Local Assurance Framework

March 2015

Cornwall and Isles of Scilly LEP Assurance Framework
Contents

1. Introduction
   1.1 Local Assurance Framework - Context

2. Cornwall and Isles of Scilly Local Enterprise Partnership
   2.1 Background and role
   2.2 Key support
   2.3 Objectives
   2.4 LEP Board
   2.5 Accountability and transparency
   2.6 Intellectual Property, Confidentiality & Publicity

3. Accountable Body
   3.1 Relationship
   3.2 Freedom of Information
   3.3 Environmental Information Regulation
   3.4 Equality and Diversity
   3.5 Procurement
   3.6 Complaints
   3.7 Information Storage

4. Isles of Scilly

5. Partnership working
   5.1 Cross border
   5.2 Within Cornwall and Isles of Scilly

6. LEP Investment and Strategic Programmes

7. Regional Growth Fund

8. Growing Places Fund

9. European Structural and Investment Fund

10. Employment and Skills

11. Risk Management

12. Monitoring and Evaluation Plan

13. Media and Communications Protocol

14. Signature page
15. **Appendices**

A. LEP Sub Group membership
B. LEP Terms of Reference
C. Growth for Business Board Terms of Reference
D. Future Economy Board Terms of Reference
E. Employment and Skills Board Terms of Reference
F. Letter of support template
G. CC Freedom of Information Policy
H. CC Equality of Opportunity Policy
I. CC Information Storage Policy
J. Growth Deal
K. Growth Deal 3 Governance and Management Processes
   - K1 – GD3 Expression of Interest Document
   - K2 – GD3 LEP Funding Investment Template
   - K3 – GD3 EOI flow chart
L. Growth Deal Infrastructure
M. LTB Assurance Framework
N. LEP Direct Investment
O. LEP Initiatives Fund application
P. Aerohub/Enterprise Zones
Q. Enterprise Zone Board Terms of Reference
R. Growth Hub and Better Business for All
S. Regional Growth Fund
T. RGF Delivery Plan
U. Growing Places Fund
V. GPF Delivery Plan
W. European Structural and Investment Fund
X. ITI Relationship Chart
Y. ITI Membership
Z. EU Procurement tables
AA. LAG Cornwall map
BB. Employment and Skills
CC. Risk Management
DD. Specific risk assessment
EE. Generic risk assessment
FF. Comprehensive Impact Assessment
GG. Audit and Assurance Committee Terms of Reference
HH. Business Continuity Plan
II. Monitoring and Evaluation
JJ. Monitoring and Evaluation Plan
KK. Media and Communications
LL. Media and Communications Plan
MM. Media and Communications Protocol

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Cornwall and Isles of Scilly LEP Assurance Framework
## Document tracker

<table>
<thead>
<tr>
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1. Introduction

1.1 Local Assurance Framework - Context

The Department for Business Innovation and Skills (BIS) requested\(^1\) 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 BIS 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 BIS.

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.

Summary detail on the LEP and its relationships and responsibilities is set out below. The document will seek to cover the arrangements for the various programmes that are being delivered even where there is clear (and intended) overlap with other activity. For example, part of the content will cover the new EU Structural and Investment Fund (EUSIF) where the LEP will act in an advisory capacity to the managing authority, principally through the ITI Board.

It is also important that the relationship with Cornwall Council (CC) is set out given the local authority’s Accountable Body (AB) status and its own key strategic position in relation to many of the scheduled activities – e.g. through the Local Transport Board (LTB) Assurance Framework.

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 the 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 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.

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\(^1\) Letter from BIS to LEP Chairs, dated 9 December 2014
2. Cornwall and Isles of Scilly Local Enterprise Partnership

2.1 Background and Role

The Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) was launched in May 2011. The LEP activity is administered via an unincorporated (or loose) partnership. The LEP Board is composed of representatives from the private sector, Cornwall Council (CC) and the Council of the Isles of Scilly (CIoS).

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 39 such partnerships set up across England following the Coalition Government's new approach to economic development and its objectives and vision are set out in the Cornwall and Isles of Scilly Strategic Economic Plan and the Business Plan². 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 the Isles of Scilly – a prominent example is the total of £210m³ for the Growth Deal.

