



CORNWALL &  
ISLES OF SCILLY  
LOCAL ENTERPRISE PARTNERSHIP

# Cornwall and Isles of Scilly Local Enterprise Partnership

## Local Assurance Framework

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# **1. LEP Governance**

## **1.1 Local Assurance Framework Context**

The Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Business, Energy and Industrial Strategy (BEIS) requested a Local Assurance Framework for each Local Enterprise Partnership (LEP) to ensure accountability and robust governance in the decision making processes throughout the country.

The need for such a Framework is welcomed by the Cornwall and Isles of Scilly LEP as a means to encapsulate and properly monitor the far reaching impact of its roles and responsibilities. Therefore the LEP sees this Framework as an essential tool in its natural development and maintaining proper accountability in its practices and decision making.

This document seeks to address the guidance and issues set out by MHCLG/BEIS but also to bring together all the various frameworks and procedures for investment that are overseen by the LEP. In this context the document must be fit for purpose and principally be to the benefit of the LEP whilst addressing the points made by MHCLG/BEIS.

The Assurance Framework is seen as an evolving document. It is clear that the content of the initiatives and schemes that the LEP oversees will change and therefore a pragmatic and flexible approach needs to take place in relation to amendments to the Assurance Framework. Relevant changes will be incorporated as part of a regular review process.

It is also important that the relationship with Cornwall Council (CC) is set out given the local authority's Accountable Body (AB) status.

Throughout the document references will be made to existing frameworks and governance in place (with appropriate hyperlinks, footnotes or appendices). Therefore it is not the intention to create new procedures but rather to bring existing arrangements together into something more cohesive and comprehensive. For example, Cornwall and Isles of Scilly has considerable experience in being compliant for EU Structural Funds and it is in a strong position to build on existing procedures whilst implementing changes resulting in lessons learned.

It is also important that the Framework reflects the confidence that the LEP has in its relationships and the robustness of its systems.

It is not the aim of this document to duplicate information that exists in other published material. Accordingly, hyperlinks and references to published material are provided.

## **1.2 Alignment with the Accounting Officer System Statement**

MHCLG Accounting Officer System Statement outlines the accountability relationships between the Department and LEPs. This provides assurance to the Department Accounting Officer, Government and the public on how wider funding routed through local government and LEPs is allocated. It ensures that there are robust local systems in place so that resources are spent with regularity, propriety and value for money.

The Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) was launched in May 2011. The LEP activity is administered via an unincorporated partnership, consisting of LEP Co, Cornwall Council and the Council of the Isles of Scilly. The LEP Board is composed of

representatives from the private sector, Cornwall Council (CC), Council of the Isles of Scilly and academic or voluntary/charity sector.

It drives the economic growth strategy for the area, determining local priorities and undertaking activities to improve the economy and create high value local jobs.

The LEP is one of 38 such partnerships set up across England. Its objectives and vision are set out in Vision 2030, the Cornwall and Isles of Scilly [Strategic Economic Plan](#) and the Annual Delivery Plan. As such it has the support of Government and therefore has been and continues to be in a position to apply for and receive significant sums of money to invest in Cornwall and Isles of Scilly.

The LEP has a predominantly private sector Board (79% private sector and 21% public sector as at the date this framework was approved), is led by a private sector chair and has strong connections and working relationships with the business community, reflecting a range of local interests in its decision making, through the Board and its associated sub-boards.

Cornwall Council (CC) acts as accountable body for the LEP. In this capacity CC will receive and administer all grants on behalf of the LEP. There is an MOU ([Appendix 1](#)) in place between the LEP/CC/Council of the Isles of Scilly which outlines how the LEP will work in partnership with both the public and private sectors and also details the role of CC as accountable body.

In the context of transparency (and ensuring accountability to the wider public), the LEP has an active and extensive website which is regularly updated and can be found [here](#). This document will also be published on the LEP website.

It is imperative that the CloS LEP demonstrates the highest standards of conduct when carrying out their responsibilities. As part of this LEP Board Members and Officers, in carrying out their duties should have regard to the following principles:

- Act solely in the public interest in line with the Nolan principles; make decisions purely on merit in accordance with agreed LEP processes and act with regularity and propriety when managing public money.
- Keep records which demonstrate they meet all the legal obligations and all other compliance requirements placed upon them ensuring these are accessible if requested.
- Actively engage and cooperate with stakeholders and other regeneration organisations.
- Ensure partnership working and engagement on projects and decisions which are likely to have an effect across LEP borders or significantly affect the plans of another LEP.
- Champion successes within their communities, including bringing to the attention of Government local growth projects which should be recognized as innovative or examples of best practice and ensuring that stakeholders are able to make informed decisions on local growth matters.

### **1.3 Corporate Structure for LEPs**

The Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) was launched in May 2011. In February 2012, the CloS LEP Board established the LEP as a not for profit company limited by guarantee and formally adopted [articles of association](#).



## 1.4 Website

The LEP is committed to ensuring it provides the public and interested parties with key information and to enable the LEP to achieve transparency. As such, the LEP has an easy to navigate website, which is updated regularly. The website includes progress on the delivery of Growth Deals, other funding streams and access to key documents.

In line with best practice guidelines, the LEP's website has a designated governance page which includes the LEP's Assurance Framework, policies and processes in one place.

The LEP is also committed to ensuring that the website contains the following information:

- A rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funds designated by year;
- Openly advertise an Annual General Meeting/Annual Event that is open to the public;
- LEP officer salaries above a certain level, in line with Local Government legislation;
- Ensuring calls for bids or projects are advertised openly and that selection criteria and selection process are transparent;
- An expenses and hospitality policy and associated register(s). This sets out the process for declaring expenses and hospitality received;
- The LEP annual report and delivery plan;
- The Local Assurance Framework;
- The CloS Strategic Economic Plan: Vision 2030 and Local Industrial Strategy;
- Code of Conduct which all LEP Board Members and LEP Officers sign up to;

- On any relevant website page, the correct government branding;
- A statement on the publication of meeting papers, minutes and agenda items;
- Copies on LEP Board meeting agendas, papers and minutes;
- Annual Assurance Statement from the leadership of the LEP;
- A statement on how the LEP handles data;
- Complaints and whistleblowing policy, including information on the process for confidential complaints;
- An annual report and financial statement, including independent auditor's report;
- Diversity champion;
- SME champion;
- Board Recruitment Policy;
- Conflict of Interest Policy;
- Register of Interest (Board members and LEP CEO);

## **1.5 Local Engagement**

It is essential that the LEP interacts, engages and builds relationships with both the public and private sector. These relationships are maintained by the LEP Board Directors and the Executive Team. At times these relationships are tested as the LEP becomes a 'critical friend' to both the public and private sector, this is essential for the LEP to maintain a credible and independent stance in the eyes of the business community in Cornwall and Isles of Scilly.

The LEP ensures good relationships with the groups below who disseminate the LEP messaging on our behalf. In any given year the LEP through its print, broadcast and social media work reaches out to local businesses and communities and draws comment and input to inform its work, beyond the specific and regular engagements referred to below. Also and for example in 2018 the LEP delivered a

series of events to support and build evidence for the 10 Opportunities prospectus; and in 2019 will also consult widely in all parts of Cornwall and Scilly on the development of the Local Industrial Strategy.

The LEP has key relationships with:

- Cornwall Council and the Council of the Isles of Scilly
- LEPs across England
- Cornwall Chamber of Commerce (and their network of local chambers)
- The Islands Partnership (Isles of Scilly)
- Key partners in Higher & Further Education, the FSB and local groups such as the local Business Improvement Districts (BIDs)

LEP Board members chair:

- Growth Hub Management Group
- Enterprise Zones Board
- Employment and Skills Board
- Construction Strategy Steering Group
- Business Regulatory Services (Better Business for All) Steering Group
- CloS Integrated Territorial Investment Board

LEP Board members or executive team attend:

- Cornwall Lenders Forum
- Cornwall Manufacturing Group
- The EU Business Support Delivery Board
- CloS Investment Fund Advisory Group
- Cornwall Executive Group
- CloS Leadership Board
- Cornwall Futures Group
- Islands Futures Board

## 1.6 Appointment Process for Board Members, Chair and Deputy Chair

The Directors of the LEP Board are appointed via a transparent and open recruitment process and must sign up to the LEP [Code of Conduct](#). All Board Directors are expected to meet an agreed standard of behaviour known as the 7 Principles of Public Life (Nolan Principles). The Nolan Principles state that Board Directors shall have regard to the following principles:

1. **Selflessness** - Holders of public office should act solely in terms of the public interest.
2. **Integrity** - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. **Objectivity** - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. **Accountability** - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
5. **Openness** - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. **Honesty** - Holders of public office should be truthful.
7. **Leadership** - Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Further details on the LEP's appointment process for Board Directors, Chair and Deputy Chair can be found within the LEP Recruitment Policy ([Appendix 2](#)). This Policy covers the following areas:

- Conduct and Probity
- Information about the role
- Commitment
- Remuneration
- Terms of Appointment (Chair and Deputy Chair)
- Terms of Appointment (Non-Executive Directors)
- Appointment process for the Chair, including consulting with the business community, advertising, shortlisting and interview process
- Appointment process for Non-Executive Directors, including advertising, shortlisting and interview process
- Appointment process for the Deputy Chair
- Appointment process for the public sector
- Induction
- Equality and Diversity

## **1.7 Diversity Statement**

Equality and diversity is about fairness and opportunity for all. Cornwall and Isles of Scilly are characterised by a dispersed settlement pattern. The LEP recognises the unique cultural identity of the area and including the numbers of residents that identify themselves as having a Cornish identity.

The LEP is clearly bound by the Equality Act 2010. As a private sector led partnership it is acutely aware of its responsibilities and the obligations on the business community, particularly in respect of the nine Protected Characteristics. There is also an appreciation of the particular role that the physical geography of the area plays

in terms of running a business as well as how this affects particularly isolated communities in the context of investment funds.

