Sign off the final version of the LEP Operation Plan on behalf of the Board. |



| | |
|----------------------|--|
| Deputy chair | <p>The principal role(s) of the Deputy Chair are to:</p> <ul style="list-style-type: none"> • deputise for the LEP Chair where necessary including the chairing of Board meetings and acting as the lead representative of the LEP • lead on the development and periodic review of LEP Board and sub-Board governance structures • lead on developing effective relationships with local businesses, business representative organisations and appropriate business networks • deputise for the LEP Chair by representing Hertfordshire LEP at meetings with external bodies and other organisations • deputise for the LEP Chair in dealing with media queries as and when they arise • develop strong relationships with central government departments and local politicians and acting as an advocate for Hertfordshire in lobbying for resources • work with the Chair and Executive Director to review and recommend remuneration policy for the Executive Team • Chair the LEP Assessment Panel. |
| Board members | <p>Board members should possess the necessary skills to support the LEP deliver on the fundamental task of generating local economic growth. This should include the ability to effectively gather and analyse evidence around the economic strengths, weaknesses and barriers to growth of the area; identify the priority areas for investment; and develop an investment plan to secure the necessary funding to take this work forward. To ensure effective and efficient focus on the priorities for local economic growth and to deliver impact, there should be robust monitoring and evaluation of programmes which is used to inform decisions around awarding, continuing or withdrawing funding.</p> <p>More specifically, the duties and responsibilities of LEP Board members are to:</p> <ul style="list-style-type: none"> • attend meetings of the LEP Board and to nominate an appropriate named alternative where attendance is not possible (applicable to LA/FE reps only) • reflect the agreed view of the LEP Board and its members in all discussions with partners, stakeholders, government and its agencies • support the Chair by leading on activities relevant to their knowledge and experience by representing the interests of the LEP in meetings with partners, stakeholders, government and its agencies • actively develop an effective business-public sector partnership • contribute to the setting of the overall strategy, priorities, business planning, budget and the monitoring of performance and risk management • contribute knowledge and expertise to identify the economic and demographic issues facing the area the strengths and opportunities and the initiatives which should be taken to drive economic growth • formally represent Hertfordshire LEP in meeting other bodies and partner organisations as required • provide feedback to stakeholders on LEP decisions and activities • lead for the Board on particular issues and activities including serving on or chairing programme board and sub-groups • elect, from their number a Vice Chair |



Annex B: Transport Schemes – Hertfordshire LTB and LEP Governance

The Hertfordshire Local Transport Body is part of the wider LEP Growth Deal Governance arrangements.

The role of the LTB going forward is twofold: the continued provision of assurance and governance to oversee local major transport scheme prioritization and delivery; and a new role to provide strategic advice to the LEP on future transport strategy to support the Strategic Economic Plan delivery, including for the new packages of 'non-major' schemes funded through the Growth Deal.

Minimum Requirements

The minimum requirements are set out below.

These will apply to all transport schemes aside from those in the LGF programme which are below £5m and have already secured Outline Business Case approval under the requirements of the previous LEP assurance framework.

- The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in Transport Analysis Guidance (TAG) at the time the business case is submitted for approval.
- Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). Alternative planning assumptions may be considered as sensitivity tests the results of which may be considered in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will be scrutinised to ensure it has been developed in accordance with TAG principles. This will be undertaken independent of the management unit or authority promoting the scheme.
- A value for money statement for each scheme in line with published DfT TAG guidance and

DfT advice on assessing VfM will be presented for consideration at each approval stage.

- The VfM assessment must be signed off as true and accurate by the s151 Officer.
- Only schemes that offer at least "high" value for money, i.e. with a BCR above 2 and accounting for significant non-monetised impacts and key uncertainties have been considered, as assessed using DfT guidance will be approved. Schemes will be assessed against the relevant thresholds at each approval stage.
- Business cases must be published (and publicised) before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders must be available to decision makers when decisions are being taken.
- Schemes will be monitored and evaluated in line with the latest DfT guidance on the evaluation of local major schemes.

Continued governance of major transport schemes

- The LTB will make formal recommendations to the LEP Board (and HCC as Accountable Body) regarding the prioritisation and funding of Local Major Transport Schemes in Hertfordshire (and ensure the portfolio of LTB major schemes adheres to the LTB Assurance Framework).



- The LTB will continue to provide the DfT and local partners with a recognisable transport-focused partnership in Hertfordshire that provides an overview of the DfT-sponsored elements of the Growth Deal in accordance with DfT requirements for local major schemes.

Provision of strategic advice to the LEP on future SEP transport strategy

- The LTB will assume a new role of advising the LEP on prioritisation and delivery of all other transport projects that are included within the Growth Deal, as well as advising on the

transport content of future revisions to the Strategic Economic Plan and associated bids for funding.

- The LTB Assurance Framework will be updated to apply the robust principles to the other (non-major) transport schemes within the Growth Deal, and promoters will be required to demonstrate compliance with the Assurance Framework requirements, so that this can be reported to the LEP and the Accountable Body.
- The LTB will also act as an advisory body to the Local Enterprise Partnership with regard to all other strategic transport matters in Hertfordshire.



