

---

# Assurance Framework

---

Adopted Version

---

February 2018

---



**Worcestershire**  
Local Enterprise Partnership

## Contents

Purpose .....	4
Governance .....	4
Overview .....	4
Worcestershire LEP Board .....	5
Worcestershire LEP Chair.....	8
Worcestershire LEP Board members .....	9
Section 151 Officer (or nominated deputy with authority to act on their behalf).....	10
WLEP Executive Board .....	11
Finance, Audit and Risk Committee.....	11
Local Transport Board .....	14
Worcestershire Growth Fund Investment Decision Group .....	15
Employment and Skills Board.....	15
Worcestershire LEP Business Board.....	16
Chair of the Worcestershire Business Board .....	16
Worcestershire Business Board Members.....	17
Worcestershire Leaders Board .....	17
The Accountable Body .....	18
ESIF Committee .....	18
Worcestershire Business Central Board .....	19
Worcestershire Innovation Programme Office Board .....	19
Worcestershire LEP Executive Team .....	19
Worcestershire LEP Chief Executive .....	20
Cross-LEP Working and Engagement .....	20
Collaboration with Greater Birmingham and Solihull LEP (GBSLEP).....	20
Wider cross-LEP engagement .....	20
Project Development.....	21
Overview .....	21
Project Identification and Programme Entry.....	21
Growth Deal Round 1.....	21
Growth Deal Round 2.....	22
Growth Deal Round 3.....	22
Growing Places Fund.....	24
Project Application, Appraisal and Approval .....	24
Worcestershire Local Transport Body.....	24

Non Transportation Projects.....	25
Due Diligence and Financial Checks.....	25
Social Value.....	26
Project Delivery .....	26
Funding Agreement .....	26
Cost Control, Funding Awards and Release of Funding.....	26
Programme and Risk Management .....	27
State Aid Compliance.....	27
Issues and Escalation .....	28
Monitoring and Evaluation .....	28
Claw-Back Arrangements.....	29
Accountability.....	30
Role of Accountable Body .....	30
Relationship with Accountable Body.....	30
Transparency.....	32
Decision Making .....	32
Conflicts of Interest.....	32
Declarations of Interest.....	32
Accounts and Audit.....	32
Freedom of information and Environmental Information Regulations.....	32
Complaints .....	33
Data Protection.....	33
Whistleblowing .....	33
Confidentiality.....	33
Appendix 1a & 1b – Board and Staff Codes of Conduct.....	34
Appendix 2 - Scheme of Delegation .....	34
Appendix 3 - Diversity Statement .....	40
Appendix 4 - Greater Birmingham & Solihull LEP and Worcestershire LEP Protocol.....	41
Appendix 5 - Memorandum of Understanding .....	43
Appendix 6 - Financial Procedures and Delegated Authority arrangements of Accountable Body .....	48
Appendix 7 - Conflicts of Interest Policy .....	53

## Purpose

Local Enterprise Partnerships (LEPs) are recognised by central government as the primary vehicle to help determine local economic priorities and lead economic growth and job creation within the local area.

The purpose of this Assurance Framework is to evidence that Worcestershire Local Enterprise Partnership has in place the necessary systems and processes to manage delegated funding from Central Government effectively. This Assurance Framework is to be read in conjunction with the Worcestershire Local Transport Body Assurance Framework (November 2015) which governs the systems and processes to manage transport schemes funded by the Growth Deal.

For the purpose of this Framework, delegated funding refers to Growth Deal, Growing Places and core funding.

This Assurance Framework supersedes the existing document published in March 2015 and subsequently amended in April 2016 and February 2017 and has been developed in accordance with the Local Enterprise Partnership Governance and Transparency Best Practice Guidance (“national guidance”) published by HM Government in January 2018, which can be found at the following link <https://www.gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance> .

This document has been approved by the Board of Worcestershire Local Enterprise Partnership and the Accountable Body’s nominated Section 151 Officer as meeting the needs of the revised Standards set out in the national guidance.

## Governance

### Overview

The role of the Worcestershire LEP is to:

- Provide strategic leadership and develop a long term vision related to Worcestershire’s economy, providing strategic insight on the challenges and opportunities facing the county.
- Champion Worcestershire’s economic vision and promote bold solutions.
- Secure finance, attract investors and encourage local-to-national bodies to match resources to achieve Worcestershire’s ambitions.
- Lead and co-ordinate Worcestershire interests from business, public and third sector networks and organisations to drive forward economic growth.
- Share knowledge, practice and intelligence in Worcestershire as well as across the national LEP Network to support best practice and have Worcestershire recognised as a high priority area.

Worcestershire Local Enterprise Partnership (WLEP) is not a formally constituted body but an informal association where local businesses and public sector bodies have come together to form a partnership to determine local economic priorities and create wealth within the local economy.

With a geography covering the County of Worcestershire, WLEP was established with the Department for Communities and Local Government (DCLG) in 2011.

An overlap exists with the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) covering the three northern districts in Worcestershire i.e. Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council.

All Staff, Non-Executive Directors and other members on LEP Delivery Groups, Advisory Groups and Decision Making Groups will adhere to Worcestershire LEP Codes of Conduct, which was revised in line with the revised national guidance, included at [Appendix 1a](#) and [Appendix 1b](#).

Figure 1 below outlines at a high-level the structure of WLEP and the governance arrangements currently in operation to manage the business of the LEP.

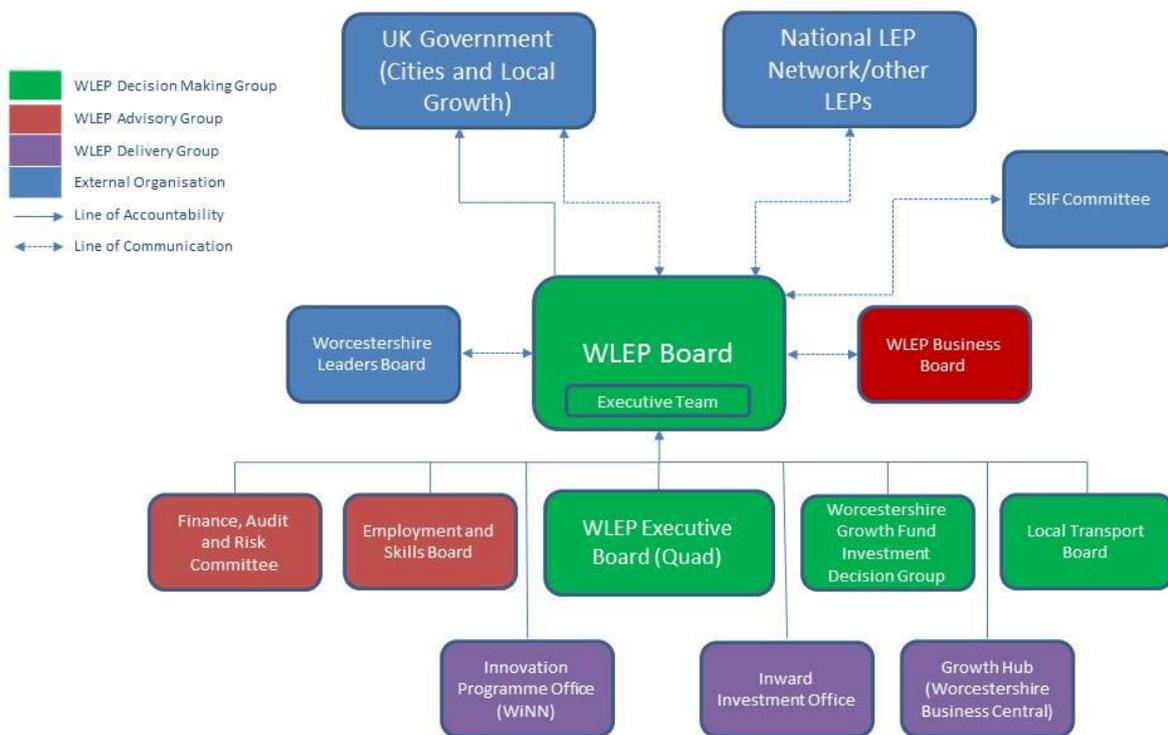


Figure 1 – WLEP Organisational Structure

## Worcestershire LEP Board

The Worcestershire LEP Board is collectively responsible for the strategic vision and direction of the LEP, for financial oversight, for directing the activities of the partnership and for ensuring accountability.

The Board will meet at least six times a year on a bi-monthly basis or as otherwise deemed necessary.

The Board meetings are generally hosted by local businesses and are held in private with the agendas, minutes and non – confidential papers published on the [WLEP website](#)

In accordance with the national guidance,

- meeting agendas and papers will be published 5 clear working days before the meeting takes place;
- minutes of the Board meetings will be published within 5 clear working days of the meeting taking place. However the finalised minutes will not be published until approved at the subsequent Board meeting.
- any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

The responsibilities of the collective Board are to:

- Set strategic priorities and approving the LEP's Business Plan to deliver its long term vision.
- Make the primary investment decision on Growth Deal investments in accordance with the WLEP Scheme of Delegation included at Appendix 2 and published on the WLEP website
- Approve the annual revenue budget and monitoring its performance in terms of finance and project delivery and ensuring its probity, following the assessment and recommendation made by the Finance, Audit and Risk Committee.
- Provide strategic leadership on the Worcestershire economy, lobbying and influencing government, its agencies and other relevant organisations to ensure that the county's needs are met.
- Actively promoting Worcestershire to prospective inward and indigenous investors and assisting organisations to locate and expand within the county.
- Recruiting members to the Business Board and the Finance, Audit and Risk Committee, Education and Skills Board and any other task and finish groups and to approve the nomination of a Chair for both.

There will be a total of thirteen Board members; five will be from the business sector, three from the local government and two from Worcestershire's Higher or Further Education sectors, in addition to an independent business sector Chair, the Section 151 Officer of the Accountable Body (or their nominated deputy), and the WLEP CEO.

Private sector representatives are recruited with the aim of reflecting different sizes and sectors of commerce and industry, and the geography of the area and in accordance with the Diversity Statement included at [Appendix 3](#).

The Board will be quorate with a minimum of 6 members in attendance.

The Board will have the power at any time and subject to their agreement, to co-opt further member(s), if and when such an appropriate candidate(s) become available and are deemed as a vital asset by the Board. Agreement of 75% of the Board will be necessary to co-opt a member to the Board.

The Chair will be supported by two Deputies, to chair Board meetings and take other action in the absence of the Chair.

There will be a distinction between the way in which business and Local Authority members are selected and appointed, reflecting the nature of local government.

The normal term of appointment will be three years, to provide a regular opportunity to refresh the membership of the Board through rotation of members in approximately equal numbers each year. Members may be re-elected subject to agreement by the Board. The recruitment and replacement of Board Members will be staggered to ensure a degree of continuity.

The Chair of the Board will be from the business sector, recruited on the basis of an open advertisement and will serve a three year term, which may be extended. Extension of the Chair's initial term of office beyond three years will be agreed by a majority of the Board, excluding the Chair.

Of the two Deputy Chairs, one will from the private sector and the other will be public sector nominated by the Local Authority Leaders Board. Deputy chair appointments are drawn from, and are not additional to, the Board members.

