

**D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)****30 June 2017****Changes to the Local Assurance Framework**

A review of the approval process has been carried out by the LEP and IIB Officers and the proposal to change the process from a 2 stage approval process to 3 stage. The recommended stages are as follows:

**Expression of Interest (EOI)** – A high level business case is to be submitted to the LEP using the Infrastructure Pipeline Application Form. This form needs to include the following:

1. A description of the project.
2. Identification of why the Local Growth Funds are required ( Development Funding Viability Gap)
3. Justification of the Strategic, Economic, Financial and Delivery case for the project.
4. Details of the intervention required from the Local Growth Fund.
5. Identification of the source of match funding.
6. Details of the outputs and outcomes to be delivered by the project and the projected delivery date.

EOI submissions will be available to submit on an annual basis as detailed in section 5 (Business Case Development and Value for Money)

**Outline Business Case (OBC)** – An outline business case is required to be submitted by the promoter to the LEP when the project has reached the following milestones.

1. All the land required to deliver the project is in the control of the promoter (and/or in the hands of legal due diligence awaiting exchange/ completion).
2. A planning application has been submitted and verified by the local planning authority with a determination date or permitted development for the project is approved.
3. Match Funding - All other sources of funding must be identified. Letters of support from the sources of funding are to be annexed to the business case.
4. Internal approvals have been met – A letter or minute of the approval is required to be annexed to the business case.
5. The promoter is required to justify the amount of funding being sought and where possible a RICS viability report is required to support the identified

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intervention/viability rate. For major infrastructure projects being delivered by public sector bodies (i.e. Local Authorities, Network Rail etc) the promoter needs to demonstrate why the funding cannot be found through other sources of income.

6. Details of the outputs and outcomes that the project will deliver and their timing.
7. Evidence of need – A report identifying the need for the project and how it aligns with the LEPs Strategic Economic Plan.
8. Procurement of a contractor/ developer commenced. The promoter is required to provide details on how the process aligns with Government procurement rules and how the project will address:
  - Sustainability
  - Employment of Graduates
  - Economic and social charter
9. A detailed project programme is to be provided including the proposed start and finish dates and all phases of the development cycle.
10. A financial proposal setting out all the funding required by quarter in each of the financial years. It is a requirement for release of funding that the promoter will need to demonstrate capital expenditure
11. A risk register identifying:
  - The Single Responsible Officer delivering the project
  - Details of the risks which are scored
  - Mitigations to address the risk and a new score taking mitigations in to account.
12. A State Aid compliant report is to be provided by a suitably qualified UK lawyer with a duty of care to the promoter and LEP/AB. The project is required to be State Aid compliant before it is progressed and the report is required to be annexed to the business case.

### Approval of OBC

The business case is required to be submitted to the CEO of the LEP at least 20 working days before the next IIB meeting with a copy to the Accountable Body.

The LEP and Accountable Body will carry out an assessment of the business case in line with the EOI submissions and the requirement of the LAF and report back to the LEP officers group that meets monthly. Once approved by the LEP CEO, D2N2 will inform the promoter of this approval and allow them to progress to the final submission of the approval process.

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**Final submission** - The final submission requires a full business case to be submitted by the Section 151 officer or equivalent (CEO, MD, FD) of the promoter. The business case needs to be submitted to the Chief Executive of the LEP and the Accountable Body. The final stage of the approval process is submitted when the project has met the following milestones.

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.
2. A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.
3. Details confirming that all planning consents have been granted and that all pre-start conditions have been met.
4. Confirmation that any '106' or other agreements have been entered into.
5. Confirmation of the results of the procurement exercise detailing:
  - The tenders received (along with the detailed costs)
  - The tender accepted (along with timescales/ conditions)
6. Details of the construction contract to be entered into by the promoter detailing:
  - Start date
  - Completion date
  - Liquidated damages/ cost over runs
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.
8. Confirmation that the project has been designed to RIBA Stage 4 or its equivalent.
9. Details of any outstanding points preventing/ delaying the start-up of the construction contract.
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales. (To be annexed to the business case)
12. Confirmation that all land/ legal agreements have been completed and are in the control of the promoter to deliver the entire project.

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13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.
14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.

The promoter is required to address all the points above, if for example a promoter is unable to provide an element of work detailed above, a full explanation is required. Failure to supply this information may delay any recommendation being put forward to the Infrastructure and Investment Board.

The Local Assurance Framework is attached in Appendix 1.

**Recommendation**

The Board is requested to approve the proposed changes to the Local Assurance Framework.



**D2N2**  
**Local Growth Fund**  
**Local Assurance Framework**

## 1. Introduction

Local enterprise partnerships are locally-owned partnerships between the public and private sectors.

D2N2 is the Local Enterprise Partnership (LEP) for Derby, Derbyshire, Nottingham and Nottinghamshire and is one of the largest LEPs in England, covering a population of over 2 million people with an economic output of over £36 billion.

D2N2s vision is a more prosperous, better-connected and increasingly resilient and competitive economy; its ambition is to be one of the most respected LEPs, known for its professionalism and effectiveness. Its purpose is to support and encourage economic growth across the D2N2 area.

The Strategic Economic Plan presents the LEPs strategy and delivery priorities for boosting the local economy and provides the basis for determining the key funding priorities to which available resources should be directed.

This Local Assurance Framework (LAF) sets out how D2N2 will continue the process of ensuring value for money, prioritisation, appraisal, business case development and risk management for the Growth Deal programme. It identifies the roles to be taken by D2N2 and its constituent Boards, by the Accountable Body and by the promoters of projects. It also sets out the process to be followed in selecting priorities for further Growth Deals or other funding programmes if appropriate.

The Accountable Body confirms that the D2N2 LAF conforms with the LEP Assurance Framework supplied by the Department for Business Innovation and Skills on the 9<sup>th</sup> December 2014 and the revised National Assurance Framework supplied in October 2016.

## 2. D2N2 LEP Governance and Decision Making

### Accountability for Public Funding

As the amount of public funding flowing through LEPs has increased, it has become necessary to strengthen the robustness, transparency and accountability of local processes. Both the National Audit Office and the Public Accounts Committee have raised concerns nationally regarding the arrangements for the co-ordination of local growth programmes, as well as the management, monitoring and evaluation of funding for local economic growth.<sup>1</sup>

D2N2 will follow the principles that apply to Government and local authorities, which prevents 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. Should this situation arise D2N2 will contact officials or ministers to discuss these matters. This will both be more effective, and ensure appropriate use of public funds and will ensure that no funding provided under the Local Growth Fund (LGF) shall be spent on such costs.

This LAF provides assurance about the way the LEP's (LGF) is allocated and managed and that robust systems are in place to ensure resources are spent with regularity, propriety and meet value for money tests.

The Accountable Body for the LGF is Derbyshire County Council which has responsibility for ensuring this Local Assurance Framework is in place, meets the standards set out by Government and that all funding decisions are made in accordance with it.

### D2N2 LEP Board and Governance

The D2N2 LEP Board ("the LEP Board") is responsible for determining the economic strategy for the region and setting the priorities for funding within its remit through the collective work of private sector representatives, the current D2 (Derby and Derbyshire) and N2 (Nottingham and Nottinghamshire) Joint Committees and other public sector bodies. Terms of reference are currently being developed for a D2N2 Joint Committee which will replace the current separate D2 and N2 Joint Committees.

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<sup>1</sup> Funding and Structure for Local Economic Growth, National Audit Office, December 2013 and Local government funding: assurance to Parliament, House of Commons Committee of Public Accounts, September 2014.

