

2018 Assurance Framework

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Authorisation - This document requires the following approvals:

	Name	Signature	Date
LEP Chair	Doug Field	<i>See hard copy</i>	27/02/2018
Accountable Body	Louise Aynsley	<i>See hard copy</i>	28/02/2018
LEP Chief Executive	Chris Starkie	<i>See hard copy</i>	27/02/2018

Related Documents - Summary of filenames and locations of related documents:

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Strategic Risk Register	New Anglia LEP electronic files: T:\NEW ANGLIA LEP2\03 GOVERNANCE\Principal Risk Register
Economic Strategy for Norfolk and Suffolk	https://newanglia.co.uk/our-economic-strategy/
Growth Deal grant offer letter(s)	New Anglia LEP electronic files: T:\NEW ANGLIA LEP2\08 GOVERNMENT\Growth Deals\Government Agreement
Monitoring and Evaluation Plan	New Anglia LEP electronic files: T:\NEW ANGLIA LEP2\08 GOVERNMENT\Growth Deals\Monitoring & Reporting
Communications Strategy	New Anglia LEP electronic files: T:\NEW ANGLIA LEP2\04 COMMUNICATIONS

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Introduction

This Assurance Framework outlines the processes and procedures for decision making at New Anglia LEP. The document is an agreement between New Anglia LEP and Government, underlining the LEP's commitment to transparency in decision making.

It outlines the LEP structure, including our Boards, Sub Boards and Committees. It also explains the relationships between the LEP and local authorities.

It also explains arrangements for the delivery and oversight of projects, including relationships with delivery partners.

This document should be read in conjunction with a number of associated documents which provide more detail on the arrangements. For example, the LEP's Articles of Association and the legal agreement (Accountable Body Agreement) between the LEP and its Accountable Body, Suffolk County Council.

This document is one of three key related Growth Deal implementation documents which should be viewed together. The other two documents are the:

Growth Deal grant offer letter in which the Department for Communities and Local Government (DCLG) will set out the degree of flexibility on offer to each LEP and any limited conditions around use of that funding.

Monitoring and evaluation plan which sets out the local arrangements for output and outcome monitoring and evaluation of projects.

The LEP and Accountable body will undergo an annual review of the assurance framework and Accountable Body agreement.

Background and Context

The New Anglia Local Enterprise Partnership was officially granted permission by Ministers to form in November 2010.

This followed the submission of a bid to ministers supported by leaders from local authorities, dozens of individual businesses as well as business representative groups, MPs and academia.

The newly appointed LEP board was keen to develop a governance model that was fit for purpose, a model that provided for efficient decision making, was transparent to all parties, and operated on the basis of consensus.

After examining a range of possible legal structures, the board unanimously agreed to establish the LEP as a company limited by guarantee, with its governance model built into the LEP's legally binding Articles of Association.

During 2017 board members agreed that the LEP's governance and operations needed reviewing to keep pace with the expansion of the organisation and its increase in roles and responsibilities. It commissioned PwC to conduct a review, which was published in summer 2017.

All recommendations of the review were endorsed by the LEP board and in September 2017 an implementation plan was agreed by the LEP board and implementation began immediately.

In September 2017, Mary Ney published an independent review on behalf of Government into governance and transparency of all LEPs. Recommendations from the review followed soon after.

New Anglia LEP has accepted and is implementing all the recommendations of this review as well as the recommendations of the PwC review.

In addition New Anglia LEP is working with Government to support its Minister-led Review of LEP, which is expected to report during the 2018.

LEP Board Structure

The LEP board membership, more details of which are set out in the company's Articles of Association, is as follows:

Sixteen board members comprising: eight private sector board members, six local authority board members and two education sector board members. Since its formation New Anglia LEP has ensured SME representation at board level with a policy of reserving at least one place on the board for business representatives from the SME community with a specific remit to represent that community. This role of SME champion includes liaising with small businesses groups such as the Federation of Small Businesses (FSB), the Institute of Directors (IoD) and small businesses more widely. Currently two board members fulfil this role.

The chair must be one of the private sector board members and the appointment of the chair must be agreed by the full board.

Each private sector board member is initially recruited for one year. This can be extended by a further two years and at the end of this period can be extended by a further three years, making a maximum length of service of six years.

Recruitment of private sector board members is conducted by an open and transparent process, with all vacancies extensively advertised.

The LEP is committed to ensuring that it reflects the diverse economy and people of Norfolk and Suffolk. We recruit Board and sub board candidates from a broad range of backgrounds that include our sector strengths, and ensure that we have members from small business and entrepreneurial backgrounds as well as from bigger business. We ensure that through our recruitment process, we provide clear and accurate information to enable potential applicants to assess their own suitability for the post. We welcome applications from everyone regardless of age, gender, ethnicity, sexual orientation, faith or disability.

Whilst all 16 local authorities are members of the LEP company, the Articles of Association grant local authorities six board positions. Norfolk and Suffolk County Councils, Norwich City Council and Ipswich Borough Council have permanent seats on the board, with the 12 district and borough authorities each nominating a representative, one for each county.

Recognising the importance of all local authorities, the LEP has developed a number of mechanisms to ensure all local authorities are engaged with the strategy and decision making of the LEP. These are outlined later in the document.

The area's colleges and universities are also members of the LEP company. Two seats are taken by representatives from the sector. Mechanisms to ensure engagement of all colleges and universities is outlined later.

LEP Decision Making

The board is the ultimate decision making body for the LEP. The board operates through a principle of consensus – that all board members should consent to a decision.

However there may be occasional instances where it is not possible to reach unanimity on decisions. On these instances the company's Articles of Association provides that a decision may be made by a simple majority.

The LEP board is required to approve the LEP's significant and strategic decisions, including annual budget and business plan and the LEP's Economic Strategy as well as retaining overall responsibility for risk and performance.