The three Local Authority members will be nominated by the Local Authority Leaders Group on an annual basis and will comprise one representative for the northern districts, one representative for the southern districts and one county council representative.

The representatives of the Higher Education and Further Education sector will be nominated to the Board by the principals of Higher Education and Further Education institutions.

The following table summarises the composition, terms of office and means of appointment for LEP Board members.

The time commitment indicated for the Chair reflects the realistic current and perceived future situation and is a minimum in current circumstances, which include considerable demands under his or her 'ambassadorial' responsibilities as well as those of the Board and executive. A longer term strategic target to reduce such input will depend upon the input of others, particularly the Deputy Chairs, and the establishment and 'maturing' of a much stronger executive secretariat team.

Current membership of the WLEP Board is published on the [WLEP website](#).

<b>Board member category</b>	<b>No.</b>	<b>Term of office</b>	<b>Time commitment</b>	<b>Method of appointment</b>
Chair	1	Initial 3 years, renewal following approval by the Board	Minimum of 1 day per week.	Open advertisement.
Deputy Chairs	2	Initial 3 years, renewal following approval by the Board	1-4 days a month	Private Sector - By Board selection Public Sector – By LA Leaders Group
Local Government	3	The Leaders Group will appoint/confirm the other local government members annually	1-2 days a month	Appointed by the LA Leaders Group on annual basis
Business	5	Initial 3 years, renewal for a further 3 years with further renewal following approval by the Board	1-2 days a month	4 x Open advertisement. 1 x Business Board Chair
HE	1	Initial 3 years, renewal following approval by the Board	1-2 days a month	Nominated by HE principals group.
FE	1	Initial 3 years, renewal following approval by the Board	1-2 days a month	Nominated by FE principals group.

### **Worcestershire LEP Chair**

The Worcestershire LEP Chair is a non-executive role requiring approximately six to eight days per month input.

The Chair will not be remunerated but expenses associated with LEP Board business will be met.

The Chair will be appointed by open advertisement. The term of office will be for an initial three years and may be renewed following approval by the Board following a vote by the full LEP Board.

The responsibilities of the Chair are to:

- Provide strategic leadership and direction to ensure that the Partnership achieves its goals.
- Lead the efforts of the Partnership in developing and implementing an effective LEP Strategic Vision and associated, Business Plan that identifies and addresses the key priorities for local economic growth.
- Effectively 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 Worcestershire, championing the LEP at local, regional and national levels working with appropriate partner organisations and individuals.
- Be an effective advocate on behalf of the Partnership, the businesses and people of Worcestershire, in particular at conferences and events/meetings with Ministers, MPs and key civil servants.
- Reflect the agreed policies and views of the LEP Board and its members in all discussions with partners, stakeholders, government and its’ agencies.
- To ensure that the Partnership including the Board adheres at all times to high standards of ethics and governance in public life and is an exemplar to others organisations.
- To ensure that all Board members participate actively in the work of the Board, encouraging their attendance and engagement and keeping in regular contact with all members.
- To direct the activities and priorities of the Chief Executive, setting annual performance targets and conducting reviews and appraisals.
- Adhere at all times to high standards of ethics and governance in public life, declaring interests as they arise and ensuring that risks are identified and managed.
- Exert a casting vote in LEP Board decisions if circumstances so require.

### **Worcestershire LEP Board members**

Worcestershire LEP Board members are non-executive roles requiring a maximum of between one and three days a month.

Board members will not be remunerated but expenses associated with LEP Board business will be met.

The responsibilities of individual Board members are to:

- Attend meetings of the LEP Board and to nominate an appropriate named alternate, to be agreed by the Chair and Chief Executive, where attendance is not possible.
- Reflect the agreed view of the LEP Board and its members in all discussions with partners, stakeholders, government and its’ agencies.

- To support the Chair by leading on activities relevant to their knowledge and experience and 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 overall strategy, priorities, business planning, 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 the LEP in meeting other bodies and partner organisations as required.
- Lead for the Board on particular issues and activities including serving on or chairing policy boards and task and finish groups.
- Adhere at all times to high standards of ethics and governance in public life, declaring interests as they arise and ensuring that risks are identified and managed.

Each member will have one vote each, with the Chair having the deciding vote. Observers / speakers may be invited by the Chair to attend and/or speak at the Board Meeting from time to time. They will have no voting rights.

Members are required to declare any personal or financial interests in any business of the Board at the commencement of the meeting or to ensure that they have previously been recorded in the file kept by the Chief Executive in accordance with the Conflicts of Interest Policy.

### **Section 151 Officer (or nominated deputy with authority to act on their behalf)**

Public funding for LEP programmes is held and managed by Worcestershire County Council acting as the Accountable Body. The National Assurance Framework requires the Section 151 officer to provide reassurance on the activity of the LEP and outlines the accountable body arrangements which the LEP should have in place.

The Section 151 Officer is required to be actively involved in, and able to bring influence to bear, on all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the overall financial strategy. WLEP views their Accountable Body Section 151 Officer as the ultimate finance lead for their organisation.

LEPs and the Section 151 Officer will agree and approve the budget risks facing the LEP at the outset of the financial year, and review them on a frequent basis.

At the beginning of the budget year, the Section 151 Officer will comment on the adequacy of the budget plan which is provided by the Chief Executive, and sets out the capital programme and revenue commitments and projections, at the beginning of each financial year.

An internal audit plan will be agreed for the year, including quarterly reports to the Finance, Audit and Risk Committee and the LEP Board which will culminate in a formal opinion on controls to the LEP. When audits are completed the Section 151

Officer and the Chief Executive will provide a report to the Finance, Audit and Risk Committee and the LEP Board, each giving their opinion on the outcome of the audit.

The Section 151 Officer is required to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.

The Section 151 Officer is involved in Board agenda setting, is invited to record a financial opinion on all Board papers and is a member of the LEP Board and the Finance, Audit and Risk Committee. To support this, the S151 Officer has a formal role in signing-off the LEP's rules of financial behaviour e.g. how budgets are set, schedules of delegated authority, appraisal methods etc.

### **WLEP Executive Board**

The WLEP Executive Board, known as the Quad, meets on an alternate cycle to the WLEP Board and is responsible for setting the agenda for all WLEP Board meetings. These meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk](http://www.wlep.co.uk)

In accordance with the national guidance,

- meeting agendas and papers will be published 5 clear working days before the meeting takes place;
- minutes of the Board meetings will be published within 5 clear working days of the meeting taking place. However the finalised minutes will not be published until approved at the subsequent Board meeting.
- any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

The WLEP Executive Board is authorised to make decisions on funding project development costs in accordance with the WLEP Scheme of Delegation published at [www.wlep.co.uk](http://www.wlep.co.uk)

Current membership of the WLEP Executive Board will be published on the WLEP website at [www.wlep.co.uk](http://www.wlep.co.uk)

### **Finance, Audit and Risk Committee**

The Finance, Audit and Risk Committee is a formal standing sub-committee of the Worcestershire LEP Board.

The Committee is responsible for the monitoring, audit and risk management functions of the LEP and ensuring compliance with any regulatory frameworks relating to funding or partnership working including the Memorandum of Understanding with the Accountable Body.

In particular, the Committee is responsible for monitoring the implementation of the Worcestershire LEP policy on Conflicts of Interest.

Specifically, the committee will oversee, manage and have responsibility for:

- monitoring the implementation of the Worcestershire LEP policy on Conflicts of Interest
- ensure the funded programme (both capital and EU funding) is communicated and understood by all board members and sub-committee members
- identify, manage and provide mitigation strategies for risks and issues and maintain an up to date risk register and issues log and ensure upward and downward communication through the WLEP Board
- escalate any key financial or audit risks and issues to the LEP Board and to ensure any agreed mitigation strategies are delivered to agreed timescales
- the maintenance and monitoring of a register of interests, which will be collated by the LEP Chief Executive
- investigating any complaints against the LEP or its members and determining whether action is required
- ensuring a regular, timely and robust process of audit activity
- liaising with the scrutiny process within the Accountable Body
- having sight of financial due diligence and financial checks undertaken by the Accountable Body relevant to projects where the WLEP is responsible
- assessment of the annual revenue budget and recommendation to the Board to approve

The Committee will be chaired by the most appropriate member of the LEP Board with the relevant skills and experience, as agreed by the LEP Board. The Chair will be confirmed on an annual basis at the LEP Board, following expressions of interest and election as appropriate.

In addition to its Chair there will be a further 6 members of the Committee, giving a total of 7 members, with a balance of public and private sector members.

4 of the 7 will have a role within the LEP Board structure and will comprise

- The Chair,
- 1 other LEP Board Member,
- 1 member of the Business Board, and
- 1 other member of any of the LEP's sub groups / sub-committees.

The remaining 3 will be

- a representative who is independent of any LEP Boards or sub-committees,
- the Chief Executive of the LEP (or nominated deputy) and
- the Chief Financial Officer (or nominated deputy) of the Accountable Body.

Meetings will be deemed quorate for decision making purposes if at least 2 out of the 4 members of the LEP board structure and 2 out of the 3 other members (or their nominated deputies) are in attendance.

The Chief Executive, Chief Financial Officer (or nominee) and the Chair will propose the appointment of any new members to the FAR committee, who will approve their nominations, or otherwise.

These meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk](http://www.wlep.co.uk)

In accordance with the national guidance,

- meeting agendas and papers will be published 5 clear working days before the meeting takes place;
- minutes of the Board meetings will be published within 5 clear working days of the meeting taking place. However the finalised minutes will not be published until approved at the subsequent Board meeting.
- any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

*Roles and responsibilities of the Chair of the Finance, Audit and Risk Committee are to:*

- Ensure that the LEP and its boards adhere at all times to high standards of ethics and governance in public life.
- Investigate any complaints made against the LEP, Board Members or officers.
- Ensure the financial probity of investments made by the LEP and that requirements relating to due diligence and audit are properly fulfilled.
- Monitor the LEP register of conflicts of interest.
- Report to the LEP Board and recommend action where breaches of the LEPs protocols and code of conduct are apparent.
- Present a report to the LEP Board following each FAR committee on any area which needs escalating including, in consultation with the Chief Financial Officer, a statement of the current financial position
- Produce a statement for the annual report on the financial position of WLEP

*Roles and responsibilities of the Chief Finance Officer (or nominated deputy) of the Accountable Body are to*

- provide reassurance on the financial activity of the LEP
- to support the Chair in ensuring the financial probity of investments made by the LEP and that requirements relating to due diligence and audit are properly fulfilled.
- outline the accountable body arrangements which the LEP should have in place
- to be actively involved in, and able to bring influence to bear, on all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the overall financial strategy
- comment on the adequacy of the budget plan
- agree and approve the budget risks facing the LEP at the outset of the financial year, and review them on a frequent basis.
- sign off the LEP's rules of financial behaviour e.g. how budgets are set, schedules of delegated authority, appraisal methods etc
- report to the Board on an annual basis following the certification in writing by the 28 February that the LEP's local assurance framework has been agreed, meets the revised standards set out in the national Local Enterprise Partnership Assurance Framework, and that the arrangements have been implemented

### *Roles and responsibilities of other members of the Finance, Audit and Risk Committee*

The responsibilities of individual board members are to support the Chair of the Committee in ensuring that he / she is able to undertake the duties laid down in this document and to ensure that the LEP and its boards adhere at all times to high standards of ethics and governance in public life.