2.2 Key support

The LEP receives the strong support and the endorsement of the business community as well as elected representatives. This is highly relevant for the Assurance Framework since it is required in order to demonstrate one element of the accountability exercised by the LEP and it also ensures that decision making is truly reflective of local interests. This is also further reflected in the membership of the LEP Board and the Sub Groups.

The LEP has the support of Elected Members of both Authorities⁴, MPs⁵, as well as with key representative private sector organisations. Some examples include the Chamber of Commerce, the Federation of Small Business, the Home Builders Federation, the National Housing Federation, the NFU and sector representative bodies in Cornwall and the Isles of Scilly (e.g. Creative Industries Network, the Construction Industry Training Board, Cornwall Marine Network and Cornwall Manufacturers Forum)⁶.

2.3 Objectives

There are 3 core objectives for its activity with 5 Key Interventions each:

i. Future Economy

- Newquay Cornwall Airport (NCA), Aerohub & Goonhilly
- Renewable energy – technology and generation
- Agri-food & agri-tech, food sustainability & innovation

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² As of March 2015, it is currently being rewritten and will be published when approved by the LEP Board.
³ The deal secures £60m of government funding, as well as a further £150m of additional investment from local partners and the private sector.
⁴ Cornwall Council and the Council of the Isles of Scilly.
⁵ All 6 MPs, which cover the geographical area of Cornwall and the Isles of Scilly.
⁶ Reflected (and formalised) in the signatures contained at the front of the original LEP bid.
- E-health & smart homes
- Digital economy

ii. Growth for Business
- Bespoke business ‘Growth Hub’
- Targeted bespoke business support to those with potential to grow
- ‘Grow on’ and work space supply
- Expanding market reach to export products and services
- Creating a step change in business innovation culture

iii. Conditions for Growth
- Strategic and intra connectivity and infrastructure
- Isles of Scilly infrastructure for growth
- Housing: Right homes, right place.
- Skills, talent & raising aspirations
- Creating community capacity & resilience

2.4 LEP Board

The LEP Co is constituted by a board of private sector and individual representatives. Local Authority Members also hold a seat on the board to provide public sector input. They are all directors of the LEP Co. The LEP Co Board has strategy and decision making responsibilities of the unincorporated partnership.

Local Authority partners can perform the accountable body function, administration function and act as employer for the unincorporated partnership. This will be fulfilled by CC.

The LEP board is made up of 15 members. It includes 9 appointed representatives of the private sector, 3 nominated Cornwall Council representatives, 1 nominated representative from the Isles of Scilly Council and 1 Higher Education/Further Education representative.

The LEP Board meets formally every two months and all agendas and minutes are made public. The members of the LEP Board are appointed via a Nolan Principle process. They also act as directors of the LEP Company.

A register of interests for Board members is held in the LEP office within New County Hall, Cornwall Council, Truro.

In order to ensure there is the proper day to day management and support mechanism in place, there is a LEP Support Team in place with staff and resources provided by CC and Council of the Isles of Scilly. The Support Team also act as the secretariat for the Board.

The Sub Groups of the LEP stretch across the main themes and priorities and directly link to the objectives of the Strategic Economy Plan:

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7 A Chief Executive and a total number of 6 members of staff (including 1 from the Council of the Isles of Scilly).
- Future Economy Strategy Board
- Growth for Business Board
- Employment and Skills Board (ESB)
- Local Transport Board (LTB), Enterprise Zone Board (EZB)
- Better Business for All Steering Group

The groups are illustrated in more detail (e.g. membership) by the summary of Sub Groups and membership, contained in Appendix A. In addition, it shows the LEP cross cutting led groups which includes the RGF/GPF Sub Group, Rural Sub Group and Business Consultative Group. The LEP terms of reference, together with its three Driver Board (Future Economy, Growth for Business and Employment and Skills) terms of references can be found in Appendices B-E.

These groups support a wider engagement across the priorities of the LEP and include business leaders, voluntary and community based organisations, further and higher education, the two Unitary Councils as well as key Government Agencies.

The LEP has a letter of support process. The LEP asks anyone requiring a letter of support to complete a simple form which can be found in Appendix F. Further information on this process can be found on the LEP website.

