



COVENTRY AND WARWICKSHIRE LOCAL ENTERPRISE PARTNERSHIP ASSURANCE FRAMEWORK

February 2019



Assurance Framework

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1 Introduction

1.1 Purpose of the Framework

The purpose of this framework is to set out how the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) will operate.

In particular, it details:

- How the LEP Board is formed and its governance arrangements
- How the LEP makes decisions and manages programmes
- How stakeholders can get involved.

The Framework is published on the LEP website <https://www.cwlep.com/about/how-we-work>

1.2 Coventry and Warwickshire Local Enterprise Partnership

CWLEP was established in 2010 and incorporated as a company limited by guarantee in 2012. Its Strategic Economic Plan (SEP) sets out how CWLEP will grow the local economy. Whilst building growth and prosperity requires co-ordinated action from all sectors, private sector companies remain the key drivers of economic growth. The SEP sets out the vision for the Coventry and Warwickshire area.

Coventry and Warwickshire is recognised as a global hub in the advanced manufacturing and engineering sector, with business and research links across the world. It is a major player in the Digital arena which plays a key part in the local economy. Building on its central location, employment sites, distinctive businesses, innovation assets and highly talented workforce. By 2025 Coventry and Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing greater and better employment opportunities for all our residents across both our rural and urban areas.

CWLEP covers the local authority district of Coventry, and the county of Warwickshire. The area has two upper tier local authorities, and five Warwickshire districts:

- Coventry City Council – unitary authority
- Warwickshire County Council – upper tier authority covering:
 - North Warwickshire District Council
 - Nuneaton and Bedworth Borough Council
 - Rugby Borough Council
 - Warwick District Council
 - Stratford District Council
 - Hinckley and Bosworth Borough Council (Associate Member)



2. Governance

2.1 LEP Board

[The Board](#) publishes its schedule of meetings at the start of each year with additional meetings at the discretion of the Chair. The quorum is five Directors with no less than three A Directors (private sector) and two B Directors (public sector) being present. Members have one vote and decisions are taken by majority vote following a detailed consideration of business cases or detailed reports and taking into account the duties and responsibilities of the Board. Substitutes are not allowed to vote. The board responsibilities include:

- Developing, reviewing and approving the [Strategic Economic Plan](#) (SEP) for Coventry and Warwickshire
- Negotiating and agreeing funding packages with HMG to finance the delivery of the Strategic Economic Plan (SEP);
- Being a partner in developing the [ESIF Strategy for Coventry and Warwickshire](#)
- Agreeing the Assurance Framework for the LEP
- Agreeing the LEP's position in relation to the business of the West Midlands Combine Authority (WMCA).
- Nominate representatives of the LEP to sit on the various boards and groups of the West Midlands Combined Authority (WMCA).
- Making investment decisions in line with and in support of the Strategic Economic Plan (SEP).
- Agreeing the priority projects for funding within the Growth Deal or its replacement including major transport scheme priorities for the Coventry and Warwickshire area:

- Developing and managing the delivery programme for funded schemes within the available budget based on the identified priorities;
- Engaging with the WMCA and Midlands Engine in support of the West Midlands Local Industrial Strategy (WMLIS).
- Agreeing the sign-off of individual scheme business cases and the allocation of resources to allow the scheme to be implemented;
- Monitoring project milestones, financial spend, ongoing delivery and scheme outcomes;
- Assisting all audits of the operation and effectiveness of the LEP, the programme and projects;
- Considering audit reports and determining how to respond to any issues highlighted by the process and taking responsibility for ensuring any necessary remedial actions identified by the audit are discharged appropriately;

From March 2018, CWLEP will publish meeting papers and agendas for the following:

- CWLEP Board
- Finance and Governance Board
- Programme Delivery Board
- All CWLEP Group Companies

Additional private sector board members are recruited through a specialist recruiter using various specific job boards and publications searching both locally and nationally. Once identified candidates are interviewed and engaged by the CWLEP Board/Executive recruitment panel to ensure their suitability.

The LEP Board is made up of the following representatives as of March 2019

CHAIR
Jonathan Browning

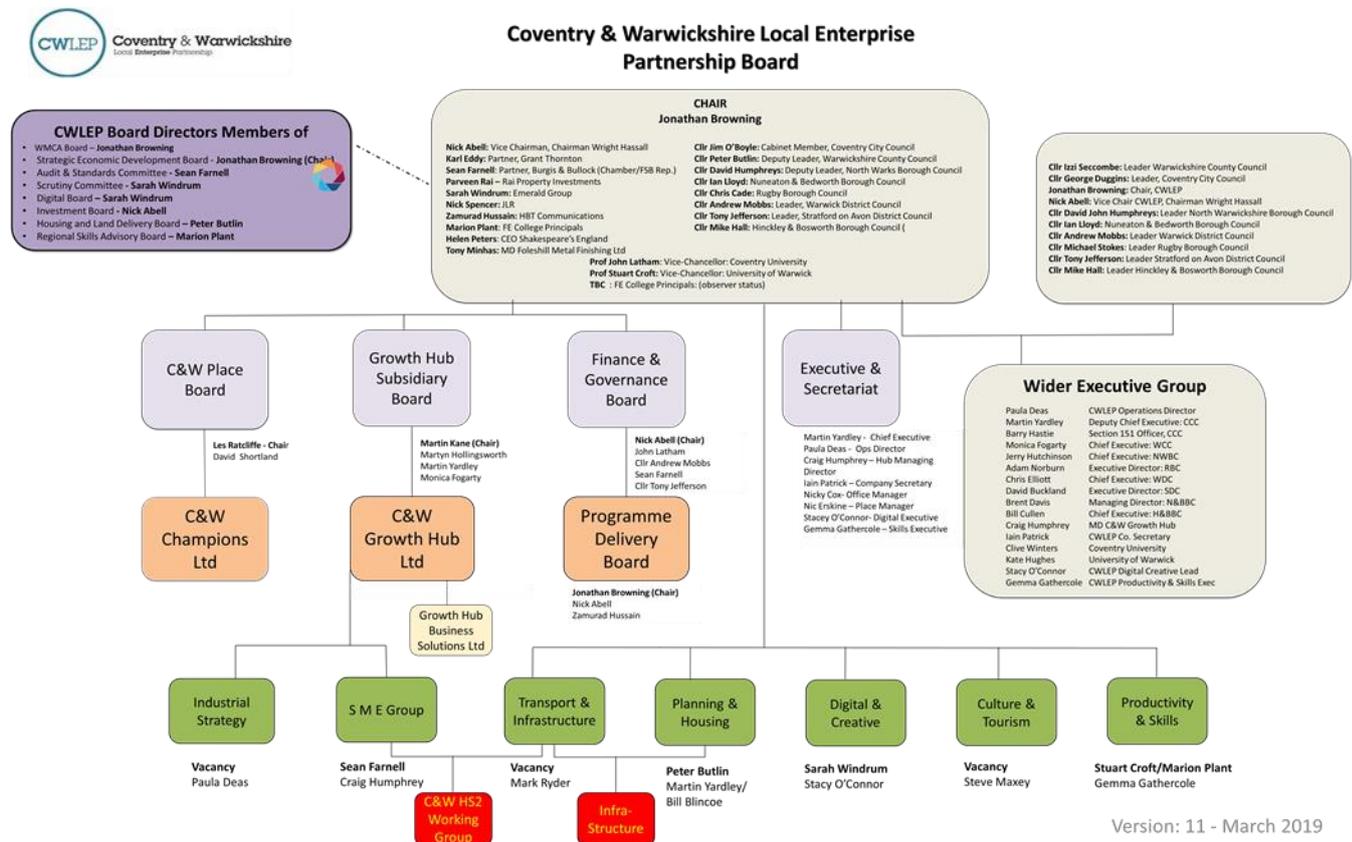
<p>Nick Abell: Vice Chairman, Chairman Wright Hassall</p> <p>Karl Eddy: Partner, Grant Thornton</p> <p>Sean Farnell: Partner, Burgis & Bullock (Chamber/FSB Rep.)</p> <p>Parveen Rai – Rai Property Investments</p> <p>Sarah Windrum: Emerald Group</p> <p>Nick Spencer: JLR</p> <p>Zamurad Hussain: HBT Communications</p> <p>Marion Plant: FE College Principals</p> <p>Helen Peters: CEO Shakespeare’s England</p> <p>Tony Minhas: MD Foleshill Metal Finishing Ltd</p>	<p>Cllr Jim O’Boyle: Cabinet Member, Coventry City Council</p> <p>Cllr Peter Butlin: Deputy Leader, Warwickshire County Council</p> <p>Cllr David Humphreys: Deputy Leader, North Warks Borough Council</p> <p>Cllr Ian Lloyd: Nuneaton & Bedworth Borough Council</p> <p>Cllr Chris Cade: Rugby Borough Council</p> <p>Cllr Andrew Mobbs: Leader, Warwick District Council</p> <p>Cllr Tony Jefferson: Leader, Stratford on Avon District Council</p> <p>Cllr Mike Hall: Hinckley & Bosworth Borough Council (</p>
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Prof John Latham: Vice-Chancellor: Coventry University
Prof Stuart Croft: Vice-Chancellor: University of Warwick
TBC : FE College Principals: (observer status)

The creation of the West Midlands Combined Authority offers a substantial opportunity to boost the economic growth of the West Midlands. CWLEP is an active supporter and influencer of the WMCA, taking a leading role on the WMCA board. The CWLEP Chair is also the chair for the WMCA Strategic Economic Development board.