Current membership of the WLEP Finance, Audit and Risk Committee will be published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

### *Annual Audit and Scrutiny Process*

The Accountable Body will arrange through its internal audit arrangements with Warwickshire County Council for an annual audit of the assurance framework and adherence to it. This will include agreement of the Key Lines of Enquiry, Terms of Reference and action plan following the audit by the FAR Committee.

The financial data and information regarding capital and revenue expenditure forms part of the overall Accountable Body's statement of accounts and is subject to the normal external auditing arrangements.

WLEP will also attend the Council's Overview and Scrutiny Performance Board, an annual basis, to update the panel on the operations of the LEP over the last 12 months and the programme of activity for the following year. The scrutiny panel will then decide whether to set up task and finish groups to undertake further scrutiny.

## **Local Transport Board**

The Worcestershire Local Transport Board (WLTB) is accountable to the LEP Board for the delivery of all transport schemes funded by the Growth Deal.

The WLTB has developed an effective Assurance Framework which exists alongside this Framework and has been endorsed by the Department for Transport. This allows devolved decision to be taken by WLEP without further reference to Government.

Other primary roles of the WLTB include reviewing and approving business cases for transport schemes and ensuring effective delivery.

WLTB meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

In accordance with the national guidance,

- meeting agendas and papers will be published 5 clear working days before the meeting takes place;
- minutes of Board meetings will be published within 10 clear working days of the meeting taking place. This may be in draft if clearance is required before the minutes are finalised. However, the final minutes of Board meetings will be published within 10 clear working days of being approved
- any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

Current membership of the WLTB and the WLTB Assurance Framework is published on the WLEP website at [www.wlep.co.uk](http://www.wlep.co.uk)

### Worcestershire Growth Fund Investment Decision Group

The Worcestershire Growth Fund Investment Decision Group (IDG) is responsible for the delivery of the Worcestershire Growth Fund, a capital grant programme made available by the WLEP and funded by the Growth Deal.

The IDG is the primary decision maker on Worcestershire Growth Fund investments in accordance with the WLEP Scheme of Delegation included at [Appendix 2](#) and published at [www.wlep.co.uk/](http://www.wlep.co.uk/). The IDG meets as and when investment decisions are required relating to the Worcestershire Growth Fund.

These meetings are held in private with the agendas, minutes and non – confidential papers are published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

In accordance with the national guidance,

- meeting agendas and papers will be published 5 clear working days before the meeting takes place;
- minutes of the Board meetings will be published within 5 clear working days of the meeting taking place. However the finalised minutes will not be published until approved at the subsequent Board meeting;
- any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

Current membership of the IDG is published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

### Employment and Skills Board

The role of the Employment and Skills Board (ESB) is to provide leadership on Employment & Skills in Worcestershire and champion investment in the workforce by the private sector to support and sustain economic growth.

The ESB develops, reviews and oversees the implementation of the Employment & Skills Strategy for Worcestershire and provides direction, expertise and advice to schools, Further Education Colleges, Universities and training providers on developing a responsive curriculum and skills and employment provision to meet the priorities for businesses in Worcestershire

These meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk](http://www.wlep.co.uk)

In accordance with the national guidance,

- meeting agendas and papers will be published 5 clear working days before the meeting takes place;
- minutes of Board meetings will be published within 10 clear working days of the meeting taking place. This may be in draft if clearance is required before the minutes are finalised. However, the final minutes of Board meetings will be published within 10 clear working days of being approved

- any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest will be updated on the relevant member's register of interest.

Current membership of the WLEP Employment and Skills Board is published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

### **Worcestershire LEP Business Board**

The Business Board has been established to support the work of the Worcestershire LEP by bringing a business sector perspective on the key challenges and opportunities relevant to the county's economy. Business will include all types and sizes of businesses, which range from the multinationals to SMEs and Sole traders, and all structures from FTSE 100 to home workers and to include social enterprises and third sector bodies.

The Business Board has a vital role in supporting enterprise and economic growth for Worcestershire.

The Board is not a decision making body and will act in an advisory capacity, informing and influencing the decisions of the LEP Board.

There will be a two way relationship between the LEP Board and the Business Board. The Business Board will offer advice to the LEP Board on matters of concern to the business community and will also be asked directly for advice by the LEP Board on matters where a business sector perspective is required.

The Business Board will communicate with the wider business community and then represent their views. This will be done in a way which is open and transparent to the Worcestershire's business community.

The Board will meet six times per year or more frequently as required with agreement of the Business Board Chair.

These meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

Current membership of the WLEP Business Board is published on the [WLEP website](#).

### **Chair of the Worcestershire Business Board**

The Worcestershire Business Board Chair is a non-executive role requiring a maximum of between one and four days a month.

The Chair of the Business Board will be from the business sector and be nominated by the members of the Business Board and approved by the LEP Board.

The Chair of the Business Board will also sit on the Worcestershire LEP Board.

The term of office will be for an initial three years and may be renewed for a maximum of a further three years subject to the agreement of the Business Board and the full LEP Board.

Key responsibilities of the Chair of the Business Board are to:

- Provide strategic leadership of the work of the Business Board, leading the efforts of the Business Board in supporting the work of the LEP, offering a business sector perspective and advice to the LEP Board.
- Encourage and lead business sector engagement in the LEP, its Policy Boards and the delivery of the Partnerships' wider vision.
- Effectively chair meetings of the Business Board, leading it towards decisions that ensure the strategic vision and key objectives of the Partnership are delivered.
- Be an effective influencer, championing the views of the Business Board at the LEP Board.
- Be an effective conduit between the Business Board and LEP Board, facilitating a two way flow of information between both bodies.
- To ensure that the Business Board adheres at all times to high standards of ethics and governance in public life.

### **Worcestershire Business Board Members**

Worcestershire Business Board members are unpaid non-executive roles requiring a maximum of between one and two days a month.

The role Business Board members is to represent the collective interests of the business sector in the development and implementation of the LEP Strategic Vision and associated, Business Plan that identifies and addresses the key priorities for local economic growth.

The responsibilities of individual Business Board members are to:

- Attend meetings of the Business Board.
- Provide business leadership and expertise in supporting enterprise and economic growth related to the delivery of the Partnerships Strategic Vision and associated Business Plan.
- Influence policy making in areas that impact on wealth creation in Worcestershire.
- Act as the collective voice of the business sector from Worcestershire.
- Ensure business sector engagement and involvement in the LEP's agenda for Worcestershire.
- Support a co-ordinated approach to enterprise and economic development through promotions, schemes and initiatives.

### **Worcestershire Leaders Board**

The Worcestershire Leader Board (WLB) is a bi-monthly meeting of the seven LA Leaders and Chief Executives and is also attended by the Chief Executive of WLEP.

The WLB acts as a coordinating vehicle and provides strategic leadership and direction on economic prosperity linking through into the WLEP Board and to the

respective District, Borough, City and County Councils. This facilitates the discussion and agreement of growth priorities across Worcestershire and the way in which they can be resourced and delivered.

In addition, the WLB provides the democratic accountability for the LEP via the elected representatives of the County Council and Northern and Southern Districts on the LEP Board.

### **The Accountable Body**

WLEP, and therefore the WLEP Board, is not a legal entity so cannot formally enter into funding agreements or legal contracts with government and/or third parties. Funding made available via the Growth Deal is routed through the Accountable Body, Worcestershire County Council (WCC).

WLEP and the Accountable Body will enter into legal grant offer agreements with Lead Delivery Organisations / Scheme Promoters on behalf of WLEP, in line with the agreed Memorandum of Understanding (MoU) between the two parties. The MoU is referenced further in the Financial Accountability section below and published at [www.wlep.co.uk/](http://www.wlep.co.uk/)

The Accountable Body is responsible for advising WLEP during the project/programme development stages of any issues likely to prevent the lawful or proper entering into of Funding Agreements should a project be approved by the WLEP Board (e.g. State Aid issues etc.).

It is important to note that the Accountable Body role that WCC performs is a transactional and legislative one and does not detract from or conflict with WCC's interests / priorities for economic development activities as an equal partner on the WLEP Board.

Further details are included in the *Accountability* section of this Framework.

### **ESIF Committee**

In order to fulfil the EU Code of Conduct on Partnership in the framework of European Structural and Investment Funds (ESIF), the WLEP is required to incorporate an ESIF Committee in its structure and governance which establishes close co-operation between partners which represent the most relevant stakeholders.

The ESIF Committee remit covers the whole ESIF programme cycle encompassing preparation, development, implementation, monitoring and evaluation of all EU funded programmes and projects. Recruitment of representatives involved in the planned use of ESI funds has followed the established open and transparent WLEP process which simultaneously aligns with EU and DCLG expectations.

The ESIF Committee membership comprises representation from public bodies, higher education sector, economic partners and social partners.

These meetings are held in private, but the agendas, minutes and non – confidential papers are published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

Current membership of the ESIF Committee is published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

### **Worcestershire Business Central Board**

Worcestershire Business Central (WBC) is the Growth Hub for Worcestershire and was established with a vision to provide a single point of contact for all businesses needs in Worcestershire.

WBC is led by a Board comprising representatives of the public, private and education sectors with a role to approve and oversee the implementation of the annual Business Plan for the service. The WBC Board is accountable to LEP Board for the delivery of business support activity across Worcestershire and is chaired by the LEP Chief Executive.

Board meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

Current membership of the WBC Board can also be seen at [www.wlep.co.uk/](http://www.wlep.co.uk/)

Further details on WBC can be found at <http://www.business-central.co.uk/>

### **Worcestershire Innovation Programme Office Board**

The Worcestershire Innovation Programme Office (WINN) was established by the WLEP Board and Worcestershire County Council and aims to consolidate business innovation support activities and create a community of innovators across the County.

With a vision to be a catalyst for innovation, WINN is led by a Board of partners from the public, private and education sector with a role to approve and oversee the implementation of the annual Business Plan for the service.

Board meetings are held in private with the agendas, minutes and non – confidential papers published on the WLEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

Current membership of the WINN Board can also be seen at [www.wlep.co.uk/](http://www.wlep.co.uk/)

### **Worcestershire LEP Executive Team**

The WLEP Board and its advisory and delivery groups as well as the ESIF Committee are supported by the WLEP Executive Team.

The WLEP Executive Team is headed up by the Chief Executive who is accountable to the WLEP Board.

In the main, employment, pay and administration costs for the Executive Team are the responsibility of Herefordshire and Worcestershire Chamber of Commerce. However, the team is occasionally supplemented by secondees from third party organisations.

The Staffing Structure of the WLEP Executive Team is published on the [WLEP website](#).

### **Worcestershire LEP Chief Executive**

The Worcestershire LEP Chief Executive is a permanent full time paid position, recruited by open advertisement.