Existing Transport Projects in the Growth Deal

With regard to the existing transport projects in the Growth Deal, the LTB's role is set out in the table below:

| Clarification on LTB remit regarding existing Growth Deal transport projects Project categories and LTB Role | Example Projects |
|---|---|
| <p>1. Local Major Schemes:</p> <p>LTB will be responsible for funding governance on behalf of the LEP, and report directly to the LEP Programme Board</p> <p>All schemes to follow full LTB Assurance Framework</p> | <p>A120 Bypass (Little Hadham)</p> <p>A602 Improvements (Stevenage to/from Ware)</p> <p>All other emerging local major transport schemes (currently > £4.3m), including projects on the LTB contingency list not yet funded</p> |
| <p>2. Packages of smaller-scale schemes</p> <p>LTB will have an advisory role to LEP for these projects Scheme promoters must follow the LTB Assurance Framework Gateway Process and report progress on a proportionate basis.</p> <p>Scheme promoters are responsible for providing evidence of compliance with the LTB gateway process, either directly to the LEP Programme Management Board or to the LTB (as agreed for each project) that governance is in place and that LTB AF Gateway requirements have been met.</p> | <p>A1 Transport Package (a package of individual local Integrated Transport Schemes and resilience / maintenance projects)</p> <p>A10/M11 Transport Package (local Integrated Transport schemes and resilience / maintenance projects but not the A120 and A602 major schemes)</p> <p>M1/M25 Transport Package (local Integrated Transport schemes and resilience / maintenance projects)</p> <p>Any future packages comprising schemes below £4.3m</p> |

In order to facilitate this transition of the LTB in the LEP's Growth Deal governance structure, the following broad areas within the LTB Assurance Framework have been updated:

- The LTB will continue to be the body which provides a governance mechanism for major transport scheme expenditure within the Growth Deal.
- The LTB will continue to provide the DfT-required governance and assurance mechanism for scrutiny of major scheme progress by scheme promoters.
- As endorsed at the April 2014 LTB meeting, the transport project Gateway process will be inserted into the Assurance Framework to provide a clear set of criteria that transport projects have to achieve to secure Growth Deal funding.
- The LTB will also now act as an advisory body for the LEP Growth Deal going forward. There are many 'non-major' transport schemes in the Growth Deal, in the form of packages of smaller-scale projects within the SEP's three growth areas. The LTB Assurance Framework will set out the governance gateways required for these projects.
- The existing LTB Assurance Framework included a requirement for the LTB to consult on the technical aspects of the initial business case. This has subsequently been deemed to duplicate existing processes and runs the risk of confusing the public. All consultation on scheme development is now the responsibility of the scheme promoter, to be undertaken through the statutory processes.



Annex C: Hertfordshire LEP – Schemes of Delegation

This document sets out delegations from the LEP Board to the LEP Chair & Deputy Chair, LEP Executive Director and sub-boards on LEP decision making. This is in line with the recommendation in the Strengthening LEPs review, for all to set out exactly who is accountable for spending decisions, appointments and overall governance.

Section 1 – Hertfordshire LEP Board delegations to LEP sub-committees

The delegation of functions from the LEP Board to the Chair & Deputy Chair, LEP Chief Executive, Accountable Body and sub-boards are outlined in the table in **Annex A**

The decision making responsibilities of the LEP Board and each of the sub-boards are outlined in more detail below.

1. LEP Board

The LEP Board is a decision making board, and is delegated to undertake the following activities:

- Lead decision making entity within the LEP governance structure
- Provide strategic leadership and determines policy direction on LEP business and programme activity
- Set the roadmap for the delivery of the Strategic Economic Plan
- Determine Strategic Plan for Hertfordshire, aligning the priorities and opportunities for growth within Hertfordshire
- Respond to government consultations that align to the LEP's strategic priorities
- Oversight of the operational activity of the LEP, including setting the priorities for resources in the LEP's Operational Plan, which is signed off annually
- Approving funding decisions over the value of £250,000
- Power to appoint sub-committees
- Monitor LEP Executive performance

Membership

There are 16 members of the LEP Board made up of:

- The Chair who is from the private sector
- Eleven other private sector representatives, one of whom acts as Deputy Chair, comprised of:
 - six corporate representatives
 - two SME representatives
 - one non-for-profit commercial sector or social enterprise representative
 - one Higher Education representative
 - one representative from the field of further education.
 - Four Local authority representatives
 - HCC Accountable Body/S151 Officer

Quorum

A quorum shall be eight to include at least one Business / SME representative and one Local Authority representative. In the case of an equality of votes, the Chair will have the casting vote. No business shall be transacted at any Board meeting unless a quorum is present.

Frequency of meetings

The LEP Board meets no less than once per quarter.



2. Strategy & Engagement Group

The Strategy & Engagement Group is an advisory group will develop future direction and priorities for the growth/expansion of LEP Programmes and investments based on activity based on activity in the areas listed below:

- Enterprise and Business growth
- Access to finance
- Innovation & sector development
- Skills and workforce development
- International trade and inward investment
- Employment provision
- Digital infrastructure & data
- Low carbon/net zero business interventions

Membership

- Deputy Chair of LEP Board (Chair)
- 2 LEP Board members
- Chair of Audit & Scrutiny
- LEP CEO & Operations Director
- S151 Officer (where relevant)

Frequency

The Group will meet at least quarterly and when required.

3. Assessment Panel

The Assessment Panel is a decision making board. The LEP Board delegates authority to the Assessment Panel to:

- Assess and scrutinise funding applications following the Officer Sift in line with the project pathway
- Appraising post-contract decisions where a project has requested a change to its outputs, scope, objectives, match funding, timescales or financial profiles.
- Agree allocations to new/reserve projects and ongoing project change requests for existing projects up to a total value of £250,000
- Produce a prioritised list of funding recommendations to the LEP Board

- Review and comment on contract renewals for delivery partners

Membership

The Assessment Panel has 6 members and includes the following:

- Deputy Chair of the LEP Board (Chair)
- S151 Officer
- Chairs of Audit & Scrutiny Committee and Skills & Employment Board
- Two further elected members as approved by the LEP Board
- LEP Executive Director

Quorum

A quorum will be 3 of 6 members agreeing to approve the project, including the S151 Officer or Deputy S151 Officer.

Frequency of meetings

The Assessment Panel meets on at least a quarterly basis, as and when there are projects to approve.