A number of directors represent Coventry and Warwickshire on CA boards covering investment, housing, skills, digital and land issues.

The LEPs current structure (March 2019) is shown below.



2.2 Coventry, Warwickshire and Hinckley and Bosworth Joint Committee for Economic Growth and Prosperity Joint Committee

The Coventry, Warwickshire and Hinckley and Bosworth Joint Committee for Economic Growth and Prosperity is constituted from the Leaders of all the local authorities and includes the chairs of CWLEP as a voting member and of one other LEP as a non-voting member. The Joint Committee comprises of:

- Coventry City Council
- Warwickshire County Council
- Hinckley and Bosworth Borough Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council
- Warwick District Council
- Stratford District Council
- North Warwickshire Borough Council
- Coventry and Warwickshire LEP

The overarching aim of the Joint Committee is to provide its constituent Local Authorities and Local Enterprise Partnership with a forum in which to address collaborative issues relating to economic development, regeneration and strategic planning at a sub-regional level and to enable collective decision making on issues that require sub-regional agreement. In particular, the Joint Committee will have the power to:

- Develop and set the economic and growth strategies for the sub-region and review the same.
- Develop and set joint investment strategies for the sub-region and review.
- Consider, approve, and implement decisions relating to the sub-group investments, including expenditure of external funding within the sub-region,
- Develop and encourage a co-ordinated approach within the sub-region to inward investment,
- Develop and facilitate collaboration between the constituent authorities in the discharge of functions relating to economic development, regeneration and strategic planning; and
- Create a forum for elected members to agree strategic direction and exert a collective influence over other bodies exercising similar functions.

2.3 Finance and Governance Board

[The Finance and Governance Board](#) (F&G) publishes its schedule of meetings at the start of each year with additional meetings at the direction of the CWLEP Board or the discretion of the F&G chair. The quorum is two Directors with no less than one A Directors (private sector) and one B Directors (public sector) or University representative being present. Members have one vote and decisions are taken by majority vote following a detailed consideration of business cases or detailed reports and taking into account the duties and responsibilities of the Board. The board responsibilities include:

- Scrutinise CWLEP's management systems to ensure that its business is fully compliant with all legal, audit and financial requirements including oversight of HR and staff remuneration;
- Assist CWLEP Board, through the Programme Delivery Board, in understanding and managing financial and other risk implications of delivering the Strategic Economic Plan and the associated capital funding allocations and make recommendations to the Board as appropriate;
- Ensure the highest quality reporting information is available to the Board;
- Maintain oversight in the relationship with the designated accountable body (Coventry City Council) through regular review of the Accountable Body relationship;
- Maintain responsibility for the LEP Assurance Framework on behalf of the main board;
- Maintain oversight of the management of Corporate Risk and Business Compliance;
- Have oversight of the internal and external audit reviews and FOI requests/Complaints/Subject matter requests received.

2.4 Programme Delivery Board

The LEP Board has given the [Programme Delivery Board](#) (PDB) delegated authority to manage capital funding allocated to the LEP e.g. Local Growth Fund, Growing Places Fund and other sources of funding. Its remit is to ensure delivery of the LEP project programme.

The PDB responsibilities include:

- Manage the CWLEPs funding portfolio, including the submission and assessment of calls for projects;
- Assist CWLEP Board in understanding and managing financial and risk implications of delivering the CWLEP economic priorities and the associated capital funding allocations and make recommendations to the Board as appropriate;
- Provide high quality reporting information to the CWLEP Board;
- Lead on managing delivery of the CWLEPs funding programmes via its relationship with the designated accountable body (Coventry City Council) through regular monitoring arrangements;
- Lead on providing internal and external audit reviews and evaluations; and

- Endeavour to ensure the commitments of government against the Growth Deal or any other designated funding programme are adhered to

2.5 Executive and Secretariat Group

The [LEP Executive](#) and Secretariat reports to the CWLEP Board in understanding and managing strategic requirements, policy and process, financial risk, current funding positions, and economic priorities. Membership comprises of the Chief Executive Officer of CWLEP as chair, Operations Director of CWLEP, Coventry City Council, Warwickshire County Council, The Accounting Body, District Councils, Growth Hub, and CWLEP Secretariat team and CWLEP Business Group Executives.

2.6 Group Companies

Each Group Company aids the CWLEP in the delivery of its strategic economic plan. Specifically targeting areas and companies within the Coventry and Warwickshire area to assist and support in developing the business, achieving growth and the development of employment prospects. Each Company within the group have their terms of reference and membership published on the website and are subject to the same code of conduct and conflict of interest expectations as the main board.

2.7 Business Groups

Business Groups assist the CWLEP Board in the development of strategy and the project pipeline. Groups have formal work programmes and objectives. They monitor progress of projects and activities within their sphere of responsibility via programme reports from the Programme Management Team. Business Groups generate proposals to the LEP Executive and Secretariat following these reports. Programme Delivery Board commissions work from these groups on behalf of the LEP Board.

2.8 Diversity of the Board and Sub Groups

Diversity and Equality are important and integral to the way in which CWLEP operates. The CWLEP Board and Sub Groups continue to improve their diverse and inclusive membership and have a clear plan and focus on how to strengthen this. In order to continue to improve its mixed gender, sectoral and ethnic balance within the board and its sub groups, CWLEP has the support of a board level Diversity and Equality champion.

- Nick Abell - (Chairman - Wright Hassle LLP)

In order to increase transparency and inclusivity within the Business Groups there will be a restricted number of places available to any member of a business or general public who express an interest in attending (at the discretion of the Chair of the Business Group).

CWLEP recognises the need to represent its SME community appropriately. To strengthen SME engagement more than one CWLEP board member has been identified to be an SME lead. The SME engagement post will be refreshed periodically and recruited to on an ongoing basis.

The current leads for SME's are (correct as of January 2019):

- Sean Farnell (Partner, Burgis & Bullock Chartered Accountants)
- Sarah Windrum (Chief Executive Officer, Emerald Group)
- Zamurad Hussain (Owner, HBT Communication)

Details of SME representation will be published on the CWLEP website.

2.9 Terms of Reference

All groups within the LEP have clearly defined terms of reference or objectives. As groups are refreshed the terms of reference for the LEP Board and Subgroups will be amended and published on the CWLEP website.

2.10 WMCA/3LEP Roles and Responsibility

The National Assurance Framework sets out requirements for LEPs in MCA areas to publish a statement in their Local Assurance Frameworks by 28th February 2019 on their respective roles and responsibilities. The Strengthened Local Enterprise Partnerships (July 2018), provides guidance on the content of these agreements:

1. **Advisory and challenge function:** how local partners will ensure that there is a strong, independent voice for the Local Enterprise Partnership in the decision making process within mayoral areas, and that the Local Enterprise Partnership Chair and Board are able to draw directly on appropriate support and expertise from staff.
2. **Alignment of decision-making across a clear geography:** how local partners will work together to ensure a clear, transparent decision-making process which minimises the impact of differences in organisations' geographical boundaries. To assist with clarity and transparency, we would encourage areas to move towards coterminous Local Enterprise Partnership and mayoral combined authority boundaries, but recognising that this will not be possible in all cases.
3. **Accountability:** how the formal accountability relationship between the Local Enterprise Partnership and the mayoral combined authority will work. We would expect local partners to designate the mayoral combined authority as the formal Accountable Body for the Local Enterprise Partnership in terms of handling public money.
4. **Efficiency and corporate identity:** how the Local Enterprise Partnership and the mayoral combined authority will work together in their approach to staffing, branding and other resources and assets.
5. **Overview and scrutiny:** how the Overview and Scrutiny Committees of the mayoral combined authority and local authorities will interact with the Local Enterprise Partnership."

