

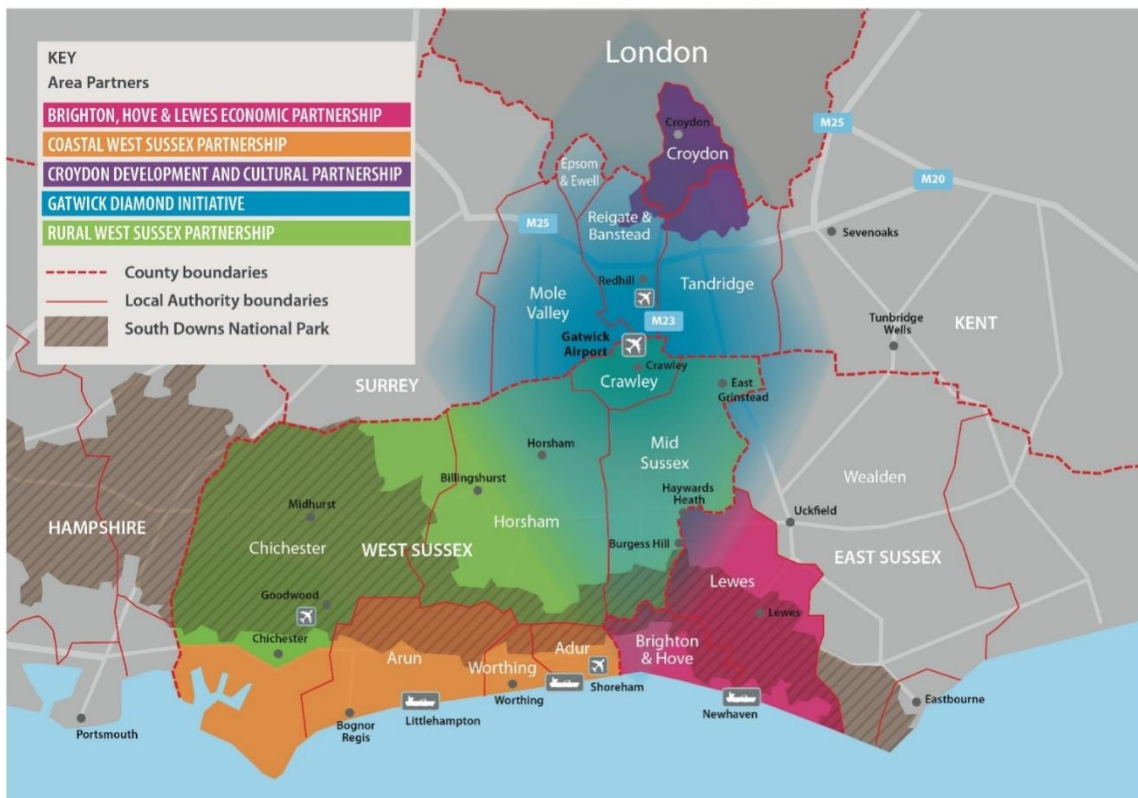
## **Coast to Capital Local Enterprise Partnership Governance and Assurance Manual**

### **What is Coast to Capital?**

1. Coast to Capital was founded in 2011 as the local enterprise partnership (LEP) for West Sussex, Brighton and Hove, Lewes District, East Surrey and Croydon. This area represents the natural business geography of the M23 motorway corridor – one of the most important economic areas in England.
2. As a LEP, Coast to Capital brings private sector leadership to the development and delivery of a successful strategy for economic growth in our region. Local Enterprise Partnerships were created on the basis that decisions on how to administer public funds in the regions are better taken by business leaders working in partnership with local politicians and others from the wider public sector.

### **What does Coast to Capital do?**

3. Coast to Capital is a private limited company, which operates on a not for profit basis. It is constituted as a company limited by guarantee and is registered as such with Companies House. Any funds raised by the LEP in the course of its business are used to discharge its functions and reinvested in the region.
4. The geographic area covered by Coast to Capital is shown on the map below. We work closely with the adjoining Local Enterprise Partnerships of Enterprise M3, the London LEP and the South East LEP. This collaborative working ensures that if there are any overlapping implications of our work, these are fully considered and co-ordinated. Each part of the region makes a specific contribution to our economy, and all parts of the area are equally important to the Coast to Capital Board.



5. As a partnership between public and private sectors, higher and further education professionals and private sector business leaders the LEP is in effect a unique 'alloy' of the expertise and skills of these different parts of the economy. Coast to Capital's business plan combines the strengths of each of these sectors.
6. Through this partnership, Coast to Capital acts to improve our regional economy through capital investment, identifying and rectifying market failure, support for business and advocacy for the interests of the region. Our goal is to support economic growth and prosperity across the region.