It is also responsible for agreeing bids for funding by the LEP, such as bids to the Local Growth Fund and subsequent Growth Deal, requests for funding from the LEP and investment decisions on Growing Places Fund.

Delegation of decision making to the LEP Chair on any of these areas is permitted through the prior approval of board members.

The LEP board is also the decision making body for areas covered by its sub-boards and working groups.

Any delegation of decision making by these boards must be agreed by the LEP board. During 2018 the LEP will be strengthening this area with the agreement of a scheme of delegation.

The LEP board is supported by the LEP executive, which carries out the actions agreed by the LEP board, provides information and advice to support decision making and conducts operational activity on behalf of the LEP board.

The rules governing conduct for all board members are set out in our briefing document to all Board members. The Code of Conduct to which staff and board members adhere is published on our website. This outlines that all board members are expected to adhere to the Nolan principles of public sector bodies.

The LEP is reviewing its arrangements for independent scrutiny, and is awaiting guidance which is likely to follow the Minister-led review of LEPs. Currently scrutiny is provided by the local authority scrutiny committees, which the LEP voluntarily participates in when it is invited to. This is to ensure that the LEP operates in a transparent manner and is accountable locally.

LEP Sub Boards and Committees

New Anglia LEP operates a number of sub-committees and panels to support the work of the LEP board.

Full Terms of Reference, details of membership, plus agendas, papers and minutes for each sub board and committee is published on the LEP website.

The **Investment Appraisal Committee** ensures allocation of funding is delivered appropriately through the LEP's Growing Places Fund, Growing Business Fund, Capital Growth Programme, Enterprise Zone Accelerator Fund, and other funds as appropriate. It acts on behalf of the LEP board to ensure that the funding allocations support the development of schemes that deliver the Economic Strategy and are made in accordance with the Assurance Framework.

The **Growing Business Fund Panel** makes decisions on behalf of the Investment Appraisal Committee on allocations of funding through the LEP's Growing Business Fund.

The **Remuneration Committee** provides a formal and transparent procedure on behalf of the LEP board for developing and implementing policy on LEP senior executive remuneration.

The **Audit and Risk Committee** ensures the development and implementation of the LEP's policies on strategic risk management, financial reporting, audit process, system of internal controls and ensures compliance with the Assurance Framework.

The **Management Committee** is the executive management committee of the LEP and provides oversight of LEP operations, providing assurance that the LEP carries out its business in a transparent and accountable way.

The committee provides regular updates on the progress of programmes through monthly reports to the LEP board, provides early warning of issues around risk and performance.

The committee includes the LEP's management team, the Growth Deal manager, the Risk Manager, senior representatives from Norfolk and Suffolk County Councils and a LEP board member. In addition, the committee includes another representative from Suffolk County Council representing its role as Accountable Body.

As an internal committee, its agenda, papers and minutes are not published on the LEP website.

Local Transport Body and Skills Board

New Anglia Local Transport Body

The New Anglia Local Transport Body (LTB) is a voluntary partnership to provide guidance and leadership to the LEP Board with regard to transport related investment decisions.

The LTB agreed and adopted a joint working agreement and assurance framework setting out the constitution of the body and the means by which it would assess and appraise schemes for funding and manage delivery (See Annex D – Local Transport Body Assurance Framework).

The LTB membership will be an elected member from each of the two county councils and the LEP private sector board member who leads on transport matters.

The LTB has responsibility for overseeing and managing delivery of the transport infrastructure element of the Economic Strategy for Norfolk and Suffolk.

The LEP retains its decision making function regarding the management of allocated Growth Deal funds. This is because it is a government requirement that the LEP is accountable for the overall Growth Deal spend, particularly as this spend must be accounted for on an annual basis (annualised spend).

The LTB undertakes the following roles on behalf of the LEP:

- To provide technical advice and undertake due diligence on transport projects for inclusion on the LEP project pipeline.
- To advise the LEP's Investment Appraisal Committee on options for transport project re-allocations.

New Anglia Skills Board

The New Anglia Skills Board has been established as part of the Greater Ipswich and Greater Norwich City Deals.

The purpose of the New Anglia LEP Skills Board is to provide a focus for decision making and leadership regarding skills and workforce strategy and programmes.

The board operates as a formal sub-board of the LEP with responsibility for overseeing and managing matters relating to skills.

The Skills Board is chaired by a private sector member of the LEP Board and will consist of business sector representatives and representatives from the public/provider/third sectors. The business representatives will always be in the majority and will include members from a range of sectors and business types/size, and location.

The LEP retains its decision making function regarding the management of allocated Growth Deal funds. This is because it is a government requirement that the LEP is accountable for the overall Growth Deal spend, particularly as this spend must be accounted for on an annual basis (annualised spend).

The Skills Board undertakes the following roles on behalf of the LEP:

- To provide advice on skills capital projects that are part of the Local Growth Fund and for inclusion on the project pipeline.

- To advise the LEP's Investment Appraisal Committee on options for skills project re-allocations.
- To provisionally allocate funding to 'New Anglia Skills Deals Programme' projects. A due diligence assessment is then undertaken by either Norfolk or Suffolk County Council prior to the forming of a formal grant agreement to provide funding.
- To agree the criteria for the New Anglia Youth Pledge Marque for Employers. Assessment of application and award of the Marque is undertaken by officers from contributing organisations including the Department for Work and Pensions.
- To agree the content of the New Anglia Sector Skills Plans with sector representative groups.

New Anglia LEP Working Groups

As well as the formal sub-boards and committees, there are a number of working groups reporting to the LEP board.

Innovation Board

The New Anglia Innovation Board is a sub group that reports into the main LEP board and is chaired by a LEP board member.

The Innovation Board has a remit to oversee strategic activity relating to innovation across Suffolk and Norfolk but with a particular focus on the four 'innovation hubs' - Norwich Research Park/UEA, Hethel Engineering Centre, Orbis Energy and Adastral Park.