The draft statement below sets out the arrangements in the West Midlands. It is recognised that this statement will need to be updated when the West Midlands Local Industrial Strategy (WM LIS) has been published, its implementation plans agreed and resources to deliver it allocated. Respective roles and responsibilities will need to evolve to reflect what is required and this will be achieved by 1st April 2019 and WMCA will secure agreement to the statement through their board approval.

Draft Statement

LEP Membership and participation with the WMCA and its associated boards/groups

The three Local Enterprise Partnerships in the West Midlands Combined Authority (WMCA) area, Black Country (BC), Coventry & Warwickshire (CW) and Greater Birmingham and Solihull (GBS) are all non-constituent members (NCM) of the WMCA and have been since its formation. The three LEP Chairs sit on the WMCA Board. As NCMs, the LEPs have a clear role as set out in the WMCA's Constitution and defined voting rights:

NCM Voting Rights

Members appointed by Non-Constituent Authorities may vote on the following matters: - adoption of growth plan and investment strategy and allocation of funding by the Combined Authority;

- (i) the super Strategic Economic Plan strategy along with its implementation plans and associated investment activity being undertaken using funding provided to the Combined Authority;*
- (ii) the grant of further powers from central government and/or local public bodies that impacts on the area of a Non-Constituent Authority;*
- (iii) land and/or spatial activity undertaken by the Combined Authority within the area of a Non-Constituent Authority;*
- (iv) public Service reform which affects the areas of Non-Constituent Authorities*
- (v) areas of LEP activity relevant to the Non-Constituent Authorities through geographical location or as part of a joint committee;*
- (vi) all Combined Authority matters concerned with education, employment and skills, enterprise and business support, access to finance, inward investment, business regulation, innovation, transport, environmental sustainability, housing, economic intelligence, digital connectivity and regeneration;*
- (vii) future use of business rate retention funding generated beyond that retained within new and existing Enterprise Zones;*
- (viii) specific decisions to bid for and allocate revenue and capital funding provided to the Combined Authority for use in economic development activities;*
- (ix) investment activity related to transport and connectivity, not funded by the transport levy and current Maintenance and Integrated Transport blocks.*

Any vote including Members appointed by Non-Constituent Authorities will be carried on a simple majority subject to the requirement of standing order 19.4 that there is a majority of two-thirds of Constituent Members.

Members are responsible to the electorate and their appointing Constituent Authorities or Non-Constituent Authorities and serve only so long as their term of office lasts.

The WMCA's Constitution sets out that the *"Combined Authority will exercise functions relating to economic growth including but not limited to setting a Combined Authority strategic economic plan and investment strategy in consultation with the Non-Constituent Members"*.

The LEPs have played a driving role in the creation of the Strategic Economic Plan and the Local Industrial Strategy for the West Midlands and in the work of the **Strategic Economic Development Board**. This Board is chaired by the LEPs and is a strong collaboration of LEPs and local authorities. The Board's remit is to:

- Advise the Combined Authority Board on overarching economic strategy and narrative;
- Prepare and champion an overarching Strategic Economic Plan, incorporating the associated Local Industrial Strategy and amend as necessary for approval by the Combined Authority Board;
- Manage performance and evaluation of progress in delivering the Strategic Economic Plan and Local Industrial Strategy (LIS).

LEPs are also represented via, Chairs, Board Directors or officers on all the other key boards/groups in the WMCA sub-structure that relate to economic development. This enables LEPs to have a strong voice in development of policy, strategy implementation and funding decisions. This helps to bring the local expertise of LEPs and the experience of the private sector to bear in WMCA decisions and supports the collective desire for the different organisations to add value, play to their strengths and avoid duplication.

LEPs are active members in the following parts of the WMCA structure:

- **Audit, Risk & Assurance Committee – C&W LEP on behalf of the 3 LEPs**

The purpose of ARAC is to provide independent assurance to the WMCA on the adequacy of the risk management framework and the internal control environment. It provides independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. ARAC reports in to the WMCA Board and is chaired by an independent (non-councillor) appointment.

- **Investment Board – BC, CW and GBS LEPs**

The purpose of the Investment Board is to make investment decisions, or recommendations for the WMCA Board as appropriate, relating to applications made in accordance with the Investment Programme that underpin devolution agreements and any other investment proposals, including the Collective Investment Fund, Brownfield Land & Property Fund, Land & Property Investment Fund, Land Remediation Fund and any other funds that the WMCA appoints West Midlands Development Capital to fund manage on its behalf. Investment Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Finance & Investments.

- **WMCA Skills Advisory Board - BC LEP, C&W LEP, GBSLEP**

The purpose of the Skills Advisory Board is to engage all key stakeholders in the strategic oversight and delivery of the Regional Skills Plan, enable strategic dialogue with key government departments and act as the Skills Advisory Panel for the West Midlands. The Skills Advisory Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Productivity & Skills.

- **WMCA Housing & Land Board – C&W LEP and GBSLEP**

The purpose of the Housing & Land Delivery Board is to assist in the accelerated delivery of housing and employment space across the West Midlands region, identifying the policy freedoms and flexibilities that should underpin the continued negotiations with Government on the devolution agenda. The board is also responsible for delivering the Land Delivery Action Plan and reviewing it periodically to ensure it was being actioned and remained current. Housing & Land Delivery Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Housing & land.

- **West Midlands Innovation Board (WMIB) – BC, CW and GBS LEPs**

The purpose of the WMIB is to support the growth of research and innovation collaboration in the region and develop a clear, coherent and co-ordinated West Midlands offer to business, government and funders, working with others in the West Midlands and wider-Midlands innovation ecosystem. The WMIB reports to the WMCA SED Board and is chaired by the private sector.

- **Digital Board – CW LEP**

The WMCA Digital Board has responsibility for ensuring that appropriate focus is placed on developing the region's digital focus, and to bring together the various strands of activity that have already been operating across the region. It is particularly focused on digital skills, digital

infrastructure, development of the overall tech eco-system, data and digital government, and marketing/communications and public relations.

- **WMCA Public Service Reform Board – BCC Ltd (Chief Executive)**

The purpose of the WMCA Public Service Reform Board is to advise on PSR strategy and policy, co-ordinate the work of thematic working groups established to develop related work programmes, and to consider potential PSR models. The Public Service Reform Board reports in to the WMCA Board and is chaired by the WMCA's Portfolio Lead for Cohesion & Integration and Public Service Reform.

Independent Secretariat

The three LEP Chairs and their Boards are supported by independent secretariats who provide them with appropriate support and advice. LEP officers work closely with partners and stakeholders to ensure that Directors are informed by the views of the broader business community, local authorities and the academic sector. Each LEP provides strategic leadership within their associated areas which helps support, sustainable private sector growth and the creation of jobs, enable innovation, encourage inward investment, engage with local businesses to deliver more effectively and support sustained development of skills for future productivity.

Subsidiarity – the value-add test

The WMCA and the LEPs are committed to having clear, transparent decision-making processes in place which work on the premise of subsidiarity. A suite of Assurance Frameworks are in place which strive to meet best practice guidance and will all adhere to the National Assurance Framework by the end of March 2019.

Decisions relating to each funding stream are made in adherence with the appropriate Assurance Framework for that fund i.e. a project seeking funding from a WMCA fund will be taken through its Assurance Framework and one seeking funding from a fund managed by the BC LEP will follow its Framework. This helps to ensure that the right organisation and individuals are accountable for that fund and decisions are made on a consistent and equitable basis.

Collaboration and cross LEP working

The WMCA and LEPs are committed to working together to deliver shared opportunities and challenges and in doing so making the best use of collective resources, experience and expertise.

The three LEPs have a strong track record of working together, pooling funding and skills to deliver shared priorities, for example, the Advanced Manufacturing Supply Chain Initiative, the development of the Midlands Engine Investment Fund, collaboration across the three Growth Hubs and joint investment in Energy Capital. The work with the WMCA builds on this history.

The development of the WMLIS is a good example of how this happens in practice. Development of different elements of the strategy and the delivery plans have been led by the most appropriate part of the partnership. The LEPs have been responsible for the sector plans, developing these on a 3 LEP basis and in recognition of the close links LEPs have with business and work that they have done to date with the sectors themselves.

The sector action plans have been developed in partnership with key industry organisations, ensuring the plans are business-led.

Evidence and data is still an extremely important part of the LIS evidence base, but the addition of qualitative, expert insight is powerful when demonstrating the strength of a sector locally. Furthermore, the spatial dimension of each sector has been explored; this helps us to identify where in the region each sector is particularly strong.