It is clear from some elements of the investment received and won by the LEP that there is also a public source to the funds. In this context there is a particular need to adhere to the Public Sector Equality Duty which forms part of the Equality Act.

The CloS LEP is committed to promoting equality and celebrates diversity and welcomes applicants reflecting the diversity of the community. The LEP is committed to improving the gender balance and representation of those with protected characteristics on its Board. The LEP is committed that by 2020 at least one third of members of the LEP Board are women with an expectation for equal representation by 2023. The LEP is also committed to ensuring representation at Sub-Board level which is reflective of the local business community (including geographies, gender and protected characteristics).

To help the LEP monitor and achieve this, we ask that candidates applying for Non-Executive Director positions on the LEP Board complete and return an equal opportunities monitoring form with their application. The information provided will be treated in the strictest of confidence and will be processed in accordance with the requirements of the General Data Protection Regulation and the Data Protection Act 2018. At all times, it will be treated as confidential and used only for the purpose of equality monitoring.

In addition, the LEP Board will make interventions in relation to equality and diversity to progress its target to recruit a more diverse LEP Board. Specifically:

- Bringing in external expertise to raise Board awareness on recruitment, ensuring a robust training programme is in place

e.g. Inclusive Talent Recruitment, Unconscious Bias, and Generational Diversity.

- The LEP will lead a campaign to promote the role of women in business in Cornwall and the Isles of Scilly to highlight the success and potential for women in business leadership roles and to assist in the delivery of our target to have gender equality on the board by 2023.
- Implement key actions from the LEP Network's Women Leaders Roundtable (Sept 2018).
- The LEP will produce gender equal shortlists for Board recruitment where possible.
- The LEP will use gender equal interview panels for Board recruitment.
- The LEP will use best practice approach to groups with protected characteristics (including Cornish).
- The review of practicalities of Board meetings (timing, location, equipment) in order to comply with best practice.

The LEP has a designated diversity champion on the LEP Board. This champion is named on the [LEP website](#).

## **1.8 Board remuneration and LEP officer salaries**

The role of Chair receives an annual remuneration of £20,000 (accurate as at the date this AF is signed) and all expenses incurred in attending meeting or other relevant partnership activities are also reimbursed.

Whilst the role of Non-Executive Director is unremunerated, travel expenses to and from Board meetings and other agreed meetings on behalf of the LEP, can be claimed at the prevalent local government rate or standard rail fares for journeys outside Cornwall.

Further details can be found within the remuneration policy ([Appendix 3](#)) for Board members.

The LEP [website](#) also includes a quarterly update of Non-Executive Director expenses payments, together with details of the LEP Chief Executive's salary, in line with the Localism Act and associated guidance.

## **1.9 Induction and training**

All Directors undertake an induction session with the LEP Executive once they are appointed. This ensures that Directors understand their role, are adequately supported to provide challenge and direction to the LEP and understand how best to work with Government. The induction covers the following:

- The purpose of LEPs
- Background to CloS LEP
- LEP Board and structure/governance
- Reinforcement of the Code of Conduct (including the Nolan principles)
- Relationship with Government
- Assurance Framework
- Relationship with Accountable Body
- Key achievements and a look ahead
- Current initiatives
- Local Growth Fund
- Risk Management
- Business Support
- Employment and Skills

A training programme for Directors is being developed in order to ensure they remain able to effectively carry out their responsibilities.



The LEP Executive are employed by Cornwall Council and receive an induction when they start employment. However, they also receive an induction into the LEP. The LEP Executive's training programme is monitored through the appraisal system.

When the LEP identifies a training need that it thinks would be beneficial to the LEP Network as a whole, it will raise this with the LEP Network who will work with the Cities and Local Growth Unit to set up events with trainers and organisations that have expertise and experience in the relevant area.

### **1.10 Code of Conduct**

All Directors and LEP officers are required to sign up to a code of conduct. This code of conduct, which is published on the [website](#), is based on the Seven Principles of Public Life.

### **1.11 Conflict of Interests**

The LEP has a conflict of interest policy ([Appendix 4](#)) which is published on the website. This policy outlines the process for Directors and LEP Officers to declare and report interests, ensuring impartiality and the avoidance of perceptions of bias. The National Audit Office has defined conflicts of interest in its cross-government Conflicts of Interest report 2015 as "a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest." The way in which conflicts are to be dealt with by the LEP Board is also set out in article 14 of the articles.

Declarations of Interest are also part of all LEP Board and sub-board meetings and have a specific item at the start of the meeting for any declarations relating to agenda items.

All LEP Board Members, Sub-Board Members, Co-opted Members and senior officers of the LEP complete a register of interest form, which is published on the [website](#). Each Member must review their individual register of interest before each Board meeting and decision-making committee meeting, submitting any necessary revisions to the LEP at the start of the meeting. This is evidenced in the meeting minutes and by producing and updating their register as soon as practically possible if new interests arise.

All register of interest forms are signed by the individual Member and confirmation of receipt by the LEP CEO. Signed copies are kept by the LEP Executive, however, signatures are redacted before publication on the website to ensure that the privacy of Members is upheld.

The LEP also has an expenses and hospitality policy ([Appendix 5](#)) and associated register. This policy sets out the process for declaring expenses and hospitality received. The LEP website also includes a quarterly update of Non-Executive Director expenses payments, in line with the Localism Act and associated guidance.

## **1.12 Compliments, Comments and Complaints**

The LEP has its own [compliments, comments and complaints policy](#) which is available on the website. This policy also includes details of confidential reporting arrangements so that potential complainants know how they can confidentially report concerns. If there is a complaint relating to the LEP Executive, then the LEP adopts the complaints procedure used by CC. It is well established and publically [available](#).

This policy will also apply for promptly considering complaints about the decision making process for the allocation of funds.

### **1.13 Complaints for third parties and the public**

The LEP is committed to creating a work environment with the highest possible standards of openness, probity and accountability. The LEP has its own confidential reporting procedure on the [website](#) for third parties and the public.

### **1.14 Whistleblowing Policy**

The LEP has a [Whistleblowing Policy](#) which is available on the website. This policy outlines the process to follow for a Discloser when reporting a perceived wrongdoing within the LEP, including something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct (Chapter 4) for LEP Board Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

### **1.15 Data**

The LEP ensures it is compliant with the General Data Protection Regulations (GDPR) and Data Protection Act 1998/2018 and adheres to CC's [policy](#) on this. Legislation requires the LEP to respect the principles of fair processing when handling personal information. This also guarantees individuals certain rights in relation to the processing of their personal data, including the rights of access, rectification and erasure. The LEP has a [privacy policy](#) on the website which sets out how CloS LEP uses and protects any information that individuals give CloS LEP when using the website, in accordance with The General Data Protection Regulation (EU) 2016/679.

The retention of data and records is a key aspect of the governance of the LEP and CC. The need for particular standards links to ensuring a consistent and efficient approach to retaining key information that may be required to substantiate actions, record achievements, address concerns and to ensure transparency (e.g. to meet an FoI request). In this context the LEP will comply with CC rules and [standards](#).

### **1.16 Freedom of Information**

The LEP utilises CC's [Freedom of Information procedures](#) which are in place to ensure that it complies with the relevant legislation and meets its obligations.

The Freedom of Information Act (FoI) policy and a formal Publication Scheme are available on the CC [website](#).

### **1.17 Environmental Information Regulation**

Linked to the FoI section, necessary and relevant environmental impact information is also made available and summarised by the Accountable Body on its FoI page (see above).

The procedures are similar to the FoI Act set out by CC but are mentioned separately here given their distinct identity at the statutory level.

### **1.18 Publication of meeting and agenda items**

All papers for the main LEP Board and sub-boards, which involve decisions or recommendations about public money, will be made available on the LEP website. The LEP is committed to meet the timelines as set out in the National LEP Assurance Framework in accordance with the Local Government Act 1972. These timelines are:

- Meeting agendas and papers to be published 5 clear working days before the meeting takes place;
- Minutes of Board meetings to be published within 10 clear working days of the meeting taking place. This may be in draft if internal LEP processes require clearance before the minutes are finalised. The final minutes of Board meetings will be published within 10 clear working days of being ratified at the subsequent Board meeting.

In addition:

Any declaration of interest made at the meeting must be included in the minutes of the Board meeting. A new declaration of interest should be updated on the relevant member's register of interest.

### **1.19 Handling confidential and exempt information**

The LEP complies with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 when it is aware that it holds confidential information. This includes:

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

The press and public must be excluded from Board meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that confidential information or exempt information would be disclosed.

In this regard, the LEP utilises a part I (non-confidential) and part II (confidential) approach for Board meetings. All Part I papers are published on the LEP website 5 clear working days before the meeting takes place, in accordance with the Local Government Act 1972. Part II papers are only accessible to Board Directors and LEP Executive.

## **1.20 Publication of Accounts and Financial Information**

The LEP has a dedicated page on its website where it publishes its [Annual Report and Financial Statements](#), including an independent auditor's report. This page also links to [Cornwall Council's accounts page](#) on their website. These financial statements are also filed at Companies House and can be viewed on their [website](#), together with all filings relating to the LEP.

In order to allow the public to access information regarding public funds overseen by the CloS LEP, the LEP, in addition to publishing its Annual Report and Financial Statement, will also publish a financial statement each year within the annual report, including:

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

## **1.21 Transparent use of Public Funding**

The CloS LEP follows the principles that apply to Government and Local Authorities preventing public expenditure being incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties or the Government to take a particular view on any issue.

The CloS LEP provides the Cities and Local Growth Unit with LEP Board papers and there is an open invitation for them to attend meetings in the capacity of an observer to ensure that Government is sighted on LEP processes and progress and is kept up to date with LEP decisions.