4. Audit & Scrutiny Committee

The Audit & Scrutiny Committee is an advisory Board. The LEP Board delegates authority to the Audit & Scrutiny Committee to:

- Oversee the delivery of the LEP funding programmes (Local Growth Fund, Getting Building Fund & Growing Places Fund)
- Ensure that the proper processes and procedures are in place to secure delivery & ensure value for money and ensuring the Local Assurance Framework is followed
- Ensure financial and contractual regulations are met as set out by the accountable body and ensure that due diligence is carried out on contractors.
- Acts as the LEP Audit Committee.
- Monitor financial spend against profile and delivery of milestones against agreed timescales
- Agree LGF and GBF quarterly returns for S151 to sign off prior to LEP submission to DLHUC
- Monitor the Programmes Risk Register, ensuring that appropriate mitigation actions are in place



- Be appraised when projects are not meeting time, cost or risk milestones and agree changes / delays / reductions in funding and hold the Project Sponsor to account and be willing to challenge where necessary.
- Advise the LEP Executive Team on appropriate programme and project management arrangements for all programmes including LGF, GBF, GPF and UKSPF programmes
- Ensure compliance with legal requirements regarding equalities, social value, environment, State Aid and procurement.
- Be appraised of and challenge a risk-based audit plan of LEP activity that provides assurance to the S151 and the LEP Board at appropriate points through the year
- Receive the outcome of all audits; and monitor progress against the actions identified in the audit management action plans.

Membership

The membership of the Audit & Scrutiny Committee is as follows:

- LEP Board Business representative (Chair)
- An additional 3-4 members of the LEP Board
- S151 Officer/ Deputy S151 Officer
- One Local Authority Chief Executive
- One SME Business Representative

Quorum

A quorum of the Audit & Scrutiny Committee shall be a majority of 55%.

Frequency of meetings

The Audit & Scrutiny Committee meets no less than once per quarter.

5. Strategic Programme Boards

The strategic programme boards are advisory to the LEP Board. The LEP Board delegates authority to the Strategic Programme Boards to:

- have an input into LEP consultations
- have an input into the [Strategic Economic Plan](#)
- operate as a sounding board to the main LEP Board on specific items

- act as an advocate for Hertfordshire LEP
- oversee implementation of relevant Local Growth Fund, Getting Building Fund, Growing Places and European funded projects
- maintain a risk register
- hold project sponsors to account in relation to progress in delivery
- maintain and manage a live list of project opportunities within a delivery plan for the Programme Board.
- Be chaired by a member of the LEP Board/CEO

Membership

The Programme Boards are made up of key stakeholders from the sectors that are akin to their strategic priorities.

Quorum

A quorum of the Programme Boards shall be a majority of 55%.

Frequency of meetings

The Programme Boards meet no less than once per quarter.

4.1 Enterprise and Innovation Programme Board

- Developing and monitoring activities which contribute to the delivery of LEP's overarching objective of "accelerating Business-led economic growth"
- Identifying priority actions to encourage innovation and enterprise throughout the county, by:
 - preparing and implementing an evidence based Enterprise and Innovation Strategy to support the LEP's strategic objectives for SME growth
 - identifying actions to support the LEP's priority industry sectors and clusters
 - coordinating business support in Hertfordshire, identifying and minimising areas of service duplication and overlap
 - briefing the LEP Board on policy implications of initiatives and



- activities affecting innovation and enterprise in Hertfordshire
- identifying issues affecting the competitiveness of SMEs in the county and inform relevant programme boards of areas of concern
- oversee implementation of relevant Local Growth Fund, Growing Places and European funded projects.

- Advise where skills and labour market resource should be directed to support local employers and residents using the analysis of existing employment support provision in the local and the needs of the local labour market.
- Provide input to and ownership of a Hertfordshire Skills Strategy in partnership with Hertfordshire County Council, DWP and other local stakeholders

4.2 Skills & Employment Board

- Develop a clear understanding of current and future Hertfordshire skills needs and Hertfordshire labour market as well as the present skills and employment support provision in Hertfordshire.
- Building on this analysis to develop a clear approach to addressing skills and employment challenges within the local area, which then informs a clear local 'People' strategy, as part of a strong Local Industrial Strategy and other local skills related strategies.
- Understand the wider dependencies in the local area and working together with other parts of the LEP to link them to the skills and employment analysis and strategic plan. To ensure that skills & employment is integrated as part of broader LEP strategic fit relating to non-skills capital projects, and that skills related capital projects are coordinated and integrated effectively ensuring no duplication of provision.
- Act as coordinator with local skills providers and provider networks to ensure skills needs are provided for.
- Work closely with careers advisory services (YC Hertfordshire, National Careers Service and Careers Enterprise Company) to ensure that potential learners and schools are informed about potential career routes within a local place, and that all careers information and guidance is informed by up-to-date local labour market information.
- Develop and monitor a Hertfordshire Apprenticeship Plan in partnership with other key local stakeholders

4.3 Hertfordshire IQ Partnership Board

- Oversee the operation of the programme
- Approve the annual Project Delivery Plan
- The decision making body for all matters pertaining to the Hertfordshire Enviro-Tech area
- The Programme Board has been given the delegated authority to undertake this role, on behalf of the Hertfordshire LEP, Hertfordshire County Council, Dacorum Borough Council, and St Albans City & District Council
- The Programme Board will meet on a quarterly basis
- The Programme Board will also be the final decision making body on the incentives that apply to businesses outside of the scope of environmental technology.
- All direct funding applications will follow the same project pathway as set out in the framework with the Programme Board having the final decision.
- Where a forward funding request is received this will follow the pathway and be considered for approval by the LEP Board ahead of the Programme Board.



Section 2: Scheme of Delegation to Officers

The LEP Executive Team is responsible for the day-to-day functions of the LEP. As outlined in Appendix A, the LEP Board delegates a number of these responsibilities to members of the Executive Team.