- **BC LEP** leads on four sector action plans: metals and materials, construction, aerospace and rail.
- **GBSLEP** leads on five sector action plans: Life sciences, Creative Industries, Business, Professional & Financial Services, Energy & Low Carbon and Food & Drink.
- **C&WLEP** leads on two sector action plans: Automotive and Logistics

The WMCA coordinated the cross-cutting elements of the strategy, working with LEPs and higher education institutes:

- 4 Grand Challenges – Artificial Intelligence and data; Ageing Society; Clean growth; and Future mobility
- 5 Foundations of Productivity: ideas, people, business environment, infrastructure and places

The WMCA led on the identification of the four Strategic Opportunities.

The Black Country Consortium (BCC Ltd) has particular skills and expertise in economic data and so provided much of the evidence that underpinned the strategy. This included collating existing knowledge, carrying out further evidence work, working with BEIS analysts, sharing expertise with Greater Manchester and setting up an independent “expert panel” to review evidence. This has allowed the WMCA to develop the WM LIS confident that it understands the needs of businesses and communities in the region. Link to [WM LIS Evidence Base](#).

Scrutiny

The WMCA has an Overview and Scrutiny Committee which inputs into policy development and also scrutinises decisions. Each LEP has a private sector representative who sits on the committee, bringing a business perspective to discussions.

Each LEP also has its own scrutiny arrangements.

BC LEP reports on an Annual Basis to each Black Country Local Authority’s Overview and Scrutiny Committee – Dudley MBC; Sandwell MBC; Walsall MBC; and City of Wolverhampton. The LEP’s decisions in relation to funding are also submitted to the Black Country Executive Joint Committee, the decisions arising from this meeting are subject to local government scrutiny arrangements to include “request for call-in”. The LEP also has an independent annual review undertaken by their appointed external auditors, which incorporates a compliance review on performance against the Assurance Framework.

The GBSLEP has a Joint Overview and Scrutiny Committee comprising of backbenchers from its nine local authority members. The Committee has a three-year work programme which will explore GBSLEP’s strategy and delivery plans in detail. The Committee has been invited to submit evidence and recommendations to the GBSLEP Board on an annual basis to support the GBSLEP’s desire to continuously improve. As well as overview work, the Committee can also “call-in” decisions of the LEP’s Supervisory Board which is a formal part of the LEP’s governance arrangements in relation to key funding decisions.

CWLEP is a voting member of the Coventry, Warwickshire and Hinckley and Bosworth Joint Committee for Economic Growth and Prosperity. Its overarching aim is to provide its constituent local authorities and the LEP with a forum and a scrutiny panel to address collaborative issues relating to economic development. CWLEP also addresses the need for audit and scrutiny of all its activities with the engagement of independent expert professional practices. The principal aim of which is to ensure the LEP is operating effectively as per the terms of its agreed assurance framework. CWLEP also ensures it has clear and transparent independent audit of its outputs in terms of value for money and governance, which is undertaken using an external supplier and / or by peer-to.

The Three Local Enterprise Partnerships in the West Midlands Combine Authority WMCA area, Black Country (BC), Coventry and Warwickshire (CW) and the Greater Birmingham and Solihull (GBS) are all non-constituent members (NCM) of the WMCA and have been since its formation. The three LEP Chairs sit on the WMCA Board. As NCMs, the three LEPS have a clear role as set out in the WMCA's Constitution and defined voting rights.

The LEPs have played a vital driving role in the creation of the Strategic Economic Plan (SEP and the Local Industrial Strategy (LIS) and in the work of the Strategic Economic Development Board. LEP's are also wider members of the overall WMCA structure.

The LEPs and the WMCA are committed to having clear, transparent decision-making processes in place which work on the premise of subsidiarity. A suite of Assurance Frameworks is in place which strive to meet best practice guidance and will all adhere to the NAF by the end of March 2019.

2.11 Status and Role of the Accountable Body

The CWLEP Board has appointed Coventry City Council to act as the Accountable Body for the LEP. The primary role is to hold the Local Growth Funding and other funding sources and make payments to the appropriate delivery bodies for individual projects. The accounting of these monies is kept separate from the funds of the Accountable Body. Financial statements are provided in line with MHCLG requirements. Funds held by the Accountable body on behalf of the LEP will only be used in accordance with a formal LEP Board/Programme Delivery Board decision. No programme activities will proceed if they cannot be carried out in the way that satisfies the financial, legal and audit requirements of Coventry City as Accountable Body.

As the LEP secures funding it will request the Accountable Body to take the funding formally into its financial programme as approved by Coventry City Council cabinet. Until that approval is put in place no expenditure will be authorised, though projects may decide to incur costs totally at their own risk. The Accountable Body has a representative attending the F&G Board and sits within the wider Executive Group.

The Accountable Body will also take on the following roles as part of its duties:

- i. Ensuring that the decisions and activities of the LEP conform with legal requirements including equalities, environmental, procurement and EU law generally;
- ii. Ensuring through the relevant Section 151 officer of the Accountable Body that the funds are used appropriately, in line with the Financial Standing Orders of the Local Authority acting as the Accountable Body.
- iii. Ensuring the Local Assurance Framework as approved by CWLEP is being adhered to;
- iv. Maintaining a record of LEP Board proceedings as they relate to project selection process and approvals;
- v. They reserve the right to refuse to implement a decision of the LEP in the event that doing so would be incompatible with the purposes for which funding has been allocated or would otherwise be a breach of a party's legal or fiduciary responsibilities or would otherwise create an unreasonable risk of creating liabilities for the Accountable Body (such situations to be referred to the Operational Group for resolution and/or escalation);
- vi. Responsibility for pursuing clawback of funding of underspend or where use of funds is in breach of agreed terms. This will be instigated by the Programme Delivery Board and the Accounting Body informed of the position at the earliest opportunity.
- vii. The Accountable Body will enter into contracts with project sponsors at the request of CWLEP and will ensure that all relevant obligations applying to the use of the funding will be passed on to them through appropriate legal agreements (CWLEP does not contract with the project sponsors directly).

To aid the implementation of CWLEP decisions, the Accountable Body has adopted operating practices which will ensure actions as requested by the LEP are dealt with on a timescale which is appropriate and as agreed, for each action.

For example, actions arising from the Programme Delivery Board will all have set dates against them formally noted and progress will be reported back at the next PDB meeting or earlier if required.

This loop of actions identified, implemented and progress reported back is central to the efficient working of the CWLEP and its projects risk management process.

Within the Accounting Body, the Economic Development Service is set up to manage external funding, and handle claims and reporting back to central government, EU and other funders, and has over 12 years of experience in monitoring and evaluating economic development programmes. Specific resources have been identified to form the LEP's Accountable Body/Programme Management Team, which reports to the Programme Delivery Board.

Where there is a dispute between the Accountable Body and the LEP, the issue will be the subject of joint consideration of the Chief Executive Officer for CWLEP and the Section 151 Officer of the Accountable Body. If this does not produce an agreement on the way forward the issue will be escalated to the Chair of CWLEP and the leader of the Accountable Body for agreement of a resolution.

However, on all financial issued the final decision is with the Section 151 Officer of the Accountable Body.

2.12 Conflicts of Interest

All meetings of the CWLEP Board will require both 'voting' and 'non-voting' advisory members to declare any pecuniary interest which they (in their personal capacity) and/or the organisation they represent may have in any matter to be considered by the LEP.

A Register of Directors' interests is kept; and is published on the CWLEP website. Any Director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

If a proposed decision of the Directors would involve any direct or indirect benefit to a Director or any connected person or is concerned with any actual or proposed transaction or arrangement with the Company in which a Director or connected person is interested, that Director shall declare the nature and extent of his or her interest in compliance with Sections 177 and 182 of the Companies Acts 2016 and that Director shall not participate or vote in the decision making process (which shall include any Directors' meeting or part thereof) or for quorum purposes.

If a question arises as to whether a Director has a conflict of interest, the question shall be decided by a majority of the other Directors. Where a Director has a conflict of interest, any Director may request that the Directors by majority vote decide whether the Director concerned should remain in the room during the decision making and voting process on the matter in question.

The elected member representatives of the voting members shall be bound by their own authority's code of conduct and rules on the management of conflicts of interest. Business Groups may have members that are also project sponsors and there will be clear arrangements for dealing with potential conflicts of interest within each group's terms of reference.

Details of any conflict of interest relating to a Board agenda item will be declared and documented accordingly at CWLEP Board meetings.

2.13 Code of Conduct

The elected member representatives of the voting members shall be bound by their own authority's code of conduct and rules on gifts and hospitality. For all other representatives appointed to the Board or Executive, the [CWLEP code of conduct](#) and rules on gifts and hospitality shall apply. New CWLEP Board members will be provided with an induction pack outlining their roles and responsibilities, code of conduct and declaration of interest information. CWLEP Board members will be provided with ongoing training options to support them in their roles if required. The CWLEP ensures that a register of gifts and hospitality of representatives is maintained and is available for public inspection if required. The CWLEP code of conduct is published on the CWLEP website.