### **What is an Assurance Framework?**

7. This assurance framework sets out clearly how Coast to Capital operates. It ensures that Government, our partners, stakeholders and members of the public have confidence in the way that we conduct our business and that we have high quality governance arrangements in place. Governance means the way we operate our organisation and the way we make decisions, as well as our transparency, probity and professionalism in the way that we conduct business.
8. The company's governance and assurance mechanisms have been designed to follow best practice in the way we run our organisation and make our decisions. This demonstrates our absolute commitment to public accountability.

9. In the different sections of this document we cover:
  - How we set an economic strategy for the region
  - The public funds that we are responsible for
  - The role of the Board and how Board members are selected and appointed
  - The operation of the Board and its sub-committees, and their terms of reference
  - The operation of the executive structure
  - The standards to which we operate including the measures that we have put in place to achieve value for money
  - Who is accountable for what, in both non-executive and executive positions
10. The document focuses on 'how' Coast to Capital operates rather than what it does. The Coast to Capital website <http://www.coast2capital.org.uk> contains full and up to date details on our activities.
11. Our commitment is to demonstrating that a transparent and robust decision making process is at the heart of everything we do. Our assurance framework is in line with Government requirements as well as best practice in the corporate sector. Coast to Capital is predominantly publically funded and therefore we have a legal duty to be transparent and accountable for the public money we spend.

### **Coast to Capital's commitment to transparency**

12. We hold ourselves to operating to the highest standards of public accountability and transparency. In our governance framework there is a presumption on decision making being transparent and in the public domain unless there is very good reason for it to not be (for example because of commercial confidentiality or legal privilege).
13. To this end we have adopted specific measures within this assurance framework to ensure that when we make decisions regarding the deployment of public funding, we allow members of the public to express their views in advance of those decisions being taken; and that when we make decisions, they are published in an open and transparent manner.
14. However, as we are a private company we need to be able to conduct business in an entrepreneurial style, as is common place within the private sector and also adopt an associated private sector risk appetite for investment. It is essential that we operate a risk appetite in line with best in class private sector organisations bringing innovation and entrepreneurship to the work we do, whilst simultaneously ensuring the highest standards of transparency and governance when spending public funds.
15. Therefore, papers and minutes for Board and any-sub committees which involve decisions about public money will be published; however, commercially sensitive information may be redacted.

## **Section 1. Our Economic Strategy for the region**

16. Coast to Capital produces and maintains an economic strategy for the region which we call the Strategic Economic Plan (SEP). This contains the outcomes that we are seeking to deliver through everything that we do.
17. The SEP is available to download on our website and is reviewed and updated as required.

### **Our Strategic Priorities**

18. Our strategic objectives are derived from our SEP and focus around three key themes:
  - Infrastructure investment and improvement
  - Skills development.
  - Supporting the supply of housing and business space needed sustain support our regional economy.
19. Coast to Capital produces an annual business plan which explains what we aim to do in order to deliver these objectives. Our business plan is normally published at the start of each financial year.

### **How we refresh and update our strategy**

20. Strategy development is led through our policy and strategy business function, which is described later in this document. This follows a process that is based on consultation with key stakeholders including:
  - Area Partnerships and the Coast to Capital Partnership Board
  - Business stakeholders
  - County and Local authorities
  - Task and Finish groups
  - Public consultation (via our website and Partnership Forum)
  - Our Board

### **Growth Deal**

21. One of the purposes of the Strategic Economic Plan is to support the delivery of Growth Deals agreed with Government in 2014 and 2015. These set out specific outcomes agreed with Ministers which will support economic growth in our region. The Board regularly tracks the delivery of these outcomes in the course of our work, and details of progress in achieving them are set out on our website.