The LEP Executive Team is NOT delegated to:

- make new or amend current policy
- exceed capital or revenue budgets

LEP Executive Director

- Development of LEP Strategic Economic Plan
- Development of the Operational Plan annually, including resource requirements
- Produce an Annual Report and Annual Delivery Plan
- Produce the Annual Assurance Statement for the Annual Performance Review
- Efficient & effective management and supervision of LEP staff including appointment & dismissal of staff
- Sign off annual register of interest templates of LEP Board members
- Sign off grant claims
- Countersign legal agreements where value is equal to or under £500,000

LEP Operations Director

- Delivery of all programmes including Growth Deal, Getting Building Fund, Growing Places Fund and UKSPF programmes
- Oversee the Programme Boards
- Hold project applicants to account
- Oversee the development of new projects
- Sign off Project Assurance & Contract Approval forms
- Sign off grant claims
- Monitor all aspects of the LEP income and expenditure

Contracts, Monitoring & Assurance Manager

- Ensuring governance requirements are met, including National Local Growth Assurance Framework requirements, CIPFA guidance, Internal Audit recommendations and Companies House requirements
- Submission of monitoring to BEIS
- Work with HCC CLG to draw up legal agreements with applicants and contract variation letters
- Co-ordinate funding recommendations to Assessment Panel & onwards to LEP Board
- Ensure sign off Local Assurance Framework annually by S151 Officer by 28th February each year

HCC Accountable Body, S151 Officer

- Has oversight and visibility over the operations of the LEP including Project pathway, Operational budgets & Governance requirements
- Sign off Project Assurance & Contract approval forms and Legal documents for grant funded projects including Local Growth Fund, Getting Building Fund and Community Renewal Fund.
- Ensure the compliance with the National and Local Growth Assurance Framework and sign off an annual assurance statement to BEIS by the 28th February.
- Provide written statement as set out by the Annual Performance Review and mid year review
- Attends LEP Board, Audit & Scrutiny Committee and Assessment Panel (or sends deputy)
- Sign off core funding returns as requested for core funding grant
- Sign off Growth Hub annual grant offer letter, quarterly returns and audit letter annually
- Sign off Peer Network annual grant audit letter, monthly returns and audit letter annually.
- Sign off returns for LGF and GBF reporting to BEIS
- Sign off financial report/statement to be included within LEP Annual Report.



HCC Accountable Body, Head of Finance – Capital,
Resources & Commercial (acting as Deputy S151
for the LEP)

- Sign off grant claims for payment (including LGF, GBF, UKSPF)
 - Sign off grant offer letters
 - Attend Herts IQ Partnership Board (in capacity as S151 officer)
 - Agree Support Services SLA annually with LEP
 - Authorise ad-hoc spend for the Herts IQ
- Plus all roles above listed out for S151 Officer in their absence



Appendix A – Schemes of Delegation

| Policy: vision, mission, values, strategy, business / operational plan, budgeting, performance monitoring | | | | | | |
|---|--|--|--|------------------|--|---|
| Issue | LEP Board | LEP Chair / Deputy Chair | LEP Executive Director | Accountable Body | Section 151 Officer (or nominated lead) | Sub Boards |
| Strategy | Responsible for setting vision, mission, values and strategy & approving SEP | Signs off final version of SEP on behalf of Board | Issues SEP consultation | | | Inputs into SEP priorities |
| Operational Plan | Set priorities and approve final capital and revenue budget | Signs off final version of Operational Plan on behalf of Board | Drafts Operational Plan. CEO & Ops Director to oversee implementation | | HCC Finance involved in drafting & finalising operational budget to Audit & Scrutiny Committee & Board annually in March | |
| Monitoring | | | Collates & certifies data | | S151 signs off quarterly LGF & GBF returns to BEIS. | Audit & Scrutiny Committee Signs off quarterly LGF & GBF returns to BEIS |
| Governance | Adopts Local Assurance Framework | Co-writes annual assurance statement & report to Annual Conversation | Monitoring assurance framework, updating for new guidance | | S151 Assurance Report to Annual Performance Review. Letter of assurance sent annually by 28 th Feb to confirm AF requirement have been met. | Work within Assurance Framework. Audit & Scrutiny Committee to review Assurance Framework and challenge its compliance. |
| Funding programme design and allocation | Approval required. | | Recommends funding options to Assessment Panel & LEP Board ensuring legal, financial & procurement due diligence is completed. | | HCC Finance provides financial advice | Input into project priorities |



| Programmes & Funding Allocations: Overarching programmes & funding allocations for a suite of activities, financial vehicles and calls for proposals | | | | | | |
|--|--|---|--|------------------|---|--|
| Issue | LEP Board | LEP Chair / Deputy Chair | LEP Executive Director | Accountable Body | Section 151 Officer (or Nominated lead) | Sub Boards |
| Funding awards under £250,000 | | Deputy is Chairperson of Assessment Panel | Recommends funding options to Assessment Panel & LEP Board ensuring legal, financial & procurement due diligence is completed. | | S151 approval required. HCC Finance to provide financial advice on impact of decisions. | Assessment Panel has the delegated authority to approve funding applications under £250k. |
| Funding awards over £250,000 | Approves all funding applications over £250k | | Recommends funding options to Assessment Panel & LEP Board ensuring legal, financial & procurement due diligence is completed. | | S151 approval required. HCC Finance to provide financial advice on impact of decisions. | |
| Risk Management | | | LEP Executive to update Programmes Risk Register ahead of each Audit & Scrutiny Committee meeting. | | | Audit & Scrutiny Committee to review Programmes Risk Register at each meeting. |
| Re-profiling Requests | Deal with escalations from Assessment Panel including approval of any changes over £250k | | LEP Officer Sift Panel to review post contract change requests. Authority to approve changes with a variance of up to 10%. Anything above this reported to Assessment Panel. | | HCC Finance to comment on any financial reprofile requests at Officer Sift stage. | LEP Assessment Panel to review project change request. Able to approve, request further information or escalate to LEP Board. Audit & Scrutiny Committee to be informed as overview of all programmes. |