2.14 Complaints

In cases where it is alleged that the CWLEP is failing to adhere to its framework or failing to safeguard public funds, CWLEP will use its [complaints procedure](#). Where complaints are relevant to the Accountable Body, it will use its own procedure to address the complaint and the option remains for the matter to be escalated to the Local Government Ombudsmen.

The CWLEP complaints process and contact details are published on the CWLEP website.

2.15 Whistleblowing Policy

CWLEP [Whistleblowing Policy](#) is published on the CWLEP website.

2.16 Privacy Policy

CWLEP [Privacy Policy](#) is published on the CWLEP website.

CWLEP is a member of the ICO and an advocate of the General Data Protection Regulations (GDPR).

3. Transparent Decision Making

3.1 Transparency

3.1.1 Publication of material

The CWLEP Board conducts its business in a transparent way including publishing its company articles on the website. Together with Terms of Reference or Objectives, agendas and meeting minutes of all boards, sub boards, and business groups. [Agendas and previous minutes](#) will be published in advance of the meetings.

CWLEP reserve the right to redact information as appropriate when publishing minutes of meetings and other publications which may be subject to limitations of commercial confidentiality.

3.1.2 Public Engagement and Consultation

CWLEP offers the opportunity for public questions in writing to be considered and responded to as related to specific board agenda items before Board meetings take place. Written material relating to the Growth Deal or other funding (i.e. meeting agendas, summary minutes, chairs report, technical papers, evaluation papers, funding decision levels and delivery/spend monitoring) of the CWLEP Board will be published on the CWLEP website.

At a project level individual scheme sponsors will be responsible for carrying out timely proportional and relevant consultation on individual schemes, and to consider the issues arising from such consultation. If a scheme sponsor is unable to demonstrate that they will provide ample opportunity for stakeholder and public input to the development and promotion of a scheme, then this will adversely impact their deliverability assessment.

Public engagement and consultation processes are captured within project communication plans and documented within the CWLEPs communication strategy. A full communication timeline of activity is regularly updated by CWLEP, as part of the communication strategy.

3.1.3 Funding Decisions

All funding decisions made by CWLEP for the Growth DEAL or other funding streams will be announced after government approval is given, including any explanation of the expected outcomes of each scheme supported. These will be published on the CWLEP website <http://www.cwlep.com>

For significant investment decisions (currently investment decisions involving grants greater than £20m) CWLEP will publish a summary, setting out the proposed project, outputs and recommendations, a minimum of 5 working days' advance publication, via the CWLEP website.

The Accounting Body will be responsible for holding project related records, and as such will be the focal point for any statutory information requests e.g. Freedom of Information (FOI), Environmental Impact Regulations (EIR). Such requests will be carried out in accordance with the relevant guidelines and legislation.

Applicants are responsible for ensuring that they have the necessary approvals in place as required by their own rules and procedures to firstly, submit a funding application, and secondly, to accept any other (whether in principle, firm or final) from the Accountable Body. Demonstration of such authority is required as part of the legal agreements to be made between the scheme sponsor and Accountable Body.

3.2 Audit and Scrutiny

The need for audit and scrutiny of the LEP is recognised, the principal aim of which will be to ensure the LEP is operating effectively as per the terms of its agreed assurance framework.

Specifically, CWLEP will ensure:

- Clear independent audit of value for money and governance, which will be undertaken using a 'panel' of external suppliers and / or peer-to-peer review.
- Accurate expenditure and defrayal on project activity as part of grant funded activity. The Accountable Body will undertake such checks as appropriate as part of their quarterly claims process.
- At the close of each financial year an independent financial audit will be undertaken to ensure sign off on programmes and an independent accountants report or similar published dependent on the requirements of the funding regime.

CWLEP annual audit of accounts are commissioned from suitably qualified independent auditors, the findings of which are reported to the CWLEP Board and any Sub-Board with annual accounts for each company published at [Companies House](#) .

The Joint Committee will provide independent support as considered appropriate. Within these processes CWLEP will ensure that no public expenditure will be incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties or government.

3.3 Scheme of Delegation

All officers and executives within CWLEP conduct their financial and contractual duties within a specified scheme of delegation which is published on the website. <https://www.cwlep.com/policies-and-procedures>

4. Democratic and Financial Accountability

4.1 Democratic Accountability

All local authorities within the Coventry and Warwickshire area are fully engaged with CWLEP in a number of ways:

- Local authorities will each have one CWLEP Board place allocated and are able to participate fully at board meetings. All local authorities must also take responsibility as a group to ensure an equal gender balance in total across their appointees to the CWLEP board representatives ('B' Directors) and strive to support the overall ethnic diversity of CWLEP.

The level of engagement from individual project development through to the development of policy, places each local authority (including the Accountable Body) in an excellent position to influence and hold the CWLEP democratically accountable.

This is complemented by the private sector representation on the CWLEP Board, Sub-Boards and Business Groups that challenges local government to be more effective and efficient in supporting and implementing economic growth activity.

The Executive and Secretariat group drives through activity that will deliver the outcomes that the CWLEP Board want to be delivered for example, delivering a single local plan (via the Planning and Housing Business Group), pooling and aligning of resources.

4.2 Financial Control and Budgeting

The financial management of the Programme will be undertaken by the Accountable Body delivered by Coventry City Council's (CCC) Programme Management Team, in conjunction with Coventry City Council's Finance Team and engagement of the CWLEP Finance Executive where appropriate. There is clear separation within the Accounting Body (CCC) between the roles of these two teams. Where CCC is directly contracting with the delivery agent its standard financial procedures will apply unless the delivery agent is another local authority. Where CCC passes on resources to another local authority, that authority will use its own standard financial procedures. The overall management of the programme will be the responsibility of the Programme Development Manager.

Each project is allocated its own budget and cost centre. Project budgets are clearly stated in Grant Agreements. IT will be the responsibility of the project sponsors to manage these budgets on a day to day basis. Project sponsors will be responsible for covering any cost overruns.

Project sponsors will submit quarterly claims (detailing specific expenditure and match funding) to the Programme Management Team that will be processed and paid. The Programme Management Team will use these claims to monitor the programmes spend position, delivery timings and expected outputs for review and to submit returns to government.

Reports summarising the programme spend position will be submitted to the Programme Delivery Board who in turn will report progress to the CWLEP Board at every meeting. Each year the Section 151 Officer of the Accountable Body prepares and signs off an annual statement of account verifying expenditure has been defrayed on eligible items.

4.3 Procurement

All CWLEP projects follow clear procurement guidelines. All procurement plans are assessed by the Accountable Body – for example in the case of Growth Deal projects which must outline their procurement arrangements within their delivery plans.

Projects are required to keep full evidence in relation to procurement and spend activity, which is made available for audit. In relation to future procurement activity CWLEP will encourage the use of the Procurement portal (via CW Connect) from the Coventry and Warwickshire Growth Hub (once operational) to publicise details of tenders/commissioning and award of these within the local economy.

5.0 Partnership

5.1 Partnership Working

The strength of the LEP is in its partnership working. Business Groups are constituted from stakeholders, partners with specialist knowledge in the field and local authorities and are mandated to ensure partnership working in their theme area is maximised. They will be the prime route for new partners to be engaged. Project sponsors must demonstrate they have consulted appropriately in the development of projects and Business Groups provide an excellent opportunity to do this as well as advise on how partnership working can be extended. Full partnership involvement takes place as the SEP is revised.

In supporting the CWLEP, Local Authorities are collaborating and working across administrative boundaries on a range of issues including:

- Economic Development – Economic Growth Strategy, town centres, joint investment strategies and an integrated approach to transport and infrastructure.
- Funding – European Strategic Investment Funding and Local Growth Fund.
- Planning – Spatial planning, housing strategy (including numbers) and local employment land study.
- Inward Investment – Co-ordination of activity and tourism.

In addition to the above partner workings CWLEP will engage with the LEP Network and support other LEP's as appropriate.

5.2 European Structural and Investment Fund (ESIF)

ESIF is the European Union's main funding programme for supporting growth and jobs. The fund will provide support for the implementation of activities including research and development, innovation, digital connectivity, business growth and entrepreneurship, low carbon, climate change, employment, social inclusion, and skills and lifelong learning.