## **Section 2. The Public funding that we are responsible for**

22. Government chooses to administer regional investment funding in England through local enterprise partnerships. Coast to Capital therefore takes responsibility for the correct administration of public funding streams in our region. We seek to achieve accountability, transparency and value for the money in the work that we do to deliver these:
23. **Local Growth Fund** - Government has distributed the Local Growth Fund to LEPs in order to support delivery of the Growth Deal. This is an investment fund that we govern, deploy and monitor on behalf of Government. The LGF supports the delivery of a range of different infrastructure investments, which we agree with Government are important in order to support economic growth in the region.
24. We are accountable to Government, and through them to Parliament, for the administration of this fund and the value for money and core outputs that it delivers. We are also accountable to the public through the above channels as well as the locally elected Members on the Coast to Capital Board.
25. In line with the Growth Deal, Coast to Capital is fully responsible for ensuring it is correctly deployed and administered within our region. In some circumstances, funds will become available – for example because certain projects cannot be carried forward, or funding is unallocated. Coast to Capital then has discretion subject to discussions with BEIS to award this funding through the governance structures as detailed within this document.
26. If and when we have unallocated and / or returned funds, spend we will issue periodic calls for funding within the region. These are published on our website with notifications also being sent out to our stakeholders and partners. Both private and public sector organisations can apply for funding on the basis of a matched contribution. Within the bid call guidance we list the key strategic themes upon which we are inviting bids, based upon the strategic themes and priorities identified within our Strategic Economic Plan.
27. Applicants for this funding will complete a business case template. This will be independently evaluated and recommendations on funding are made to our Investment Committee. The Investment Committee then makes the final decision on funding awards on behalf of the Board with an individual value of less than £2m. Higher value awards are approved by our Board.
28. Some of the LGF money is used to provide grants which promote growth and development of SME businesses within our area. This initiative is delivered by West Sussex County Council. Applications for this fund are open to all small businesses that can provide demonstrable evidence that they cannot access any other finance to grow their operations. Calls for

applications are advertised on our website and through various promotional channels. The fund is currently under review.

29. Initially, interested organisations complete an expression of interest which is reviewed by a specialist panel. Following this they may be invited to progress to the next stage of the process and to therefore submit a detailed application and business case together with an independent due diligence report. They are then invited to present to a panel of experts and this panel is then charged with making a funding decision.

30. When an investment decision is made by the Investment Committee or Board, West Sussex County Council, in its role as Accountable Body to the Local Growth Fund, will work with Coast to Capital and the successful delivery body to enter into a tripartite agreement detailing the roles and responsibilities of the parties and setting out how the Local Growth Fund will be released to the delivery body.

### **Our Output Accountabilities to Government**

31. In line with our SEP, we are accountable to Government for delivery of a range of core outputs relating to economic growth. These are set out in our Growth Deal with Government. We report on the delivery of these outputs across our range of activities:

<b>Core Output /Outcome Accountabilities to Government</b>	<b>Metric</b>
Employment- created and/or safeguarded	Number of jobs
Businesses assisted- financial and non- financial	Number of businesses
Skills- new learners and/or apprentices created	Number of apprenticeships of new students
New housing unit completions	Number of new houses built
New floor space constructed/refurbished- learning	Square metres of space
New floor space constructed/Refurbished- Commercial & take up of that space	Square metres of space
Length of new/resurfaced roads/cycle ways	Kilometres of new surface
Improvement to journey times	Minutes per mile
Carbon reduction	Tonnes of CO2 saved

### **Growing Places Fund**

32. This is a revolving business loan fund which provides loan finance and /or equity investment to growth businesses where banks have not been willing to lend. £23m is available through the Growing Places Fund. Applications for this fund are advertised on our website and are open to all small businesses that can provide demonstrable evidence that they cannot access any other finance to grow their operations.

33. Loan applications are considered by our Growing Places Committee, following the commissioning of individual independent due diligence reports. The Committee makes decisions or recommendations to the Board as to the final decision on whether the applicant will receive a commercial loan from Coast to Capital.

### **Growth Hub**

34. This is funding provided by Government, explicitly for the provision of a range of business support services provided through a team of staff known as 'business navigators'. Core public funding is provided to cover employment costs of the navigators and the operation of their service.

### **Enterprise Advisor Co-ordinators**

35. We receive funding from the Careers and Enterprise Company, which is a private company owned by Government, for the provision of Enterprise Coordinators in the Coast to Capital area. Enterprise Coordinators work with business people to improve the quality of careers advice to young people in schools and colleges across the region.

### **Legacy Funds**

36. The Government is engaged with Coast to Capital and other LEPs in discussion about the best use of assets and funds which were formerly owned by Regional Development Agencies. These discussions are ongoing.

### **European Union Funding**

37. Decisions on the administration of European Union Structural Funds are taken in line with the geography of Local Enterprise Partnerships. Coast to Capital supports the Government in the delivery of this work and aims to ensure that EU funds are fully administered in support of their objectives.

### **Enterprise Zone**

38. Coast to Capital is responsible for the administration of an Enterprise Zone in Newhaven. This is one of 44 Enterprise Zones across England, designated by the Government in order to promote economic activity and regeneration in specific locations. An Enterprise Zone allows the reduction of business rates in designated areas for up to five years. It also allows the use of additional business rate revenue from specific sites to fund infrastructure and other developments in the Enterprise Zone.