The CloS LEP is committed to being open and transparent and seeks to encourage applications across the local community in relation to our funding programmes. Availability of funding will be advertised on the LEP website and applications encouraged through a number of communication channels (i.e. social media, networking). The LEP has a dedicated page on the [website](#) which contains information on the process to apply for funding. This includes a link to Expressions of Interest (Eoi) form, Full Application Form, and the Business Case (HM Treasury Green Book) guidance. The website will also include a process flowchart used to select projects for funding.

## **1.22 Management of Contracts**

The range of funds and investments are often governed by their own rules. Therefore although it is true to say that the LEP adheres to the same [general standards](#) and objectives to achieve value for money, it is often led by the more detailed funding body level rules which are set nationally or at EU level.

The LEP is private sector led and therefore the businesses that form the basis of the partnership often have robust procurement policies in place, not least because one of their main objectives is to ensure value for money.

In addition, although procurement is an often complex part of any new work or decision making process, the relationship to CC is important to note in that it forms a robust framework from which to link draw good practice and minimum standards. It is also critical that CC, as Accountable Body, will need to comply with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

The award of funding will be managed through a Grant Funding Agreement prepared by CC Legal Services; which will generally include the following;

- Payment and availability of funding
- Recipients and CIOs LEP obligations
- Publicity and branding
- Intellectual Property Rights (IPR)
- Event of Default
- Confidentiality, General Data Protection Regulation, Data Protection and Freedom of Information
- Indemnity and Liability

Grant Funding Agreements are managed by the LEP and progress is reported to the LEP Board or LEP Sub-Group. Progress reports will include performance, issues, risks and relevant mitigation. If the contract negotiation process results in a significant change to the project, the LEP Board or LEP Sub-Group will be notified of the change. If an award of funding is made to Cornwall Council, an Allocation of Funding agreement will be used, however, while the Accountable Body and the Recipient are the same person in law the



Allocation of Funding agreement cannot constitute a legally enforceable agreement although it is intended to be regulated in the same manner as a third party award.

### **1.23 Government Branding**

Recipients of Local Growth Fund are required to acknowledge the support of the CloS LEP in any materials that refer to the project and to adhere to the Local Growth Fund publicity requirements. This requirement is identified as a clause within the grant funding agreement and failure to do so could be an event of default. Other public funds awarded by the CloS LEP will require the Recipient to publicise both the CIOs LEP and the funding source in accordance with the relevant funding source branding guidance.

## **2. LEP Accountability and Transparent Decision Making**

### **2.1 Accountability and decision making**

#### LEP Structure and decision making processes

The CloS LEP Board is the strategic lead for Cornwall and Isles of Scilly's Strategy Economic Plan: Vision 2030. The LEP Board is also the decision maker and makes decisions on where funding is distributed. Cornwall Council carries out and administers those decisions, either by directly incurring expenditure or the distribution of grants.

There is an overarching governance and reporting table which can be found at [Appendix 6](#). This highlights the various Boards and sub-groups of the LEP and also the groups that the LEP is represented on.

In order to ensure there is the proper day to day management there is a LEP Executive Team in place with staff and resources provided by a combination of core LEP funding from government and CC funding. The Executive Team also acts as the secretariat for the Board.

The LEP Board is supported by a number of sub-boards/groups which stretch across the main themes and priorities and link directly to the objectives of the Strategic Economic Plan. Further details about these groups can be found below, together with links to their terms of reference.

From time to time, the LEP Board may delegate authority to some of those sub-boards/groups i.e. CloS Enterprise Zones Board. Those sub-boards/groups that do not have delegated authority make recommendations to the LEP Board via formal written reports, which undergo Section 151 Officer sign off before coming to the LEP Board for a decision. The LEP Board also receives regular update reports from those sub-boards/groups with delegated authority to ensure the LEP Board is kept informed and has oversight of the discussions taking place and decisions being made.

All decisions are captured within the minutes of the meeting and are publicly available on the website.

In order to ensure effective decision making processes are in place that promotes assurance on good governance, the LEP ensures:

- That there is a clear strategic vision and priorities which has been adopted by the Board. The LEP's Strategic Economic Plan: Vision 2030 sets out the LEP's vision and priorities.
- Open advertising of funding opportunities, where applicable.
- That there is a sub-group or panel in place with the task of assessing bid/decisions. For the CloS LEP, this is the LEP Investment and Oversight Panel.
- Independent appraisal of the business case for funding, where applicable.
- Specific arrangements for decisions to be signed off by the LEP Board, following recommendations from the LEP Investment and Oversight Panel.
- Section 151 Officer has line of sight on all decisions and ability to provide financial assistance. The Section 151 Officer signs off all reports requiring a decision.
- Use of scrutiny arrangements to monitor decision making and the achievements of the LEP.

All investment decisions are made by the LEP Board in line with recommendations made by the LEP Investment and Oversight Panel. Ultimately, it will be the responsibility of the LEP CEO to ensure value for money for all projects and programmes and for the scrutiny of and recommendations relating to each business case.

All investment decisions are made subject to the normal business case, evaluation and scrutiny arrangements. There will be a written report with the opportunity for the Section 151 Officer to provide comments, the conflicts of interest policy will apply to decision makers regardless of whether there is a formal meeting and that decisions will be recorded and published. There is also a published rolling schedule of the funded projects, detailing a brief description of the project, names of key recipients of funds and amounts by year on the LEP [website](#).

The LEP is responsible for checking that decisions are being made in accordance with the processes set out within this Assurance Framework. A decision which is made in contravention of the process will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision making process.

Within the LEP/CC MOU, it states that where CC as Accountable Body and the LEP disagree on any matter, including any potential or perceived conflict of interest related to the dual role of the LEP CEO and Service Director for Economic Growth, there is a period of consultation to come to a mutually acceptable position. Where the consultation does not resolve the issue in a reasonable period it is escalated to the Chief Executive of CC, the Chief Executive of the Council of the Isles of Scilly and the Chair of the LEP for resolution. Where the role of the Chief Executive of the LEP and role of Service

Director for Economic Growth results in a conflict the views of the LEP shall take precedence.

### LEP Chair

The Chair is responsible for the running of the Board, ensuring its effectiveness on all aspects of its role and setting its agenda taking full account of the issues and concerns of Board members. In fulfilling that responsibility the Chair should:

- In conjunction with the Chief Executive, ensure effective implementation of Board decisions and ensure that the Board meets sufficiently regularly to discharge its duties.
- Ensure the effective running of the Board ensuring that adequate time is made available for discussion of all agenda items, particularly on strategic issues.
- Ensure that the Board as a whole plays a full and constructive part in the development and determination of the Cornwall and Isles of Scilly LEP strategy and overall commercial objectives.
- Ensure that the Board agendas take full account of important issues facing the LEP and any concerns of Board members. The emphasis of the agenda should be on strategy rather than routine issues.
- Ensure that Board members receive accurate, timely and clear information on the LEP's performance, issues, challenges and opportunities facing the company and on matters reserved for its decision, thereby enabling the Board to make sound decisions, monitor effectively and provide advice in order to promote the LEP's success.

- Propose to the Board in consultation with the Chief Executive, Company Secretary and Committee Chairs as appropriate: a schedule of Matters Reserved for the Board's decision, Terms of Reference for each Committee of the Board and other Board policies and procedures.
- Ensure that all new Directors participate in a full, formal, tailored induction programme. Regularly review each Director's training and development needs. Ensure that Directors continually update their skills, knowledge and familiarity with the company to enable directors to fulfil their role on the Board and any Committees of the Board.
- Ensure that the performance of the Board, its Committee's and individual Directors is evaluated at least once a year and the results of the performance evaluation are acted on.
- Promote a culture of openness and debate at Board meetings and in particular facilitate the effective contribution of Non-Executive Directors by ensuring a constructive relationship between the Executive team and Non-Executive Directors.
- Arrange informal meetings of the Directors of the Board, including meetings of the Non-Executive Directors at which the Executive team are not present, as required, to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.
- Chair the Nomination Committee and in that role initiate change and succession planning in Board appointments to retain and build an effective and complementary Board. Propose in conjunction with the Nomination Committee the membership of the Board Committees and their Chairman.

- Promote the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level.
- Establish a close relationship of trust with the Chief Executive, providing support and advice but respecting executive responsibilities.
- Ensure that the Board determines the nature and extent of significant risk that the company is willing to embrace in the implementation of its strategy.

#### LEP Board

The CloS LEP was launched in May 2011. Private sector-led, it is a partnership between the private and public sectors and is driving the economic strategy for the area, determining local priorities and undertaking activities to drive growth and the creation of local jobs.

The LEP Board is the strategic lead for Cornwall and Isles of Scilly's Strategy Economic Plan: Vision 2030. The LEP Board is also the decision maker and makes decisions on where funding is distributed. Cornwall Council carries out and administers those decisions, either by directly incurring expenditure or the distribution of grants.

#### Non-Executive Directors

Board Directors are expected to allocate a minimum of 3 days per month to their role as a Director of the Cornwall and Isles of Scilly Local Enterprise Partnership. It is the responsibility of each Director to:

- To be at all times familiar with the principal business priorities and focus for the work of the LEP, the Strategic Economic Plan and supporting activities, key business, government and academic relationships and any current contentious issues likely to effect the work of the LEP and to feature as part of Board discussion.
- Declare by written submission, ahead of each Board meeting any anticipated conflict of interest arising from current priorities and activities for the LEP – and from the circulated agenda at the start of each meeting.
- To contribute to Board discussion, using information and guidance provided by the Executive team and, where appropriate drawing on personal, business, local or national government experience.
- To become familiar with the agreed Vision and Values of the Cornwall and Isles of Scilly LEP and to utilise these in delivery of activity on behalf of the company – and to work with other Board Directors and the Executive team to ensure their application across all LEP activity.
- Where time availability allows, support the wider Governance structure of the LEP, either by involvement in its sub-boards and advisory groups, or by representing the LEP and Board on other key groups that have an economy element at a local, national or regional level and where the LEP's priorities are served by representation and input.
- To contribute to the Board discussion and direction of the LEP company on a personal basis and as a Director of the company



and not as a representative of or with intention of influence for any other company or organisation.