2.5 Accountability and Transparency

The LEP Board and its membership has been referred to above in the context of ensuring that it is private sector led and responsive to the needs of businesses in Cornwall and the Isles of Scilly. Its structure provides for a range of sub groups further re-affirming wide representations within its decision making processes.

The link (and a critical example of accountability) is that the LEP Board provides a report to the CC PAC (Policy Advisory Committee) at each of its meetings.

It has been agreed that where CC as Accountable Body and the LEP disagree on any matter, 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.

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 is a key communication vehicle for conveying the latest news and developments (e.g. dashboard reflecting job numbers) but also in terms of ensuring the LEP is transparent, exemplified by the availability of the Strategic Economic Plan.

LEP Board minutes, which also include updates from all the Driver Boards are published on the LEP Website on a bi-monthly basis.

Press releases are also published to update the public on progress and these are posted to the LEP website. In addition, there is a dedicated page on the Cornwall Council website.

Further related information is contained below, particularly with reference to the Freedom of Information Act.
2.6 Intellectual Property, Confidentiality & Publicity

The parties intend that any intellectual property rights created in the course of the LEP shall vest in the party whose employee created them or in the case of any intellectual property rights created jointly by employees of the parties, in the party that is responsible for the activity that the intellectual property right relates to.

In the event that any intellectual property right vests in a party, that party shall grant an non-exclusive, royalty free, irrevocable licence to the other parties to use such intellectual property for the purposes of the LEP.

The parties agree to keep all confidential or proprietary information (however recorded or preserved) relating to the LEP that is disclosed or made available whether before or after the date of the signed LEP/CC MoU (in any form or medium), directly or indirectly, from one party to the another party or parties (the Confidential Information) secret and confidential, and will not use or exploit the Confidential Information in any way, except for or in connection with the LEP. Any disclosure of Confidential Information can only be made with the disclosing party’s or parties’ prior consent.
3. **Accountable Body**

3.1 **Relationship**

Cornwall Council will be acting as the accountable body for the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP). In this capacity Cornwall Council will receive and administer all grants on behalf of the LEP.

Cornwall Council in accepting this role will be responsible for ensuring compliance with the terms and conditions of all grant funding allocated to the LEP by Central Government (including EU funding).

As accountable body Cornwall Council will ensure the following processes and procedures are in place:

i. **Decision Making:**
   - Ensure good governance with open, transparent and effective decision making processes; and
   - Auditable decision making process supporting the constitution of the LEP.

ii. **Financial Management:**
   - Receive grant funding from Central Government on behalf of LEP;
   - Account for such grant funding to ensure that it is identifiable from Cornwall Council funds and provide the LEP with financial statements detailing income and expenditure;
   - Adhere to Cornwall Council’s Financial Regulations and Procedures;
   - Ensure compliance with the relevant funding body’s terms and conditions and maintain appropriate records.

iii. **Processes:**
   - Appraise grant applications for presentation to the LEP Board for approval to ensure value for money and eligibility;
   - Issue grant offer letters to recipients of grant funding as instructed by the LEP;
   - Ensure appropriate information barriers or protocols are in place when the Council is the applicant for the purposes of the grant funding;
   - Ensure that payments are made in conjunction with eligible grant claim submissions and correct authorisation processes;
   - Withhold funds from projects which do not contribute to delivery of the performance plan or fail to deliver required outputs;
   - Ensure all required information on expenditure, activities, outputs and outcomes are properly recorded and reported.

iv. **Audit:**

As accountable body the Council has a duty to ensure that its systems for ensuring resources are spent with regularity, propriety and value for money are robust. These systems fall under the Council’s annual external audit regime. In addition, the Council’s Internal Audit Service has a role to play in offering assurance that the Accountable Body’s risk management, control and governance arrangements are adequate and effective. The Council’s Chief Audit Executive undertakes work in accordance with an
annual risk assessed plan to offer an opinion on the effectiveness of the Council’s control environment.

v. **Legal:**
Cornwall Council Legal Services will provide legal support to the Council in its role as accountable body and / or grant applicant as appropriate to ensure compliance with all relevant legal, regulatory and governance requirements.

There will also be partnership agreements in place between the LEP and individual directorates and services within CC.