The Board comprises 16 core partners as follows:

- Independent (Private Sector) Chairman
- 6 Local authority partners
- 7 Private sector representatives
- 1 HE representative
- 1 FE Representative
- In addition BEIS Local has observer status (but no voting rights)

Private sector members of the Board are appointed through an open selection process. The Board has an identified member to represent and engage with the Small and Medium Enterprise (SME) business community as well as a member to represent the further education/ training sector. Meetings of the D2N2 Board are held in public and as such, agendas, papers and minutes are published on the website to ensure transparency and accountability. Additional governance information such as Terms of Reference and membership lists for all of the LEP's supporting boards and advisory groups are also published, alongside information on future meeting dates and schedules of when information is made available.

D2N2 will look to ensure diverse representation at Board and sub group level which is reflective of their local business community (including geographies and protected characteristics).

All Board members are expected to adhere to Nolan's 'Seven Principles of Public Life' these are:

- (1) SELFLESSNESS: Holders of public office should act solely in the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or friends.
- (2) INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- (3) OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- 4) ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- (5) OPENNESS: Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.



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(6) **HONESTY:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interests.

(7) **LEADERSHIP:** Holders of public office should promote and support these principles by leadership and example.

The LEP Board meets bi-monthly and has delegated decisions in line with the LAF to the Infrastructure and Investment Board (IIB).

The IIB comprises of 15 members who meet monthly to deal with matters arising for the Local Growth Fund and the approval of funding. Decisions made in the meeting and for any matters raised that are outside the LAF are referred back to the LEP Board for an ultimate decision.

For the Local Growth Fund, the IIB also has responsibility for monitoring delivery and progress of relevant schemes and reporting any issues to the LEP Board. The Terms of Reference for the IIB sets out their full remit and responsibilities, see Appendix 1.

LEP and Accountable Body officers work together and provide a detailed report evidencing compliance with the LAF to the IIB/LEP Board as appropriate.

In addition a D2N2 wide Officers group comprising of officers from Local Authorities, the Housing Communities Agency (HCA), Department for Business, Energy and Industrial Strategy (BEIS), the LEP and Accountable Body meet monthly to discuss strategic issues for the Local Growth Fund.

### **Transfer of Local Transport Body responsibilities**

The D2N2 Local Transport Body (LTB) had operated as a joint committee of the four D2N2 top tier local authorities including representation from the LEP. On adoption of this Assurance Framework, the LTB ceased to exist and became the Infrastructure and Investment Board. The transport projects that were covered by the LTB are now part of the LEP's Local Growth Fund (LGF) programme and will be managed in the same way as other LGF projects. The minimum requirements on value for money assessment and assurance set out in the guidance to Local Transport Bodies have been incorporated into the LEP's approach to developing a single appraisal framework and this Assurance Framework.

### **Promoters of Projects**

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Each organisation seeking funding from the LEP must identify a Single Responsible Officer (SRO) to be accountable for delivery of the project. In relation to Local Authorities this will be the Section 151 Officer and in relation to other bodies it will be the equivalent officer such as the Group Finance Director. Where there is a conflict of interest the SRO needs to be identified and agreed with the LEP in advance of commencing the business case approval process (Section 5)

The SRO will need to:

- Supply all deliverables and assurances required for value for money assessment and business case development (see Section 5)
- Provide commitment to whatever project-specific monitoring and evaluation is required
- Confirm that the promoter of the scheme takes responsibility for all required processes (including consultation, Freedom of Information requests etc.) associated with the project.
- Confirms that the scheme is State Aid compliant
- Confirm that all additional funding is in place for the development and any unanticipated contingencies.

### **Scheme of Delegation**

The LEP operates according to the principle of subsidiarity in that decisions should be taken at the lowest appropriate level so they can be taken quickly, efficiently and robustly, supported by the necessary information, to ensure integrity and accountability. In practice, this means that decision making can take place at different levels across the governance structure, including any new groups or boards created for specific purposes.

The current scheme of delegation is for decisions to be made by the LEP Board or the Chief Executive. The LEP Board may from time to time delegate decisions to its sub boards which are outlined in the terms of reference for each board.

Where a decision is required on funding within the LEP's control or influence, generally the appropriate sub board(s) would make a decision which would be ratified by LEP Board.

### **Overview and Scrutiny**

Derbyshire County Council's Improvement and Scrutiny Committee will provide an independent scrutiny function where appropriate.

### **Overlapping, neighbouring and other LEPs**

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The D2N2 LEP's geographical coverage overlaps with those of the Sheffield City Region and works closely with neighbouring LEPs including Great Manchester, Leicester and Leicestershire, Stoke-on Trent and Staffordshire, Greater Lincolnshire. Wherever possible, projects which seek support from more than one LEP will be appraised jointly with the appropriate LEP.

Each LEP has a different focus; this is often complementary although in some areas there can be an overlap. In practice, the D2N2 LEP regularly works with other LEPs on joint concerns, for example on developing policy for supporting key economic sectors and on the commissioning of research. There is regular communication across the LEPs at Chair, board member and local authority officer level to ensure collaboration and reduce duplication, particularly in relation to accessing shared funding streams.

Information on funding accessed by the local authorities, businesses and organisations located in those authority areas from LEPs other than the D2N2 LEP will be published in accordance with those LEPs' Assurance Frameworks.

**Supporting delivery and implementation**

The D2N2 LEP has close, ongoing relationships with the relevant delivery bodies to ensure that agreed schemes are implemented and delivered. This is accomplished through:

- Business cases and delivery plans

The process of developing and approving a business case and delivery plan for each scheme funded through the LGF is detailed in section 5 of this document. As well as demonstrating the case for releasing funding, the business case will give the LEP a reference document for ongoing monitoring reports and discussions with delivery bodies against which progress can be measured.

The LAF proposes a two-stage approval process, which the promoters are required to provide information to support the delivery of the project and its outputs and objectives.

The first stage is to be submitted by the promoter once the project has reached a certain stage in terms of delivery. This stage will require the promoter to provide an updated business case identifying that the project has progressed along in line with the stage 1 approval process.

The second and final stage is to be submitted by the promoter when the project is in a position to be delivered. The promoter is required at this stage to submit a detailed business plan outlining how the project will be delivered and providing

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evidence that the outputs detailed in the original submission (e.g. jobs, houses, student places etc.) can be delivered

- LEP Executive

The D2N2 LEP has a small executive team supported by resources and officers of the constituent local authorities, primarily through financial contributions to the staffing establishment and undertaking work in advisory or task and finish groups. Support from the private sector primarily comes through the provision of expertise and time, for example in attendance at board and group meetings. The executive team is organised to support the Board structure, with the Director of Place being responsible for each sub board reporting to the Chief Executive.

Each project and programme funded through the LGF is managed by the Director of Place within the Executive team.

The Director of Place is responsible for ensuring regular ongoing communication within the delivery body/team, briefing the IIB on progress, identifying issues and risks including non-delivery, and providing support to overcome barriers.

For Local Growth Fund projects, the Director of Place will provide information to support monthly update sessions with the BEIS Local Relationship Manager.

The Director of Place is also the named officer responsible for the overall implementation of the programme.

### 3. Transparency

#### Transparency Code

It is the Government's expectation that "the public should see that the LEP is applying similar standards of transparency as other public sector organisations over decisions it makes over public funding". (LEP Assurance Framework: Working Draft, 03 October). With the most recent iteration of the Local Government Transparency Code<sup>2</sup>, it is noted that LEPs, whatever their legal status, require a public sector (local authority) Accountable Body to channel public funds. As such, the Code does not apply to LEPs. However, Government advice adds that "local authorities need to publish data about spending transactions and so will need to publish data about the monies they pass to or spend on behalf of a Local Enterprise Partnership".<sup>3</sup>

It should be noted the Transparency Code states that "Government has not seen any evidence that publishing details about contracts entered into by local authorities would prejudice procurement exercises or the interests of commercial organisations, or breach commercial confidentiality unless specific confidentiality clauses are included in contracts".<sup>4</sup>

In addition, it is noted the provisions of the Local Government Transparency Code apply to economic prosperity boards, combined authorities and integrated transport authorities and that the LEP Assurance Framework, Working Draft (03 October), expects that "within reason, we would expect LEPs to adhere to the Local Government Transparency Code".