### **Revenue Grant from Government**

39. In recognition of the role that we play in administering public funds and in support of the delivery of the Government's objectives, Ministers choose to give Coast to Capital (along with all other LEPs) an annual funding allocation to help cover our operational costs.

### **Contributions from local authorities in the region**

40. In recognition of the role that we play in promoting economic growth and prosperity in the region, Local Authorities in the Coast to Capital area make an annual funding allocation to help cover our operational costs.

### **Our Accountability for public funding**

41. It is vital that Coast to Capital fully conforms with the expectations on the good use of public funds. These are the key obligations on us and include:

- Ensuring that we obtain best value for money from our investments
- Ensuring we take transparent decisions on the way we spend public money
- Engaging and consulting our stakeholders when we update our SEP
- Ensuring we regularly engage and update our stakeholders on our activities
- Discharging duties required of us by the Department of Transport specifically in relation to funding of transport projects.

### **Responsibilities of our Accountable Body**

42. Because Coast to Capital is a private company, we do not have a public status in law. Therefore, in order to ensure that we operate in conformity with the scrutiny required of public bodies we are required to be scrutinised by established public authorities for each of our funding streams. The agreements between Coast to Capital and these bodies are set out on our website. These bodies operate statutory financial and legal assurance functions on our behalf in accordance with the Local Government Act as set out below.

43. Our accountable bodies provide the checks and balances as applied to local authority funding deployment. These include the financial duties and rules which require our LEP to act prudently when spending public funds. As a result our activities are monitored and checked by a responsible Chief Financial Officer from each of the authorities listed below. We have an agreement with our main accountable body (West Sussex County Council) which is available to view on our website and this sets out in detail the duties of Coast to Capital and the accountable body in their oversight and monitoring of our financial activities. Our accountable bodies have a seat on each of our committees and also oversee the production of our annual accounts which are published on our website at the end of the financial year. A summary of their key duties is set out below :

### **Summary of Accountable Body Duties**

44. Our accountable bodies are appointed by the Board for a term of three years and are responsible for :

- a. Ensuring decisions and activities conform with all relevant law including state aid and public procurement and ensuring that records are maintained so this can be evidenced.



- b. Ensuring that the funds are used in accordance with the conditions placed on each grant.
- c. Ensuring that this assurance framework is adhered to.
- d. Maintaining the official record of LEP proceedings and holding copies of all relevant LEP documents relating to the Local Growth Fund and other funding sources received from Government.
- e. Being responsible for the decisions of the LEP in approving projects.
- f. Ensuring that there are arrangements for local audit of funding allocated by the LEP equivalent to those of local authorities.
- g. Monitoring arrangements as set out in the accountable body agreement detailed on the Coast to Capital website.
- h. The issue of funding agreements and terms and conditions precedent to those as detailed within the Coast to Capital model funding agreement available on our website.

45. The accounts through which the Local Growth Fund passes will be published and available for public inspection. West Sussex County Council will publish its accounts in accordance with the provisions of The Accounts and Audit Regulations 2015; full details can be found at [www.westsussex.gov.uk](http://www.westsussex.gov.uk)

46. West Sussex County Council would not comply with a decision of Coast to Capital if any one, or more, of the following circumstances arose:

1. Evidence of non-compliance with applicable laws including State Aid and Procurement laws
2. Evidence of non-compliance with grant conditions as set out under section 31 of the Local Government Act 2003
3. Material departure from provisions of the Assurance Framework.

47. The process for resolving issues of this nature will initially be through collaborative working, advice and support. If not resolved, it would be put to the agreed dispute resolution procedure (as set out in the Accountable Body agreement). It is, however, anticipated that such an event will be avoided by the Accountable Bodies presence at all decision making meetings, and at the Coast to Capital Board.