### 3.2 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 procedures are set out in Appendix G and there is a formal Publication Scheme in place.

### 3.3 Environmental Information Regulation

Linked to the Freedom of Information 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 Freedom of Information Act set out by Cornwall Council but are mentioned separately here given their distinct identity at the statutory level.

### 3.4 Equality and Diversity

Cornwall and the 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 identity⁹.

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 Characteristics¹⁰. 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 public¹¹ source to the funds. In this context there is a

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⁹ 14% of the population in the 2011 census, or 73,200 people.
¹⁰ Defined as Ethnicity/Race, sexual orientation, religion, disability, gender, gender reassignment, age, marriage and civil partnership, pregnancy and maternity.
¹¹ For example, Regional Growth Fund, Round 2, £13m.
particular need to adhere to the Public Sector Equality Duty, which forms part of the Equality Act.

In linking with CC’s equality and diversity procedures, policies and practices, the LEP is able to ensure that the relevant standards are applied where public funds are being invested and managed.

CC has an extensive set of procedures in this area and are publicised on its website. The key Equality of Opportunity Policy is included as Appendix H.

3.5 Procurement

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 since 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.

3.6 Complaints

The LEP has adopted the complaints procedure used by CC. It is well established and publically available.

3.7 Information Storage

The retention of data and records is a key aspect of the governance of the LEP and CC. The needs 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 as in Appendix I.

4. Isles of Scilly

CC will remain Accountable Body for all funding, which will include Isles of Scilly specific projects. The Council of the Isles of Scilly will act as applicant and be responsible for ensuring grant conditions are complied with appropriately.

5. Partnership working

Cornwall and Isles of Scilly LEP Assurance Framework
5.1 Cross border

Where appropriate the LEP has actively sought and continue to seek direct links with other areas. As a result of proactive efforts and discussions a number of potential opportunities have been identified to collaborate on alignment, lobbying and joint commissioning on delivery including sector development and infrastructure.

As an example, the LEP has partnered with the Heart of the South West LEP in the aspirations of the Plymouth City Deal to drive productivity-led growth through the marine sector, with a Growth Hub model driving the approach to offshore renewables. The LEP is also working as part of the ‘Deal for Young People’, tackling youth unemployment in Plymouth’s travel to work area, which includes South East Cornwall. This will be done through the development of an employability gateway, employer charter and youth wage progression project.

Key transport issues have also united both LEPs in a common agenda over recent months.

Other examples include the LEP’s work with the West of England LEP on Aerospace connected to the Enterprise Zone and on offshore renewables as a partner in the South West Marine Energy Park.

5.2 Within Cornwall and the Isles of Scilly

The 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 the Isles of Scilly remain special and unique’. Each partnership leads on the three elements of sustainable development:

i) Economy (Cornwall and IoS Local Enterprise Partnership)
ii) Environment (Cornwall and IoS Local Nature Partnership)
iii) Social (Health and Well Being Boards for Cornwall and the IoS)

The Cornwall Executive Group is made up of the executive officers from each of the key public sector organisations across Cornwall and the Isles of Scilly, including Government agencies like the Environment Agency, Skills Funding Agency, Highways Agency and the Homes and Communities Agency. It was formed to identify opportunities for efficiencies and integration across public services. They have recently established a work plan to drive increased collaboration across five themes;

i) Collectively Addressing Financial Hardship
ii) Integration, Early Intervention and Prevention
iii) Workforce
iv) Digital Public Services
v) Public Sector Assets
There are also several other thematic partnerships which have a specific role to play in terms of delivery, for example around the social inclusion agenda, 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; thus avoiding duplication.

6. **LEP Investment and Strategic Programmes**

   Please see Appendices J-L.

7. **Regional Growth Fund**

   Please see Appendix S.

8. **Growing Places Fund**

   Please see Appendix U.

9. **European Structural and Investment Fund**

   Please see Appendix W.

10. **Employment and Skills**

    Please see Appendix BB.

11. **Risk Management**

    Please see Appendix CC.

12. **Monitoring and Evaluation Plan**

    Please see Appendix II.

13. **Media and Communications**

    Please see Appendix KK.
14. **Signature page**

The following bodies endorse the LEP Assurance Framework:

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

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