#### Approach to transparent decision-making

The D2N2 LEP is committed to transparency in its decision-making and activities, but also recognises that for it to operate effectively there are some circumstances in which it must maintain confidentiality, particularly where commercial sensitivities are involved.

The papers, decisions, minutes and future meeting dates of the LEP Board and the LEP's sub boards are published on the website, along with their terms of reference and current membership.

For the Infrastructure and Investment Board, registers of interests covering decision-makers, a gifts and hospitality register, and policies for conflicts of interest

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<sup>2</sup> Local Government Transparency Code, DCLG, October 2014

<sup>3</sup> Local Government Transparency Code, Frequently asked questions, DCLG, October 2014

<sup>4</sup> Local Government Transparency Code, DCLG, October 2014 par. 15

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will follow the Members own organisation's policies.. Complaints in relation to LGF will be dealt with in accordance with Accountable Body's Complaints Policy which can be found in its website. . Members of the LEP Board, sub boards and associated groups are also required to "Declare an Interest" on any agenda item where a decision may cause a direct material impact, financial or otherwise, either personally or to the organisation or institution they are representing.

The D2N2 LEP adheres, through its Accountable Body, to the Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations 2004 (EIR). Requests for information under the FOIA and EIR should be made to the Accountable Body.

In addition, the D2N2 LEP and its Accountable Body will adhere to their duties under the Public Sector Equality Duty<sup>5</sup> and will have regard to these requirements when apportioning funding.

## Local engagement

The D2N2 LEP uses multiple channels to engage effectively with local stakeholders (public, private and the general public), both on a continuing basis and to inform specific pieces of work (such as the development of economic strategy). Any local business, resident and organisation are able to get involved.

Examples of the LEP's current engagement activities include:

- The D2N2 briefing are open events held at venues around the D2N2 area several times a year where attendees can hear from LEP Board members about the LEP's work, ask questions and take part in discussion.
- The D2N2 LEP Provider Network, a quarterly meeting targeted at skills and training providers to discuss the LEP's work and provide intelligence on issues affecting the sector.
- A sector group for each of the LEP's priority sectors, directing sector development strategy and providing intelligence on issues affecting local business.
- Regular meetings with banks and accountancy firms to discuss access to finance.

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<sup>5</sup> Public Sector Equality Duty, as section 149 of the Equality Act 2010  
<http://www.legislation.gov.uk/ukpga/2010/15/section/149>

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- A wide range of working groups to support the sub boards' work.
- Regular newsletter, social media and dedicated website updates.
- LEP Board members and members of the Executive team regularly speak at local events, such as those organised by business membership organisations.
- The local media regularly cover the LEP's work and have supported calls for projects and information, such as during consultation on developing economic strategy.

**Proposing and prioritising projects**

The D2N2 LEP is committed to maximising its impact by finding or commissioning, enabling, developing and funding the best projects. Openness and competition are at the heart of this approach. The D2N2 LEP's Strategic Economic Plan, together with the economic development plans and capital programmes of the constituent local authorities provide the context, rationale and up-to-date evidence base for project and programme development.

Calls for potential projects to fund are published on the LEP's website and circulated using the communication channels above. An application form and guidance, which vary between programmes, are published with clear deadlines and contact information. The LEP encourages early discussion about project ideas so it can help organisations decide which funding route is most suitable, and avoid them undertaking unnecessary work. The contact for these discussions is the Director of Place.

The decision-making process and criteria for each call is included in the guidance. This will often include at the appropriate stage review by a panel with relevant specialist knowledge and/or an external organisation (for example a specialist consultancy or the Skills Funding Agency) to ensure decisions are fair and robust.

The primary aim of the LEP is economic growth, but this must also contribute to wider sustainable development objectives and be consistent with EU funding requirements. To this end, the LEP's prioritisation, appraisal and evaluation processes build in Social Value, environmental impacts and indirect benefits. The LEP is looking to pilot models that enable the social return on investment and local multiplier benefits to be quantified both in developing and appraising the business case and in evaluating the impact of its interventions.

The LEP will consider how projects might improve the economic, social and environmental well-being of the D2N2 area, and how equality issues might be

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considered, and how such improvements might be secured in the procurement process itself. Social value seeks to ensure that the collective benefit of a community is considered when contracts are awarded and this is an essential part of the D2N2 LEP's ethos.



## 4. Accountability

### Accountable Body arrangements

The Accountable Body for the Local Growth Fund is Derbyshire County Council.

The Accountable Body, through the Section 151 Officer, (or in the case of a Combined Authority a Section 73 Officer) is accountable for the proper use and administration of funding, all of which falls under the annual audit of the Derbyshire County Council's accounts, and for ensuring that decisions are made in accordance with this Assurance Framework or any other framework which may instead apply. These responsibilities include:

- Ensuring the decisions and activities of the LEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.;
- Ensuring that funds are used in accordance with the conditions placed on each grant;
- ensuring (through the Section 151 Officer) that the funds are used appropriately;
- ensuring that this Assurance Framework (or any other which may instead apply) is implemented and adhered to;
- maintaining the official record of LEP proceedings and holding copies of all relevant LEP documents relating to any funding streams the Accountable Body is responsible for;
- ensuring LEP decisions at formal meeting are recorded by way of minutes, and the minutes of each meeting are reported to the subsequent meeting to ensure accuracy . Minutes, agendas and reports are published on the Accountable Body's and LEP's website
- Responsibility for the decisions of the LEP in approving projects (for example if subjected to legal challenge);
- ensuring there are arrangements for local audit of funding allocated by LEPs at least equivalent to those in place for Local Authority spend. An audit is conducted on an annual basis and the recommendations are reported to the IIB and LEP board.

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In addition, the LEP and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. This will also include a process for monitoring delivery and specification of what information is required from scheme promoters .

Awards of funding will be accompanied by a written agreement between the Accountable Body and the promoter, setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mis-management.

The use of resources are subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending; these are overseen and monitored by the Section 151 Officer. As part of the Accountable Body's statutory requirements it publishes a monthly report on its website showing any expenditure over £500.

While it may put in place procedures and promote proper practice, and monitor and report on the effectiveness of these, the Accountable Body is not responsible for any deficiencies in the administration of public monies among funding recipients and partner bodies. In the event of any shortcomings coming to light it will seek to safeguard, and recover where appropriate, the relevant monies through either the LEP mechanisms or its own channels as it considers most suitable in the circumstances.

The Accountable Body would only refuse a decision of the LEP Board and/ or the IIB if it was:

- Not procedurally valid, or
- Illegal, or
- would lead to the available budget being exceeded.

If a situation did occur whereby the Accountable Body had significant concerns about a decision the LEP had taken, or proposed to take, then an urgent meeting with 5 working days would be convened by the Section 151 Officer of the Accountable Body with key stakeholders from both the LEP and the Accountable Body.

### **Managing conflicts of interests**

There will be a clear separation between scheme promoters (i.e. Derbyshire County Council led schemes) and those advising on decision-making (the Accountable

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Body role), to ensure the LEP is acting on impartial advice on the merits of potentially competing business cases.

The Accountable Body (through the LEP) will appoint an independent support team to work with the Director of Place to progress and approve projects. The support team will consist of the Director of Place, a finance officer and a legal officer.

**Funding agreements**

Awards of funding by the LEP will be accompanied by a written agreement between the Accountable Body and the promoter setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mismanagement.