Each of the innovation hubs are represented on the Innovation Board along with a representative of Innovate UK. The secretariat function is provided by the Head of EZs and Innovation and Manager Sectors and Innovation.

International and Inward Investment sub-Group

A small LEP board sub-group overseeing strategic activity related to inward investment, trade and international relations, in line with the Economic Strategy for Norfolk and Suffolk.

Membership of the group includes, but is not restricted to, some LEP board private sector representatives and is chaired by the Head of EZs and Innovation with the Inward Investment Manager providing the secretariat.

Enterprise Zone Partnership Groups

The LEP has two Enterprise Zones (EZs). Firstly the Great Yarmouth and Lowestoft EZ which has been in operation since 2012. Following a Government award in November 2015 the Great Yarmouth and Lowestoft EZ will be extended from 2017. Announced by Government at the same time, the second EZ for New Anglia was awarded, called Space to Innovate, consisting of ten sites operational from 1st April 2016.

The main LEP board has overall responsibility for the two New Anglia Enterprise Zones (EZ), day to day management and the development of the EZ strategy is being developed in conjunction with these partnership groups to make it region wide.

Great Yarmouth and Lowestoft (New Anglia) Enterprise Zone Working Group

The group is chaired by the LEP's Head of Enterprise Zone and Innovation and includes representatives from the four local authorities responsible for the development of the six sites within the zone. The group is responsible for the delivery of the EZ delivery plan and regularly reports back to the LEP board. The work of the EZ is tied into broader support for the energy sectors as a whole with a combined marketing strategy which is part of the EZ delivery plan.

The membership of the group is also expanded on a quarterly basis to include representatives from key Government departments responsible for supporting enterprise zones.

Space to Innovate Enterprise Zone Development Group

There is a similar arrangement put in place for the ten new sites across Norfolk & Suffolk with the Development Group meeting quarterly.

The group is chaired by the LEP's Head of Enterprise Zone and Innovation and includes representatives from the nine local authorities (including the County Councils) responsible for the development of the 10 sites within the zone.

Each Local Authority has its own project group for its site/sites which is responsible for the delivery of the EZ delivery plan. A member of the LEP EZ team is represented on all of these groups. These feed into the larger Development Group and subsequently the LEP board.

The membership of the group is also expanded on a quarterly basis to include representatives from key Government departments responsible for supporting enterprise zones.

New Anglia Small Grant Scheme panel

The LEP has been successful in their bid to the government to deliver the New Anglia Business Growth Programme that includes the Small Grant Scheme (SGS) and was awarded £6.35m from the European Regional Development Fund. The Small Grant Scheme became operational in August 2016 and will be running until August 2018.

The SGS Panel consider grant applications, which are initially assessed by the New Anglia Growth Hub and Nwes, and decide whether to award grant funding for a proposed project electronically. The Panel also meets quarterly to discuss the grant programme, its processes and eligibility criteria to make sure the programme achieves its set targets.

The SGS Panel consists of three panel members, one representative from each of the following organisations: the LEP, Norfolk and Suffolk County Councils. It is a virtual group.

The Growth Programme Coordinator provides monthly reports on the programme to the LEP Board, Growth Programme partners and other stakeholders.

New Anglia Growth Programme Partnership Board

The LEP was awarded £3.9m by Government as part of the Wave Two Growth Hub Programme and linked to the Norwich and Ipswich City Deals business support package. The programme ran for one year and consisted of the New Anglia Growth Hub, a business Start-up programme, Small Grant Scheme and Innovation Vouchers Scheme.

From April 2015 the Department of Business Innovation and Skills (now called the Department of Business, Energy and Industrial Strategy) awarded a further £350,000 of funding, as part of the Growth Deal, which enabled the Growth Hub element of the programme to continue to operate until the end of December 2015.

Since then, the LEP has secured £6.5 million of ERDF funding to sustain the Growth Programme until August 2018, including the Growth Hub, Start-up Programme and a new Micro Grant Scheme.

The New Anglia Growth Programme Partnership Board provides operational oversight of this programme. It is accountable to the main LEP board and provides a monthly operational report to the LEP board where it can recommend proposals for change or action. The Partnership Board also has a key role in identifying gaps in business support provision and supports the development of new programmes where gaps in provision exist as well as providing a forum to coordinate all aspects of business support in Norfolk and Suffolk to reduce duplication and to spread best practice as well as providing a leadership role in the application of resources.

The board is chaired by a representative from the New Anglia LEP and includes representatives of local and national business support providers, business interest groups, local authorities, education and the voluntary sector. A terms of reference is in place for the group.

Local Authority Engagement

Norfolk Strategic Growth Group and Suffolk Growth Programme Board

The Norfolk Strategic Growth Group and Suffolk Growth Programme Board both have an important role to support the LEP board, and the LEP Management Committee.

These working groups are chaired by local authority chief executives and each group includes the eight local authorities from each county and the LEP.

One of their roles is to provide advice to the LEP, to support the local development and implementation of the Economic Strategy Plan, to ensure it aligns with local plans and vice versa.

The groups also play a key role in developing, prioritising, appraising projects which can then be submitted to the LEP board for approval. This ensures that the LEP board is approving projects which have involved the widest possible range of delivery partners.

Following the awarding of our Growth Deal Three allocation, we will be developing processes to identify, design, co-commission and co-invest money, talent and commitment to deliver significant game changer projects through Growth Deal Three in partnership with businesses, local authorities, academia and government.

City Deals

New Anglia LEP was the only LEP to secure, with its local authority partners, two Wave 2 City Deals. A number of initiatives in the City Deal have now been delivered and others have evolved in to new areas of work, for example the Growth Hub is still operational and is now funded by the Local Growth Fund.