The responsibilities of the Chief Executive are to:

- Support the Chair, LEP Board, Business Board and its policy boards in the effective discharge of their responsibilities.
- Advise the LEP Board on the position of the local economy and to both advise on and deliver its vision and long term strategy to promote economic growth.
- Be responsible for the preparation of an annual budget and business plan for approval by the Board to deliver the LEP's long term strategy and to report on financial performance, project delivery and risk management in relation to them.
- Advise on and secure the implementation of the LEP Business Plan as instructed by the board.
- Be responsible for managing the board's relations with partner organisations and supporting the LEP Chair and other board members in their representational roles.
- Ensure timely reporting to the Board, partners and funders on performance against the business plan and any supported projects.
- Lead, direct and manage the LEP's executive team, staff, secondments and consultancy support.
- Be responsible for the application of the LEP's protocols and code of conduct.
- Ensure all conflicts of interest are accurately recorded and monitored.
- Work with the Chair of the Finance, Audit and Risk Committee to ensure that all complaints are investigated and that the LEP Board and its members maintain the highest standards

### **Cross-LEP Working and Engagement**

#### **Collaboration with Greater Birmingham and Solihull LEP (GBSLEP)**

Due to the geographical overlap with GBSLEP, WLEP has put protocol agreements in place, which set out how we will jointly prioritise and manage projects (where applicable) with GBSLEP in order to stimulate economic growth and create jobs in north Worcestershire.

Management arrangements for projects that are joint-funded by the two LEPs will be set out on a per-project basis.

The joint protocol between WLEP and GBSLEP is included as part of [Appendix 4](#).

#### **Wider cross-LEP engagement**

WLEP recognises the importance and value in cross-LEP working, both in terms of sharing best practice, but also in realising better outcomes through a collaborative approach to certain economic issues.

The Chairs of the West Midlands LEPs (the Black Country, Coventry & Warwickshire, Stoke-on-Trent & Staffordshire, The Marches, and Worcestershire) meet on a formal and quarterly basis to discuss matters of regional importance such as the Midlands Engine and joint lobbying of Government on shared priorities.

Cross LEP working also exists at a thematic level with collaboration on specific issues such as Agri-tech and Cyber Resilience.

## Project Development

### Overview

This section outlines how WLEP identifies, develops and implements projects within the Growth Deal and Growing Places Fund programmes. The project lifecycle being:

1. Project Identification and Programme Entry
2. Project Application, Appraisal and Approval
3. Project Delivery

It should be noted that the Growth Deal programme can only support capital investment and cannot be used as revenue.

At 1<sup>st</sup> March 2018, WLEP had successfully secured £71.725m from the first 3 rounds of the Government's Growth Deal programme as follows:

- a) Round 1 - £47m
- b) Round 2 - £7.2m
- c) Round 3 - £17.5m

### Project Identification and Programme Entry

#### Growth Deal Round 1

All projects included within the negotiation for Round 1 were identified within the Worcestershire [Strategic Economic Plan](#) and followed an open call for projects in November 2013.

Each project included within the [Strategic Economic Plan](#) submission was subject to an appraisal of a Strategic Outline Case (SOC). The purpose of the SOC being to confirm the strategic context of the proposed intervention and to make a robust case for change, providing stakeholders and customers with an early indication of the 'preferred way forward', although not the preferred option at that stage.

The SOC's set out at a high level the background and rationale for the intervention, along with proposed outputs and outcomes associated. It will also outline the funding requirement and potential sources of matched finance, identify key risks associated with the intervention and value for money (VfM) considerations. The SOC should provide clarity as to who is the scheme owner and identify any additional project/delivery partners associated.

It also drew attention to state aid regulation, ensuring any potential issues are flagged up at an early stage.

Following this call and the subsequent assessment of the SOCs, a programme of 23 projects were granted Programme Entry by the LEP Board and included in the submission to Government in March 2014.

Following a period of negotiation with Government, the final list of projects for which funding was agreed with government was as follows:

- (i) Worcester 6
- (ii) Malvern Hills Science Park
- (iii) Broadband
- (iv) Flood Alleviation
- (v) Hoobrook Link Road
- (vi) Southern Link Road
- (vii) Parkway Station
- (viii) Centre of Vocational Excellence
- (ix) Kidderminster Railway Station -

### Growth Deal Round 2

The approach adopted in Round 2 was somewhat different in that negotiation focussed on the delivery of 3 programmes of activity that supported the delivery of the [Strategic Economic Plan](#).

The final programmes agreed with Government were as follows:

- (i) Skills Capital Fund
- (ii) Worcestershire Growth Fund
- (iii) Employment and Housing Infrastructure Fund -

### Growth Deal Round 3

The approach adopted in Round 3 was similar to that of Round 2 and focussed on the delivery of 4 programmes of activity that supported the delivery of the [Strategic Economic Plan](#).

The final programmes agreed with Government were as follows:

- (i) Skills Capital Fund
- (ii) Bromsgrove A38

- (iii) Pershore Northern Link Improvements
- (iv) Churchfields

### **Skills Capital Fund**

The purpose of the Skills Capital Fund was to invest in projects with Further Education Colleges and private Training Providers, to create the environment within which individuals and employers could access industry relevant training in Science, Technology, Engineering and Maths (STEM) as well as facilities to support individuals with Special Educational Needs (SEN)

WLEP worked with the Colleges and Training Providers in the County to identify a number of projects which meet this ambition. These included:

- (i) An Engineering Skills Academy in Redditch in collaboration with Midland Group Training Services
- (ii) An Agri-tech skills development project at Pershore College in partnership with WCG (formerly the Warwickshire College Group)
- (iii) A project with the Heart of Worcestershire College providing specialist support and facilities for Worcestershire learners with Special Educational Needs.

### **Worcestershire Growth Fund**

The Worcestershire Growth Fund was a capital grant programme for businesses looking to increase productivity.

The Fund was launched at the WLEP Annual Conference on 13<sup>th</sup> November 2015. Promoted widely by Worcestershire Business Central via events, social media and direct business engagement, businesses were able to apply for grant in 4 clear funding rounds ending on:

- (i) 18th December 2015
- (ii) 13th May 2016
- (iii) 28th October 2016
- (iv) 31st March 2017

### **Employment and Housing Infrastructure Fund**

The purpose of this fund is to make significant capital investments in infrastructure to unlock sites for development for both housing and employment.

WLEP worked with primarily local authorities in Worcestershire to develop a pipeline of project activity that would accelerate the development of housing and employment sites.

Given the budget available, priority was given to those schemes that could make an impact in a reasonable period of time and addressed the priorities identified in the Worcestershire Strategic Economic Plan. These included:

- (v) Vale Park, Evesham
- (vi) Cathedral Square, Worcester
- (vii) Park Farm, Malvern

### **Growing Places Fund**

Since 2011, Government has awarded Worcestershire LEP a total of £5,518,972 of Growing Places Funds to invest in projects and project development that would accelerate the delivery of viable schemes and activity to benefit the local economy.

Following several open rounds of bidding, loans were made to a number of such projects with examples shown at <http://www.wlep.co.uk/current-projects/growing-places-fund/>

### **Project Application, Appraisal and Approval**

#### **Worcestershire Local Transport Body**

The Worcestershire LEP has delegated to the Worcestershire Local Transport Body control of the application, appraisal and approval process for major infrastructure projects.

The process adheres to a separate Assurance Framework ([http://www.worcestershire.gov.uk/downloads/file/1731/worcestershire\\_lt\\_b\\_assurance\\_framework](http://www.worcestershire.gov.uk/downloads/file/1731/worcestershire_lt_b_assurance_framework)) and relates to the following Growth Deal projects, all of which have a clear fit with the Strategic Economic plan.

The schemes are:

- (i) Worcester 6
- (ii) Flood Alleviation
- (iii) Hoobrook Link Road
- (iv) Southern Link Road
- (v) Parkway Station
- (vi) Kidderminster Railway Station
- (vii) Cathedral Square

## Non Transportation Projects

For all other activity including the Growth Deal, Growing Places Fund and Project Development Fund, an approach is adopted that will address, in a proportionate way, the Green Book guidance produced by HM with details available [here](#).

A standard [Full Application](#) form has been developed for Growth Deal projects. If the scheme seeking funding approval is a Skills Capital project, then the WLEP Skills Assurance Framework provides further information on the process required. This is available on WLEP website [here](#).

A scheme promoter will only be invited to complete the application form once the scheme has been accepted for Programme Entry.

On receipt of the application from scheme promoters, WLEP Executive Team will commission or undertake an appraisal which assesses the project against the 5 case model identified within the Green Book namely:

- (i) Strategic Case
- (ii) Economic Case
- (iii) Financial Case
- (iv) Commercial Case
- (v) Project Management Case

A standard [Appraisal Form](#) has been developed to inform the process.

WLEP Board will only grant approval to a scheme once all legal powers and third-party funding contributions are identified, and the final costs have been formally agreed (i.e. contracted) with a delivery partner, subject to the production and evaluation of a FBC.

Furthermore, an application for funding approval will only be considered if the application is supported in writing by the Section 151 Officer or nominated alternative of the promoting authority, thereby guaranteeing the local contribution to the scheme and signifying acceptance of risk for all cost increases.

All decision-making will be taken in accordance with the WLEP Scheme of Delegation included at [Appendix 2](#) and will be supported by the WLEP Executive Team, who will facilitate the evaluation of the full business case and will ensure that a covering report is drafted with a recommendation, to support the decision-making process.

The Chief Executive or their nominated alternative will have overall responsibility for ensuring value for money for all projects and programmes and the scrutiny of and recommendations relating to each business case as well as the identification and management of risk relating to Growth Deal and Growing Places Fund projects.

## Due Diligence and Financial Checks

WLEP (and the Accountable Body, Worcestershire Council Council) will undertake due diligence and/or financial checks from potential grant recipients prior to awarding

grant funding, in order to try and reduce the level of risk associated with the WLEP investment. This will be reviewed by the FAR Committee on behalf of WLEP and any risks and issues reported to the WLEP Board.

## Social Value

WLEP is committed to working with its partners to integrate social and economic inclusion across the SEP objectives and delivery. The fundamental purpose being to ensure economic success is accessed and shared by all interests in Worcestershire.

Examples of WLEP's social economic inclusion commitments include:

- a. Helping to reduce the number of people at risk of exclusion and poverty;
- b. Supporting inactive and unemployed people with multiple disadvantage;
- c. Supporting low-skilled workers on a constructive journey to improve skills and gain better paid employment and reduce income deprivation.

A full list of WLEP's social economic inclusion commitments is included in the SEP.

## Project Delivery

### Funding Agreement

Once a project has been granted funding approval by WLEP Board, the scheme promoter will be notified of the decision in writing and invited to enter into a formal tripartite funding agreement between WLEP (awarding body), WCC (accountable body) and the scheme promoter (grant recipient).

The Funding Agreement will set out the details of the funding allocation (quantum and profile) along with the associated terms and conditions i.e. delivery of outputs and compliance with progress reporting to WLEP.

The Funding Agreement will need to be signed by the Chief Executive of WLEP, the Section 151 Officer of the Accountable Body (or his/her nominee with delegated responsibility), and the Section 151 Officer of the scheme promoter (or, in the case of non-local authority promoters, by the Chief Financial Officer). Where the Accountable Body is also the scheme promoter then such signatures will be made to avoid any conflict of interest.