- To work closely with the Chair to ensure that throughout each individual Board member's three or six year tenure that appropriate training and development requirements are provided to enable strong and active engagement with the governance of the LEP Company.

#### LEP Chief Executive and Executive Team

The Chief Executive (CEO) and the LEP Executive Team are responsible for all executive management matters affecting the Cornwall and Isles of Scilly LEP and in particular for running, leading, managing and controlling the Company subject to those matters which are reserved for decision by the Board.

In exercising these responsibilities the CEO should:

- Exercise leadership of the executive management team to ensure that Cornwall and the Isles of Scilly LEP delivers to the direction of the Board and requirements of all of its key stakeholder groups.
- Apprise the Board of all matters which materially affect the LEP and its performance.
- In conjunction with the Executive team:
  - Ensure that the decisions of the Board and its Sub Boards and Committees are fully implemented.
  - Propose and develop strategy, an overall programme and delivery objectives for consideration by the Board.

- Formulate annual and medium term business plans indicating how the LEP's strategy will be delivered ensuring that the Board has regular opportunities to review challenge and approve it. Provide input into the Board's agenda.
- Ensure that appropriate priority reports are provided to the Board with sufficient and timely information to enable the Board to fulfil its role.
- Provide input to the Chair and Company Secretary on appropriate changes to the schedule of Matters Reserved for the Board and Board Committee's Terms of Reference.
- Ensure that the Executive Team complies with Board procedures including the schedule of Matters Reserved for the Board and each Committee of the Board adheres to its Terms of Reference.
- In conjunction with the Chair, ensure that Board members understand the views of LEP's stakeholders and funding partners.
- Ensure that the highest standards of integrity, probity and corporate / ethical governance are promoted within the LEP.
- Ensure that sound systems of internal control are maintained and that all major risks are adequately managed.
- Maintain a dialogue with the Chair on important/strategic issues facing the LEP. Ensure the Chair is aware of any complex, contentious or sensitive issues that affect the LEP.

- Provide information/advice on succession planning to the Chair of the Nomination Committee particularly in respect of the Executive Team.

#### LEP Sub Board – LEP Nominations Committee

The LEP Nominations Committee has delegated responsibility for overseeing all Director recruitment and succession planning arrangements for the LEP Board. The Committee also considers Director representation and involvement across the various groups within, and related to, the LEP structure. The Committee terms of reference, including membership, is attached at [Appendix 7](#).

The Committee provides regular written updates to the LEP Board and makes recommendations as necessary to the LEP Board for a decision.

#### LEP Sub Board – LEP Audit and Assurance Committee

The LEP Audit and Assurance Committee has delegated responsibility to monitor the integrity of the financial statements and financial performance of the company, including overseeing internal controls and external audit arrangements. The Committee is also responsible for monitoring risk on behalf of the Board, to advise and to reassure the Board that the LEP Executive are managing and monitoring project risks. The Committee is also responsible for overseeing and reviewing the LEP's agreed Assurance Framework. The Committee terms of reference, including membership, is attached at [Appendix 8](#).

The Committee provides regular written updates to the LEP Board and makes recommendations as necessary to the LEP Board for a decision.

### LEP Sub Board – CloS Enterprise Zones Board

There are two Enterprise Zones in Cornwall made up of five individual sites. The Aerohub+ EZ (incorporating Cornwall Airport Newquay and Goonhilly Earth Station) and the Marine Hub Cornwall (incorporating Hayle North Quay, Tolvaddon, and Falmouth Docks).

The Cornwall and Isles of Scilly Enterprise Zones Board (EZ Board) was established as a sub-board to undertake the strategy and decision making responsibilities on behalf of the LEP Board and deliver the objectives of the Enterprise Zones.

The EZ Board has the delegated authority of the CloS LEP in respect of the functions and powers set out in these terms of reference, including membership ([Appendix 9](#)).

A Memorandum of Understanding has been agreed between Cornwall Council, CloS LEP and Secretary of State for Communities and Local Government. The MoU gives CloS LEP and Cornwall Council the right to set up and operate the Enterprise Zones. The Implementation Plan for both EZs identifies the aims and objectives of the Zones and the delivery mechanism.

All business rates generated over and above the agreed baselines are retained by the CLOS LEP for 25 years. The rates funding from all zones is aggregated into a single pot (the EZ Growth Fund) and awarded in accordance with the “EZ Growth Fund – Investment Policy” approved by the LEP EZ Board in November 2017 ([Appendix 10](#)).

### LEP Sub-Board - Investment and Oversight Panel

The Investment & Oversight Panel is a sub-committee of the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) Board.

The Panel does not have any delegated decision making authority unless specifically granted by LEP Board. The Panel therefore makes recommendations to the LEP Board for a decision.

The Panel oversees an open and transparent approach to the delivery of investment programmes, most notably, Local Growth Fund (Growth Deal), Regional Growth Fund, Growing Places Fund, and Cornwall Investment Fund. The terms of reference, including membership, was approved by the LEP Board in May 2018 ([Appendix 11](#)).

#### LEP Sub Board – CloS Employment and Skills Board

The Employment and Skills Board (ESB) was established in 2011 and is a formally constituted sub-group of the Cornwall and Isles of Scilly (CloS) Local Enterprise Partnership (LEP) Board. It is responsible for driving the Employment and Skills Strategy and to provide strategic leadership that synchronises supply and demand for employment and skills, resulting in transformational change for current and future generations. The terms of reference, including membership, for the CloS Employment and Skills Board is attached at [Appendix 12](#).

The ESB does not have any delegated decision making authority unless specifically granted by LEP Board. The ESB therefore makes recommendations, via formal written reports, to the LEP Board for a decision.

#### LEP Advisory Panels

The LEP has established a number of Advisory Panels/Groups which provide an industry led approach to supporting the development of a particular sector in CloS and increase private sector input to the work of the LEP. These Advisory Panels include:

- Space Industry Advisory Group (terms of reference, including membership, can be found at [Appendix 13](#))
- Creative Industry Advisory Group
- Communications Advisory Panel (terms of reference, including membership, can be found at [Appendix 14](#))
- Construction Strategy Steering Group

These Panels/Groups do not have any decision making authority. They therefore make recommendations to the LEP Board as and when necessary.

### Scheme of Delegation

The following scheme of delegation applies to the LEP's budget:

Unallocated headroom or any deviation from the budget as agreed, will follow the following protocols:

- Any decision **£5,000 and under** will be made by the Head of LEP Governance and Operations and/or Executive and Governance Manager
- Any decision **£50,000 and under** will be made by the CEO
- Any decision **over £50,000** or **any** controversial decision will be escalated to:
  - Core administrative budget: **Audit and Assurance Committee**
  - Core grants , future programmes and external funding programmes such as Growth Deal: **LEP Board**

## 2.2 The LEP Board

The LEP Board is constituted as a board of private sector and individual representatives. Local Authority members also hold a seat on the Board to ensure democratic accountability and provide local intelligence. They are all Directors of the CIO S LEP Limited. Both private and public sector members work collaboratively to

ensure that decisions are made in the interests of promoting inclusive growth, prosperity and improved productivity in the local area and beyond. The LEP Board has strategy and decision making responsibilities and is the ultimate decision making authority. As the ultimate decision making authority, even when the LEP puts in place a scheme of delegation, the LEP Board remains responsible and accountable for the delegated decisions.

The LEP Board meets formally every two months and all agendas and reports are available on the [website](#).

The LEP Board has a maximum of 20 people, with an option to co-opt an additional five Board members with specialist knowledge on a one year basis, unless there are exceptional circumstances. Co-opted members will adhere to the standards that all permanent LEP Board Members are required to adopt, for example, they should act in line with the Nolan Principles and declare any conflicts of interests. In accordance with the National Accounts Sector Classification the LEP Board is made up of at least two-thirds private sector representatives. Further details on the current makeup of the Board are available on the [website](#).

The LEP Nominations Committee (a sub-group of the LEP Board) has delegated responsibility for overseeing all Director recruitment and succession planning arrangements for the LEP Board. The Committee meets regularly and considers the reappointments and resignations of any Director at the conclusion of their specified term over a six months period in order to allow for the necessary succession planning discussions and processes to begin. The Committee leads all recruitment processes on behalf of the Board and ensures that Directors are kept regularly updated throughout the recruitment process. Directors are also asked to use their networks to assist in the promotion of any recruitment process.

Further details on the recruitment process for Directors can be found in the [LEP Recruitment Policy](#).

The CloS LEP is committed to improving the gender balance and representation of those with protected characteristics on the Board to ensure full representation of the businesses and communities served. This includes taking action to ensure equal representation of men and women on Boards by the end of the 2022-23 financial year.

The CloS LEP Board has a designated Small and Medium Enterprise (SME) champion for the LEP. This champion is named on the LEP [website](#).

### **2.3 Chair and Deputy Chair of the LEP Board**

The leadership that the LEP Chair provides is central to the success of the LEP. As such, when recruiting a new Chair, the CloS LEP seeks applications from individuals who are influential local leaders, who act as champions for their area's economic success. They will have sufficient standing to be able to convene the local business community and public sector stakeholders, whilst having the insight to oversee the development of an economic strategy and the relationship skills to work effectively with Government.

The LEP ensures that its Chair is from the private sector. Given their role involves overseeing public funds and responsibilities; they are expected to display the highest levels of integrity and honesty. In line with best practice, the CloS LEP ensures the Deputy Chair is also from the private sector. This helps to support succession planning and ensures that the LEP remains business-led at all times.