The LEP remains a key partner in both deals, with representatives on both City Deal boards. In Norwich it is the Greater Norwich Development Board, and in Ipswich the Ipswich City Deal Board.

These boards oversee the delivery of the City Deals, and the LEP board receives regular updates on the progress of both.

We have worked with Government and partners to streamline and align the reporting of the City Deals and the Growth Deal.

Stakeholder Engagement

Working with stakeholders is critical to the success of the Local Enterprise Partnership and we have a range of mechanisms to ensure businesses remain at the heart of our strategy.

LEP Sector Groups

The LEP has established a series of business-led sector groups covering the key industries with potential for growth in the LEP's local area. These are supported by the LEP's Sector Development Coordinator.

These groups operate at arm's length from the LEP board and are responsible for developing insight into the priorities and needs of their sector, and championing action from the LEP and others to support these priorities.

The priorities are essential building blocks for the Economic Strategy for Norfolk and Suffolk, and the sector groups are a vital mechanism for understanding the needs of business and for the LEP to test its future plans.

LEP annual general meeting

The LEP's articles of association provide for an annual general meeting which provides a good opportunity to update all stakeholders on the progress of the LEP and for the LEP board and executive to be held to account.

Events

The LEP continues to participate in external events, with LEP board members and executive members participating in a range of speaking engagements and events during the year in order to maximise all opportunities to promote our work.

The LEP Chair has hosted a number of informal lunches to bring together key businesses and other stakeholders in local areas. The purpose of these is to foster partnership working in local areas - for example, bringing businesses into close contact with colleges – as well as updating stakeholders on the work of the LEP.

Communications

The LEP utilises a range of communication channels to engage with stakeholders. These include; press releases, reactive and proactive media statements, media interviews, the LEP website, monthly e-newsletters, as well as social media such as Twitter and LinkedIn.

Cross-LEP Working

The focus of the Local Enterprise Partnership is on delivering economic growth in Norfolk and Suffolk.

To achieve this means working closely with LEPs and partners in other areas.

Cross-LEP working is particularly relevant for New Anglia LEP as three of our district councils are also members of the Greater Cambridge, Greater Peterborough LEP. A Memorandum of Understanding between New Anglia LEP and Greater Cambridge, Greater Peterborough LEP has been drafted to reflect the close working relationship of the two LEPs. Specific Memorandums of Understanding have also been agreed for the operation of the LEP's Growth Hub and the operation and management of the Enterprise Zone programme.

This cooperation will continue following the incorporation of the GCGP LEP into the Cambridgeshire and Peterborough Mayoral Combined Authority.

New Anglia LEP also plays an active part in the LEP Network, working with LEPs on areas of relevance across England.

Transparency of Decision Making

New Anglia LEP prides itself on transparency of decision making.

The LEP has a website which publishes information about its Board, Sub Boards and Committees. This includes agendas, papers and minutes, membership details, Terms of Reference and Registers of Interests of members.

The website also has details of all of our Growth Deal projects and their delivery aims, as well as Latest News which keeps visitors up to date with our most recent announcements and decisions.

Any calls for capital projects and clear processes on the application and decision making process will be made available on our website (i.e. through our Growth Deal Three funding). Information on all of our funding programmes, including Growth Deal (Capital Growth Programme), Growing Business Fund, Growing Places Fund and Small Grant Scheme, is available on our website.

The LEP ensures value for money and scrutiny for all projects and programmes through its formal appraisal processes and this is monitored throughout project delivery.

All project appraisals for Growing Business Fund are undertaken by the Growing Business Fund Panel, which reports into the Investment Appraisal Committee. Project appraisals for Growing Places Fund are undertaken by the LEP's Investment Appraisal Committee.

Growth Deal projects are appraised by the LEP's Strategy team, the LEP Skills Board or the Local Transport Body (as appropriate). All project appraisals are independent of the promoting organisation or, where this is impracticable, sit outside the management unit responsible for developing and promoting the business case.

Overall, the LEP's Head of Programmes is responsible for ensuring value for money and scrutiny for all projects and programmes.

Agendas, papers and minutes published on the LEP website will include all information appropriate for public disclosure, in line with relevant local authority rules and regulations.

The LEP's statutory annual accounts are published on our website each year, following the LEP's Annual General Meeting which is held in the autumn. The LEP's accounts are also filed publically at Companies House and are audited by independent accountants.

The website also provides details of the LEP's two City Deals and Growth Deal and details of the ongoing implementation of all three.

Requests under the Freedom of Information and Environmental Information Regulations are responded to by the LEP in accordance with the relevant legislation.

The LEP has a company Articles of Association available on its website, which explains our purpose as well as our duties and responsibilities.

The Conflicts of Interest policy is on the LEP's website and is also set out in the Articles of Association. This sets out a clear process for dealing with any conflicts or potential conflicts of interest that may arise.

The LEP records all declarations of interest in the minutes of the monthly Board meeting. A register of interests is published on the LEP website and each member's individual register of interests is also published on the website.

The LEP's code of conduct and complaints policy are available on the website.

Project and Programme Delivery

All capital projects and the LEP programmes have clear processes in place to ensure strategic fit, value for money and due diligence.

We are currently developing an updated appraisal framework. This will provide a more detailed methodology for project identification, commissioning, appraisal and prioritisation.

The new framework will help the LEP and partners to assess how proposed interventions would contribute to the aims of the Economic Strategy for Norfolk and Suffolk and demonstrate value for money. It will be consistent with the Treasury Green Book. The new framework will be finalised in the next few months.

The LEP funding programmes are:

- Capital Growth Programme
- Growing Business Fund
- Small Grant Scheme
- Growing Places Fund

The application decision making and delivery processes and governance and accountability of each of these programmes are described below.