| Governance, Board Members and Decision Making | | | | | | |
|---|---|---|--|---------------------------------------|---|---|
| Issue | LEP Board | LEP Chair / Deputy Chair | LEP Executive Director | Accountable Body | Section 151 Officer (or Nominated lead) | Sub Boards |
| Urgent matters | Approval via email | | Follow urgency procedure in Assurance Framework to obtain Board decisions | | S151 Officer to review paper before it is sent out. | |
| Board Members Expenses | | Authorise Board members expenses & CEO expenses | Publish Board Members Expenses on the LEP website annually. | | | |
| Board Members Gifts & Hospitality | | Authorise Board Members & CEO's gifts and hospitality | | | | |
| Board Members Register of Interests | Responsible for completing and updating ROI templates | | Executive Director to sign off each ROI template | | HCC Finance support roles complete ROI templates annually | Responsible for completing and updating ROI templates |
| Declaration of Interests | Declare interests at Board meetings and when representing the LEP outside the formal decision-making environment. | | Ensure Declaration of Interests remains a standing item on all Board agendas and complete review six monthly for all Board members. Senior staff or those who act in an advisory capacity to declare interests at Board meetings or when representing the LEP elsewhere. | | S151 or Deputy declare interests at Board meetings | Declare interests at Board meetings and when representing the LEP outside the formal decision-making environment. |
| Recruitment | Involved in Board member and senior Executive recruitment | | Review resource requirements in line with operational plan. | HCC HR to provide recruitment support | | |



| Finance | | | | | | |
|-----------------------------|-----------|---|---|--|---|------------|
| Issue | LEP Board | LEP Chair / Deputy Chair | LEP Executive Director | Accountable Body | Section 151 Officer (or Nominated lead) | Sub Boards |
| Annual report and accounts | | LEP Chair to sign off final version of Company Annual Report & Accounts on behalf of Company Board. | LEP Comms Team to draft Annual Report. | | HCC Finance to provide Financial Statements Report to be included within the LEP Annual Report. | |
| Payment of claims | | | LEP Exec Director to sign off project claims. Contracts, Assurance & Monitoring Manager to ensure claim is eligible against grant requirements. | Countersigned by accountable body, SERCO for payment. | Head Of Finance to countersign grant claims for payment | |
| Payment of invoices | | | LEP Office Manager to pay invoices on SAP. | SERCO to pay invoices | | |
| Effective Budgetary control | | | Assignment of budgets to managers; in year monitoring. | | HCC Finance to provide monthly reports to LEP CEO and Operations Director | |
| Robust Legal Agreements | | | Contracts, Assurance & Monitoring Manager to ensure project pathway has been met before agreement is signed by Executive Director (up to £500,000). LEP Contracts Manager to ensure legal agreement with applicant is robust and includes all LEP requirements. | Working with LEP Contracts Manager to draft legal agreement documents. | HCC Finance demonstrate Assurance Framework requirements have been met before signing. S151 or deputy to countersign contracts under £500,000 and Authority to Seal forms for deeds over £500,000 | |



| Area | Be Kept Informed | Review and Comment | Approve | Recommendation to Main Board | Scope |
|--|------------------|--------------------|-----------|------------------------------|---|
| Governance framework and structures | ASC | ASC | ASC | ASC | Review and input to BAU governance structures and framework. Agree changes, recommend to Main Board |
| Audit (internal and external) | ASC | ASC | ASC | ASC | Input to scope of audits , review outputs, and oversee any required actions |
| LEP overarching strategy and structure | ASC/AP | ASC/AP | LEP Board | Strategy | |
| LEP financial strategy | ASC/AP | ASC/AP | LEP Board | Strategy | <ul style="list-style-type: none"> - Strategy Group will provide guidance on Strategic direction, Governance/framework changes for LEP Including review and allocation of reserves and loan criteria - ASC may provide comment based on programme performance. - Review any proposed use of reserves, and ensure sustainable/appropriate decisions being made. Review reserves forecasts |
| Funding / projects approvals | ASC/AP | AP | AP | AP | AP Assess and scrutinise and approve all funding applications in line with project pathway. Can approve upto £250k new funding and produce/prioritise funding recommendations to Main Board over £250k, including any draw from reserves. |
| Appraisal of post contract change requests | ASC | AP | AP | AP | Approval of changes of outputs, scope, objectives, match funding and timescales to existing projects. LEP Executives can approve project change request upto 10% of contract value and advise AP. |
| Operational budgets and spend | AP | ASC | LEP Board | ASC | Review and approve operational budget, oversee spend / forecasts during year, recommend to Main Board, including any draw from reserves |
| Project delivery oversight | ASC | ASC | | | Assess efficacy / VfM of funded projects / support schemes. |
| Support contract renewals | ASC | AP | LEP Board | AP | AP Assess appropriateness of delivery partners and recommend funding recommendations renewals ASC - provide comments re scrutiny oversight |
| Risk management | AP | ASC | ASC | ASC | Regular review and input to risk register. |
| Herts IQ matters | ASC | ASC | | | Kept updated on developments, review and comment on proposals |