Where a project is to be delivered by the same authority which is acting as the Accountable Body, then a grant offer letter will be issued from WLEP to the Accountable Body detailing the funding conditions, outputs/outcomes, delivery milestones and reporting requirements on a project by project basis to ensure a clear audit trail for the LGF allocation and associated outputs and delivery arrangements per project. This will ensure any overspend/underspend is monitored and managed on a project-by-project basis.

### Cost Control, Funding Awards and Release of Funding

Any funding award from WLEP will be subject to a cap and will require the scheme promoter to be responsible for all cost increases post 'approval'.

Consequently, a fully-quantified risk register must inform the final project cost, and scheme promoters are encouraged to develop a register that is proportionate to the overall scheme size and risk profile.

Funding for actual expenditure will be released by WLEP quarterly in line with an agreed project funding profile.

WLEP will require financial and delivery information to be provided as part of regular progress reports from each lead delivery organisation. Progress reports will be measured against a set of agreed milestones, which will be set out in the funding approval application and WLEP's funding agreement.

WLEP will use project monitoring arrangements to detect incorrect use of funds, misuse of funds or incorrect payments made by scheme promoters / lead delivery organisations.

### **Programme and Risk Management**

Following approval, the LEP Executive and Accountable Body will manage the programme of projects within the annual allocation of Local Growth Fund

Each scheme included in the programme will be required to provide an expenditure profile, a project plan and a quality plan (including a risk register and management plan), as well as clearly identifying the project lead and lead delivery agency/agencies. This information will be updated at key stages throughout the project lifecycle and reported to the LEP Executive and the Finance Audit and Risk Committee.

The LEP Board via the Finance Audit and Risk Committee will also require financial and delivery information to be provided as part of the regular monitoring of the programme. In addition, monitoring reports will be required from each project in accordance with the Monitoring and Evaluation Framework.

The Local Enterprise Partnership will identify a named individual with overall responsibility for ensuring value for money for all projects and programmes and a named individual (not necessarily the same person) responsible for scrutiny of and recommendations relating to each business case. 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.

### **State Aid Compliance**

WLEP recognises the importance of the State Aid rules and regulations in protecting the free market by ensuring that state resources do not distort competition or give an unfair advantage. WLEP will therefore implement the necessary checks and balances, in partnership with the Accountable Body to ensure all WLEP investments are state aid compliant.

Therefore, WLEP/Accountable Body may vary or withhold any funding and/or require repayment of any funding already paid if:

- a. Repayment or recovery is required under State Aid Law; and/or
- b. WLEP/Accountable Body is otherwise required to repay or recover such funding in whole or in part to or by the European Commission.

Any funding required to be repaid shall bear interest as required under State Aid Law.

WLEP will require scheme promoters to seek their own legal advice in order to provide satisfactory evidence of State Aid compliance before any funding is released.

Further guidance on State Aid has been provided by BEIS, and is available [here](#)

### Issues and Escalation

Whilst the LEP Board and the LEP Executive will be responsible for delivery of the funded programme, the ultimate responsibility for the successful delivery of each project within that programme lies with the project's lead.

The LEP Executive, guided where appropriate by the LEP Board, will offer support and, if necessary, issue sanctions to the scheme promoter if project spend and/or achievement of delivery milestones are not keeping pace with agreed funding and delivery profiles.

These sanctions can vary from a note of concern being issued to the Project Lead and copied to the Accountable Body, through to formal warnings, suspension of funding and ultimately withdrawal of funding, if deemed appropriate by the WLEP Board, Accountable Body and Central Government.

The LEP Executive Team will aim to support any projects that are struggling before any decisions are taken to suspend or withdraw funding.

The decision to withdraw and/or claw-back funding will only be taken where a full analysis of the impact of doing so has been undertaken. It is envisaged that withdrawal of funding will only apply where a project has significantly delayed its start date and will not spend its in-year allocation of funding.

### Monitoring and Evaluation

All LEP-funded projects will be subject to WLEP's Monitoring and Evaluation Framework, which is available at [www.wlep.co.uk](http://www.wlep.co.uk)

*Monitoring* is required to ensure that projects and programmes are delivering according to the appropriate outputs, inputs and timescale. The monitoring is heavily based around three types of metric:

- a. Core / required metrics – these are derived entirely from guidance from the Department of Business, Innovation and Skills (BIS). They cover key topics surrounding the project's delivery and will inform monitoring and evaluations within central government.

- b. Supplementary metrics – these will be collected on specific projects where identified to be beneficial due to information required from monitoring, or for future benefit towards an evaluation. The collection of any supplementary metrics is to be agreed by the WLEP Executive Team and the respective project board.
- c. Process metrics – in essence, a form of supplementary metric, but refers to anything required in further detail by the WLEP Executive Team from a project lead in order to gain further insight into project delivery. In some cases additional process metrics may be required for a specific process evaluation subsequent to project completion. For example, where multiple LEPs have an interest in a single project, and the process of working collaboratively should be reviewed and learned from where necessary.

*Evaluations* are also required to ensure that projects and processes are efficient, effective and achieve the desired outcomes and impacts. Where possible WLEP aims to ensure that evaluations allow for the constructive development of previously established processes and to promote best practice for future work.

There are four types of evaluation that WLEP may apply to LEP-funded projects:

- a. Process evaluation – an assessment of what aspects of the project contributed towards delivery of project outputs
- b. Theory-based evaluation – asks how the intervention succeeded by testing the effectiveness of mechanisms that were expected to be the key drivers of impact
- c. Outcomes evaluation – asks whether outcomes moved in the desired direction and often includes contextual information to test non-project influences
- d. Impact evaluation – asks whether the intervention had any impact on observed outcomes, providing a key component of assessment of both cost-effectiveness and cost-benefit.

### Claw-Back Arrangements

If a Lead Delivery Organisation fails to comply with any of the conditions expressed within the Funding Agreement, the WLEP (through the Accountable Body, Worcestershire County Council) may:

1. Reduce, suspend or withhold grant
2. By notification in writing to the Lead Delivery Organisation, require the repayment of the whole or any part of the grant

In circumstances where the decision is taken by WLEP to withdraw funding from a project, the funding already released to that project will be subject to claw-back with immediate effect.

## Accountability

### Role of Accountable Body

WLEP, and therefore the WLEP Board, is not a legal entity so cannot formally enter into funding agreements or legal contracts with government and/or third parties. Funding made available to WLEP is routed through the Accountable Body, Worcestershire County Council (WCC).

WLEP and the Accountable Body will enter into legal grant offer agreements with Lead Delivery Organisations / Scheme Promoters on behalf of WLEP, in line with the agreed Memorandum of Understanding (MoU) between the two parties. The MoU is attached as [Appendix 5](#) to this document.

The Accountable Body is responsible for advising WLEP during the project/programme development stages of any issues likely to prevent the lawful or proper entering into of Funding Agreements should a project be approved by the WLEP Board (e.g. State Aid issues etc.).

It is important to note that the Accountable Body role that WCC performs is a transactional and legislative one and does not detract from or conflict with WCC's interests / priorities for economic development activities as an equal partner on the WLEP Board.

In addition, as the Accountable Body, WCC are responsible for ensuring that WLEP comply with the principles contained within this assurance framework. The S151 officer, with WCC, is responsible for ensuring that all resources are used in accordance with the grant conditions.

### Relationship with Accountable Body

There are financial procedures and delegated authority arrangements of the accountable body with the WLEP and a memorandum of understanding between the WLEP and WCC as the accountable body. These key documents define the relationship in place and how it is governed.

In November 2014, WLEP and WCC agreed a Memorandum of Understanding (MoU) to formalise the Accountable Body arrangements. This was co-designed by WLEP and WCC and it provides a clear framework of the roles and responsibilities of each party in terms of the operational protocols of the partnership.

Whilst not legally binding, and no legal obligations or legal rights arise between the Parties from the MoU, both parties have entered into the agreement intending to honour all of their obligations.

Key responsibilities of WCC include:

- Entering into grant agreements as appropriate with Lead Delivery Organisations for projects approved by WLEP – ensuring Section 151 Officer (or authorised nominee with delegated authority) sign-off
- Advise WLEP during development stages of projects/programmes of issues likely to prevent the lawful or proper entering into of grant agreements should a project/programme be approved e.g. state aid issues etc.

- Retain a financial audit trail on behalf of WLEP for the time period required by government

Key responsibilities of WLEP include:

- Consider and approve the allocation of funds covered by this agreement
- Follow the procurement code of the Accountable Body
- Develop and implement an Assurance Framework covering all LEP-funded activity
- Provide supporting evidence and detailed narrative to accompany grant claims submitted by the Accountable Body to government

Full details of the responsibilities for each Party are included within the full MoU, attached as [Appendix 5](#).

In the event of any dispute arising between the parties to this MOU, which cannot be resolved directly by the Parties, such dispute shall be referred to a senior officer nominated by each of the Parties who will use all reasonable endeavours to resolve the dispute. Any such joint resolution shall be a final determination of the dispute. If joint resolution is not met then mediation between the LEP Chair and Accountable Body Chief Executive would prevail.

In cases where the Accountable Body is also the scheme promoter, the LEP Board will ensure that the scheme promoter's status as the Accountable Body does not put it in a more favourable position than any other scheme promoter in the WLEP area.

Further information on financial procedures and delegated authority is included in [Appendix 6](#).

## Transparency

WLEP is committed to applying similar standards of transparency as public sector organisations over decisions it makes about public funding thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.

It is understood that not all information will be appropriate for publication e.g. commercially sensitive, and the discretion of the WLEP will be used to determine what should and should not be published.

## Decision Making

All investment decisions taken by WLEP are made in accordance with the WLEP Scheme of Delegation included as [Appendix 2](#).

Meetings of all Decision Making Groups (see Figure 1 – WLEP Organisational Structure) are held in private with the agendas, minutes and non – confidential papers published on the WLEP website.

## Conflicts of Interest

A conflict of interest can be defined as a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest.

To ensure that the WLEP operates in a transparent manner the WLEP has adopted a Conflicts of Interest Policy included as [Appendix 7](#).

## Declarations of Interest

All of the Declaration of Interests made in accordance with the Conflicts of Interest Policy and will be published on the LEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

## Accounts and Audit

Worcestershire County Council, as the Accountable Body for WLEP, includes the transactions undertaken and managed by the WLEP, within the financial ledger and its sub ledgers which are subject to both internal and external review on an annual basis.

WLEP will publish an Income and Expenditure account within its Annual Report covering core costs, Local Growth Fund and Growing Places Fund.

Worcestershire County Council publishes annual accounts and will identify the projects against which WLEP core costs, Local Growth Fund and Growing Places funds have been defrayed. These accounts will also contain an Auditor's Certificate confirming that the Statement of Accounts for WCC is not qualified.

## Freedom of information and Environmental Information Regulations

WLEP acknowledges that the Accountable Body is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 relating to the disclosure of information.

WLEP is committed to assist and cooperate with the Accountable Body to enable the Accountable Body to comply with these information disclosure obligations.