Growth Deal and the Capital Growth Programme

Background

The LEP has a £290.8m 'Growth Deal' with government to be invested in the region by 2021. It is estimated to create 54,750 new jobs, 6,800 new homes and to generate an additional £628m public and private investment.

The funding is for capital programmes and projects.

Growth Deal funding (also known as 'Local Growth Funding') has been awarded in three stages:

- Growth Deal One (July 2014): £173.3m
- Growth Deal Two (January 2015): £48.5m
- Growth Deal Three (February 2017): £69m

Growth Deal provides funding for the following programmes: Growing Places Fund, Growing Business Fund and the new Enterprise Zone Accelerator Fund. Details of Growing Places Fund and Growing Business Fund are below. Details of the new Enterprise Zone Accelerator Fund are currently being developed and will be published on the LEP website in due course.

Growth Deal also provides funding to deliver major capital projects that will boost the region's skills, drive innovation, target support to help small businesses to grow, and improve transport and infrastructure. A list of all of the approved Growth Deal capital projects is on the LEP's website at <https://newanglia.co.uk/growth-deal/>

Processes

The Capital Growth Programme was launched in 2017, with a call for projects in October 2017. Prior to this, capital projects were prioritised by the LEP and local partners for applications to the Government in July 2014 and January 2015.

In future, the LEP is planning to run focused calls that meet the strategic priorities of the Economic Strategy for Norfolk and Suffolk. Further information on this will be published on the LEP website in Autumn 2018.

Criteria will vary depending on the nature of the project call, however the key criteria is as follows:

All projects must be:

- Fully completed by the end of March 2021
- Able to demonstrate their contribution to the delivery of the Economic Strategy through direct and indirect outputs.
- State Aid compliant
- Able to demonstrate the need for funding and the additionality achieved by the funding.

It will not be possible to support:

- Revenue costs
- costs that have been incurred before a grant offer is made
- items that only benefit an individual or sole business
- items that are not directly needed to deliver the proposed work
- loan repayments or contributions to general appeals
- political or religious activities.

The project application, decision making and delivery stages are as follows:

Application

The Capital Growth Programme is open to public and private applicants. It is for capital projects that are strategic priorities for the LEP.

The application form will be published on our website. The call for projects in 2017 used an Expression of Interest form and in future a full Application form may also be required.

Once the application is received, it is subject to assessment and appraisal, as follows:

Review of Submissions: The initial review of information by the LEP is a prioritisation process to assess projects against the objectives of the Economic Strategy. Projects that do not meet the ambitions of the Economic Strategy will not proceed beyond this stage.

Development of projects: Once accepted as a potential Capital Growth Initiative project, the project will supply further information and evidence in support of the business case. This will enable a detailed appraisal of the projects to take place. All projects must be able to demonstrate that the following key issues have been addressed:

- whether the need for the project has been clearly demonstrated
- evidence of option appraisal and business case
- how well the project meets the priorities of the Economic Strategy for Norfolk and Suffolk
- how well the project fits with local and sub-regional plans and priorities
- potential for alternative funding, partnering and joint schemes
- estimated costs with level of detail to reflect the current stage of the project
- potential of the project to contribute to economic growth
- potential of the project to achieve return on investment
- how likely the project is to be successful
- how risks will be managed and mitigated
- economic outputs and impacts created by the project
- how the benefits of the project will be sustained after LEP funding finishes.

Appraisal: The appraisal of projects will be carried out in accordance with HM Treasury Green Book principles of viability, value for money, achievability, affordability and need. The LEP will appoint external appraisers for this call. A technical appraisal specialist may be sourced for individual projects if necessary.

The appraisal process will examine the following aspects of the project:

- Justification of local economic need
- Evidence of failure in commercial markets
- Barriers to development due to lack of or inadequate infrastructure
- Viability gaps for development of sites
- Opportunity to accelerate delivery of development
- State Aid

Decision making

- Projects will be debated by the Investment Appraisal Committee which makes recommendations to the main New Anglia LEP Board, at monthly LEP Board meetings. Decision making incorporates strategic fit, value for money, additionality, deliverability.
- Decision plus conditions if relevant conveyed to applicant

- Bespoke loan/grant agreement set up for each project in conjunction with Accountable Body legal team. Approval of project only by the Section 151 Officer of Accountable Body.

Delivery, claims and monitoring

- Grant agreement confirms payment release mechanisms (retrospective on project spend or works done)
- Grant agreement incorporates claim form, which should be reviewed by both LEP and Suffolk County Council officers to ensure eligibility and compliance with award conditions.
- Payments are subject to standard Accountable Body (Suffolk County Council) accounting procedures and systems.
- Ongoing monitoring of spend and outputs.

Governance

The Growth Deal programme is delivered by the Growth Deal delivery team, which consists of a Growth Deal Manager, Growth Deal Coordinator and Programmes Caseworker, all employed by the LEP. The team is supported by the LEP Head of Programmes.

Project approvals are only made through majority decision by the LEP Board following consideration of the application for funding and the recommendation made by the LEP Head of Programmes.

An independent appraisal of each project is conducted in line with Green Book techniques and an initial level of due diligence is carried out on the applicant.

Requests for payment are submitted by the applicant as a formal claim process, reviewed by the LEP and by Suffolk County Council and signed off by the Section 151 Officer at Suffolk County Council.