Public Funding Stream Activity

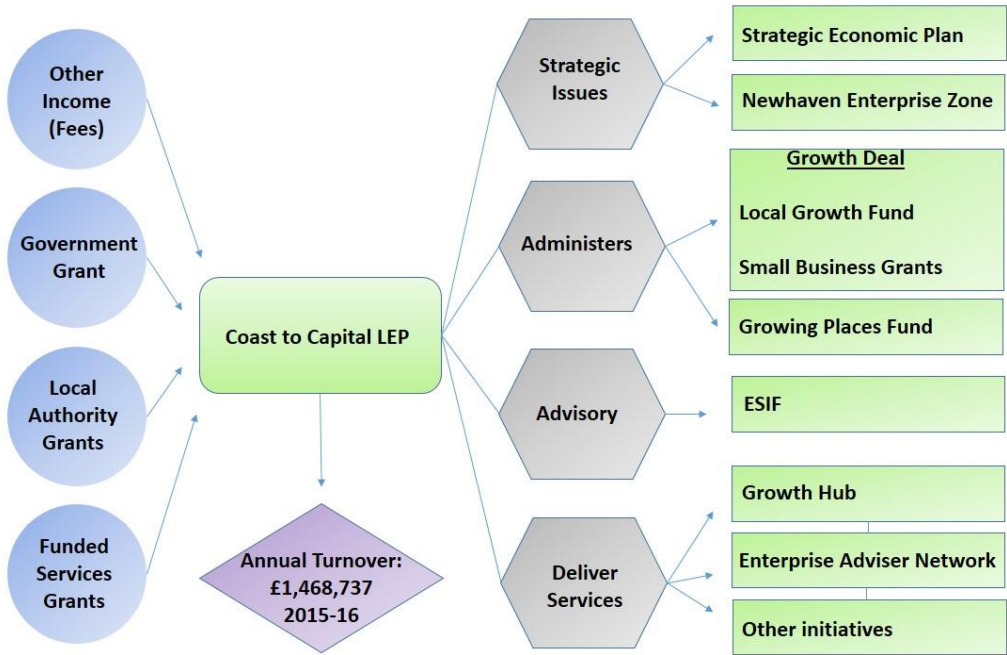
Accountable Body

Local Growth Fund	West Sussex County Council
Growing Places Fund	London Borough of Croydon
Growth Hub	West Sussex County Council
Enterprise Coordinators	Brighton and Hove City Council

EU structural funds	Central Government
Newhaven Enterprise Zone	Lewes District Council

### Funding Flows Diagram

48. The diagram below summarises the funding used in the operation of the LEP and the main functions of the organisation:



## Section 3: The Role of the Coast to Capital Board and how it is appointed

### Our Governance at a Glance

48. The Board governs our organisation and takes the key strategic decisions to determine our strategic direction and our region's strategic economic plan. The Board delegates certain responsibilities and authority to its sub-committees. These report back into the Board and operate at a more operational level ensuring that there is oversight and governance around the day to day running of the LEP.
49. The day to day operation of the LEP is in turn managed through the Executive Committee which is chaired by the Chief Executive and attended by his senior leadership team. Operational teams are organised around three separate areas of work, and for each of these there is a separate executive governance structure ensuring accountability to the Chief Executive.



### Our Board

50. Coast to Capital has a Board of Directors (the Board) comprising the Chairman who is drawn from the private sector, seven directors also drawn from the private sector, five directors drawn from local authorities, and one each from further and higher education. A named member of the Board represents and engages with the SME business community. Details of Board members, their qualifications, and their specific roles within the company, are set out on our website.
51. The Chairman is drawn from one of the private sector directors. There can be up to three further co-opted directors from the private sector for their particular and specific skills and expertise. The Chief Executive is also *ex officio* a director of the company. A representative of the Accountable Body, which ensures that Board decisions are consistent with best practice

on public expenditure also attends Board meetings in an advisory capacity. Decision making by the Board is governed by the Articles of Association which are available on the website.

52. The composition of the Board is in accordance with Government guidance. Coast to Capital is committed to diversity on all its committees and when recruiting to these and the Board we look to ensure diverse representation which is reflective of the local population.
53. The Board is directly accountable to the public through the five democratically elected directors drawn from local authorities.
54. All Board members are required to sign an undertaking to abide by the Nolan Principles (See Annex A Section 4.2 for further details).

### **Board appointment process, succession planning and Nominations Committee**

55. Board members drawn from the private sector are appointed through public advertisement against a role profile and person specification and are interviewed by the Chairman's Committee with appointment recommendations being made to the full Board. Appointments to the Board are made by decision of the Board.
56. Co-opted Directors are chosen for their unique and specific experience and are proposed by the Chairman's Committee to the Board for acceptance as directors of the LEP. Each year the skills and experience needs to support succession planning to Board member posts are defined in a 'skills and experience requirements statement'. This statement is designed to inform the Board succession plan and to underpin the specific role profile and person specification for Board member vacancies.
57. The Chairman of the Board is appointed through the Nominations Committee drawn from the Board membership with at least four members. The Nominations Committee (an ad hoc Committee established from time to time tasked with a specific purpose as directed by the Board) is appointed by the Board to form a balanced representation from the public and private sectors represented on the Board. The Nominations Committee is held in camera.
58. The Vice Chairman is nominated by the Chairman and confirmed by the Board.