To support the Chair in their role the CloS LEP ensures a Deputy Chair is appointed. Further details on the appointment process for



the Chair and Deputy Chair can be found in the LEP Recruitment Policy. The Chair and Deputy Chair positions have a defined term limit of three years with an optional extension of three years. There is also an option to extend for a further three years in exceptional circumstances if approved by the Board.

## **2.4 LEP Staff and Independent Secretariat**

The CloS LEP has a robust and effective organisational structure in place which ensures that the private, public and third sector Board members have identical, high quality, impartial advice and support. Specifically, The LEP CEO is also the Cornwall Council Service Director for Economic Growth and this ensures equality between the private and public sector. This structure also ensures that strategic LEP Board decisions are delivered by the public sector and that the full resource of the local authority Economic Growth Service is put at the disposal of the LEP Board.

The role profile of the LEP CEO also reflects their role as an independent and impartial advisor working under the direction of the LEP Board.

The following form part of the CloS LEP's secretariat function:

- The LEP operates a commissioning model where appropriate Economic Development services and information are commissioned/purchased from Cornwall Council/Council of the Isles of Scilly and there are no joint roles, except for the joint LEP CEO/Service Director role. This model firmly places the LEP in a primary position and ensures that work is private sector led and that the LEP determines appropriate quality and timing of activity.
- The CloS LEP has a dedicated executive role which deals with governance and control processes and procedures.

- The CloS LEP has a dedicated role which oversees the Growth Deal and all LEP programmes, ensuring effective management and compliance with the Assurance Framework.
- The current private sector majority on the main LEP Board will be reflected on all sub groups and all sub groups will be chaired by the private sector.
- The LEP CEO is subject to an appraisal process which reflects the private sector led nature of the Board. Specifically, all performance appraisals will be undertaken with the Chair of the LEP Board.
- A 'Performance' Committee (chaired by a private sector member of the Board) is being established to monitor and report on organisational performance and will make recommendations to the Board. This will include oversight of the delivery of the LEP Delivery Plan and support the Chair in performance managing the LEP CEO.
- The LEP has access (via a Service Level Agreement) to the services of a specific and individual S151 Officer at all times in order to ensure that the advice provided is seen to be impartial.

The LEP independent secretariat function is currently under review and therefore this section may be subject to change.

## **2.5 LEP Network: cooperation, collaboration and partnership with other LEPs**

The LEP Network is a membership organisation for LEPs whose purpose is to enable LEPs to discuss issues of shared importance as a sector, engage with Government and share knowledge and good practice. The CloS LEP is committed to working within the LEP Network.

The CloS LEP has a series of cross border relationships, particularly with other LEPs. The CloS LEP's involvement in the Great South West initiative is prominent amongst these and has led to joint working on items such as a joint energy strategy, collaboration on the iAero aerospace initiative and a joint memorandum of understanding with Innovate UK. Heart of the South West and Dorset LEPs have been close partners on these initiatives but the other south west LEPs have also been partners. We are also partners in the South Coast Marine Cluster with HotSW, Dorset, Plymouth City Council and Hampshire County Council amongst others. We also collaborate across the UK, for example on Space related activity with Leicestershire, Enterprise M3 and Oxfordshire LEPs and with the LEP Network on a wide range of issues and interaction with government.

The CloS LEP is also working in partnership across sectors. It has worked to simplify structures in recent years to now work primarily through three partnerships. All share the same core principle of 'achieving growth whilst ensuring the culture, communities and environment of Cornwall and Isles of Scilly remain special and unique'. Each partnership leads on the three elements of sustainable development:

- Economy (Cornwall and IoS Local Enterprise Partnership)
- Environment (Cornwall and IoS Local Nature Partnership)
- Social (Health and Well Being Boards for Cornwall and IoS)

The Cornwall Executive Group brings together Chief Executives representing Cornwall's key public, private and voluntary sector organisations. The group provides joined up strategic leadership for Cornwall, responding to nationally and locally significant issues and directing a coordinated response focused upon the best interests of

Cornwall. Further information on the remit of this group can be found on the Cornwall Council website.

There are also several other thematic partnerships which have a specific role to play in terms of delivery, for example around the social inclusion agendas and statutory partnerships like the Safer Cornwall Partnership and the Children's Trust.

The LEP also engages directly with the Cornwall Voluntary, Community and Social Enterprise Commissioning Board. This partnership provides a strategic interface with the third sector across Cornwall and is critical to delivering certain aspects of EU programmes, particularly those requiring strong community engagement.

The relationship of the LEP with these wider partnerships strengthens the quality of intelligence that can be drawn upon to set strategy and to inform decisions. It also ensures that major investment programmes are aligned to derive maximum benefit and work in the most efficient manner possible to avoid duplication.

## **2.6 The Accountable Body and Section 151 Officer**

Cornwall Council (CC) acts as accountable body for the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP). In this capacity CC will receive and administer all grants on behalf of the LEP. There is an MOU ([Appendix 1](#)) in place between the LEP/CC/Council of the Isles of Scilly which outlines how the LEP will work in partnership with both the public and private sectors and also details the role of Cornwall Council as accountable body.

As accountable body, CC are responsible for:

- Holding public funds paid by Government on behalf of the LEP.

- Ensuring decisions and activities of the LEP conform with all relevant law (including State Aid and public procurement) and ensuring that records are maintained so this can be evidenced.
- Ensuring that the funds are used and handled in accordance with the conditions placed on each grant and that funds are used with propriety, regularity and deliver value for money.
- Ensuring that the process functions such as LEP governance and transparency arrangements, compliance with the LEP's local Assurance Framework and agreement on scrutiny functions are adhered to.
- Ensuring that the checks and reporting requirements of the Section 151 Officer are met, including retaining appropriate documentation on decisions around funding.
- Escalating concerns around non-delivery and/or mis-management, if this cannot be resolved at the local level the Accountable Body should report any concerns to the Cities and Local Growth Unit.
- Providing technical advice on the relevant law, discussing risks associated with pursuing a particular course of action for the LEP Board to consider, drafting funding agreements and contracts if the LEP Board chooses to proceed. The Accountable Body may also have a role in managing risks on behalf of the LEP.
- Maintaining the official record of LEP proceedings and holding copies of all relevant LEP documents relating to Local Growth Fund and other funding sources received from Government funding.
- Responsibility for the decisions of the LEP in approving projects (for example if subjected to legal challenge).
- Ensuring that there are arrangements for local audit of funding allocated by LEP at least equivalent to those in place for local authority spend.
- Stating the arrangements for the Local Growth Fund and other funding sources received from Government.

- Public resources are managed appropriately. This is overseen by the Section 151 Officer or equivalent to ensure that they follow the necessary financial duties and rules to ensure prudent spending.
- An annual independent third party audit of the LEP accounts.

## **2.7 Section 151 Officer Role**

Cornwall Council, as Accountable Body for the LEP, ensures that the role of the relevant Section 151 Officer in overseeing the proper administration of financial affairs is extended to include those of the LEP.

Following the Non-Executive Director Review into LEP Governance and Transparency, the Department of Housing, Communities and Local Government (MHCLG) has worked with the Chartered Institute of Public Finance and Accountancy (CIPFA) to develop guidance on the role of the Section 151 Officer. The Section 151 Officer should exercise their duties in line with the CIPFA guidance and this Framework. The CloS LEP is committed to working with the Accountable Body to ensure the following principles outlined in the guidance are addressed by:

1. Enshrining a corporate position for the Section 151 Officer in LEP assurance;
2. Creating a formal/structured mandate for the Section 151 Officer;
3. Embedding good governance into decision making;
4. Ensuring effective review of governance;
5. Ensuring appropriate skills and resourcing.

The Section 151 Officer ensures that their oversight of the proper administration of financial affairs within the LEP continues throughout the year. The Section 151 Officer, in performing the Accountable Body role above, also provides a report to the Annual

Performance Review on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency. In addition to this, by 28 February each year, the Section 151 Officer is required to submit a letter to the MHCLG's Accounting Officer outlining:

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

The CloS LEP provides the Section 151 Officer with access to information in order to carry out their role. The Section 151 Officer signs off on all LEP Board (and sub-boards with delegated authority on funding decisions) reports, particularly those requiring a decision. LEP Board reports have a designated section at the end of the report for Section 151 Officer sign off and commentary.

## 2.8 Decisions Relating to LEPs awarding public funds

There are a number of investment programmes managed and facilitated through the CIOs LEP. They are summarised as follows;

### Local Growth Fund (Growth Deal) (£78m)

Growth Deals, through the Local Growth Fund, provide funds to Local Enterprise Partnerships (partnerships between local authorities and businesses) for projects that benefit the local area and economy.

Cornwall and the Isles of Scilly Local Enterprise Partnerships has successfully secured £78.23m Growth Deal funding through three separate awards.

### Regional Growth Fund (£13m)

The Department of Business Innovation and Skills awarded £13m of RGF under round 2. The RGF award had two distinct strands of investment, each with its own objectives:

- Strand 1 invested £5.3m of revenue & capital grants to businesses to support growth and investment to grasp market opportunities including those provided by the new Superfast Broadband and infrastructure under the Convergence Programme. In addition grants were targeted at business productivity that would accelerate growth and the creation of jobs.
- Strand 2 invested £7.7m to provide grant support for the construction of essential infrastructure, with the aim of facilitating the development of the most important growth areas.



### Growing Places Fund (£6.3m)

In 2012 the Department for Communities and Local Government granted the CIOs LEP £5.9m in the form of a revolving loan fund with the following delivery principles:

- To create an “evergreen” fund that is revolving and self financing by absorbing its own costs of management in the future
- To support targeted growth in localities and get developments moving
- To create economic activity by removing barriers to investment
- To facilitate job creation and housing development
- To think creatively about potential investment solutions

### Enterprise Zone (EZ) – Growth Fund (£)

The purpose of the Cornwall Enterprise Zones is to drive local economies, by unlocking key development sites, consolidating infrastructure, attracting business, creating jobs and to assess and agree applications for business rate relief and how retained business rates should be reinvested.