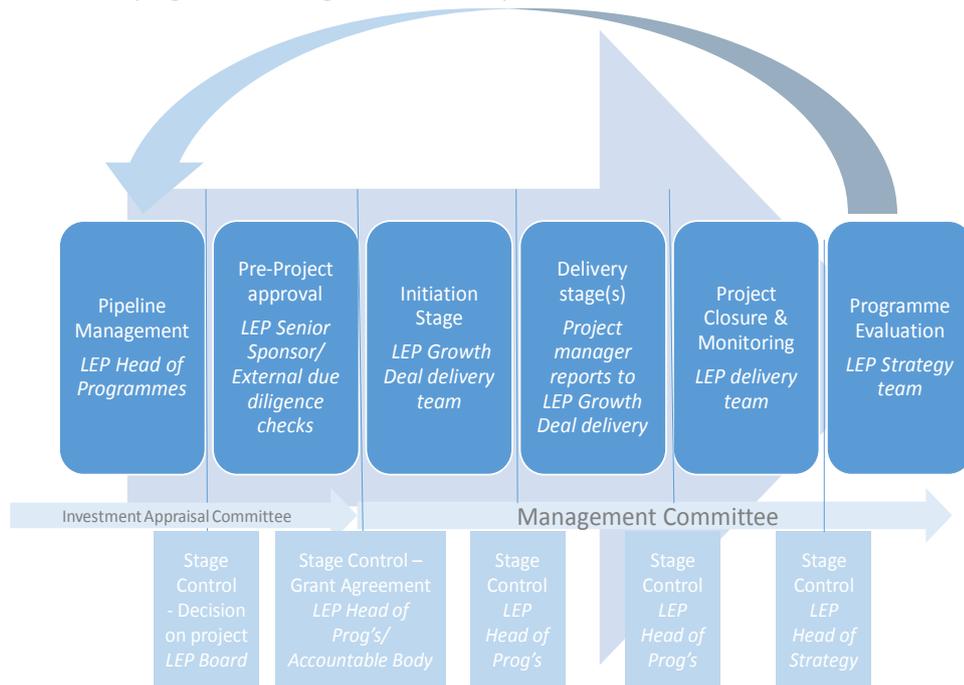
Programme performance is monitored by the LEP's Management Committee, to ensure they are delivered appropriately and within acceptable risk tolerances.

The Management Committee also monitors the spend profile. Performance of the programme is also reported to and monitored by the LEP board through regular board reports.

The LEP retains its decision making function regarding the management of allocated Growth Deal funds. This is because the LEP requires overall control of the Growth Deal profile as the government requires annualised spend.

The diagram below sets out the LEP's approach to programme and project management of the Growth Deal.

Growth Deal programme management – overall process



Accountability

Suffolk County Council is the Accountable Body for the programme.

Suffolk County Council provides the legal support to prepare suitable grant documentation for each approved project.

All loans and grants issued are subject to State Aid rules and are scrutinised by SCC at an early stage of the process to ensure compliance with available legislation.

Resources

New Anglia LEP Growth Deal Manager (F/T)

New Anglia LEP Growth Deal Coordinator (F/T)

New Anglia LEP Programmes Caseworker (F/T – shared with Growing Places Fund)

New Anglia LEP Head of Programmes

SCC Finance Team

See Growing Business Fund and Growing Places Fund for the resources for these programmes.

Growing Business Fund

Background

The Growing Business Fund is a grant fund which has been in operation in the New Anglia region since April 2013. The fund was initially supported by the Regional Growth Fund, with £12m awarded from Rounds 3 and 4 of the funding. In 2015 the New Anglia LEP secured an additional £25.57m by 2021 from the Local Growth Fund through the Growth Deals. The Fund provides grants between £25,000 and £500,000 to local businesses across Norfolk and Suffolk.

The need for such a programme was identified through feedback from SME's in the region unable to access 100% of finance for expansion projects through traditional finance routes. The fund supports the capital costs of expansion by the businesses, up to the maximum allowable contribution under General Block Exemption Regulations (GBER) Articles 14, 17, and 19, of up to 20% of the costs of the project for small businesses employing less than 50 people.

Medium sized businesses can receive funding of up to 10% towards the project cost or 20% if regulated by De Minimis, but no more than equivalent of EUR200,000 around £175k (official exchange rate as of February 2018).

Any previous public sector funding, awards, tax reliefs or benefits regulated by De Minimis received over a 3 year fiscal period must be cumulated in such an award. SMEs based in an Assisted Area may apply for an additional 10% of funding. Large businesses based in an Assisted Area of Norfolk or Suffolk may apply for funding for up to 10% of the total project cost for a new activity in the area.

All successful applicants should create new jobs at the rate of one new full time equivalent (FTE) job per £20k of grant awarded, although grants can also be awarded to businesses showing a significant growth as well as a significant increase in productivity without the need for job creation.. Jobs are profiled to be created over a period of up to five years, but the majority are anticipated within the first two years after grant award.

Applicants must secure all match funding from private sources only, including other finance, company funds or investment. No other public funding is accepted as match funding for the proposed expansion project.

Under current delivery arrangements the fund is exceeding its job and match funding targets.

Processes

- The Growing Business fund is open to any local business meeting the grant programme eligibility criteria. Applicants must be an existing SME business or a large business in an Assisted Area
- Projects must be related to growth of the business and involve new capital costs
- Jobs should be created at the rate of one new FTE job per £20k grant awarded
- Match funding must come from private sources
- Businesses must not be pre-revenue or start-ups
- Projects must be viable, supported by a robust business plan and represent effective use of public funds
- The fund should not be used where sufficient funding already exists, nor on a retrospective basis

The project application, decision making and delivery stages are as follows:

Application

- Enquiry – all enquiries are dealt with by New Anglia Growth Hub
- Expression of Interest Form. Gateway assessment conducted to judge eligibility for funding, including a business size status, match funding and sector.
- Full application form issued if gateway assessment successful.
- Independent project appraisal, including financial viability assessment conducted by Finance East, partners to the programme.
- Recommendation for Growing Business Fund panel completed.

Decision making

- Grant applications are considered by the Growing Business Fund Panel at monthly Panel meetings and electronically in between if necessary. Decision making reviews financial position, deliverability evidence of need and fit within public funding realm.
- Decision plus conditions if relevant conveyed to applicant through legal grant award letter issued by Suffolk County Council as Accountable Body.