### **Director Due Diligence Checks**

59. Prior to the Board considering the appointment of a new Director a full director check will be undertaken by an appointed external reference agency. The check will include but not be limited to:
  - a) Reference checks from suitable referees
  - b) Director disqualification and bankruptcy checks
  - c) Other Directorships check

d) Disclosure and Barring Service checks for unspent criminal records

60. The results of these checks will be provided to Board members before consideration of the new director's appointment to the board. The appointment of any new director to the Board must be by a majority vote in favour.

### **Board Member Duties and Capability**

61. Every Board member is bound by the legal duties of Directorship under the Companies Act. These include acting in the interest of the LEP as a company and not acting in the interests of the Director's main employer in conducting LEP company business. Board members have to adhere to the seven principles of public life, also known as the Nolan Principles, detailed in Annex A.

62. Board members are appointed on the basis of their skills / knowledge and their ability. On this basis they have a duty to share knowledge of that sector and in taking decisions to put forward the collective views of that sector to aid the board in making high quality decisions. In discharging this duty, board members are expected to consult and canvas as relevant their respective sectors to inform board discussions and decisions.

63. Upon formal appointment by the Board a new Director will undergo induction to both the LEP and also the legal duties of their role.

### **Term of office**

64. Board members are appointed for a term of office of three years and can serve a maximum of three terms of office, with re-appointment to each term being a Board decision. The Chairman and Vice Chairman's terms of office will run for three years from their appointment with the potential to renew for up to two further terms upon a recommendation from the Nominations Committee to the Board and agreement of a Board majority.

### **Declarations, Disclosure and Conflicts of Interest Procedure**

65. Prior to each Board meeting and, initially prior to appointment as a director, the declaration of interests, disclosure and conflicts register must be completed. These policies are set out in detail in Annex A to this document. The main elements include :

- Full disclosure of Directors' interests
- Clear procedure for identifying conflicts
- Clear procedure for the Board to ensure that its decisions are not affected by any conflicts which may exist
- Full disclosure of material facts which may impact holding of office

## **Decision making on the Board**

66. The Board is responsible for making key strategic decisions, for providing strategic direction and for setting priorities for the Executive team.

In terms of delivering the Growth Deal with Government, the Board has the following specific responsibilities:

- Approval of the Strategic Economic Plan
- Approval of any submissions made to Government for subsequent funding
- Approval of Local Growth Fund investments of more than £2m (or lesser amounts in exceptional circumstances)
- Accountable to HM Government for full delivery of the Growth Deal

## **Frequency of meetings**

67. Board meetings are held at least four times a year, and an Annual General Meeting is held once a year.

## **Publication of meeting papers and agendas**

68. The Board meeting agenda and papers will be published no later than five clear working days before the meeting. Agenda items will be marked either Part A or Part B.

- a. Part A items are those which are not subject to restriction under Part B. Papers accompanying Part A agenda items will be published on the website
- b. Part B items are those items which maybe;
  - Commercially sensitive to either Coast to Capital or another party; or
  - Is "confidential information" under "The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; or
  - Is information not to be placed in the public domain. .

Papers accompanying Part B agenda items will be clearly marked "Confidential" and will not be published or discussed in the public domain.

69. The Chief Executive in discussion with the Chairman, and partners if relevant, will determine how agenda items are marked..

70. Any member of the public can submit a comment or view on any agenda item.. Such comments must be sent so that they reach Coast to Capital no later than 24 hours before the meeting. Public comments will be considered by the Board at the time of the agenda item being discussed. In this way the Board can take into account public comments before making decisions.


71. Minutes of Board meetings are to be published within 10 clear working days of the meeting taking place. At the Board's discretion, decisions reached about items marked Part B may be published in the public domain with or without redaction. The Board reserves the right not to publish Part B decisions if those decisions are in themselves commercially sensitive, confidential or not to be placed in the public domain, including any decisions that have legal confidentiality issues, or those which are legally privileged.
72. Any declaration of interest made at the meeting will be included in the minutes. A new declaration of interest will be updated on the relevant member's register of interest.
73. Where the Board delegates under the 'Scheme of Delegation' decision making powers to sub-ordinate committees and sub-committees, these have their own transparency arrangements that are detailed later in this document.

### **Board Review and Performance Management**

74. Annually the performance of the Board is reviewed by the Chairman's Committee and feedback is provided to all members.

## Section 4: The operation of the Board and its sub-committees and their terms of reference

75. The matrix below shows how decisions are taken within the LEP governance structure working from the bottom up. It shows the role that is played by our committees in discharging the responsibilities of the organisation.