## Complaints

WLEP is committed to dealing with any complaints fairly, impartially, and confidentially, and has set out a clear policy for handling complaints.

The WLEP Complaint Policy is available on the WLEP website at <http://www.wlep.co.uk/assets/WLEP-Complaints-Policy-Jan-2018.pdf>

## Data Protection

Where data is gathered, the LEP has in place appropriate data protection arrangements that mirror those of the employing organisation. These arrangements are in line with the Data Protection Act 1998, and the LEP will have the appropriate arrangements in place from May 2018 in order to adhere to the General Data Protection Regulation.

## Whistleblowing

Concerns from stakeholders, members of the public or internal whistle-blowers will be addressed using the WLEP Whistleblowing Policy.

The WLEP Whistleblowing Policy is available on the WLEP website at <http://www.wlep.co.uk/assets/WLEP-Whistleblowing-Policy-Jan-2018.pdf>

## Confidentiality

The LEP has a standardised approach to marking documents which are not for publication but will be considered at meetings. Such information includes, the following non-exhaustive list

- 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 Local Enterprise Partnership 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.
- Commercially sensitive information

## Appendix 1a – Board Code of Conduct

### Code of Conduct

As a Board Member of the Worcestershire Local Enterprise Partnership you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership in your conduct at all times.

Accordingly, when acting in your capacity as a Board Member of Worcestershire Local Enterprise Partnership:

- You must act in a manner consistent with your LEP's equality and diversity strategy and treat your fellow Board Members, members of staff and others you come into contact with when working in their role with respect and courtesy at all times.
- You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
- You must not place yourself under a financial or other obligation to outside individuals or organisations that might be reasonably regarded to influence you in the performance of your official duties.
- When carrying out your LEP duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, based on evidence.
- You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your position. You must be as open as possible about both your decisions and actions and the decisions and actions of the LEP. In addition, you should be prepared to give reasons for those decisions and actions.
- You must declare any private interests, both pecuniary and non-pecuniary, including membership of any Trade Union, political party or local authority that relates to your LEP duties. Furthermore, you must take steps to resolve any conflicts arising in a way that protects the public interest. This includes registering and declaring interests in a manner conforming with the procedures set out in the section 'Registering and declaring pecuniary and non-pecuniary interests'.
- You must, when using or authorising the use by others of the resources of your LEP, ensure that such resources are not used improperly for political or personal purposes (including party political purposes).
- You must promote and support high standards of conduct when serving in your LEP post, in particular as characterised by the above requirements, by leadership and example.

## Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a Board Member or co-opted, notify your LEP Chief Executive and Accountable Body's S151/S73 Officer of any disclosable pecuniary interest<sup>1</sup>, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a spouse, or as if you were civil partners.

In addition, you must, within 28 days of taking office, notify your LEP Chief Executive and Accountable Body's S151/ S73 Officer of any non-pecuniary interest<sup>2</sup> which your LEP has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

Board members should review their individual register of interest before each board meeting and decision making committee meeting. They must declare any relevant interest(s) at the start of the meeting. If an interest has not been entered onto the LEP's register, then the member must disclose the interest at any meeting of the LEP at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'<sup>3</sup>.

Following any disclosure of an interest not on the LEP register or the subject of pending notification, you must notify the LEP Chief Executive and S151/S73 Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest. Additionally, you must observe the restrictions your LEP places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your LEP.

<sup>1</sup> For the purposes of this guidance, we are using the definition of a pecuniary interest as set out in the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

<sup>2</sup> A Non-Pecuniary interest is any interest which is not listed in the Schedule to The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (No.1464).

<sup>3</sup> A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

## Appendix 1b – Staff Code of Conduct

### Code of Conduct

As a Staff Member of the Worcestershire Local Enterprise Partnership you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership in your conduct at all times.

Accordingly, when acting in your capacity as a Staff Member of Worcestershire Local Enterprise Partnership:

- You must act in a manner consistent with your LEP's equality and diversity strategy and treat your fellow colleagues, and others you come into contact with when working in their role with respect and courtesy at all times.
- You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
- You must not place yourself under a financial or other obligation to outside individuals or organisations that might be reasonably regarded to influence you in the performance of your official duties.
- When carrying out your LEP duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, based on evidence.
- You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your position. You must be as open as possible about both your decisions and actions and the decisions and actions of the LEP. In addition, you should be prepared to give reasons for those decisions and actions.
- If you are a senior member of staff or involved in advising on decisions should also declare any private interests, both pecuniary and non-pecuniary, including membership of any Trade Union, political party or local authority that relates to LEP duties. Furthermore, you must take steps to resolve any conflicts arising in a way that protects the public interest. This includes registering and declaring interests in a manner conforming with the procedures set out in the section 'Registering and declaring pecuniary and non-pecuniary interests'.
- You must, when using or authorising the use by others of the resources of your LEP, ensure that such resources are not used improperly for political or personal purposes (including party political purposes).
- You must promote and support high standards of conduct when serving in your LEP post, in particular as characterised by the above requirements, by leadership and example.

## **Registering and declaring pecuniary and non-pecuniary interests**

You must, within 28 days of taking office as a staff member or co-opted, notify your LEP Chief Executive and Accountable Body's S151/S73 Officer of any disclosable pecuniary interest<sup>1</sup>, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a spouse, or as if you were civil partners.

In addition, you must, within 28 days of taking office, notify your LEP Chief Executive and Accountable Body's S151/ S73 Officer of any non-pecuniary interest<sup>2</sup> which your LEP has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

Staff members should review their individual register of interest before each board meeting and decision making committee meeting. They must declare any relevant interest(s) at the start of the meeting. If an interest has not been entered onto the LEP's register, then the member must disclose the interest at any meeting of the LEP at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'<sup>3</sup>.

Following any disclosure of an interest not on the LEP register or the subject of pending notification, you must notify the LEP Chief Executive and S151/S73 Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest. Additionally, you must observe the restrictions your LEP places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your LEP.

<sup>1</sup> For the purposes of this guidance, we are using the definition of a pecuniary interest as set out in the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

<sup>2</sup> A Non-Pecuniary interest is any interest which is not listed in the Schedule to The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (No.1464).

<sup>3</sup> A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

## Appendix 2 - Scheme of Delegation

This document sets out the WLEP Scheme of Delegation ('the scheme') for the Worcestershire Local Enterprise Partnership.

The scope of the scheme is the financial management of the following budgets:

1. Growth Deal
2. Growing Places Fund
3. Core (administration) budget

This scheme is to be read in conjunction with the Constitution of Worcestershire County Council acting as Accountable Body for the Worcestershire Local Enterprise Partnership. ([http://www.worcestershire.gov.uk/info/20088/about\\_your\\_council/83/the\\_councils\\_constituti](http://www.worcestershire.gov.uk/info/20088/about_your_council/83/the_councils_constituti) on and the Memorandum of Understanding between the Accountable Body and Worcestershire Local Enterprise Partnership and the

### Principles of Delegation

To ensure the efficient running of Worcestershire Local Enterprise Partnership, there needs to be delegation arrangements that allow for the appropriate allocation of tasks and responsibilities.

The scheme exists to ensure that financial management of the in scope budgets aligns with the Assurance Framework for the Worcestershire Local Enterprise Partnership.

Area of Responsibility	WLEP Board	WLEP Executive Board	WLTB	WGF IDG	Chief Executive
Approval of Local Growth Fund projects * (Non Transport)	X				
Approval of Local Growth Fund projects (Transport)			X		
Approval of Worcestershire Growth Fund Grants				X	
Approval of Growing Places Fund projects *	X				
Approval of Project Development Costs <£50,000 **					X
Approval of Project Development Costs >£50,000		X			
Management of Core Budget ***					X

\* Following review and recommendation by the Finance, Audit and Risk Committee

\*\* Following consultation with an appropriate WLEP Board Member and subsequent reporting to Board

\*\*\* In accordance with financial regulations and scheme of delegations of the Accountable Body. The Director of Operations has the delegation to undertake this in the absence of the Chief Executive. This will be reported to the FAR Committee on a quarterly basis and then to the WLEP Board

All financial and funding recommendations will be reviewed by the Finance, Audit and Risk Committee prior to a Board decision being sought.

All decisions taken in accordance with this Scheme of Delegation will be reported to the next available WLEP board meeting for information.

## Appendix 3 - Diversity Statement

Worcestershire LEP is committed to ensuring that businesses representation on Decision Making Groups, Delivery Groups and Advisory Groups (see Figure 1 - WLEP Organisational Structure) is reflective of the local business community.

We recognise that a truly diverse LEP will include and make good use of differences in the skills, geographical and industry experience, background, race, gender and other qualities that exist in the Worcestershire economy.

These differences will be considered in determining the optimum composition of these Groups and when possible will be balanced appropriately.

All appointments will be made on merit, in the context of the skills and experience required to be effective.

On behalf of the Board, the Finance, Audit and Risk Committee will review and assess membership and when recommending new appointments, will be mindful of achieving the optimum composition. In so doing the FAR Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and background on the Board.

In recommending suitable candidates for appointment, the FAR Committee will consider applicants on merit against objective criteria and with due regard for the benefits of diversity.

Appointments made to the Executive Team will be governed by the relevant policies of Herefordshire and Worcestershire Chamber of Commerce.

## Appendix 4 - Greater Birmingham & Solihull LEP and Worcestershire LEP Protocol

With the North Worcestershire area (comprising Bromsgrove, Redditch and Wyre Forest districts) being part of both the WLEP and the Greater Birmingham and Solihull LEP areas, collaboration across the two LEPs is fundamental in ensuring the effective and efficient investment in the overlapping area. Both LEPs have complementary offers and the common aim is to reinforce each LEP's ambitions as well as establish maximum advantage for local businesses.

### Working Together

The WLEP and Greater Birmingham and Solihull LEP have forged a mutually constructive working relationship since their inception where Chairs, Board Members and Executive Officers exchange views and participate in respective workshops and Sub Groups on a regular basis. North Worcestershire is represented on both LEP Boards, as well as through officer level involvement in parallel mechanisms, which have overseen the development and delivery of both SEP and ESI Fund Strategies. This arrangement has already proved invaluable in supporting initiatives of joint interest such as aligning co-funding through Growing Places to support the Hoobrook Link Road Scheme in the Wyre Forest District Council area which opens up significant employment and housing land opportunities.

The primary concern of both LEPs is to stimulate economic growth and create jobs. In doing this they recognise that businesses must be able to access prompt, assured and consistent support services, help and advice whichever sign posted route they pursue. It is the confirmed intention of both LEPs that the operating landscape for businesses is simple, co-ordinated and effective and responsive and there is a mutual LEP commitment in delivering results and achieving real impacts to meet business needs.

Both LEPs have established excellent engagement with business networks and representative organisations across the private sector in Worcestershire. It is also significant that both Birmingham Chamber of Commerce and Herefordshire and Worcestershire Chamber of Commerce have established a formal agreement and are working together collaboratively alongside both LEPs which means that private sector interests are represented in a consolidated way.