6. Project Identification, Prioritisation and Approval

6.1 Open Calls

The project identification and selection process is set out in **Appendix 1**. The CWLEP Board will always seek to issue an open 'call for projects' which will be notified to local partners and organisations and advertised through the website and relevant press and stakeholder channels. However, where funding windows are very short and/or where new projects of significant impact are identified the Board reserves the right to adopt a more pragmatic time focused approach and move directly to a Full Business Case (FBC). The CWLEP is prepared to receive expressions of interest at any time outside of the open call process that could then be considered in due course. All projects seeking resources must support the aims and objectives of the Strategic Economic Plan. Each project will be required to complete an Expression of Interest form that will allow an initial assessment to take place.

The Expression of Interest will capture evidence and data in a common format. Individual project sponsors will be free to supplement the information provided with additional information if they wish to do so. It is anticipated that the standard of evidence provided will vary from scheme to scheme depending on the state of development of the scheme. A lower standard of evidence and data will negatively impact an assessment of scheme deliverability.

6.2 Involvement of Third Parties

To increase transparency and to ensure a fair and consistent process, support to deliver any CWLEP Open Call is sought from partner organisations across Coventry and Warwickshire. In the 2018 Open Call colleagues from Coventry City Council, Coventry University, CWLEP Growth Hub, Warwickshire County Council, CWLEP Executive were involved in the scoring and technical appraisal process.

CWLEP considers the input from key third parties in an advisory capacity as essential in managing the programme effectively. For example, views from the Highways Agency, Network Rail and other Local Enterprise Partnerships will be important when considering the deliverability and impact on the wider network of any proposed strategic road or rail schemes. Where schemes have an impact on train services, the appropriate Train Operating Company and Daft Rail will also be consulted for their views.

6.3 Methodology for identifying a prioritised list of schemes

Expressions of Interest which will be assessed in light of the SEP assessment criteria – ambition and rationale, value for money and delivery. All projects must clearly identify the rationale underpinning their submission as well as clearly defined outputs and outcomes. For transport projects a high level WebTAG assessment should be provided.

The CWLEP assessment model focuses particularly on Gross Value Added (GVA), cost benefit ratios, leverage and projects with a high degree of strategic fit. Results are moderated to take into account deliverability and risk to produce an overall assessment and ranking. Following moderation, recommendations are considered by the LEP Board which decides whether projects are/are not taken forward, placed on a reserve list or invited to submit a full business case.

Project sponsors will be informed of decisions and unsuccessful/reserve projects will be given a clear explanation of why they have been classified as they have. Reserve projects are placed in a reserve pipeline for consideration if further funding becomes available. The Programme Management Team remain in contact and provide support where requested to help strengthen any future project applications.

6.4 Full Business Cases and Assessment

6.4.1 Five Case Model Scoring

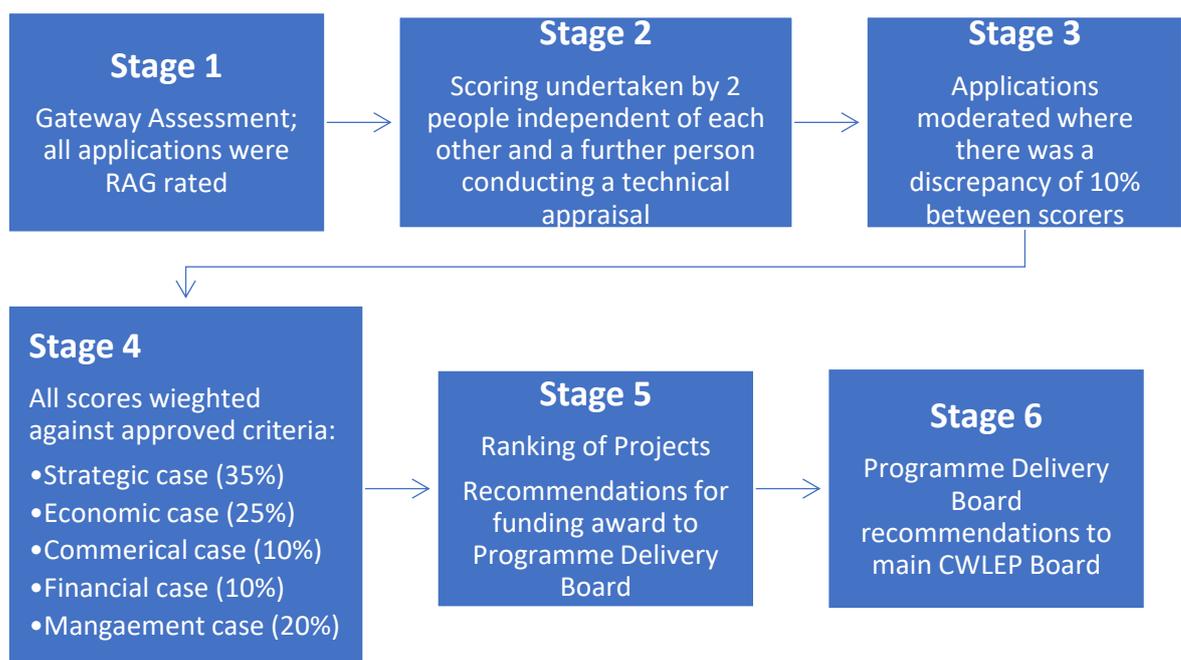
Within the Full Open Call Process applicants will be asked to submit Full Business Cases structured based on the five-case model, for strategic, economic, commercial, financial and management deliverability.

Business cases will be assessed by the Programme Management Team based on the five-case model. This process has been structured on guidance from the [Green Book Appraisal](#) .

If more than one project under a single Pillar of our Strategic Economic Plan (see 6.4.2), was awarded the same overall ranking, the prioritisation would be decided on the ratio of expected economic benefits in relation to the costs.

If an organisation is submitting multiple applications, then that organisation should take steps to prioritise projects and inform CWLEP accordingly.

Applications into the CWLEP Open Call are put through the agreed 6 Step Scoring and Appraisal Process which is detailed below in the flow chart below:



6.4.2 Thematic

All business cases have been allocated a theme based on the five pillars within the Strategic Economic Plan update:

- Unlocking Our Growth Potential
- Advanced Manufacturing and Engineering
- Growing Our SME's
- Growing Our Talent
- Culture and Tourism

6.4.3 Assessment of Applications

Stage 1: Gateway Assessment

Applications for funding are initially assessed against the Gateway Criteria agreed in advance by the CWLEP's Programme Delivery Team and agreed by CWLEP Board. The 2018 criteria were as follows:

- (i) Projects must be able to start on 1st April 2019 and complete by 31st March 2021.
- (ii) Projects must have political or strategic organisational approval.
- (iii) Match funding must be available and confirmed when submitting the FBC or confirmed within 6 months of the application.
- (iv) Any planning applications must be submitted, and approval given within 6 months of the submission of the FBC.
- (v) Projects must produce tangible benefits in line with the BEIS (or other funder) outputs.
- (vi) Projects must be compliant with State Aid regulations
- (vii) Projects must submit by the call deadline.

Following the gateway assessment, the following RAG ratings are awarded to each application:

1. **Green:** the application has clearly passed all the Gateway questions with no significant issues. These projects are then scored.
2. **Amber:** the applications which have passed a number of the Gateway questions but have missing or incomplete information, which, if provided would enable them to meet a full Gateway pass. For the sake of completeness these projects are scored.
3. **Red:** The applications fail the Gateway appraisal on significant issues such as not being able to provide planning permission evidence or submitting no match funding with the proposal.

Stages 2-5: Scoring Assessment and Ranking of Applications

Applications that proceed through to the next stage are to be assessed and scored. Following the receipt of application scores, a moderation exercise is also conducted.

The final scores are then weighted against the criteria within the CWLEP Assurance Framework and ranked accordingly.

The top ranked projects are further assessed against deliverability and technical appraisal results are taken into account. The Growth Deal Programme Delivery Team make recommendations for funding allocations. These are brought to Programme Delivery Board and CWLEP Board for final decisions.

6.4.4 Technical Moderation Process

Currently projects over £20m of public sector grant will be subject to a higher level of appraisal in accordance with Green Book guidance. All successful projects will be subject to a financial due diligence assessment. The Accountable Body reserves the right to appoint independent consultants acting on behalf of CWLEP to assist with assessments.

For transport projects the modelling and appraisal of projects contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to the CWLEP for approval. **Appendix 2** provides details of specific requirements for transportation projects.

6.5 Programme Entry and Approvals

Where a project changes significantly in scope, specification or deliverability during the approval process, the LEP reserves the right to put the project on hold or return it to the previous stage of the approval process until it can be satisfied that it still delivers suitable benefits and represents value for money. If the LEP is not satisfied, it may withdraw approval and reallocate funding to other projects via decision at Programme Delivery Board. Where a project changes significantly after it has commenced the project will be required to complete a 'project change request'. This will be assessed and the LEP reserves the right to suspend, amend or withdraw funding from the project.