<b>Activity</b>	<b>Award of Local Growth Fund Grants</b>	<b>Award of Growing Places Loans</b>	<b>Day to day company operations incl. Risk Management</b>	<b>Strategy &amp; Policy</b>	<b>Services</b>
<b>Assurance &amp; audit by :</b>	<i>Audit Committee</i>	<i>Audit Committee</i>	<i>Audit Committee</i>	<i>Audit Committee</i>	<i>Audit Committee</i>
<b>Reporting to &amp; Oversight by :</b>	<i>Board</i>	<i>Board</i>	<i>Chairman's Committee</i>	<i>N/A</i>	<i>Board</i>
<b>Decisions by :</b>	<i>Investment Committee</i>	<i>Growing Places Committee</i>	<i>Executive Committee</i>	<i>Board</i>	<i>Chairman's Committee</i>
<b>Refinement &amp; validation of Recommendations by:</b>	<i>Projects Pillar Committee</i>		<i>Executive Committee</i>	<i>Strategy &amp; Policy Pillar Committee</i>	<i>Services Pillar Committee</i>
<b>Recommendations by:</b>	<i>Review Groups</i>	<i>Projects Pillar Committee</i>	<i>LEP Pillar Lead Officer</i>	<i>LEP Pillar Lead Officer</i>	<i>LEP Pillar Lead Officer</i>
<b>Initiation request by :</b>	<i>Grant applicant</i>	<i>Loan Applicant</i>	<i>LEP Officer</i>	<i>Consultation</i>	<i>Consultation</i>

### Our Board Sub Committees

76. The Board delegates to a number of sub-committees responsibility for certain tasks. All sub-committees provide a report back of decisions taken to each Board meeting, together with a copy of the sub-committee minutes.

77. The Board oversees the work of the Chief Executive and his/ her executive team. The executive team work streams are divided into 'pillars' and each of these is governed through a number of committees which comprise LEP officers and other stakeholders.

78. The following sections explain the constitution, membership and role of each Sub-Committee.



### **Chairman's Committee**

79. This Committee is responsible for the oversight and accountability of the Chief Executive, in his/her capacity as the LEP's head of paid service. It is also responsible for the company's commercial strategy, financial performance and risk management. The Chairman's Committee is chaired by the Chairman of the Board with membership comprising the Vice Chairman and two other Board Directors. Directors are appointed to the Committee by the Chairman.

80. Full details of the Committee are set out in Annex B.

### **Audit Committee**

81. This Committee is responsible for oversight and reporting on the LEP's compliance with this assurance framework. It is responsible for scrutinising decisions of the LEP board, its sub-committees and executive committees and reporting to the Board on compliance with this assurance framework and the company's statutory duties.

82. Full details of the Committee are set out in Annex C.

### **Joint Committee**

83. This Committee consists of the Leaders of all the local authorities within the Coast to Capital Area, together with the Chief Executive of the LEP. It considers business as set by the LEP Board and is convened as required by the Board. The Joint Committee has a key role in reviewing and agreeing the Strategic Economic Plan and the priorities for growth across the LEP area. The Chair of the Committee is the Chair of the Coast to Capital Board.

84. Full details of the Committee are set out in Annex D.

### **Investment Committee**

85. The Investment Committee has delegated powers on behalf of the Board up to £2m to approve all LEP investment decisions relating to the public funding streams that the LEP steward (excluding Growing Places loan funding). These include the Local Growth Fund and Legacy Funding issues.

86. The terms of reference of the Committee are at Annex E.

### **Growing Places Committee**

87. The Growing Places Committee has delegated powers up to £2m on behalf of the Board to approve all LEP investment decisions relating to the Growing Places Fund. The Growing Places Fund is a revolving business loan fund which provides loan finance and /or equity investment to growth businesses where banks have not been willing to lend. The fund lends only to items that are considered capital investment and which can be capitalised under standard accounting practice. All investment decisions

must be consistent with the Coast to Capital investment strategy.

88. The terms of reference of this Committee are set out in Annex F.

**ESIF Committee**

89. Coast to Capital maintains an ESIF committee which has an advisory role to the managing authority on the implementation of EU structural funds in our region.

90. The terms of reference of this Committee are set out in Annex G.

## Section 5: The operation of the Executive Structure

### The Chief Executive and Senior team

91. The LEP maintains a permanent staff led by a Chief Executive and his/her senior team. The executive team is structured in the following way:



92. The Chief Executive is fully accountable within the Governance structure of the company and works closely with the Chairman to deliver the business plan. Staff are organised around three separate work areas, which form the internal pillars of the organisational structure: Projects, Services to Business and Strategy and Policy. In addition, the Chief Executive has other direct reports covering cross cutting corporate support functions e.g. finance, HR and Communications. The commercial function sits under the Chief Operating Officer as this role also covers management of the Growing Places Fund.