As a minimum, these agreements will include:

- Details of the project and outputs to be delivered in a specified timescale
- Arrangements for payment (up front or in arrears, quarterly or other)
- Arrangements to suspend or claw back funding in the event of non-delivery or mismanagement
- Monitoring requirements, including the metrics and frequency of reporting
- Publicity obligations and arrangements

The agreement will be signed by the Section 151 Officer (or equivalent) of the promoting organisation and by the Accountable Body on behalf of the D2N2 LEP.

**Management**

The Director of Place will liaise and manage the entire Growth Deal programme and will work with promoters in delivering the programme. This will include regular meetings with project sponsors on a one to one basis, as well as discussions at the IIB Officers Group and as part of the ongoing monitoring process.

The LEP reserves the right to charge an annual administration fee to each project which may be deducted from the final award.

**Risk**

A Risk Register is maintained of all projects on the LGF programme and this is updated on a regular basis. The risks of each project are rated using a scoring matrix based on the likelihood and impact that each risk presents. A set of mitigations are included.

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Based on the Risk Register, a report highlighting high risk projects is taken to each IIB. The named individual who is responsible for the identification and management of risk is the Director of Place.

## 5. Business Case Development and Value for Money

### Rationale for projects

The D2N2 LEP's Strategic Economic Plan sets out the LEP's key priorities and objectives for growth. A prerequisite for any scheme is demonstrating how it contributes to the delivery of one or more SEP objectives. However, schemes must go further in demonstrating why they are needed. This could include, for example, evidence of market failure or evidence of a new growth opportunity.

The requirements will be detailed in the guidance for each call and may be varied by the LEP over time to ensure the portfolio of projects is spread widely enough amongst the LEP's objectives.

Projects are encouraged to use standard methodologies to calculate wider impacts, rather than their own, so that information is robust and comparable. The LEP's project documentation provides for this by automatically completing common calculations based on widely-used unit values.

Where applicable, value for money and other requirements will be aligned with existing guidance and practices for common co-funders (e.g. Department for Transport local majors, Environment Agency Flood Defence Grant in Aid).

To support the LEP's decision-making, economic data and economic intelligence are regularly reviewed, as is progress against the LEP's priorities. This provides context to support decisions on projects and information on where gaps may need to be filled. Research commissioned by the LEP is published on its website (unless it is commercially confidential) and links are provided to the latest economic data.

### Identifying and developing projects

The LEP's approach to identifying potential projects to fund includes a mixture of:

- Open calls for projects, or commissioning, in which all eligible organisations are invited to put forward projects that would contribute towards delivering some or all of the SEP objectives;
- Targeted calls for organisations to deliver, or partner in the delivery of, a project of a specific type or specification;
- Strategic project and programme development "in-house" following consultation with stakeholders, with the nomination of an appropriate Accountable Body.

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All open and targeted calls are publicised on the LEP's website with guidance to applicants and details of the appraisal and decision-making process, and circulated through the LEP's communication channels.

Projects may be sought in response to a specific opportunity, or to build up the pipeline of projects the LEP wishes to see developed with a view to potentially providing resources in the future. The amount of information required from the promoter of the project will vary accordingly.

The Single Assessment Framework (SAF) will be used to ensure all proposals are assessed on their individual merits, in most cases on a competitive basis, to ensure that the best projects are selected which support the LEP's priorities. The SAF incorporates the strategic, economic and delivery case of each prospective project to give an overall score. Consideration is given to:

- Whether there is a clear rationale for the interventions linked with the strategic objectives identified in the Strategic Economic Plan;
- Whether the proposal has clearly defined inputs, activities, outputs and anticipated outcomes, with clear additionality, ensuring that factors such as displacement and deadweight have been taken into account;
- Whether the benefits exceed the costs of intervention;
- Whether deliverability and risks have been appropriately considered, along with appropriate mitigating action (the costs of which must be clearly understood).

The LEP encourages organisations to have an informal discussion with the Executive (which may also take advice from the Accountable Body, its boards or others) to determine whether or not their project would be suitable for current or future funding opportunities. This reduces time and cost for both the LEP and external organisations by cutting down on unnecessary work in developing and assessing proposals, encourages good relationships with potential partners, and helps the LEP to gain intelligence on projects that may be coming forward. Promoters of projects are strongly advised to take up this offer, but it is not mandatory to do so.

Because of the workload involved and to facilitate a competitive process, the LEP will only allow formal project submissions (Expression of Interest, Outline Business Case) to be made during specified windows of time. These will be advertised on the LEP's website and through its communications channels, but the scope may be limited to certain types or size of project.

## Pipeline Development

Pipeline Development is critical to the functioning of the LAF. The goal of the pipeline is to prioritise a longlist of projects that are required to submit a Business Case, if selected, for progression in the LAF.

The pipeline will be open once per year, all projects will be aligned to this cycle irrespective of their source, though D2N2 will also consider projects that are critical but whose timings fall outside this call window in fast tracking procedures. The pipeline will remain open for a period of 3 months, whereupon the projects will be assessed and reviewed according to the procedures in this LAF. The pipeline will be monitored by a designated D2N2 officer and urgent potential projects can be identified and enter the LAF fast track process.

## Approval Process

The promoter is required to provide a detailed business case setting the rationale for the Growth Deal investment funding and how the project aligns with the LEPs SEP objectives.

The approval process is in two stages, which requires the promoter to provide a detailed business case at each stage identifying how the project has progressed and providing assurance and evidence that the outputs identified in the original submission can and are to be delivered.

The LEP will liaise with the promoter throughout the process, ultimately taking a recommendation to the IIB and the LEP board (when applicable) for approval and release of the funds. A report is taken to the IIB, which includes a summary of the project and a checklist evidencing compliance with Stage 2 of the LAF.

The Accountable Body will issue an offer letter to the promoter detailing how and when the grant will be paid and the conditions of the grant and any claw back.

The LEP will monitor the project and its delivery against the agreed final business plan.

### Process

**Expression of Interest (EOI)** – A high level business case is to be submitted to the LEP using the Infrastructure Pipeline Application Form. This form needs to include the following:

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7. A description of the project.
8. Identification of why the Local Growth Funds are required ( Development Funding Viability Gap)
9. Justification of the Strategic, Economic, Financial and Delivery case for the project.
10. Details of the intervention required from the Local Growth Fund.
11. Identification of the source of match funding.
12. Details of the outputs and outcomes to be delivered by the project and the projected delivery date.

EOI submissions will be available to submit on an annual basis as detailed in section 5 (Business Case Development and Value for Money)

**Outline Business Case (OBC)** – An outline business case is required to be submitted by the promoter to the LEP when the project has reached the following milestones.

9. All the land required to deliver the project is in the control of the promoter (and/or in the hands of legal due diligence awaiting exchange/ completion).
10. A planning application has been submitted and verified by the local planning authority with a determination date or permitted development for the project is approved.
11. Match Funding - All other sources of funding must be identified. Letters of support from the sources of funding are to be annexed to the business case.
12. Internal approvals have been met – A letter or minute of the approval is required to be annexed to the business case.
13. The promoter is required to justify the amount of funding being sought and where possible a RICS viability report is required to support the identified intervention/viability rate. For major infrastructure projects being delivered by public sector bodies (i.e. Local Authorities, Network Rail etc) the promoter needs to demonstrate why the funding cannot be found through other sources of income.
14. Details of the outputs and outcomes that the project will deliver and their timing.
15. Evidence of need – A report identifying the need for the project and how it aligns with the LEPs Strategic Economic Plan.
16. Procurement of a contractor/ developer commenced. The promoter is required to provide details on how the process aligns with Government procurement rules and how the project will address:



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- Sustainability
  - Employment of Graduates
  - Economic and social charter
9. A detailed project programme is to be provided including the proposed start and finish dates and all phases of the development cycle.
10. A financial proposal setting out all the funding required by quarter in each of the financial years. It is a requirement for release of funding that the promoter will need to demonstrate capital expenditure
11. A risk register identifying:
- The Single Responsible Officer delivering the project
  - Details of the risks which are scored
  - Mitigations to address the risk and a new score taking mitigations in to account.
12. A State Aid compliant report is to be provided by a suitably qualified UK lawyer with a duty of care to the promoter and LEP/AB. The project is required to be State Aid compliant before it is progressed and the report is required to be annexed to the business case.