Delivery, claims and monitoring

- Applicant accepts grant offer and project commences. Claim form provided to applicant. Claims submitted to SCC casework team for approval and payment.
- Payments are made against evidence of expenditure, but without application of an intervention rate - payments are made on a one to one basis, with further project spend monitored until completion. Payments made through SCC financial systems, approved by SCC Programme Manager.
- Ongoing monitoring of targeted outputs - job creation and private match funding until achieved. Monitoring visit completed by SCC Casework team following final claim by project.
- Claw back procedure in place for failure to achieve outputs or expenditure irregularities.

Governance

The Growing Business Fund is delivered through a casework team of SCC employees seconded to the LEP including an SCC Programme Manager. The PM is supported in this role by the LEP Programmes Manager and LEP Head of Programmes.

The LEP employs a Coordinator to manage day to day delivery of the programme, promote the scheme and engage with key stakeholders and delivery partners.

Project approvals are only made through majority decision by the Growing Business Fund Panel, which comprises an independent Chair, and representation from the New Anglia LEP Board and Norfolk and Suffolk businesses.

Accountability

Suffolk County Council is the Accountable Body for the programme on behalf of the LEP.

The casework team are SCC employees seconded to the LEP. SCC provides the financial systems and support to release grant payments to projects, utilising existing financial procedures. Payments are approved by the Programme Manager to show a separation of duties between the assessment and payment stages.

All grants issued are subject to State Aid rules and are scrutinised at an early stage of the process by the LEP, Finance East, and SCC to ensure compliance with available legislation. Grants must fall within GBER or De Minimis regulations and only be awarded to SME's based in Norfolk or Suffolk or to large businesses based within an Assisted Area in Norfolk or Suffolk. Applicants are

advised that projects are subject to review by the EU and of the implications should an Aid be considered illegal, including the requirement to repay the funding with interest chargeable.

Resources

New Anglia LEP Business Programmes Coordinator (F/T)

SCC Programme Manager (F/T)

Casework Team (6xF/T)

SCC Finance Team

New Anglia LEP Programmes Manager

New Anglia LEP Head of Programmes

Small Grant Scheme

Background

The Small Grant Scheme (further after – the programme or the SGS) is a grant fund that has been in operation in the New Anglia region since August 2013. The programme is currently part of New Anglia Business Growth Programme supported by £6.35m from the European Regional Development Fund. It provides grants between £1,000 and £25,000 to local businesses across Norfolk and Suffolk.

The SGS covers a gap in the market and there is a clear need for this type of scheme, as demonstrated by an “in-depth” consultation with a wide range of organisations. The SGS is derived from other successful grant schemes and has been set up to provide an innovative package of discretionary capital and revenue grant-based support for SMEs, integrated with and complementary to the other New Anglia Growth Hub products. The programme supports SMEs through the provision of grants to assist them to grow and expand, employ new staff, introduce new products and services, improve productivity or efficiency, increase their competitiveness etc.

Small businesses employing less than 50 people may apply for up to 20% of the costs of the project under General Block Exemption Regulations (GBER) Articles 14, 17, 18 and 19. Medium sized businesses may apply for funding of up to 10% towards the project cost or 20% if regulated by De Minimis regulations (EUR 200,000 is a maximum amount of all De minimis aid a business may receive over a 3 year fiscal period). SMEs based in an Assisted Area may apply for an additional 10% of funding.

Successful applicants must be able to explain how their business will benefit from a grant and what will happen if they do not receive funding. They must also be able to secure the remaining funding needed for their proposed project from private sources (private finance, company funds or investment, bank loans etc.). Funding from public sources, e.g. government, local authorities, lottery funding, is not accepted as match funding for the MGS.

Processes

- The SGS is open to small and medium sized businesses across Norfolk and Suffolk meeting the grant programme eligibility criteria;
- Projects must be related to growth or expansion or introduction of a new product/service, or improvement of productivity/efficiency;
- Match funding must come from private sources;
- Projects must be viable, supported by a robust business plan/ forecast and represent effective use of public funds;
- The fund should not be used where sufficient funding already exists.

Application

- Enquiry – all enquiries are dealt with by New Anglia Growth Hub;
- Application - assessment conducted by the Growth Hub to judge eligibility for funding;
- Assessment - independent project appraisal, including financial viability assessment conducted by Nwes;
- Recommendation for MGS Panel completed.

Decision making

- Grant applications are considered by the MGS Panel electronically as and when they are ready.

- Decision and conditions (if relevant) are conveyed to the applicant through a legal grant award letter (Offer Letter) issued by Suffolk County Council (SCC).

Delivery, claims and monitoring

- Having signed and returned the Offer Letter to SCC, the Applicant may commence their project.
- Having invested all the project costs, the Applicant may submit only one claim (a claim form template is part of the Offer Letter) to a MGS caseworker at SCC for approval and payment.
- Grant payments are made against evidence of all expenditure through SCC financial system, approved by SCC Programme Manager.
- Ongoing monitoring of targeted outputs (if apply) - job creation and/or introduction of a new product/service and/or improvement of productivity or efficiency until achieved. A possible monitoring visit completed by a MGS caseworker following completion of the project.
- Claw back procedure in place for not complying with the requirements.

Governance

The MGS is delivered by New Anglia LEP, Suffolk Chamber of Commerce (Growth Hub), Nwes and Suffolk County Council.

New Anglia LEP employs the Business Growth Programme Coordinator to manage day to day delivery of the SGS as well as other elements of New Anglia Business Growth Programme, promote the SGS and engage with key stakeholders and delivery partners. The Coordinator is supported by the Administrator, the Finance and Compliance Officer, the LEP Programmes Manager and Head of Programmes.

All SGS enquiries are being dealt with by New Anglia Growth Hub. Due diligence of grant applicants is completed by the Growth Hub, with an additional due diligence process for grant above £10,000 undertaken by Nwes.