A Protocol Agreement has been developed and agreed by both LEPs as illustrated below. It will join up common programmes and initiatives to strengthen business and job opportunities as well as respecting unique LEP offers which would meet diverse needs in specific localities in either LEP. The agreement will also ensure that there will be neither duplication nor gaps in services and offers by both LEPs' activities. The agreement provides a robust framework within which barriers to growth will be removed, innovations nurtured and mutually beneficial outcomes realised which is testament to our good working relationship. The formal agreement was countersigned by both LEP Chairs in November 2014 following final approval by both GBSLEP and WLEP Boards.

**Protocol Agreement Aim:** WLEP and GBSLEP working together to achieve economic growth and job creation in North Worcestershire

**Protocol Principles:** The framework for respective LEP commitments to North Worcestershire are based on the following principles:

- co-ordinating strategic ambitions, sectoral and delivery priorities where possible;
- synchronising business support by aligning LEPs' local programmes and services to provide consistent responses and delivery to businesses as much as practically possible;

- working jointly through local business engagement mechanisms with North Worcestershire;
- joint liaison with government on initiatives of mutual interest;
- agreeing the most appropriate mechanisms for preparing funding bids;
- agreeing respective "LEP leads, LEP Support" roles for common programmes;
- as each LEP's separate negotiations with the major National Opt-In Programmes are confirmed, establishing alignment, co-ordinated and consistent support and signposting where possible;
- managing resources and programmes to maximum mutual effect;
- where there is commonality across the LEPs, agreeing a consistent programme and project development appraisal process and criteria for ESI, government or local funding purposes; and
- agreeing an appropriate performance management system which incorporates efficient monitoring, review and reporting of programme and project delivery to both LEP Boards

**Working Mechanisms:**

- A joint GBSLEP -WLEP Panel which will meet three times annually or as/when significant issues arise requiring joint resolution
- Joint Panel to comprise two nominated LEP Board representatives and Executive Director from each LEP, ideally one from the private sector and one from the public sector
- Continuous liaison between both LEPs will be maintained through both Executive Teams
- Depending on agenda items to be subject of Panel discussion, LEP Board representatives will be invited to contribute specialist knowledge and LEP intelligence i.e. chairs of respective Place Sub Groups if considering development sites or infrastructure schemes
- Panel will submit joint reports to respective LEP Boards on Panel meeting outcomes, programme/project updates as well as performance management culminating in an annual review of progress and a forward look to the next year
- Panel will escalate any substantive issues of non-agreement to respective LEP Chairs via both Executive Teams in the first instance and ultimately respective LEP boards
- Panel will recommend joint decisions on programmes, projects, funding or issues arising to both LEP Boards for formal approval
- Panel will use the North Worcestershire Economic Development & Regeneration (NWEDR) Portfolio Holders, service and North Worcestershire Business Leaders mechanisms as channels for wider consultation with local businesses, interests and organisation
- Panel will require the support of the NWEDR service to co-ordinate the delivery of joint priority objectives, programmes and projects to ensure effective use of combined resources, impacts and outcomes as well as avoiding duplication
  - Panel will nominate one LEP to lead a common programme theme on behalf of both LEPs where appropriate i.e. first confirmed arrangement will be WLEP (as well as Stoke and Staffordshire LEP) managing the GBS LEP EAFRD funds (£1.14m) in a tri-partite alliance delivering projects which fulfil respective SEP strategic objectives and rural priorities and align fully with WLEP and SS LEP EAFRD funding

## Appendix 5 - Memorandum of Understanding

### 1. THE PARTIES:

- (1) Worcestershire County Council, (the 'Accountable Body') whose address is County Hall, Spetchley Road, Worcester WR5 2NP
- (2) Worcestershire Local Enterprise Partnership (the 'WLEP')

### 2. INTRODUCTION

- 2.1 WLEP is a partnership between local authorities and the private sector formed in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and ensure economic growth and job creation within its local area.

### 3 PURPOSE

- 3.1 The purpose of this Memorandum of Understanding is to define the relationship between the Accountable Body and the WLEP where the WLEP is utilising allocated public funding to be administered by the Accountable Body for the purposes of implementing [the Strategic Economic Plan](#)

### 4 STATUS

- 4.1 This MOU is not intended to be legally binding and no legal obligations or legal rights shall arise between the Parties from its provisions. The MOU reflects the good faith, intentions and commitment of the Parties and the Parties shall in good faith and at all times cooperate with each other as far as operating this MOU in accordance with its terms and conditions is concerned
- 4.2 The Parties shall observe and honour the provisions and perform all obligations under the MOU.
- 4.3 The MOU shall apply to all funding and programmes arising from financial allocations to the WLEP but no other economic development activities

### 4 INTERPRETATION

WLEP	Means the Worcestershire Local Enterprise Partnership, including those within its agreed governance structure and those contracted to work on its behalf
The Accountable Body	Means Worcestershire County Council including those within its agreed governance structure and those contracted to work on its behalf
Lead Delivery Organisations	Organisations in the public, private or voluntary

	sectors in receipt of funds allocated by WLEP
SEP Funds	Means the various Government funding regimes provided by Government to the WLEP for the purposes of delivering the Strategic Economic Plan for which Worcestershire County Council are the Accountable Body
Grant Agreement	Tri-partite agreement between the Accountable Body, WLEP and Lead Delivery Organisation defining conditions for which WLEP funding has been awarded.

## **5 FREEDOM OF INFORMATION AND CONFIDENTIALITY**

- 5.1 Each Party acknowledges that the Accountable Body is subject to the requirements of the Freedom of Information Act 2000
- 5.2 The Parties shall each assist and cooperate with the other (each at its own expense) to enable the other to comply with these information disclosure obligations in the event that a request is made for documents held by or on behalf of a Party relating to the Programme
- 5.3 Notwithstanding clause 5.1 and 5.2 above the contents of this MoU shall remain confidential to the Parties

## **6 TERMINATION AND VARIATION**

- 6.1 Either Party may terminate this MOU upon three (3) months' written notice to the other Party
- 6.2 A Party may terminate this MOU with immediate effect in the event of breach of its obligations by the other Party. The terminating party should immediately notify the other Party in writing of the termination
- 6.3 This MOU shall terminate automatically upon the disbanding of WLEP. In such case, WCC and WLEP shall complete all of their obligations concerning:
- a) Monies granted to or by WLEP;
  - b) Other assets held by WCC on behalf of WLEP; and
  - c) Any accounts required to be submitted to central government or to any other relevant funding organisation.
- 6.4 The MOU will be subject to review to reflect the changing roles of LEPs and Local Authorities especially where this arises as a result of Central Government guidance or policy.

6.5 Variations to this MOU shall be effective, provided that they are in writing, and have been agreed and signed by the Parties

## **7 EQUALITY**

7.1 The Parties have a duty to promote equality under current legislation, and ensure that the provisions delivered under this MOU comply with all such legislation. The Parties shall take all reasonable steps to ensure staff, agents and contractors are aware of, and are complying with, their responsibilities in this area

## **8 DISPUTE RESOLUTION**

8.1 In the event of any dispute arising between the parties to this MOU, which cannot be resolved directly by the Parties, such dispute shall be referred to a senior officer of the Parties as appropriate who will resolve it. Their decision shall be final.

## **9 MISCELLANEOUS**

9.1 Nothing contained or implied in this MOU will prejudice or affect the Accountable Body's rights, powers, duties or obligation in the exercise of its functions as a County Council under any public or private statute, by-law, order or regulation, all of which rights, powers, duties and obligations may be as fully and effectively exercised by WCC in its capacity as a County Council

9.2 This MOU constitutes the entire agreement between the Parties relating to the subject matter of the MOU. The MOU supersedes all prior negotiations, representations and undertakings, whether written or oral.

## **Schedule 1: The Role of the Accountable Body**

### **The Accountable Body will:**

- 1 Enter into Grant Agreements with Lead Delivery Organisations for projects approved by the WLEP;
- 2 Advise the WLEP during the project and programme development stages of issues likely to present problems with entering into Grant Agreements should a project be approved i.e. State Aids, etc.;
- 3 Assist with project applications through the provision of technical and financial support where requested by the WLEP;
- 4 Support the WLEP in the development of an Assurance Framework for SEP Funds;
- 5 Work with government departments and external auditors on behalf of the WLEP with regard to annual audit of accounts and programme reviews and ensure recommendations are implemented;
- 6 Prepare and submit grant claims to Government and other third parties on behalf of WLEP;
- 7 Provide representation on the WLEP Finance and Audit Committee and all decision making groups within WLEP;
- 8 Retain a financial audit trail on behalf of WLEP for the time period required by government.
- 9 Maintain an asset register for the WLEP;
- 10 Provide monitoring reports to WLEP, Government and other third parties in a form to be agreed with the WLEP;
- 11 Provide cash flow support to facilitate the implementation of SEP related projects

## **Schedule 2 The role of WLEP**

### **The WLEP will:**

- 1 Approve the allocation of funds covered by this agreement;
- 2 Enter into Grant Agreements with Lead Delivery Organisations;
- 3 Develop and implement an Assurance Framework relating to all SEP Funds;
- 4 Follow the procurement code of the Accountable Body where relevant;
- 5 Follow the financial regulations and scheme of delegations of the Accountable Body where relevant;
- 6 Provide supporting evidence and detailed narrative to accompany grant claims submitted by the accountable body to Government;
- 7 Ensure that appropriate audit trails are in place and that documents are available to be viewed by the Accountable Body auditor as and when required;
- 8 Work with the Accountable Body to develop an annual financial plan which will feed into the Accountable Body's annual budget cycle;
- 9 Ensure clear processes for reporting and monitoring both spend and project achievements are in place;
- 10 Ensure appropriate processes are in place and to minimise the risk of claw back of grant;
- 11 Ensure processes are in place to identify and manage project related risks;
- 12 Regularly review performance at both project and programme level to ensure early identification of poor performance.

## Appendix 6 - Financial Procedures and Delegated Authority arrangements of Accountable Body

### Section 151 Officer

The S151 Officer at Worcestershire County Council is currently Sue Alexander Interim Chief Financial Officer and her nominee with delegated responsibility for this area is Stephanie Simcox (Head of Strategic Infrastructure Finance and Financial Recovery). Michael Hudson has been appointed as the permanent Chief Financial Officer and will take up post in the spring.