Approval of OBC

The business case is required to be submitted to the CEO of the LEP at least 20 working days before the next IIB meeting with a copy to the Accountable Body.

The LEP and Accountable Body will carry out an assessment of the business case in line with the EOI submissions and the requirement of the LAF and report back to the LEP officers group that meets monthly. Once approved by the LEP CEO, D2N2 will inform the promoter of this approval and allow them to progress to the final submission of the approval process.

**Final submission** - The final submission requires a full business case to be submitted by the Section 151 officer or equivalent (CEO, MD, FD) of the promoter. The business case needs to be submitted to the Chief Executive of the LEP and the Accountable Body. The final stage of the approval process is submitted when the project has met the following milestones.

6. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.

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7. A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.
8. Details confirming that all planning consents have been granted and that all pre-start conditions have been met.
9. Confirmation that any '106' or other agreements have been entered into.
10. Confirmation of the results of the procurement exercise detailing:
  - The tenders received (along with the detailed costs)
  - The tender accepted (along with timescales/ conditions)
6. Details of the construction contract to be entered into by the promoter detailing:
  - Start date
  - Completion date
  - Liquidated damages/ cost over runs
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.
8. Confirmation that the project has been designed to RIBA Stage 4 or its equivalent.
9. Details of any outstanding points preventing/ delaying the start-up of the construction contract.
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales. (To be annexed to the business case)
12. Confirmation that all land/ legal agreements have been completed and are in the control of the promoter to deliver the entire project.
13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.
14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.

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The promoter is required to address all the points above, if for example a promoter is unable to provide an element of work detailed above, a full explanation is required. Failure to supply this information may delay any recommendation being put forward to the Infrastructure and Investment Board.

The LEP and the Accountable body will progress the projects to the IIB as follows:

1. The Director of Place and the Accountable Body support team will appraise the business cases.
2. The VFM business case will be reviewed by an appropriately qualified external firm of consultants
3. The Director of Place will feedback any concerns/shortfalls and request additional information if required.
4. Once the submission has been approved by the Chief Executive of D2N2 and the Accountable Body, the Accountable Body will draft a report to the IIB and this report will be presented at the next available IIB.
5. Promoters will be required to attend the IIB and present their business case.
6. The IIB will approve, reject or request additional information.
7. In exceptional circumstances the IIB may refer a recommendation to the LEP Board. These circumstances may be where the outputs of the project differ from those in the original submission.
8. The Accountable Body will issue a grant offer agreement detailing all conditions and the timing of payments. The offer agreement will require promoters to sign up to the delivery of the project and the outputs, which may be subject to claw back.
9. The Accountable Body and LEP to monitor and carry out an audit processes on the delivery of the project and the outputs.

### **Value for Money**

The LEP and the Accountable Body will need to assure themselves that projects are deliverable and represent 'High' value for money. It is the promoter's

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responsibility to provide sufficient independent evidence that the project delivers at least a 'High' value for money score in line with HM Treasury Green Book principles. The LEP and the Accountable Body will use appropriate external advisers to consider the VFM and make recommendations to the promoters and ultimately to the IIB and LEP board.

The process varies according to the type of project and the nature of the resources being sought

Transport schemes, defined as those which are reliant upon 'transport' outcomes (such as time savings) to demonstrate value for money, are required to follow WebTAG guidance. For the avoidance of doubt, the provision of infrastructure such as a road which is intended to produce non-transport outcomes such as job creation may be assessed against these outcomes. However, where this infrastructure would also impact upon existing users of transport networks the LEP and AB may require WebTAG-compliant analysis to determine the degree to which these impacts affect the overall case for the project.

Skills projects should make reference to the SFA Capital Investment Appraisal Guidance which provides methodology to calculate Net Present Value for a project.

For projects which are regeneration or housing led, promoters will need to provide a clear statement of the objectives of the project and evidence that there is market demand for the scheme. This should be expressed as projected take-up but, must be supported by evidence that the market will actually take this up within the projected time. This evidence can comprise correspondence, notes of meetings and any independent assessment of demand or advice from specialist consultants.

This will certainly need to go beyond demonstrating a policy fit – for example, that the scheme will meet a D2N2s SEP objective or that the site is allocated within a Borough local plan. If updated or additional research needs to be undertaken to provide a robust evidence case, promoters should outline the scope/scale of this and any plans that are in place/timescales to acquire the necessary evidence, which would then be completed at Stage 2

Any project 'retained' by Government under the terms of a Growth Deal will be required to comply with whatever conditions this imposes. The LEP and AB will advise the promoter of whichever residual elements of the LEPs own process will need to be completed in parallel.

The Director of Place will be responsible for ensuring value for money for all projects and programmes. The Finance Officer at the Accountable Body will be responsible for scrutiny of and recommendations for each business case.

## **Part Delivery of the Projects**

It is accepted that certain projects may be delivered in phases and that not all of the requirements for the stage 1 and stage 2 approvals would be met at the time of when the project is commenced.

In these exceptional circumstances the LEP requires a full detailed Business Case to be submitted in line with the above approval process. The promoter is required to provide a detailed programme to support the project identifying the phases of delivery for the project and when the outstanding requirements will be satisfied. This could be for example if some of the funding is to be provided by land sales or if the project is subject to multiple planning applications and where some of the applications will not be submitted until after commencement.

The promoter is required to identify the risks in the detailed business case for the delivery of the wider project and the potential outputs delivered at each stage if the additional approvals/funding is not forthcoming.

The Accountable Body will reserve the right to claw back any funds in the event that the project is not fully delivered in line with the original submission.

## **Pre-compliance Funding**

It is accepted that investment is required for developing projects through to full compliance with stages 1 and 2 of the Local Assurance Framework.

Projects which have been allocated funding in either LGF 1, 2 or 3 and have passed stage 1 of the LAF are able to seek acceleration of funding to enable the project to meet full compliance. Funding is for capital works (only related to the project) and can therefore can only be used for purposes such as the purchase of assets or purchase of resources to enable full compliance.

The grant acceleration funding can only be sought if funding is available within the year of the request.

The funding will initially be by way of a grant and will be fully refundable (100%) including interest at a commercial rate if:

1. The project does not meet stage 2 compliance by October of the following year or to a date agreed with the LEP and AB.
2. If the project has changed significantly or is not approved by the IIB

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The grant given will require some form of security for example a charge on the land.

In order to request the grant acceleration funding the promoter will be required to provide a detailed proposal to the LEP and AB. If accepted a report will be provided to the IIB where the promoter will be required to attend and present their case.

## Monitoring and Evaluation

The D2N2 LEP will manage the programme and will report principally to the D2N2 Infrastructure Investment Board who oversees the programme management for LGF.

Programme management will be through the monitoring process, the terms of this will be defined in the grant offer agreement. The offer letter will determine the payment profile, the output and outcome profile and milestones.

Programme monitoring will be according to the milestones and outputs in the business case, reviewed quarterly based on the agreements within the grant offer agreement.

The principles of programme management will be for D2N2 to manage the key programme risks, through proactive engagement with promoters and developing a system of regular reporting. There will be a mid-year review at the end of Quarter 2, which will be reported to the Board in a progress report.

D2N2 has the right, in conjunction with the Accountable Body, to withhold funding if the project delivery expectations, defined at inception are not met within the current agreed funding period.