Grant decisions are only made by majority of the SGS Panel which comprises of one representative from each of the following organisations: the LEP, Norfolk and Suffolk County Councils. Offer Letters are issued and claims are checked and paid by a SGS caseworker at SCC that is supported by SCC Programme Manager.

Accountability

New Anglia LEP is the Accountable Body for the SGS and the New Anglia Business Growth Programme as a whole. Our partner organisations Suffolk Chamber of Commerce (Growth Hub), Nwes, Menta, SCC and others are actively promoting the MGS. SCC provides the financial systems and support to release grant payments to grant applicants, utilising existing financial procedures.

All grants issued are subject to State Aid rules and are scrutinised at an early stage of the process by the Growth Hub, LEP, Nwes and SCC to ensure compliance with available legislation. Grants must fall within GBER (Articles 14, 17, 18 or 19) or De Minimis regulations and only be awarded to SMEs based in Norfolk or Suffolk. Applicants are advised that their projects are subject to review by the EU and of the implications should an Aid be considered illegal, including the requirement to repay the funding with interest chargeable.

Resources

New Anglia LEP:

- Growth Programme Coordinator (F/T); GP Administrator (F/T); GP Finance & Compliance Officer (F/T);
- Supported by the LEP's Programmes Manager and LEP's Head of Programmes.

Suffolk Chamber of Commerce (Growth Hub):

- 17 F/T staff (11 Business Advisers, 1 Marketing and Communications Coordinator, 1 Events Coordinator, 1 Business Support Officer, 2 Business Growth Support Advisers, 1 GH Manager);
- 1 Business Support Officer – P/T.

Nwes:

- 1 Business Adviser (grants) - P/T;
- 1 Grants Administrator - P/T;
- Supported by European Strategy Manager and Managing Director.

Suffolk County Council:

- 2 Caseworkers – F/T;

Supported by Programme Manager and Finance Team.

Growing Places Fund

Background

The Growing Places fund is a recycling loan fund which has been in operation in the New Anglia region since 2012.

The fund was designed to address the problems facing stalled developments, by providing financial support towards costs such as site infrastructure, services or access.

The fund operates predominantly as a loan fund, but has awarded small grants where a regionally significant project can be delivered as a result and where the grant secures a major private match funding contribution.

Processes

The Growing Places fund is open to public and private applicants. The initial call for projects for the scheme in March 2012 attracted 16 bids, five of which were approved or approved in principle after sifting and discussion by the LEP Board. Since the initial call for projects, the Fund has committed over £17m on capital investment projects and the fund remains open to applications and pipeline queries. In addition, a small loans pot has been created, with short term loans of less than 18 months duration.

The project application, decision making and delivery stages are as follows:

Application

- Initial enquiry received. A call for projects in 2016 ensured competitiveness for available funds. These funding opportunities are promoted through the LEPs website and wider marketing opportunities.
- Full application completed following discussion with LEP.
- Project appraisal and due diligence conducted by independent consultants.
- Recommendation by the Investment Appraisal Committee to the LEP Board completed.

Decision making

- Projects will be debated by the Investment Appraisal Committee which makes recommendations to the main New Anglia LEP Board, at monthly LEP Board meetings. Decision making incorporates value for money, ratio of funding to jobs created, security of loan.
- Decision plus conditions if relevant conveyed to applicant
- Bespoke loan/grant agreement set up for each project in conjunction with Accountable Body legal team. Approval of project only by the Section 151 Officer of Accountable Body.

Delivery, claims and monitoring

- Loan agreement confirms payment release mechanisms (retrospective on project spend or works done)
- Loan agreement incorporates claim form, which should be reviewed by both LEP and Suffolk County Council officers to ensure eligibility and compliance with award conditions.
- Payments are subject to standard Accountable Body (Suffolk County Council) accounting procedures and systems. Expedited payment system (The Clearing House Automated Payment Scheme (CHAPS)) available if necessary to provide rapid payment. Final sign off of payment by the Section 151 Officer
- Ongoing monitoring of targeted outputs and other project outcomes

Governance

The Growing Places Fund is delivered through a Programme Coordinator, employed by the LEP. Casework for the programme is undertaken by the LEP Programmes Caseworker, employed by the LEP. The Coordinator is supported in this role by the LEP Head of Programmes.

Project approvals are only made through majority decision by the LEP Board following consideration of the application for funding and the recommendation made by the Programme Coordinator.

An independent appraisal of each project is conducted in line with Green Book techniques and an initial level of due diligence is carried out on the applicant.

Requests for payment are submitted by the applicant as a formal claim process, reviewed by the LEP and by Suffolk County Council and signed off by the Section 151 Officer at Suffolk County Council.

Accountability

Suffolk County Council is the Accountable Body for the programme.

Suffolk County Council provides the legal support to prepare suitable loan or grant documentation for each approved project. This support is reimbursed at cost by the programme.

All loans and grants issued are subject to State Aid rules and are scrutinised by SCC at an early stage of the process to ensure compliance with available legislation. The majority of loans are issued at or equivalent to a commercial rate of interest to ensure that they cannot be considered to be an Aid. Applicants are advised that projects are subject to review by the EU and of the implications should an Aid be considered illegal, including the requirement to repay the funding with interest chargeable.

Resources

New Anglia LEP Growing Places Coordinator (F/T)

New Anglia LEP Programmes Caseworker (F/T – shared with Capital Growth Programme)

New Anglia LEP Head of Programmes

SCC Finance Team

Principal 2018/19 Growing Places Fund operational variances

The fund will be delivered in 2018/19 in accordance with the current procedures and operational methodology. The only changes to the delivery process are:

- Ensuring future projects support the objectives of the Economic Strategy for Norfolk and Suffolk.
- Revised annual allocation agreed in order to meet demand.

Annex

Annex A – Local Transport Body Assurance Framework