Annex D: Value for Money Best Practice

Monitoring and Evaluation

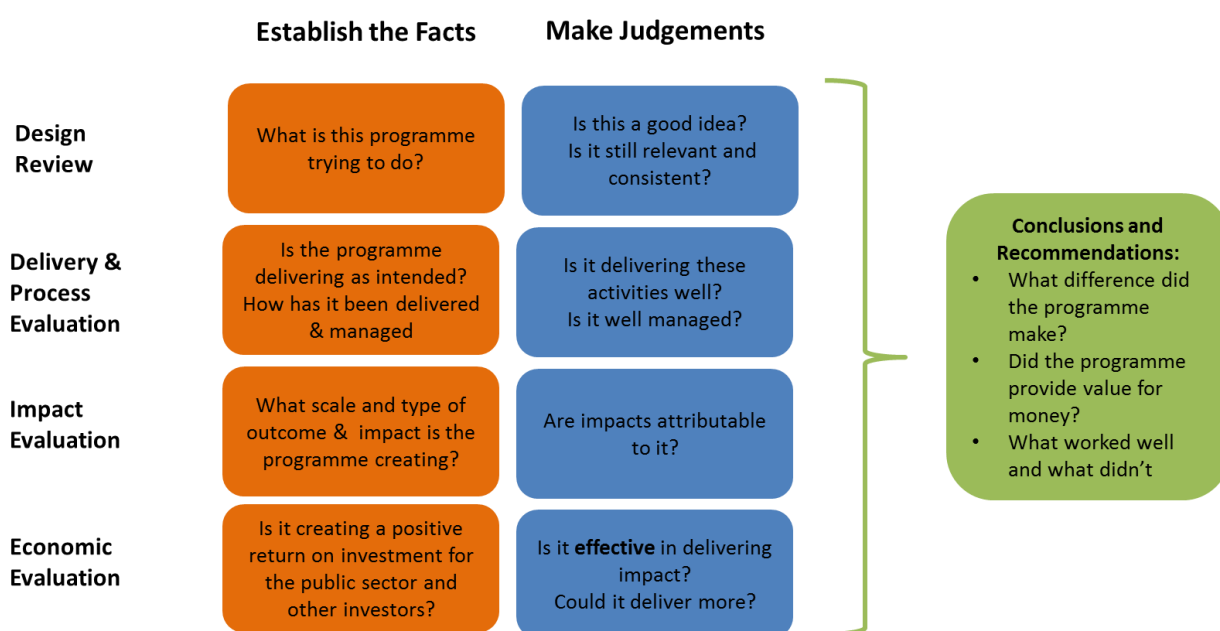
Plans should be developed to introduce robust measures in advance of implementation of any strategy, intervention or funding stream which will enable the designing-in of impact evaluation. This should include as a minimum, logic modelling of the individual policies in scope to clearly outline the objective for intervention and the metrics that will need to be measured through monitoring and therefore baselined. Metrics should be *specific, measurable, achievable, realistic and timely* (SMART).

Evaluation should be proportionate to spend and based on the art of what is possible. Comprehensive process and impact evaluation does not rely solely on econometrics.

Whilst the aspiration should be for evaluation against a counterfactual (what would have happened to the outcomes in the absence of intervention), where this is truly not feasible nor value for money, lower thresholds of evaluation design can still be meaningful. A logic model and strong monitoring data will allow triangulation with other data towards a theory-based evaluation as a minimum. HMT guidance on undertaking robust impact evaluation of Government funding can be found in the [Magenta Book](#). [The What Works Centre for Local Economic Growth](#) has also developed a series of toolkits to assist with evaluation.

Common process and impact evaluation questions are set out below.