In 2011, 2016 and 2017 successful bids were made by the CIOs LEP for EZs in Cornwall; the Aerohub+ EZ and the Marine Hub Cornwall EZ.

The EZ Board, which reports to the CIOs LEP, manages the EZ Growth Fund (the retained rates) process and makes decisions on award of funding. The EZ Growth Fund policy was approved by the EZ Board in September 2017 ([Appendix 10](#)).

### Plymouth and the South West Peninsula City Deal

The City Deal aims to reinvigorate the region's marine and advanced manufacturing sectors creating over 9,000 jobs. It will also tackle deep-rooted unemployment, by providing intensive support to over 1,500 young people helping them back into employment and support small businesses so that the region's economy is open for business.

The CloS LEP shares a joint commitment with other partners to ensure full implementation of the City Deal. The CloS LEP's engagement and joint working with Plymouth City Council has grown and developed into other important areas of joint interest for example, the Great South West initiative, the South Coast Marine Cluster (both with a number of other South West partners) and the Mayflower 400 celebrations in 2020.

Where decisions have been made relating to public funding, the CloS LEP will ensure a transparent approach to the decision making process and the programme management of the funds. This will include:

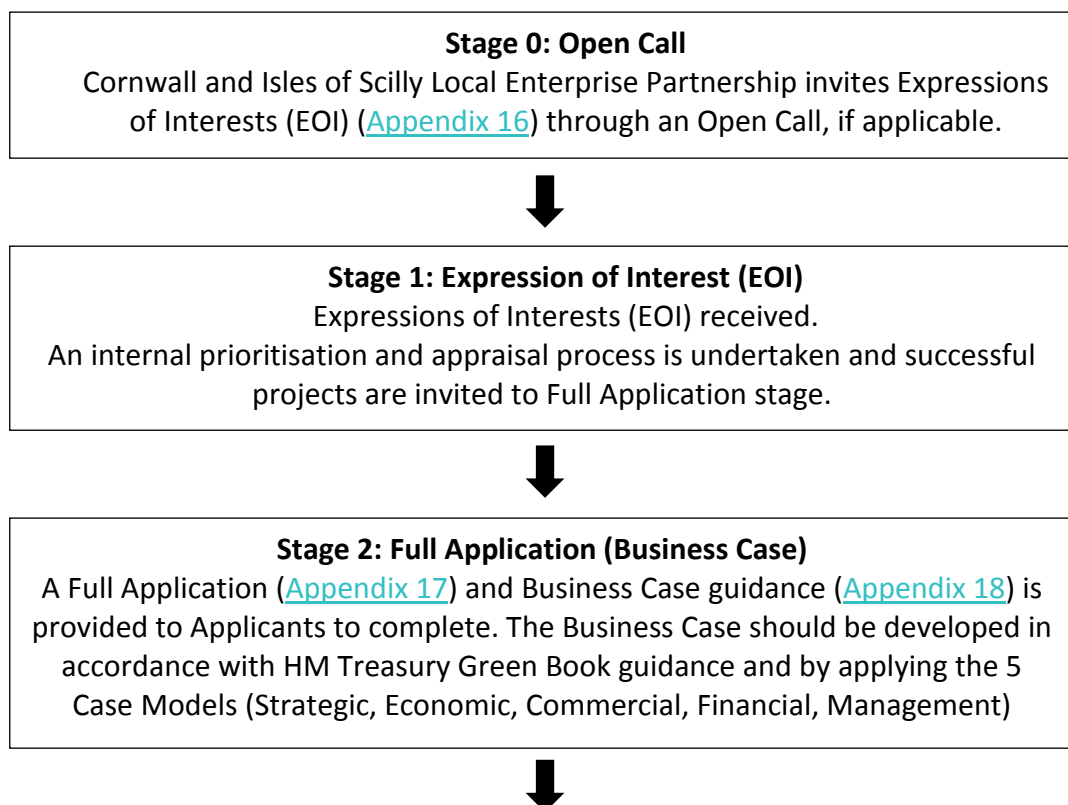
1. Publishing agendas and papers of the LEP Board or LEP Sub-Groups on the LEP website at least 5 working days before the meeting and publishing minutes 10 working days after the meeting.
2. A rolling schedule of investments will be available on the LEP [website](#) and updated every quarter. This will include a description of the project, the recipient's name, and the amount of funds per financial year. Further details on individual projects will be accessible through a hyperlink to the appropriate webpage (where available).

## 2.9 Decision Making Process for Award of Funds

The decision making process to award public funds is summarised in the following flow chart. Please note that the process will vary slightly between funding programmes, however, it provides a basis for managing the award of public funds by the CloS LEP.

The flow chart identifies the process from Stage 0 'Open Call' to Stage 7 'Project Closure'. The process has been specifically developed for the award of funds for Growth Deal but will be adapted for other funding streams managed by the CloS LEP. Each stage may be adapted proportionate to the value of investment.

[Appendix 15](#) illustrates in more detail, the typical decision making process lifecycle from the initial call for projects to the project closure.



### **Stage 3: Appraisal**

Full Application and Business Cases are appraised either internally or by independent assessors commissioned by the LEP Executive Team. Including financial or legal expert advice, if required.



### **Stage 4: Decision**

Projects are considered (through Officer Recommendation) by the LEP Board or LEP Sub-Group and either approved (in some cases with conditions) or rejected. Where necessary, the LEP Sub-Group recommendations are reported to LEP Board for endorsement.



### **Stage 5: Contract**

When all conditions or queries are satisfied, CC Legal are instructed to draft a Grant Funding Agreement (GFA) ([Appendix 19](#)).



### **Stage 6: Monitoring and Payment**

Projects are monitored regularly and reported to the LEP Board, LEP Sub-Group and HM Government. Project info is uploaded to the LEP website. Payments are made when satisfactory evidence of spend & defrayal of eligible expenditure has been received.



### **Stage 7: Project Closure and Evaluation**

Project will be formally closed on completion of the “works”. Projects will be encouraged to undertake end of project evaluations.

### **Stage 0: Open Call**

The opportunity for investment from CloS LEP public funds will be publicised through an Open Call. Publicising funding opportunities will ensure that businesses and organisations have the opportunity to apply.

The Call will be launched with information on the CloS LEP website providing eligibility guidance and funding criteria. The Call will be promoted through social media channels and established networks. The Expression of Interest form and guidance will be available to download on the CloS LEP website.

To minimise the risk of businesses and organisations wasting time completing the EOI, as much information will be provided as part of the Call.

The CloS LEP will maintain a pipeline of projects that can be called upon should funds become available or other funding opportunities arise. The pipeline will be used to address any gaps in the programme or slippage by projects.

### **Stage 1: Expression of Interest (EOI)**

The Expression of Interest forms received are initially verified for accuracy and ensuring all sections are complete. Where EOIs have not been completed satisfactorily for appraisal the applicant will be notified of the error or omission and will be asked to respond within a set deadline, failure to respond by the deadline will result in withdrawal.

Verified EOIs are appraised internally against the requirements of the open call and specific funding criteria. EOIs are appraised based on a Pass/Fail criteria and scored based on three key criteria; Strategic Fit, Value for Money and Deliverability.

Once appraised the outcome is reported with an Officer recommendation to the LEP Sub-Group to decide on a shortlist of projects to invite to Full Application (Business Case) stage. Applicants will be notified if their EOI has been rejected or if the project will be added to an EOI stage project pipeline.

## **Stage 2: Full Application (Business Case)**

All projects invited to Full Application (Business Case) stage are required to complete a Full Application form and ensure the Business Case is developed in accordance with HM Treasury Green Book guidance and by applying the 5 Case Models (Strategic, Economic, Commercial, Financial, Management).

The Full Application will capture the quantitative data associated with the project which will be used as a monitoring tool to track progress of the project. The Business Case is less restrictive and will allow the applicant to provide more detail on the project. The requirement of a Business Case will be determined by a proportionate approach to the amount of funding requested, we would not expect projects requesting less than £250k to complete a Business Case.

Full Application and Business Cases will be verified and checked by the LEP Executive prior to an independent external appraisal. If the submitted documents are not completed satisfactorily they will be notified of the error or omission and will be asked to respond within a set deadline, failure to respond by the deadline could result in withdrawal.

## **Stage 3: Appraisal**

Projects will be externally appraised based on three key criteria; Strategic Fit, Deliverability and Value for Money. The appraisal will be undertaken in much more detail than at the EoI stage and will be completed by independent external appraisers with experience in HM Treasury Green Book appraisals. The requirement for independent external appraisal will be decided taking into consideration the value of the investment and the technical level of

information required. For example, most projects requesting less than £250k will not be required to be appraised externally.

If required, further Due Diligence will be completed including specialist input from Legal or Finance. Property or planning advice can be obtained from Cornwall Council.

Award of public funds will be made in consideration of the Public Services (Social Value) Act 2012. Through the process to award funds, applicants will be required to demonstrate how the investment will achieve economic outcomes, applicants will need to demonstrate consideration of the social and environmental impact.

Following the appraisal, if necessary, the external appraiser will seek clarifications from the Applicant and subsequently make a recommendation (potentially with conditions) to the LEP Sub-Group or LEP Board for a decision.

#### **Stage 4: Decision**

On completion of Stage 3 a report will be prepared with a recommendation for consideration by the LEP Sub-Group (Investment & Oversight Panel) or LEP Board. If delegated authority has not been granted to the LEP Sub-Group, the Sub-Group will make a recommendation to the LEP Board for final approval. The Officer or LEP Sub-Group recommendation may include pre-contract or post-contract conditions that will either need to be met prior to signing of the Grant Funding Agreement or included with the Grant Funding Agreement.