6.6 Value for Money (VFM) and Benefit Cost Ratio (BCR)

The methodology the Growth Deal Programme Management Team use to assess the value for money of the Business Cases is strongly founded on guidance received from Central Government. Particular attention is given to how different types of projects will be compared and assessed.

The CWLEPs approach to VFM assessment is compliant with DfT WebTAG guidance for Transport projects and HM Treasury Green Book for economic development projects, all projects who apply for funding are asked clearly to state VFM and BCR of projects and to detail their methodologies for these calculations.

All projects must demonstrate VFM and BCR with project sponsors providing an assessment of VFM and BCR (including allowance for deadweight, displacement and multiplier effects) and these assessments will be reviewed by the Call scoring panel.

As appropriate VFM is subject to external scrutiny arrangements via a 'panel' of external suppliers and / peer-to-peer review, this could also include external evaluation and audit, for example evaluation of the Growth Deal Programme. Such audit and evaluation findings are published on the website. https://www.cwlep.com/sites/default/files/cwlep_growth_deal_2016-17_final_evaluation.pdf

CWLEP has a commitment to annually review the findings of such scrutiny and implement improved procedure when warranted. CWLEP aims to benchmark its assessment processes nationally in order to maintain an appropriate level of comparison and ensure examples of good practice are identified with an emphasis on CWLEP's focus on continuous improvement.

6.7 Equality Duty

As part of the process for assessing projects the Accountable Body will take into account the requirements of the public sector equality duty. It will require projects to submit a high-level Equality Impact Assessment as part of the business case and reserves the right to request an in-depth impact report.

Each project delivering under the Growth Deal Programme is expected to provide an Equality Impact Assessment before the project commences – these are assessed and stored with the Accountable Body.

7. Procurement and Contracting

7.1 Procurement

As Accountable Body, ultimate responsibility for ensuring that procurement activities are completed correctly lies with Coventry City Council (CCC). The council have established procurement guidelines that comply with UK and European Public Procurement Requirements. This policy can be viewed at: http://www.coventry.gov.uk/info/17/doing_business_with_the_council/198/procurement_and_commissioning/3

Any CCC procurement activity is supported by a specialist team based in its Place Directorate and will be available to provide advice and support as Growth Deal contracts are awarded to project sponsors.

Project sponsors will be able to use their own procurement rules as long as they are broadly comparable to Coventry City Council and can demonstrate they will achieve value for money, and they must meet all legal requirements. The requirement to follow public procurement rules are passed on to project sponsors through Grant Agreements as appropriate. The approach of each individual project the procurement is included in the Project Delivery Plans. Project sponsors may use framework contractors where they can demonstrate these have been properly procured and demonstrates value for money. CWLEP reserves the right to seek independent expert opinion in such cases.

Projects will be required through grant conditions to take into account the Social Value Act, e.g. putting in place arrangements so that any contracts and new job opportunities will be promoted and advertised locally.

7.2 Contracting

Grant Agreements will include all the obligations of the project sponsor and the Accountable body. Key elements will include:

- All grant agreements that CWLEP enter into for funding clearly state the expected amount and timing of spend used to deliver outcomes within the financial year
- Grant agreements have clearly defined milestones, timelines and output profiles
- All agreements allow CWLEP to withdraw from the project in the event there are significant concerns relating to delivery spend and outputs.
- Acceptance by the project sponsor to external audit if required by CWLEP

- Confirmation by the project sponsor will meet any cost overrun;
- Programme management tools for projects that are not progressing satisfactorily

7.3 State Aid

All projects will have to demonstrate to the satisfaction of the Accountable Body and prior to the completion of legal documentation that they accord with European State Aid rules and guidance. Projects are required to seek their own advice to satisfy their position on State Aid. In exceptional circumstances where there is any concern regarding a project, the Accountable Body will seek independent expert advice.

8. Risk Management Programme

8.1 Project Risk Assessment

Each project is required to complete a risk assessment at the start of the project and update it on an on-going basis, enclosing it with each quarterly claim. A key principle in the governance of CWLEP funding programmes is that they are managed by exception with appropriate risk-based approach. All change requests are reported through the PDB.

8.2 Risk Log

The primary tool for managing the overall programme risk will be the maintenance of the Risk Log. This is held by the Accountable Body. This document is designed to capture progress in project delivery and identify at an early stage any risks which may impact on the ability of the delivery agent to meet contracted commitments. It is a tool designed to help improve programme delivery and support project managers in the delivery of their projects. The intention is to identify and mitigate risks at an early stage before they can significantly impact on a project's performance. The overall risk position of each project will be reported to the Programme Delivery Board.

8.3 Programme Management

Release of funding to projects by the Accountable Body will normally be on defrayal of eligible expenditure by the project (i.e. retrospectively) on a quarterly basis. CWLEP and the Accountable Body reserve the right to consider the use of advanced payments in exceptional circumstances. Projects are required to report progress quarterly even if they do not intend to draw down any grant funding.

Project progress is assessed against key milestones and payments made when projects have:

- Provided certification for the work at key stages
- Key milestones have been achieved
- Evidenced defrayal
- Demonstrated eligible expenditure

Whilst on site, each project is inspected by the programme management team on a quarterly basis or more frequently if required. The release of funding by the Accountable Body will be signed off by the programme management team on behalf of the S151 Officer.

Programme management works to support individual projects with advice and guidance, and each project is allocated a named contract officer in the programme management team. Where necessary, specialist support will be brought in from partners or externally sourced.

Projects are expected to communicate at the earliest opportunity any key issues that may:

- Negatively impact the project in terms of spend profiles or general project performance, not relying on the claims process to highlight any issues,
- Keep a clear and updated risk log which is accessible to the Programme Team,
- Provide a full update on delivery, risks, outputs and milestones with each of their quarterly claims

The formal escalation policy is as shown below –

Tier	Lead	Criteria (RAG)	Action Options
1	Accountable Body	Amber – (one quarter) UP to 10% expenditure slips into future quarters but does not impact end of year spend profile.	Require a recovery plan. Withhold payment/issue part payment claim
2	Programme Delivery Board	Continuous Amber or RED. Expenditure slips more than 10% into future quarters. Project change request sought. Project forecasts missing end of year targets.	Require a recovery plan. Consider project Change request of less than 10% variation Withhold payment/issue part payment claim. Suspension of funding/Option to ‘Call in ‘project. *
3	CWLEP Board	Projects that GD Sub-Committee report to the Board where it has significant concerns.	Recovery Plan Consider project change request. Consider project change request of more than 10%. Withhold payment/issue part payment claim. Suspension and/or withdrawal of funding

*Programme Delivery Board reserves the right to ‘call in ‘project sponsors for project review As part of the development of a recovery plan and at the discretion of the Programme Delivery Board, projects may seek to amend their delivery plan. Projects will be required to complete a formal project change request which will be assessed in the light of the approved project and its associated delivery plan. The final decision rests with the Project Delivery Board and will be made within the context of CWLEP achieving its annual/programme output and expenditure targets.

8.4 Quality Assurance

The Programme Management Team undertakes quality assurance of information provided by projects including claims and outputs. Verification is both systemised through the claims process and is proportionate to the complexities and risks associated with the project. Sign off is independent to the programme management officer that undertakes the checks.

9. Monitoring and Evaluation

9.1 Monitoring

All projects are required to make financial provision within their programme and project costs for monitoring. Each project must identify its proposed monitoring metrics from the core list identified by the government as well as any local metrics they may wish to use. These will be subject to sign off by CWLEP. Monitoring information will be reviewed by the Programme Management Team and reported to CWLEP.

9.2 Evaluation

Evaluation will be proportionate and selective; taking into consideration the scale, value and scope of an intervention. All evaluations will accord with national guidance issued by the government including the Department for Transport for transport schemes.