### Financial administration

Every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

CIPFA have produced the following document on the role of the chief financial officer: [http://www.cipfa.org/-/media/Files/Publications/Reports/role\\_of\\_CFO\\_in\\_LG\\_2010\\_WR.pdf](http://www.cipfa.org/-/media/Files/Publications/Reports/role_of_CFO_in_LG_2010_WR.pdf)

The management of the grant within WCC will comply the Constitution of the Council as part of Appendix 7 – Financial Regulations, which will ensure that:

- The Chief Financial Officer shall be the officer with responsibility for the proper administration of the financial affairs of the Council in accordance with Section 151 of the Local Government Act 1972 and other relevant legislation and regulations.
- Chief Officers shall be responsible for the operation of the financial procedures within their Directorates. They shall ensure that adequate operational controls are in place. They shall ensure that staff in their Directorate are aware of and comply with Financial Regulations.
- Chief Officers may delegate budgets to officers within their Directorates. Such delegations shall be formal and shall be documented. Delegation of budgets may only be made in a manner which reflects the delegation of management and decision making responsibilities. Notwithstanding this, Chief Officers will remain accountable for the entire budget delegated to them.
- Chief Officers shall make arrangements to monitor and manage budgets for which they are accountable. The Chief Financial Officer shall monitor the arrangements made by Chief Officers for implementing budgetary control and shall ensure that there are sound systems of budgetary control. The Cabinet shall receive a report, prepared jointly by the relevant Chief Officer and the Chief Financial Officer, commenting on financial performance to date.
- Before any application or subsequent claim for the payment of grant or subsidy is submitted to any Government department, it shall be sent to the Chief Financial Officer for examination and certification. The approval of the Chief Financial Officer shall be required before any bid or application or claim for grant or subsidy

in respect of any revenue or capital initiative is submitted to any body or organisation. "

The Chief Financial Officer has formally delegated the following to the Head of Strategic Infrastructure Finance and Financial Recovery in accordance with section 114(6) of the Local Government Finance Act 1988 and any other powers she has to appoint another person to deputise for her in her role as Chief Finance Officer of the Council as set out in section 114 of that Act and section 151 of the Local Government Act 1972 and in relation to any other incidental powers and duties.

In accordance with the Officers' scheme of delegation set out at paragraph 4(a) on page A23 of the Constitution, this authorisation also includes functions or decisions delegated in the Constitution or by member bodies to the Chief Financial Officer when acting in the role of Chief Financial Officer. In exercising this role or making any decision as her Deputy the Head of Strategic Infrastructure Finance and Financial Recovery should refer to the Head of Paid Service, the Monitoring Officer, Senior Manager - Internal Audit and Assurance and appropriate Director as appropriate and record such decisions, including a full audit trail of decision-making, in accordance with corporate requirements.

What this means in practice is:

- that when the Chief Financial Officer is unable to act in their role owing to absence or illness the Head of Strategic Infrastructure Finance and Financial Recovery has her authority to act as Chief Financial Officer for the Council including making decisions and signing documents in relation to County Council issues which would normally require the action, decision or signature of the Chief Financial Officer.
- as part of day to day operations of WCC (and irrespective of whether the Chief Financial Officer is able to act) the Head of Strategic Infrastructure Finance and Financial Recovery has her authority as Chief Financial Officer to act on her behalf in relation to her specific area of responsibility for WCC, which includes grant agreements, grant claims, funding agreements, and any other document of a financial nature which would normally require the action, decision or signature of the Chief Finance Officer. This authorisation includes covering for other Heads of Service for Finance if they are unavailable.

The Scheme of delegation of E&I delegates the following responsibilities to the Strategic Commissioner – Major Projects, Economic Development Manager, Head of Strategic Infrastructure and Economy, and the Strategic Sites Investment Manager:.

- To carry out the functions of the Council in relation to economic development and regeneration including Tourism -

And the following in relation to more general functions:

- to carry out any functions assigned in pursuance of the Council's constitution, standing orders, financial regulations, procedure rules, protocols and any approved policies, plans, codes, practise and procedures of the Council – each Head of Service as so assigned.

Certain officers within WCC can sign contracts on behalf of the Council, and authorisation lists are maintained by the Business Environment and Community Directorate.

### **Structure of the Council's financial system**

The Council prepares annual accounts in accordance with regulation. The information for this is currently held in a financial system called E5.

Once the grant has been approved it will have its own area within the Council's book-keeping system. This will be by way of cost centre identifiers. If necessary each applicant can have its own cost centre. A financial hierarchy for the programme will be established with codes for each element of the delivery of the programme. The programme and its projects will through codes and hierarchies be subject to the council's financial monitoring processes at a number of levels. The WLEP Executive Director will focus on the overall programme performance with the support of his team and staff within the Economic Development Team as appropriate. Programmes and performance team reporting will focus on the programme and project level spend on a day to day/monthly basis and performance and action will be taken at all relevant levels where required,

### **Approval of repayment of monies to applicants**

All claims for funding will be subject to the approval of the Chief Financial Officer or the Head of Strategic Infrastructure Finance and Financial Recovery.

### **Budget Monitoring**

Within WCC budgets are monitored on a monthly timetable as follows:

Completion of budget monitoring on a cost centre or hierarchical basis;

- Amalgamation of financial information relevant to LEP funded projects into a budget report for the WLEP Board
- Amalgamation of these budget reports into a report for the service areas – in this case economic development;
- Preparation of a E&I directorate monitoring report, which would include economic development along with the other service areas within the E&I directorate;
- Preparation of an overall WCC monitoring report.

Budget monitoring for the WLEP costs and grants will follow the same pattern of reporting.

These reports are discussed at the following hierarchical meetings on a monthly basis:

- Service Management Team - The Head of Service and the reporting managers;
- E&I Directorate Leadership Team – The Director of E&I and the Head of Services within E&I;
- Strategic Leadership Team – The Chief Executive and the Council's Directors.

Budget monitoring for the WLEP costs and grants will follow the same pattern of reporting as appropriate.

### **WLEP Annual Accounts**

WLEP are not a private company and as such are not required to publish annual accounts. However, in respect of core funding, WLEP will publish an Income and Expenditure account within its Annual Report which is launched at the Annual Conference and this Report will be found on the WLEP website.

In terms of Growth Deal, Growing Places and core fund, Worcestershire County Council publishes annual accounts and will identify the projects against which funds have been defrayed. These accounts will also contain an Auditor's Certificate confirming that the Statement of Accounts for WCC is not qualified

### **The Council**

The council operates a "cabinet structure". Key decisions are taken at Cabinet. A list of the different panels is here: <http://www.worcestershire.gov.uk/cms/democratic-services/committees-and-panels.aspx>

The "cabinet" is scheduled to meet a number of times at regular intervals during the year.

### **Constitution of the Council**

This comprises a guide to the constitution along with articles of the constitution and various appendices. See the link below:

<http://www.worcestershire.gov.uk/cms/democratic-services/constitution.aspx>

The following appendices are the ones concerning delegation and budgets:

- Appendix 1 – scheme of assignment of responsibility for functions;
- Appendix 3 – Cabinet Procedure Rules;
- Appendix 6 – Budget and policy framework rules;
- Appendix 7 0 Financial Regulations.

The Council operates a structure of separate service areas / directorates as follows:

- **E&I** - Economy and Infrastructure
- **CFC** – Children, Families and Communities

- **ASH** – Directorate of Adult Services
- **Public Health** ;
- **Commercial and Commissioning.**
- **Chief Executive and Finance.**

### **Fund Management**

A number of aspects of a Growth Deal or Growing Places Fund project will be carefully managed and recorded throughout the project lifecycle. The Project Manager identified within the Funding Agreement will have day-to-day responsibility for project management but the Accountable Body will have the overall responsibility for ensuring compliance.

Section 31 funds transferred to the Accountable Body by the Department for Communities and Local Government (DCLG) will be held on a separate Cost Centre within Worcestershire County Council accounts and will be used only for the purposes of the project delivery. In the event that any funds remain uncommitted at the end of the Project, the funds will be returned to DCLG.

Reconciliations relating to the Cost Centre will be performed quarterly and provided with the quarterly monitoring report. Quarterly reports will be provided.

Funding will only be drawn down in accordance with individual grant conditions.

A grant progress summary will be maintained through the operation of the project for which a pro-forma has been developed. This is based on the standard project management highlight report used by WCC.

Annual monitoring report will be submitted by the project manager to BIS. This annual report will be supported with a confirmatory report (the Accountants report) in the format provided by BIS.

### **Claims**

In general, funding from BEIS comes from an agreed profile in support of the Growth Deal with monitoring undertaken via the Programme Delivery Group.

Where there becomes a need for grant claims, these will be submitted quarterly with the quarterly reports.

An audited certification will follow the process outlined in the funding agreements

## Appendix 7 - Conflicts of Interest Policy

### Introduction

This policy exists to ensure that any conflicts of interest which may arise in the Worcestershire LEP's decision-making processes are managed and recorded properly. This protects the integrity of our decision-making processes, enables stakeholders to have confidence in our decision-making, and protects the reputation of the LEP and members of its boards.

The policy should be read alongside the Codes of Conduct for Worcestershire LEP.

### Scope

This policy applies to all members of LEP Decision Making Groups ('members') making investment decisions involving public money as identified in Figure 1 – WLEP Organisational Structure. This policy also applies to senior members of staff, and members of staff involved in advising on decisions.

### Definition

An "interest" may include employment, other appointments (including trusteeships, directorships, elected office), memberships (whether corporate or personal), investments, shareholdings, land and property, intellectual property, customer/client relationships, use of the LEP's services or anything else which could (or could be perceived to) impact on the member's ability to act independently.

This list is not exhaustive, and the presumption should be in favour of including anything which could conceivably be considered to be an interest, even if it is felt unlikely to arise.

### Policy

The policy is in two parts:

- Maintaining a record of all interests
- Managing potential conflicts of interest

### Maintaining a record of all interests

The LEP Executive will maintain a Register of Interests covering all Members and relevant senior members of staff. These Registers of Interests will be updated annually in September unless new interests arise during the year.

Members are required to update their forms if any new interests arise during the year.

The LEP Executive will publish an up-to-date Declarations of Interests on the LEP website at <http://www.wlep.co.uk/governance-2/conflicts-of-interest/>

### Managing potential conflicts of interest

Potential conflicts of interest, including perceived conflicts of interest, may arise for in scope members when participating in the LEP's decision-making processes.

The LEP Executive will ensure that there is a standing item, “Declarations of Interest”, at the start of the agenda for every meeting of an in scope group. Members should declare any potential conflicts of interest for the meeting at this point, and again when the relevant item is reached on the agenda, regardless of whether this is included in the Register of Interests.

The LEP Executive will ensure that all such declarations are recorded in the minutes of the meeting.

Whenever a conflict of interest, or potential conflict of interest, arises, the affected member will not be

- (a) entitled to participate in the discussion of that matter;
- (b) entitled to remain in the room for the discussion of that matter;
- (c) counted in the quorum for that part of the meeting;
- (d) entitled to vote on the matter

Notwithstanding the above, at the discretion of the non-conflicted members, the conflicted member may be allowed to remain present for the applicable part of the meeting so long as the interest is declared and they do not participate in the vote on the matter.”

Where decisions are made by written procedure, any in scope member with a conflict of interest or potential conflict of interest should immediately notify the LEP Executive and take no part in the voting. The LEP Executive will record this.

Minutes of all in scope meetings will be published on the LEP website at [www.wlep.co.uk/](http://www.wlep.co.uk/)

### **Policy for members of the LEP Executive**

All staff members of the LEP Executive are required to abide by the Staff Code of Conduct set out in [Appendix 1b](#) of this document.

Members of the LEP Executive employed by Herefordshire and Worcestershire Chamber of Commerce (‘the Chamber’) on behalf of the LEP are required to abide by the Chamber’s Code of Conduct.

The LEP Chief Executive maintains a register of interests declared by staff, which is updated annually in accordance with the Chambers policy.

Staff seconded to the LEP are required to follow the Chamber’s Code of Conduct in addition to their own organisations, and must also include their interests on the register.