Projects will be required to submit quarterly monitoring reports (financial and narrative) explaining their progress to spend and delivery targets and noting specific changes to the project and challenges in delivery. A variance of 10% or more on spend and delivery targets will trigger a review by D2N2 and the IIB will write to the promoter requesting a written response detailing why the project has changed.

D2N2 reserves the right to recover or withhold all or part of the funding supplied for a project in these circumstances:

- The project is not delivered within agreed dates
- The project delivered differs from that specified

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- The outcomes demonstrated through post-delivery evaluation fall short of those on which the value for money assessment and business case were based
- The outputs identified in the Business Case are not delivered.

Final grant offer agreements to promoters will set out for each project, based upon its own programme and outcomes. The Infrastructure and Investment Board will take local circumstances into account in taking decisions over whether funding should be withheld or recovered.

Monitoring reports will be summarised for consideration at the relevant Infrastructure Investment Board (IIB). In line with good practice and to support effective and robust decision making, monitoring reports to the Board will typically summarise good progress and areas of good practice. The report will also highlight risks to the delivery of the programme.

The IIB will, if it considered it appropriate invite promoters to attend the IIB.

The LEP Board will receive a headline report on a quarterly basis which provides an overview of progress across all approved projects and all projects awaiting approval of the IIB. The report will adopt a “traffic light” system, which will highlight key milestones and any incidents of under-performance.

Monitoring reports will be presented to funding bodies in the relevant format, and summary information will be published on the LEP’s website. Progress summaries at the programme level will also be produced as required by funders..

For the LGF, D2N2 is committed, as agreed with BEIS/DCLG, to undertake an evaluation programme, the purpose of which is to aid learning, policy development and practice to improve the delivery of the LGF, or any grant or funding programme.

All projects will be subject to a post-project completion report; this will ensure D2N2 follows best practice using recognised project and programme management techniques to ensure sound decisions have been made.

Each projects evaluation report will be defined by the outputs, outcomes and interrelationships to the wider programme.

**Appendix 1-IIB Terms of Reference****D2N2 Infrastructure and Investment Board****Terms of Reference**



## Introduction

The D2N2 LEP Board is responsible for determining the economic strategy for the region and setting the priorities for funding within its remit through the collective work of private sector representatives, the current D2 (Derby and Derbyshire) and N2 (Nottingham and Nottinghamshire) Joint Committees and other public sector bodies.

The D2N2 LEP has a small Executive Team supported by resources and officers of the constituent local authorities, primarily through financial contributions to the staffing establishment and undertaking work in advisory or task and finish groups. Support from the private sector primarily comes through the provision of expertise and time, for example in attendance at board and group meetings. The Executive Team is organised to support the Board structure, with the Director of Place responsible for each sub board reporting to the Chief Executive.

Each project and programme funded through the LEP is managed by the Chief Executive of D2N2 and the Director of Place within the Executive team.

This document sets out the governance arrangements for the D2N2 Local Enterprise Partnership's Infrastructure and Investment Board. The Board is responsible for overseeing the administration of the LEP's Local Growth Fund on behalf of the D2N2 LEP Board.

The D2N2 Infrastructure and Investment Board is a public-private partnership formed by the voting members specified in clause 3.

## Terms of reference

### 1. Board Name

## D2N2 Infrastructure and Investment Board (“the Board”)

### 2. Purpose

To oversee on behalf of the D2N2 LEP Board (“the LEP Board”) the administration of the Local Growth Fund for schemes to delivery bodies across the administrative areas of Derby, Derbyshire, Nottingham and Nottinghamshire.

### 3. Membership

Voting members	Observers
<ul style="list-style-type: none"> <li>• Derby City Council (two members)</li> <li>• Derbyshire County Council (two members)</li> <li>• Nottingham City Council (two members)</li> <li>• Nottinghamshire County Council (two members)</li> <li>• Derbyshire district and borough councils (two members)</li> <li>• Nottinghamshire district and borough councils (two members)</li> <li>• Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (Chair plus nominated private sector representative)</li> <li>• Further Education (one member)</li> </ul>	<p>Nominees of:</p> <ul style="list-style-type: none"> <li>• Sheffield City Region Local Enterprise Partnership</li> </ul>
	<p>Occasional invitations to contribute:</p> <ul style="list-style-type: none"> <li>• Highways England</li> <li>• Network Rail</li> <li>• Homes and Communities Agency</li> </ul>

	<ul style="list-style-type: none"> <li>• DFT</li> <li>• BEIS</li> </ul>
<b>Principal Advisors to the Board (non-voting): TBC</b>	

The Board, as set out above, comprises fifteen voting members. The Board may co-opt additional members to represent other sectors; such co-opted members will not have voting rights. Conditions of appointment are:

- i. Local Authorities (upper tier/unitary): membership rests with the position which the member holds within the authority rather than with the individual, so councillors will be replaced if they change office. It is for each authority to determine which post holders are to act as its representatives.
- ii. Local Planning Authorities (district/borough) within Derbyshire and Nottinghamshire: it is for the constituency of planning authorities within each County to determine its own arrangements for selecting a representative, who is expected to sit for a minimum term of one year and a maximum of three years. It is also for the constituent authorities to determine how their joint interests should be represented and how those districts and boroughs not directly represented should be engaged in the decision-making process.
- iii. D2N2 LEP: representatives are expected to sit for a minimum term of one year and a maximum of three years.
- iv. Any co-opted member - would be reviewed annually by the Board with a maximum term of three years.
- v. In each case, substitutes may attend meetings where the nominated member is unable to do so, but should be able to provide written confirmation that they do so with the approval of the organisation represented.
- vi. Each member will be required to participate in decision-making in the best interests of the Board whether or not these are consistent with those of their own organisation.

The Board will review its constitution after six meetings of the Board or every two years, whichever is the sooner.

#### 4. Conflicts of Interest

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Members of the Board are required to declare, on appointment, that they will act in the best interests of the LEP area, not for their organisational or geographic interests.

The rules for declaring personal interests will be those that apply to the council to which the councillor has been elected. A register of Board Members' interests will be maintained and will be available for public inspection.

## **5. Gifts and Hospitality**

Officers shall, whether engaged in promotion of their own authority's interests or those of the Board, be bound by the relevant code of conduct of their own employing organisation.

## **6. Accountable Body**

Derbyshire County Council shall be the Accountable Body to the LEP's Local Growth Fund, which will be responsible for the following:

- Ensuring that decisions are made in line with the LEP Assurance Framework.
- Ensuring that promoters confirm their projects conform with any requirements with regard to equalities, social value, environment, State Aid, procurement etc.;
- Ensuring (through the Section 151 Officer) that the funds are used appropriately;
- Maintaining the official record of IIB's proceedings and holding copies of all relevant IIB documents relating to any funding streams the Accountable Body is responsible for;
- Ensuring IIB decisions at formal meetings are recorded.

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- Responsibility for the decisions of the IIB in approving projects (for example if subject to challenge);
- Ensuring there are arrangements for local audit of funding allocated by the IIB at least equivalent to those in place for Local Authority expenditure.

The Director of Finance, Derbyshire County Council (S151 officer) will ensure that all funds are administered in accordance with the Assurance Framework.

## **7. Audit and Scrutiny**

The Board undertakes to seek and to act upon the findings of an internal audit of its activity on at least an annual basis. The findings of each audit will be considered by a Board meeting, and any remedial action required recorded within the minutes of that meeting.

The aim of each audit will be to verify that the Board is operating effectively within the terms of its agreed Assurance Framework.

## **8. Strategic Objectives and Purpose (Terms of Reference)**

The Board is responsible for:

- approving investment of the Local Growth Funding on behalf of the D2N2 LEP Board that will provide significant investment in innovation, business, skills, and employment in a common agenda for training, education, economic growth and jobs that will integrate effectively within the LEP's wider strategic plans;

The Board shall:

- take decisions on behalf of the D2N2 LEP Board for:
  - individual scheme approval
  - release of funding, including scrutiny of individual scheme business cases.