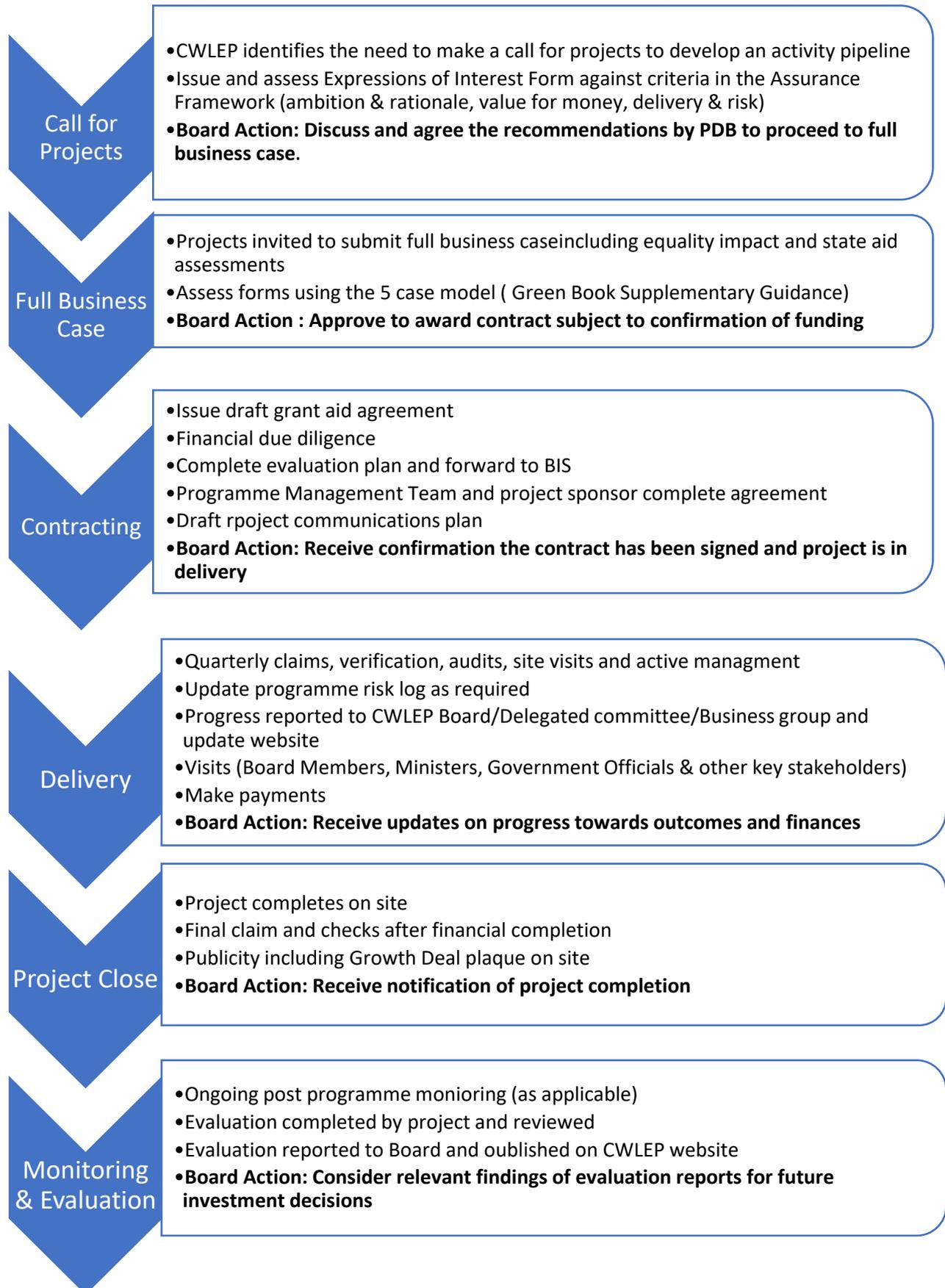
Types of evaluation question include:

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

Individual project evaluation plans are viewed as pieces of a larger CWLEP Growth Deal monitoring and evaluation strategy. Each project has to develop its own plan and methodology which is subject to sign off by the Programme Management Team on behalf of CWLEP. Projects will meet the cost of their evaluation. The timing of project evaluations will reflect the nature of the project. For example, the development of a new learning centre would be evaluated after at least one full year in operation.

Each year, CWLEP will consider a professionally prepared externally sourced evaluation of the whole programme that will include numerical and financial data relevant to overview and assessment. The narrative will highlight successes and impact and refer to areas that might be improved. The evaluation will be shared with interested parties, will be published in summary on the CWLEP website and will form a key part of the economic intelligence going forward. Results of this evaluation will be used to inform reviewers of the Strategic Economic Plan.

Appendix 1 – Project Identification and Selection Process (Section 6.1)



Appendix 2 – Transport Scheme requirements (Section 6.4.3)

Introduction

Projects are recommended to contact the CWLEP/Accountable Body early to discuss whether the study approach is fit-for-purpose, particularly in relation to modelling and Social & Distributional. CWLEP will apply WebTAG in a proportionate and robust way. Contacts for transport scheme guidance are:

Adrian Hart, Team Leader, Strategic Transport Policy and Projects, Warwickshire County Council.
(e-mail: Adrianhart@warwickshire.gov.uk Tel. 01926 412111)

Jo Shore, Head of Infrastructure Delivery, Coventry City Council
(e-mail: Jo.Shore@coventry.gov.uk Tel. 02476 927042)

Evidence

The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to CWLEP for approval. However, the LEP reserves the right to undertake additional assessments or methodologies to prioritise and assess the overall business case for a scheme.

Eligibility

Some schemes will not be considered eligible for funding if they do not meet certain criteria such as good strategic fit and deliverability. In addition, the following eligibility criteria will also be applied;

- Guide minimum project value: £1m total project costs;
- Inclusion of Wider Economic Benefits to be explicitly allowed in the BCR assessment, - thereby recognising the wider picture but still ensuring that its inclusion is reasonably evidenced;
- Minimum local contribution of 20% across the funded programme, 10% minimum on any individual scheme (Optimism Bias not excluded);
- Project cost plans to include Optimism Bias and a Quantified Risk Level in accordance with Green Book and WebTAG; and
- Projects funding will be based on CWLEP not:
 - Bearing any financial project risk
 - Providing funding beyond the capped funding level

Value for Money

Value for Money will be assessed in accordance with DfT guidance (including former guidance for Local Transport Bodies on value for money). In addition to the normal consideration of monetised impacts (by way of standard WebTAG compliant BCR adjusted for quantitative and qualitative factors in line with Department for Transport guidance) and an additional statement will be included to set out how the following factors, under a broad heading of 'Economic Structure and Productivity' have impacted the prioritisation assessment and selection of schemes for funding:

- Business Efficiency
- Business Investment
- Labour Market Efficiencies; and
- Links to national transport networks and international gateways.

Whilst it is anticipated that many of the projects to be assessed by CWLEP will benefit from some level of BCR assessment (even if this is not a complete fully developed assessment) those projects which do not will be assessed based on what quantitative and qualitative evidence that the project sponsor will be able to provide. Projects without some form of BCR assessment will not be automatically precluded from the outline business case stage and prioritisation process, although they will not score as highly in relation to this consideration in the deliverability appraisal. A BCR is required for schemes submitting a full business case.

High value for money will be maintained by CWLEP considering schemes that meet a minimum VfM threshold in excess of 2.0 (high or very high). However, in exceptional circumstances it will consider schemes with a VfM between 1.5 and 2.0 (medium). Examples of exceptional circumstances may include:

- Projects that indirectly benefit / maximises the benefits of strategic / transformational projects such as HS2,
- Projects that are sequentially required to take place before other more impactful schemes take place,
- Projects where the impact of the scheme makes significant impact in the immediate locality in addressing deprivation and or a barrier to economic growth,
- Projects that have a high degree of strategic fit.

Assessments

Assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset), though this does not prevent CWLEP considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme.

CWLEP will exercise particular caution if asked to consider projects that have been previously proposed and rejected on value for money grounds. It will look at the reasons for the previous rejection and ask whether costs, scope or circumstances have changed to such an extent as to be likely to change the previous assessment.

The appraisal and modelling will be scrutinised by CWLEP and this will be undertaken independent of the promoting authority. Business cases will be subject to review by the Transport Business Group. At Expression of Interest stage, submissions will be assessed by CWLEP transport leads to ensure that the modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, including verification that the appraisal meets the guidance set out in WebTAG. Projects within Coventry will be the subject of review by Warwickshire County Council Transport Team and projects within Warwickshire will be subject to review by the Coventry City Council Transport Team.

At full business case projects will be subject to an independently commissioned assessment* at the applicant's own cost.

(*including the production of a Value for Money (VfM) statement in line with published DfT WebTAG guidance summarising their overall assessment of the economic case).

VfM assessments will be signed off as true and accurate by the independent panel put together by CWLEP, working alongside the Programme Management Team.

External views on business cases

CWLEP reserves the right to invite and consider any external comment and/or scrutiny of business cases prior to approval. Bidding authorities should place their business case on their own websites when bids are submitted for funding so that external comment is possible. CWLEP will publicise these on its own website.

For development projects involving an element of transport, there may be a need to review the level of information published to reflect commercial confidentiality. Opinions expressed by the public and stakeholders will be considered when projects are being assessed and reported on to the Board as appropriate.