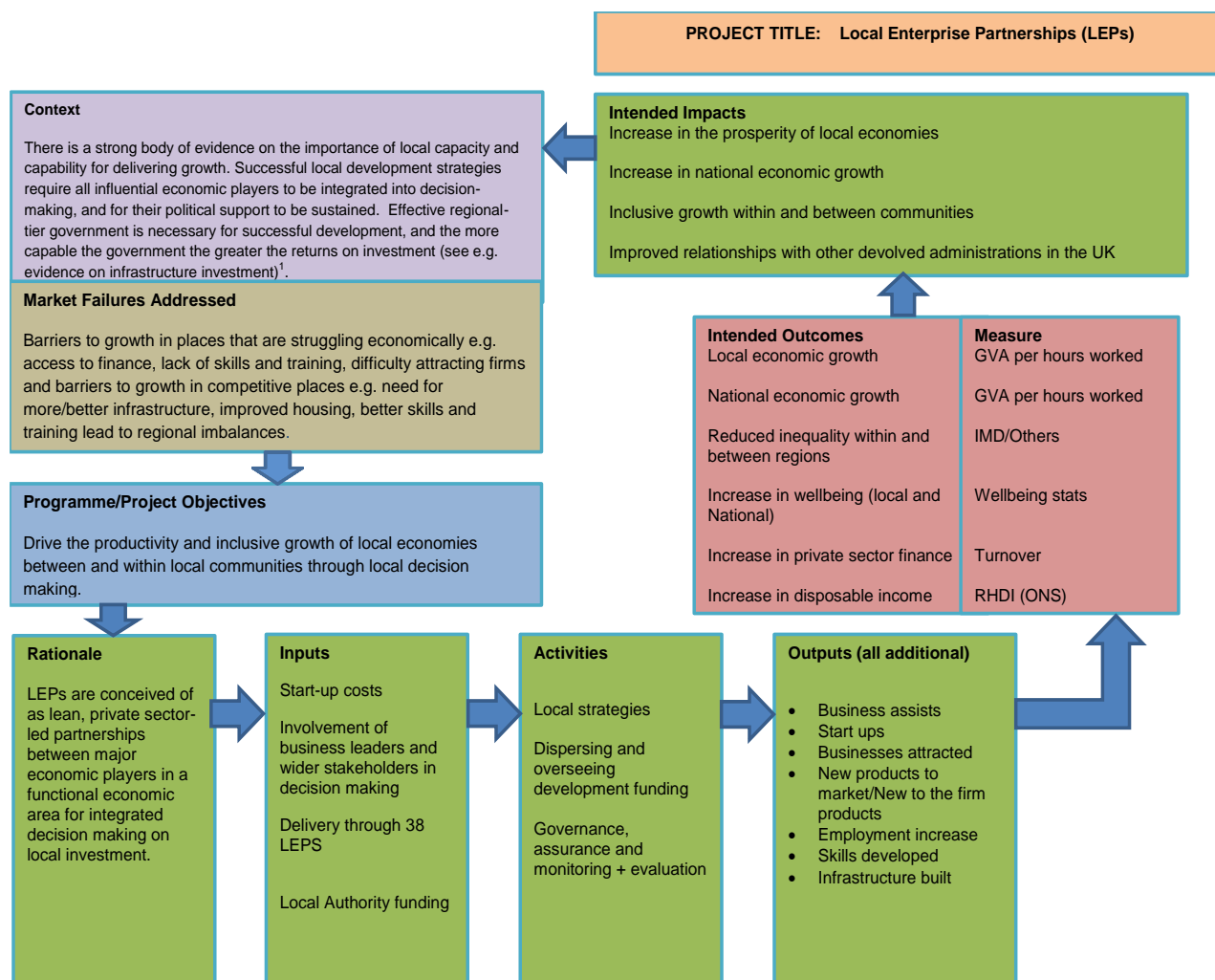
Common Evaluation Questions



Evaluation is contingent on the availability of high quality data. Therefore performance management systems are usually best value for money and lower in administration burdens when designed with a view to the data needed for future evaluation. Logic models are a useful

tool for doing this and the spine for theory-based evaluation. Data quality as part of any performance management/ assurance framework should be in accordance with HMT guidance in the [Aqua Book](#). An illustrative example is provided below.

Logic model for LEP delivery



Common metrics identified through mapping of local economic growth policies and interventions are identified below. The list below is not exhaustive and does not preclude collection of additional data for local/bespoke governance and accounting needs. These are common metrics that are indicative of those that MCAs and LEPs should consider. It is our expectation that places will build upon these during the development of Local Industrial Strategies and LEP Delivery Plans.

Inputs

- Funding streams
- Governance and accounting arrangements
- Strategy (e.g. LIS)

Activities

- Operational delivery through LEPs/MCAs



Common outputs

- Business/Enterprise assists
- Business/Enterprise start ups
- Businesses/Enterprises attracted
- New products to market/new to the firm products
- Employment increase
- Skills developed
- Infrastructure built (Business/housing/transport)

Common outcomes

- Increase in local economic growth
- Reduced inequality within and between places
- Increase in private sector financing
- Increases in wellbeing

Ultimate impacts

- Inclusive national economic growth

When trying to collect high quality data that is based on the above, it is important to have consistency in how metrics are being counted across different interventions and projects within the LEP. A common performance framework should allow for more reliable reporting of shared outcomes across local economic growth policy, strategy and delivery. This should reduce administrative burdens locally and ensure the quality of the performance management data that is being collated for robust monitoring and evaluation. Success will need to be monitored at various levels of granularity e.g. project level should build up to policy/intervention type evaluation, in turn feeding into national measures of both productivity and wellbeing etc. TAG should also be referred to for transport metrics.

Proportionate Business Cases

Institutions with responsibility for public funds provided by Government must observe HM Treasury guidance for assessing how to spend those resources. The Green Book and associated guidance are the main point of reference and advice on best practice.¹⁶

This annex does not replace or displace the official guidance. The Checklist offers a good one pager to judge any business case proportionally.¹⁷ Proportionality here should not be to the exclusion of any of the 5 cases (strategic, economic, financial, commercial and management) but to adjust the scale of each case to the scale of the funding commitment.

A full business case is required to allocate government funds to a specified purpose (skills capital, regeneration). Once the funds are allocated to a specific purpose, following approval of a 5-case business case, it is the responsibility of the delivery body to spend these funds for the purpose they were given. The procurement policies of delivery bodies should be transparent and fair but need not require contractors to argue a 5-case business case, if such business case had already been submitted for the overall spend.

The 2018 refresh of the Green Book has new additional guidance on subnational appraisal that must be observed for delivering policy at subnational level. This is particularly relevant for the Economic Case because some measures of economic benefit, such as employment multipliers, are no longer accepted for national policies, but can be justified as benefits for calculating subnational Benefit-Cost Ratios, provided they are well evidenced and presented alongside UK-wide results for comparison.

Following a review in 2020, there have been some key changes to the Green Book. These include:

- Stronger and clearer advice on what constitutes value for money, including clarification that options that do not deliver a proposal's objectives cannot be considered value for money, regardless of the BCR;
- Appropriate emphasis on the analysis of place-based impacts, including a new expectation that appraisal must assess the likelihood and extent of differential place-based impacts where it appears likely to be significant, or else explain why it is unnecessary; and
- New guidance on the appraisal of transformational changes.

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

¹⁷https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190603/Green_Book_guidance_checklist_for_assessing_business_cases.pdf



Any proportionate business case must cover all elements of the 5-case model. For the purposes of complying it helps if each of these is presented separately, even if over a limited number of paragraphs. To help ensure consistency of approach, it is also useful for each delivery body to design a single template for all business cases that includes the five elements.

- a. Strategic case – must show the rationale, objectives, background, policy context and strategic fit of the public expenditure or public intervention; This must include an evidence based and logical explanation of how the intervention proposed will deliver the objectives sought;
- b. Economic case – with evidence of why a privately provided solution would fall short of what is optimal (market failure) and a list of options to achieve a better outcome. “Do nothing” should always be an option. There is no one size fits all for how many options or what makes a good economic case: some need distributional analysis, others evidence of unmet demand for a service. The case must build on robust verifiable evidence, consider additionality, and displacement of activity, and include a sensitivity analysis and a correction for optimism bias if risk is a factor for success. A credible Cost Benefit Ratio, but will ideally be a key part of a demonstration of Value for Money is Ratio, and where some of the costs and/or benefits cannot be monetised at the present time, the economic case should proportionally capture these impacts. Wider benefits/costs should be considered and specified where these are sizeable, compared with the direct impacts;
- c. Commercial case – demonstrate commercial viability or contractual structure for the project, including procurement where applicable;
- d. Financial case – standard appraisal of financial implications of the project, including where applicable budgets, cash flow, and contingencies;
- e. Management case – of how the project is going to be delivered referring to the Green Book to verify if there are mandatory methodologies applicable to the investment. This should also include a monitoring and evaluation plan.