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- Monitor progress of scheme delivery and spend.
- Recommend to the LEP Board a programme to respond to changed circumstance (scheme slippage, scheme alteration, cost increases etc).

**9. Approvals process for project applications:**

The Board has adopted an approvals process in respect of project applications as set out in appendix 1.

**10. Support and Administration**

Derbyshire County Council will provide support arrangements for secretariat and administrative services, specified in its Service Level Agreement with the LEP.

The four authorities (Derbyshire, Nottinghamshire, Derby and Nottingham) will provide sufficient support to undertake the workload of the Board, taking into account any opinions of the Accountable Body or the Auditor. There will be named people who have specific roles with respect to the Board. These roles will usually be part of their other duties, except when the workloads are such that some full-time or single purpose part-time roles are appropriate.

The Board will form task and finish groups when required, which may comprise Board members and/or supporting officers.

**11. Working Arrangements, Transparency and Local Engagement**

Meetings will be convened in accordance with the provisions of the Local Government Act 1972, the Local Government and Housing Act 1989 and other relevant legislation.

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There will be at least two meetings each year and thereafter to meet the business needs. Specifically the Board will meet:

- (a) to determine the initial decision on the composition of the scheme programme;
- (b) to make individual scheme investment decisions.

A chair and vice-chair for the Board will be elected on an annual basis.

Meetings will be deemed quorate when a minimum of five voting members or their substitutes are in attendance. Each voting member carries a vote of equal weight. Where the voting members present are equally divided the chair will carry a casting vote. Where the elected chair is not present the vice-chair will exercise this function. No business requiring voting shall take place without either the chair or vice-chair being present.

The Board will publish agendas and minutes. Materials will be hosted on the Derbyshire County Council website but each member organisation will provide a direct link to this from its own.

It is for individual member organisations to ensure that any schemes submitted to the Board for funding have been subject to the appropriate procedures to provide the public and stakeholders with the opportunity for input before decisions are made. The Board will not take responsibility for dealing with correspondence, petitions, lobbying, consultation etc, all of which are to be handled by the promoter of the scheme in accordance with its own procedures.

FOI and EIR requests will be dealt with in accordance with the relevant legislation.

The Board will use Derbyshire County Council's complaints procedure.

## 12. Expenses and Allowances

The Board will not under normal circumstances make any payments to cover the costs of attendance, which must be borne by the parent organisation of the attendee. Where it does choose to do so this will be for reasons, and within financial limits, agreed by the Board.

### Appendix 1-to terms of reference

#### Approval process in respect of project applications:

1. Promoters are requested to provide and agree with the LEP the date on when a Stage 1 and Stage 2 submission will be submitted for approval prior to the start of the financial year.
2. Promoters are requested to submit a valid Stage 1 application no later than July of the financial year in which funding is to be released. Failure to submit will render a project High Risk
3. A Stage 2 application (business case) is to be submitted in line with the programmed date agreed with the LEP; however this is to be no later than November 30<sup>th</sup> of the year in which funding is to be released. Failure to submit a business case in line with the programme will render the project High Risk.
4. Where a project is seen as High Risk the IIB will write to the promoter setting out the risks and requesting a written response outlining how the risks will be mitigated. If the IIB are not satisfied with the response then the IIB can remove the project from the programme.
5. In the event that a project has, in the opinion of the IIB or the LEP Board, significantly changed (by 10% or more) from what was originally proposed (i.e.: spend profile, outputs and outcomes, or delivery) the IIB will write to the promoter requesting a written response detailing why the project has changed.

Following receipt of the response the IIB may decide to proceed with the amended project, may request that the project revert back to what was originally approved, release only part of the funding or delete the project from the programme.



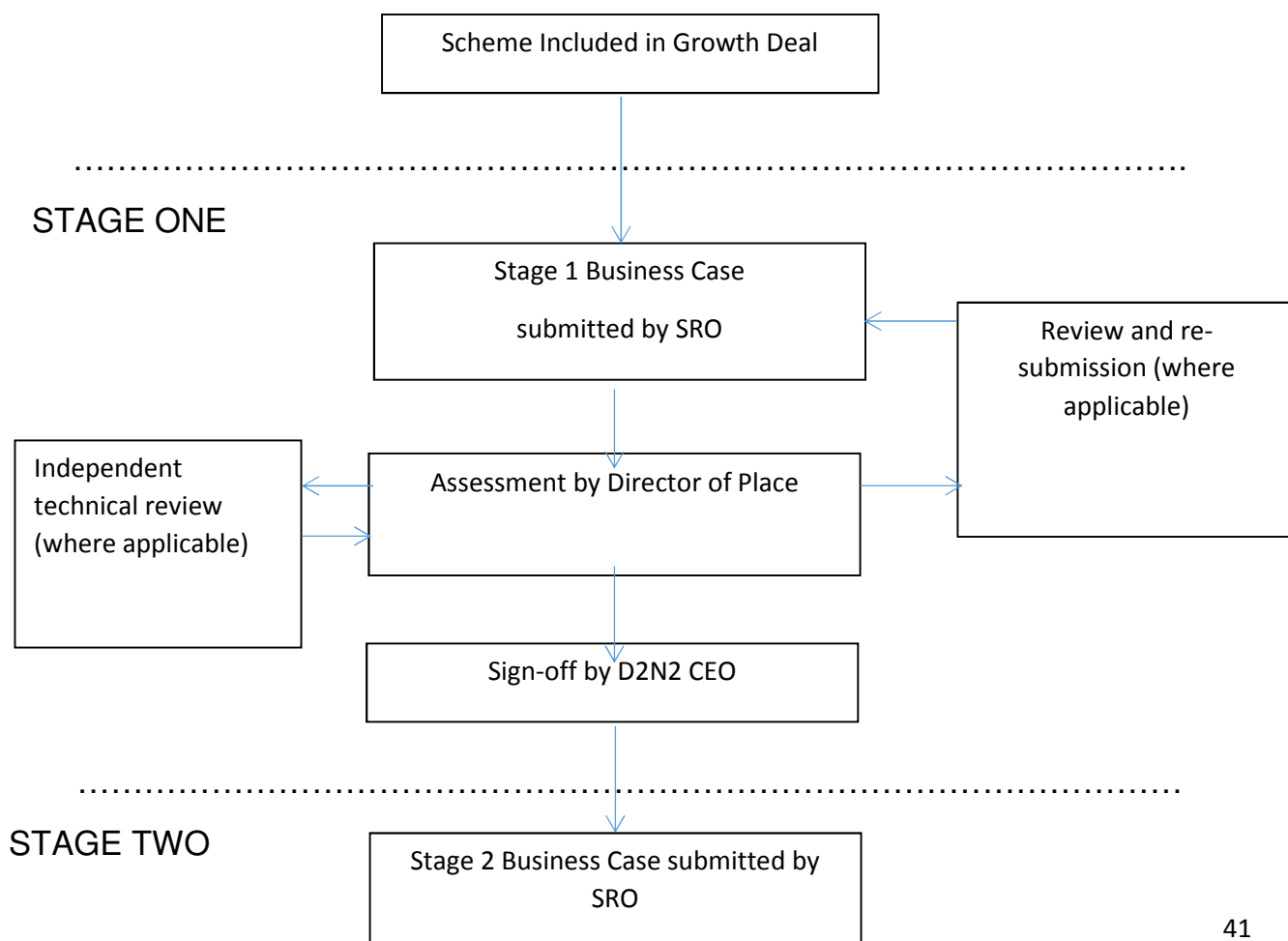
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6. If a project has not commenced within 3 months of the IIB meeting at which the project was approved, the project will be reported as a High Risk project. In this instance the IIB will write to the promoter requesting a written response detailing why the project has been delayed. If the IIB are not satisfied with the response, the IIB can remove the project from the programme.