Applicants will be notified of the decision and will either;

1. be rejected or
2. deferred and kept on a pipeline of projects, or
3. approved and moved to Stage 5.

A pipeline of projects will be maintained in the event additional funds become available after the original call. If additional funds are available the LEP Sub Group will determine (weighing up the benefits and risk) an proportionate reallocation process which will reconsider the pipeline of projects, or alternatively undertake a new call or a targeted call.

If approved, a conditional approval letter of intent will be sent to the applicant to notify them of the decision and of the conditions that will need to be addressed either pre-contract or post-contract.

### **Stage 5: Contract**

Cornwall Council Legal Services will be instructed, on behalf of the CloS LEP to draft the Grant Funding Agreement to include any conditions.

Please refer to the Management of Contracts section for further information.

A standard Grant Funding Agreement is available at [Appendix 19](#).

### **Stage 6: Monitoring and Payment**

The project will now be in delivery phase and the Applicant will be required to provide quarterly monitoring reports and claims ([Appendix 20](#)). Project and Programme level dashboards ([Appendix 21](#)) will track delivery and provide relevant details of the investment. The LEP Sub-Boards will pro-actively monitor the performance of the investments and take appropriate action when required. The LEP Sub Board will receive updates on non-compliance, mis-representation or under-performance.

Where CloS LEP determines that an Event of Default or a Material Breach has occurred, the CloS LEP may, by written notice to the



Recipient withhold or suspend payment of the Funding, require the Recipient to repay to CloS LEP the whole or any part of the Funding previously paid to the Recipient or terminate the Agreement. Legal advice will be sought prior to any action to determine legal basis and likelihood of success. The process for addressing non-compliance is summarised in [Appendix 22](#).

Growth Deal recipients prepare a quarterly progress report and claim form. The claims procedure can vary depending on the requirements of the project and will be agreed with each applicant as part of the grant funding agreement. The standard claims process requires payments to be made on the basis of incurred expenditure in arrears, on receipt of an itemised funding claim and evidence showing eligibility of cost and defrayal. In exceptional circumstances payment can be made up front but it will need to be agreed as part of the process of finalising the Grant Funding Agreement. For example, projects without sufficient funds could encounter cash flows difficulties and therefore payment in advance would help to alleviate this issue and ensure the project is deliverable.

Indicative payment schedules are agreed with all applicants as part of the Grant Funding Agreement, however, where claims vary significantly from the schedule, reasons are explored with applicants, and where appropriate, a more realistic schedule is agreed and reported to LEP Sub-Group.

All claims received undergo a rigorous check to ensure eligibility and evidenced defrayal of all claimed items. All evidence is retained and available for future audit. Approval for payment is made by the CloS LEP CEO or delegated to appropriate Officer.

Any significant request for change from the Grant Funding Agreement will require submission of a Project Change Request Form ([Appendix 23](#)). The Form will be necessary to document and manage any changes to the baseline financial, time or outputs/outcome data. The Form will be reviewed by the LEP Executive and decided by the LEP Sub-Group. A significant change from the grant funding agreement will be managed through a contract variation.

### **Stage 7: Project Closure**

Project closure (completion of the agreed “works”) will be reported through the final claim from the Applicant.

Outputs and outcomes will continue to be monitored by the LEP Executive and reported to the appropriate LEP Sub-Group.

If deemed necessary and agreed prior to Grant Funding Agreement a project evaluation will be completed. The project evaluation will determine the impact of the project and relate back to the original Business Case objectives. Best practice will require reference to the HM Treasury Magenta Book.

## **2.10 Governance of Decision Making**

The Investment and Oversight Panel oversees an open and transparent approach to the delivery of Local Growth Fund (Growth Deal), Regional Growth Fund, Growing Places Fund and Cornwall Investment Fund. The Panel does not have any delegated decision making authority unless specifically granted by LEP Board. The Panel therefore makes recommendations to the LEP Board for a decision. All decisions made by the LEP Board are recorded in the minutes of the meeting and are published on the LEP website. The LEP Executive promptly communicate these decisions to the Accountable Body (and applicant or public where appropriate). The

LEP Executive liaise with the Accountable Body to ensure they have received the required information that needs actioning and that any action has been undertaken/completed.

The Board or Sub Group, where investment decisions are being made, will receive a copy of the following:

- The application made for funding;
- An appraisal of the application;
- An expert opinion, If applicable;
- Recommendation as to whether to fund the proposal;
- Identification of any conditions.

The LEP Board and any sub-boards/groups that involve decisions or recommendations about public money are committed to make decisions on merit having taken account of all relevant information available at the time.

There will be clear distinction between the scheme promoters and the appraisal and monitoring team. Large investment will be appraisal externally.

A LEP Board meeting does not take place unless it is quorate. In order for LEP Board meetings to be quorate there must be 5 Directors or 1/3 (whichever is the greater) and the meeting shall not be quorate where the number of private sector Directors is less than the number of public sector Directors. Further details can be found within the articles of association.

In the absence of a formal meeting decisions can be made via written procedures. In such instances a written report will be circulated by email to the LEP Board which provides all the necessary information for Directors to make an informed decision.

This communication will clearly set out the timescales for Directors to confirm their approval or otherwise. The LEP Executive will manage this process and will record each Director approval as evidence for audit purposes. A decision will be taken by a simple majority. The LEP Executive will inform the LEP Board and Accountable Body as to the outcome of the written procedure.

The LEP CEO is responsible for providing the final sign off for funding decisions, unless Cornwall Council is the applicant. To avoid any potential conflict of interest due to the dual role of the LEP CEO/Service Director for Economic Growth, where Cornwall Council is the applicant the Head of LEP Governance and Operations will provide final sign off.

Any complaints on the decision making process will be referred to the CloS LEP complaints policy which is available on the CloS LEP website.

#### LEP Investments (Non-Programme)

There is an option for the LEP to be approached direct and funds sought (from the LEP's revenue budget) for various projects and initiatives. In this context an application template has been developed.

All other avenues of funding must have been looked at prior to making a request to this budget. Applicants must state in their application what avenues of funding have been explored prior to seeking LEP investment.

All proposals must meet the following:

- Accord with the LEP's aims, objectives and priorities;
- Quantify the outputs and detail clear and attainable targets;

- Quantify the total project costs and the source(s) of matching funding, highlighting the request from the LEP;
- Provide good value for money as assessed by cost per job criteria and other selection and priority criteria including additionality, integration, partnership, private sector and other contributions, and leverage;
- Ensure that an exit strategy is in place and any future ongoing financial liability is considered as part of the project plan;
- Only deal with reputable organisations with appropriate legal status i.e. public organisations, registered charities, voluntary and community groups;
- All LEP investments should make a positive contribution to equality of opportunity for all.

The LEP cannot invest in the full range of programmes/projects/work coming forward. Therefore, it is necessary for the LEP to prioritise how funds will be allocated to ensure that objectives are achieved.

The following process applies:

1. Request received;
2. Application form sent to applicant;
3. Completed application received to info@cioslep.com;
4. Application appraised by nominated officer;
5. Approved by LEP CEO/LEP Board as appropriate;
6. Offer Letter with conditions sent to applicant;
7. Signed Offer Letter returned;
8. Funds released;
9. Ongoing monitoring by nominated officer.

During this process the LEP Executive will liaise with the Accountable Body to ensure the proper administration of funds.

## **2.11 Scrutiny arrangements**

The CloS LEP Board provides quarterly updates/reports to the Cornwall Council Economic Growth and Development Overview and Scrutiny Committee. This guarantees the effective and appropriate democratic scrutiny of the LEP's investment decisions. The reports and minutes of the Committee are available both via the LEP website and the [CC website](#). The LEP Chair is also a co-opted member of the Committee which provides further opportunity for bi-lateral scrutiny.

The CloS LEP also includes an update on the scrutiny arrangements within the annual performance review statement from the LEP Chief Executive and Chair. This review statement is published on the LEP website.

## **2.12 Audit arrangements**

The CloS LEP and Cornwall Council (as Accountable Body) agree an internal audit plan each year. This includes a risk-based audit plan of LEP activity that will provide assurance to the Section 151 Officer and the LEP Board at appropriate points through the year.

The CloS LEP has an Audit and Assurance Committee which oversees and ensures that proper processes are in place to manage risk, maintain an effective control environment and report on financial and non-financial performance.

The CloS LEP commissions external auditors each year to audit the Annual Report and Financial Statements. This is independent of the work of the LEP Company Accountant and the Accountable Body. This work is overseen by the LEP Audit and Assurance Committee before being presented to the LEP Board.

## **3. LEP Assurance, Performance and Monitoring**

### **3.1 Annual Assurance Statements**

The CloS LEP takes part in an Annual Performance Review where officials formally meet with LEP personnel and review the LEP's performance in key areas of strategy, delivery and governance. As part of this process the CloS LEP provides a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. Chair and CEO), on the status of governance and transparency within the organisation. As part of this the LEP reports on current scrutiny procedures. This statement is published on the LEP website.

The Section 151 Officer also provides a report at the Annual Performance Review on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.

### **3.2 Section 151 Officer Confirming Compliance**

The CloS LEP has an Accountable Body and Section 151 Officer who is responsible for the proper financial administration of the LEP throughout the year. The Section 151 Officer writes to the MHCLG Accounting Officer by the 28 February each year confirming compliance with the Assurance Framework and escalates any compliance concerns that cannot be resolved locally.