Example A

An investment of £20 million of capital funding to build a new facility within an Enterprise Zone (EZ) to complement and expand productive activities already in the area.

The strategic case is shown to fit not only with the current activities, but to plans in the whole EZ and beyond to improve productivity more widely, not just in the new facility. The provision of this new space is shown to open new specialisms that were not previously present, and these specialisms are shown to be complementary to the current activities. This demonstrates partial additionality: some, but not all new activity would have eventually developed, but this would have taken longer and fall short of need. Independent evidence of a demand for this facility is included to justify need for intervention using public funds further.

The economic case refers to and follows Green Book guidance. A long list of 7 options is presented, including “Do Nothing”, and the advantages and disadvantages of each option are listed. For the preferred option, inputs and outputs are identified. Additionality, Leakage and Displacement are explicitly considered and the multiplier effect is explained. There is also evidence of discounting of costs and benefits over time, correction for optimism bias, and a NPV is shown. Some of the costs and benefits that cannot be monetised are identified and their impact assessed qualitatively.

The commercial, financial, and management cases all deemed as adequate by relevant professionals.

This is a sizeable investment for a specified purpose and follows the 5 cases proportionally, offering evidence of additionality in the strategic case, comparing a good number of options (5 would have been sufficient), calculating a rate of return, and covering succinctly commercial and financial plans, and specifying management responsibilities.



Example B

An investment of £1.5 million to split into smaller projects to create or improve learning spaces and increase learner numbers in the locality

The strategic case is clearly aligned with strategic plans that identifies the need for more employer training, more level 4+ qualifications and more young people studying STEM. Evidence is provided on qualification requirements, skill gaps and the percentage of employers providing training. Major infrastructure projects are also referenced which are expected to create demand for particular skills. When individual projects bid for the funding they will also be expected to set out the strategic fit.

Economic Case: Skills interventions are typically justified on the basis of positive externalities and poaching which reduces the incentive for employers to invest in training. A number of options are considered including “Do nothing”, a larger scheme, or the smaller projects applying for funding individually. The business case for the whole pot provides some indicative estimates of output based on potential projects in the pipeline (e.g. 1,200 sq. metres of floor space and 1,250 learners) but does not go onto monetise impacts because at the time of bidding the specific projects that would be funded are unknown. Nevertheless, the business case includes some of the evaluation evidence relating to Skills Capital and the impact of FE on learners to illustrate the potential VFM of such investments.

The commercial, financial, and management cases all deemed as adequate by relevant professionals.

This is a portfolio fund that will be fractioned and allocated to different bidders. Only the overall pot requires a full business case, which was proportionately addressed as noted above. For each of the fractions of the total pot it is at the discretion of the delivery body to require (or not) a 5-case business case from each bidder.



Version Control

| | | |
|------------|--|-------------------|
| Version 1 | Original Assurance Framework | 6 May 2015 |
| Version 2 | To reflect NAO recommendations and changes in Board Membership | 20 April 2016 |
| Version 3 | To reflect requirements of the November 2016 National Assurance Framework Guidelines | 23 February 2017 |
| Version 4 | To reflect changes to the way the Chair of the PMC is appointed | 25 August 2017 |
| Version 5 | To reflect Mary Ney recommendation of a sub-committee or panel with the task of assessing bids/decisions. | 14 December 2017 |
| Version 6 | To update the timescales around publishing papers and minutes following the BEIS Best Practice Guidance and provide clarity on the electronic decision making process following the SIAS Audit. | 27 February 2018 |
| Version 7 | To provide clarity on the project pathway following the introduction of the Chairs' Panel and changing role of the Programme Boards. This version also includes the remaining Mary Ney Review and Draft CIPFA recommendations. | 20 September 2018 |
| Version 8 | To include the final CIPFA Guidance and clarity on the programme board meeting arrangements. | 13 December 2018 |
| Version 9 | Revised document in line with the National Local Growth Assurance Framework | 21 March 2019 |
| Version 10 | To update the document to include board succession planning | 20 June 2019 |
| Version 11 | To for more frequent meeting by electronic meeting if necessary To update the list of board members | April 2020 |
| Version 12 | Update to include change to Board Members terms of office in exceptional circumstances. Update the Board Membership. To update the TOR for Skills Advisory Panel and PMC. | June 2020 |
| Version 13 | Added - Annex 1: Exemptions to the National Local Growth Assurance Framework due to Covid-19 | August 2020 |
| Version 14 | Changes to reflect governance actions relating to Herts IQ, BEGs scheme and Getting Building Fund . In addition to add the Remuneration Committee | October 2020 |
| Version 15 | Annual review of document. To include changes to reflect FE Representation. | March 2021 |
| Version 16 | Updated to reflect changes to the National Local Growth Assurance Framework published Sept 2021. Highlight changes required following the Strategic Infrastructure Board dissolution and change to Chairs Panel | December 2021 |
| Version 17 | Reformatted document to bring into line with organisational standards | January 2022 |
| Version 18 | Updated to the Scheme of Delegation to update changes to the S151 role and/or nominated lead. | March 2022 |
| Version 19 | Updated to reflect organisational structure changes. Amend reference to the Enterprise Zone to Herts IQ and minor spellings and grammar changes. | December 2022 |
| Version 20 | Updated to reflect change to LEP Board membership changes, Reference to the BEGs programme, change to Skills Advisory Panel and rename PMC | March 2023 |
| Version 21 | Updated to make changes to include the Strategy & Engagement group, UKSPF, update scheme of delegation and remove the BEGS Process pathway along with minor changes. | June 2023 |



| Signatory | Name | Date |
|------------------------|-------------------|--------------|
| LEP Executive Director | Neil Hayes | 20 June 2019 |
| Section 151 Officer | Scott Crudgington | 20 June 2019 |