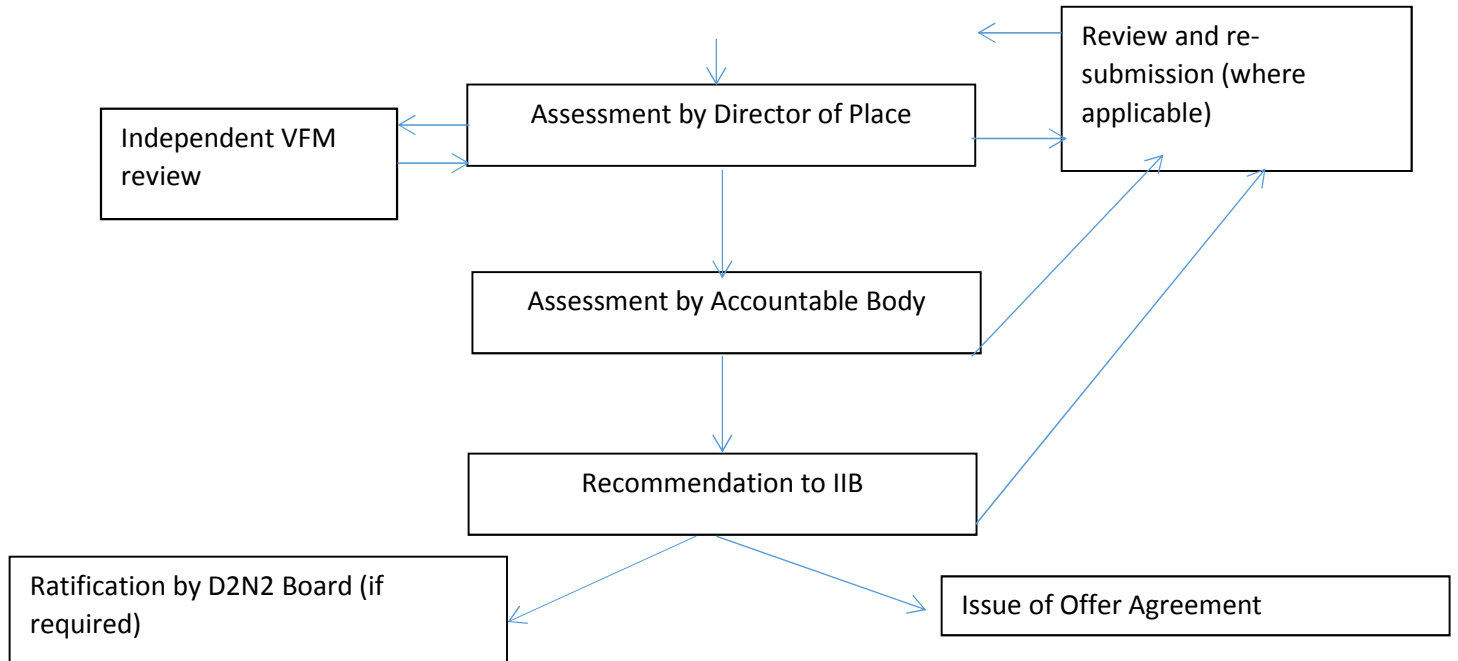
7. The IIB will be provided with quarterly performance reports by the project monitoring officer. If it is reported that a project is delayed (commencement/completion/outputs/outcomes) by 3 months or more then the project will be reported as a High Risk project. In this instance the IIB will write to the promoter requesting a written response detailing why the project was delayed.

If the IIB are not satisfied with the response then the IIB can request that the funds already paid are repaid to the LEP or decide not release any future years funding.

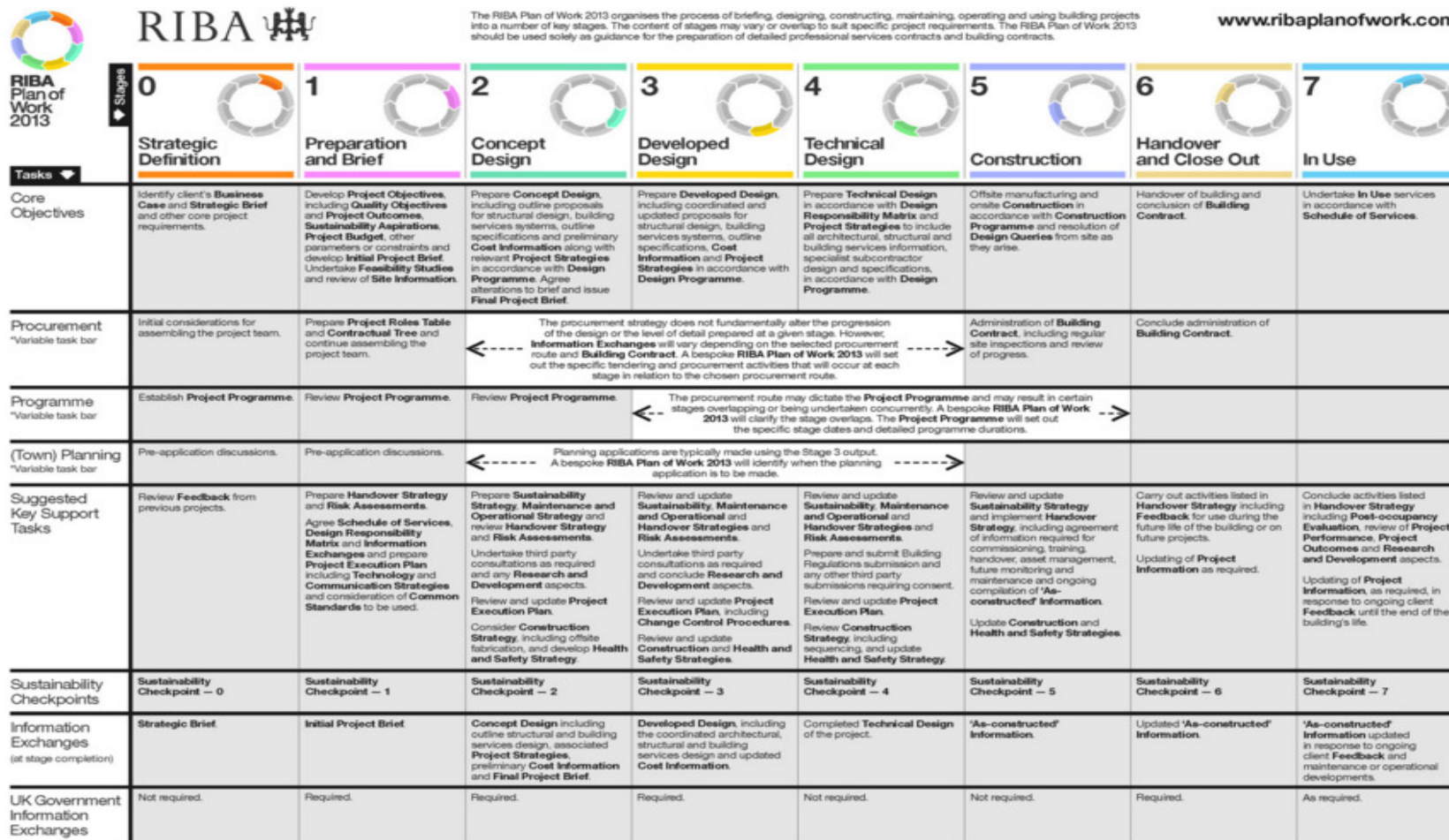
## Appendix 2: Scheme Approval Process



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## Appendix 3 RIBA Work Stages



\*Variable task bar – in creating a bespoke project or practice specific RIBA Plan of Work 2013 via [www.ribaplanofwork.com](http://www.ribaplanofwork.com) a specific bar is selected from a number of options.

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