## **4. Ensuring Value for Money**

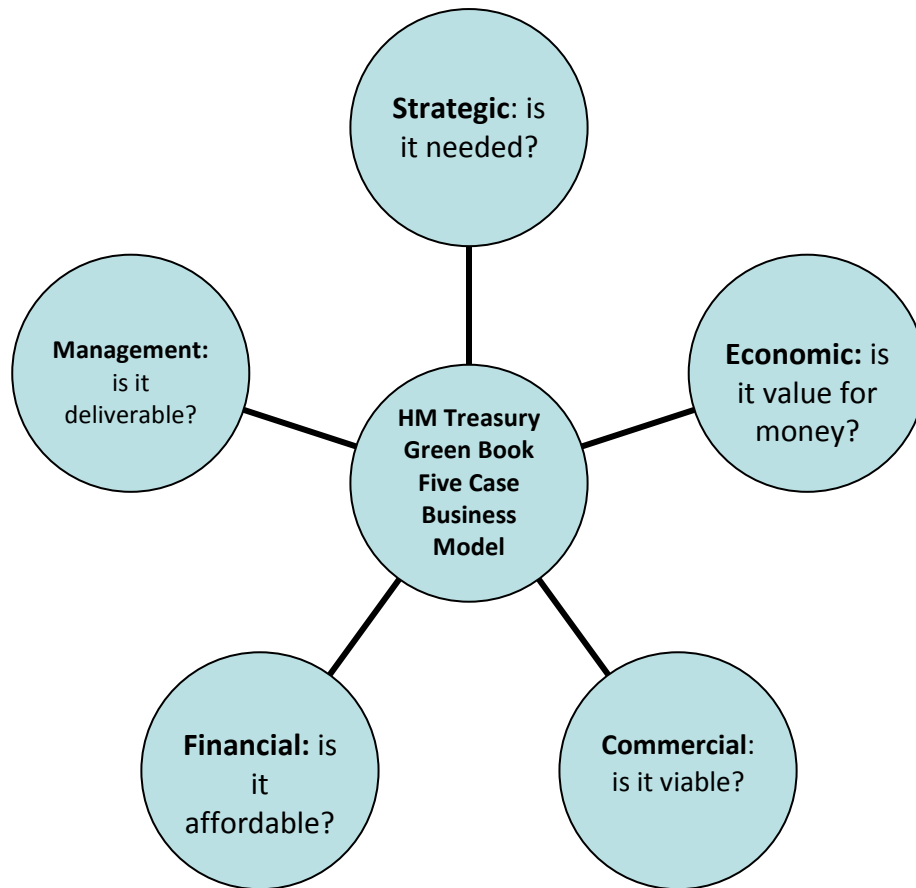
### **4.1 Business Cases and Value for Money**

The CloS LEP has established robust arrangements to ensure that projects are delivered effectively and provide good value for money. The CloS LEP will appraise funding applications based on three key criteria; strategic fit, deliverability and value for money.

1. Strategic Fit: Links to policies and strategies. Alignment with the CIOs LEP Strategic Economic Plan.
2. Deliverability: Issues that could impact on delivery of the project. Identification of risks to delivery and mitigation in place.
3. Value for Money: The economic impact is identified and SMART (Smart, Measureable, Attainable, Realistic and Timely)

Business cases will be required for most investments (above £250k) and will be prepared and appraised in accordance with HM Treasury Green Book guidance and by applying the 5 case models which is commonly used for economic development and transport projects. These can be summarised up as follows:





Business cases should be proportionate and appropriate for the size and type of project and the guidance applied accordingly. Proportionality will not be to exclude any of the Five Case model but the scale and detail adjusted accordingly. Business cases will demonstrate that:

- a) there is a clear rationale for the interventions linked with the objectives and evidence in the Strategic Economic Plan;
- b) a range of options have been considered to see which best meets the strategic objectives and opportunity and provides the best value for money;
- c) the proposal has clearly defined inputs, activities, outputs and anticipated outcomes, which are additional;
- d) the benefits exceed the costs of intervention;

- e) deliverability and risks have been appropriately considered and if there are likely to be clear mitigations for those ;
- f) due regard to equalities, social value and environmental impact are taken into account;
- g) they comply with procurement regulations and are State Aid compliant.

A variety of measures can be used to quantify the value for money. This could be through;

- Net Present Value (NPV) is the difference between the present value of benefits and the present value of cost over a period of time
- Benefit Cost Ratio (BCR) is an indicator, used in cost-benefit analysis, that attempts to summarize the overall value for money of a project or proposal.

The CloS LEP will discourage the use of employment multipliers as evidence of achievement of economic outputs.

It will be good practice for the Business Cases received by CloS LEP to be consistent. To achieve this objective a simple Business Case template and guidance will be provided to applicants ([Appendix 18](#) ensuring it aligns with the HM Treasury Five Case model. In addition to the HM Treasury Green Book, other appraisal guidance will be followed for specific interventions, where available and where applicable.

Value for Money in respect of Transport schemes (a scheme that significantly changes the transport network infrastructure) will be modelled and appraised under the guidance set out in WebTAG. A proportionate approach will be taken depending on the value of the scheme. The modelling and appraisal processes will be robust and fit for purpose for the scheme.

## 4.2 Risk Management

Risk management (identification and mitigation measures) within the LEP is a continuous process which runs through the organisation and in programme and project delivery. Overall, the LEP CEO is responsible for risk management.

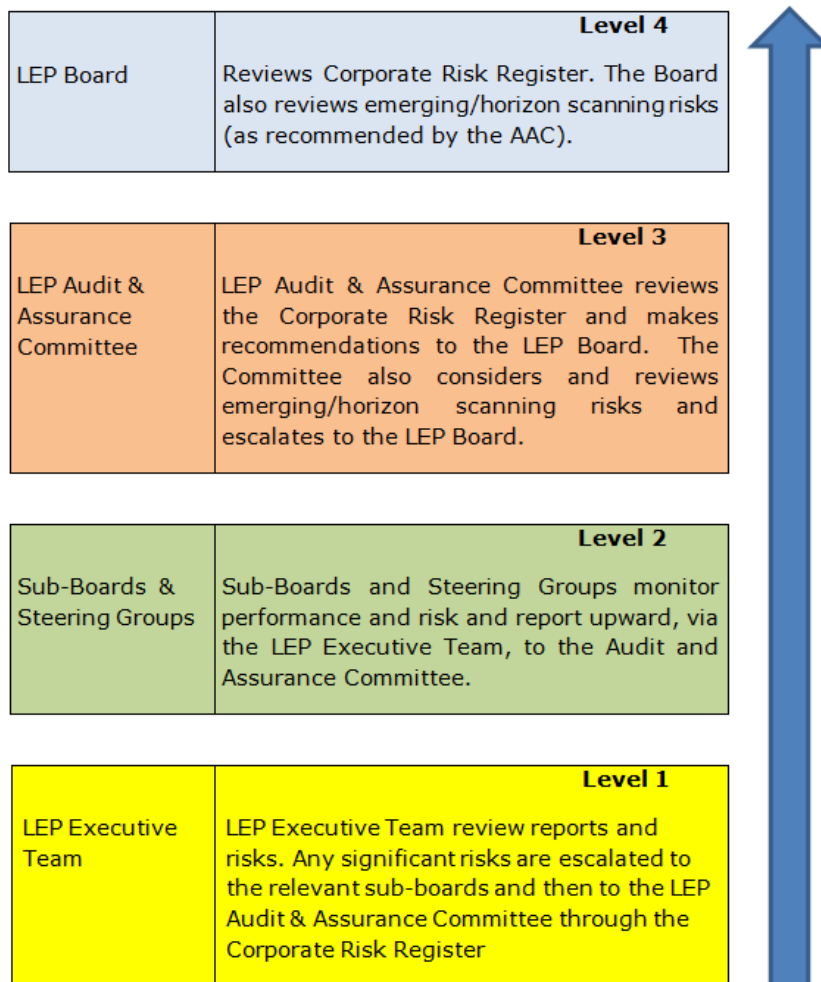
The risk register is reviewed monthly by the LEP Executive Team, at each meeting of the LEP Audit and Assurance Committee (AAC) and is presented at LEP Board on a quarterly basis. Horizon scanning risks are also considered and reviewed at both AAC and Board level.

Risk is managed through the LEP Sub-Boards and Steering Groups that the LEP Chair, or, has representation on. Sub-Boards and Steering Group reports and individual risk registers feed into, via the LEP Executive Team, the LEP's Corporate Risk Register. The LEP's Corporate Risk Register is updated and reviewed by the AAC before being presented to the LEP Board.

For Growth Deal (GD) investments, the LEP Executive will monitor risks at a project level liaising with the applicant. The risks will be reviewed and escalated where appropriate adapting to consider the risk to the LEP and GD programme delivery, and not just to project delivery.

The risk register will be a standing item on the AAC agenda, with a deep dive on a specific risk at each meeting. The risk register will be presented to the LEP Board following all AAC meetings with a report summarising changes to the risk profile and associated mitigations. This allows the wider Board to input into the risk management of the LEP.

**Risk Management flow chart**



**4.3 Monitoring and Evaluation**

Monitoring of achievement against outputs/outcomes for projects in receipt of Growth Deal funding, will be based on the guidance in [Appendix 24](#) which has been developed through advice received by MHCLG and via the LEP Network.

If deemed necessary, an independent end of programme evaluation will be commissioned to review the performance of the programmes that have been delivered by or on behalf of the CIO S LEP. The evaluation will undertake a qualitative and quantitative evidence based assessment to determine the approach (delivery, strategy, governance) and the impact.

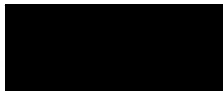
## 5. Signatory Page

The following bodies endorse the LEP Assurance Framework:

### *For and on behalf of the Cornwall and Isles of Scilly LEP Board*

<b>Signature</b>	
<b>Name (Block Capitals)</b>	MARK DUDDRIDGE
<b>Position</b>	LEP Chair
<b>Date</b>	20 March 2019

### **For and on behalf of Cornwall Council as Accountable Body**

<b>Signature</b>	
<b>Name (Block Capitals)</b>	ANDY BROWN
<b>Position</b>	Chief Operating Officer and S151 Officer
<b>Date</b>	7 March 2019