93. Details of staff employed by Coast to Capital and the roles that they fulfil within the company are set out on our website. In line with public sector best practice, details of the number of staff paid more than £60,000 per year is also set out on the website.

### The Executive Committee

94. Governance and management of the executive staff functions and pillar work stream structure of the LEP is through an Executive Committee, chaired by the Chief Executive.

95. Details of the Executive Committee are set out in Annex H.

## **Executive Pillar structures**

96. The executive team's work is organised around three separate pillars, each of which has its own working level committee and terms of reference.

97. Details of these Executive Pillar structures are set out in Annex I.

## **Corporate Functions**

98. As a private company, Coast to Capital runs its own corporate functions including human resources, administration, procurement and office management and communication. This work is managed by dedicated team members, with the functions represented on the Executive Committee.

## Section 6: The standards to which Coast to Capital operates

### Stakeholder Relations and Engagement

99. As a unique partnership between key business and political stakeholders in our region, Coast to Capital puts a premium on high quality and informative engagement with external partners.
100. Our communications strategy sets out the core principles for how we do this, with a particular focus on:
- i. Partnership Forum: the main forum for engagement with area partnerships, statutory bodies and business representative organisations from across the region. The Forum allows partners to voice their opinions on and feed into the work of the LEP. It also provides an opportunity for stakeholders and partners to update the forum on their work and to collaborate.
  - ii. Engagement with business: the Chief Executive and other staff meet regularly with businesses in the region, including speaking at business conferences.
  - iii. Engagement with local authorities, FE colleges and Universities: Open and honest dialogue with all local authorities, Higher Education and Further Education providers in the Coast to Capital area is a key part of delivering our businesses. We engage regularly at senior and working level with local politicians and officers across the region.
  - iv. Press work: we highlight our successes and the issues we are working on and engage with regional media to bring attention to this.
  - v. Website and social media: we maintain a high quality website with up to date information on all our activity and have an active social media presence.
100. The Board also identifies key issues within the Coast to Capital business plan on which it wants to form **Task Groups**. Led by a private sector Board member, Task Groups focus on a specific challenge for the organisation and include input from informed and influential partners from across the region. This is a way of maximising the diverse leadership that LEPs bring to addressing problems in our regional economy and give space for innovation and bringing new approaches to solving complex issues. The administration of the Newhaven Enterprise Zone is a task group. A list of task groups is available on our website.
101. Our relationship with **area partnerships** is another important factor in both developing our Strategic Economic Plan and in disseminating information in two directions to businesses and local partners. The five area partnerships in the Coast to Capital region are autonomous groupings which represent business and other stakeholders in different parts of the

region. They are key partners for Coast to Capital, and are actively involved in the evaluation process for funding allocation rounds.

102. Area partnerships currently exist in the following areas:

- **London Borough of Croydon** leads in the delivery of strategic outcomes for Croydon including links between the Borough and the rest of the Coast to Capital region.
- The **Gatwick Diamond** Partnership is a business-led group whose aim is to grow the region's existing jobs base, attract new jobs and secure investments from companies that most closely match our industry strengths
- The **Greater Brighton Economic Board** brings together political and business leaders to focus on issues around economic growth as identified in the 2014 City Deal for Greater Brighton
- The **Rural West Sussex Partnership** brings together the key organisations that develop strategy and policy in West Sussex to ensure the best use of resources across the County to deliver projects and services in rural areas
- The **Coastal West Sussex Partnership** brings together leaders from business, education and the public sector to work collectively on economic issues that affect the coast.

## Section 7 Transparency and our scheme of delegation

103. Coast to Capital operates to a clear scheme of delegation, as set out below, which details who in the organisation takes decisions and their authority limits to do so:

	Chief Executive	Pillar Leads	Board	Investment Committee	Growing Places Committee	Chairman's Committee	Executive Committee	Pillar Committees	ESIF Committee	Audit Committee
<b>ACTION</b>										
<b>Operational day to day expenditure (incl procurement of goods and services) Approval within budget</b>	Approves up to £150k to discuss	Approves up to £50k to discuss	Unlimited			Approves up to £500k				Audits & reports to Board
<b>Operational day today expenditure that exceeds overall gross LEP budget</b>	Recommends to discuss		Board Decision							Audits & reports to Board
<b>Award of Funding under LGF</b>			Approves Above £2m	Approves Up to £2m				Recommends		Audits & reports to Board
<b>Operational budget setting &amp; approval</b>			Approves Unlimited				Recommends			Audits & reports to Board
<b>Agreement of Policy &amp; Strategy</b>			Approves					Recommends		
<b>Recruitment Decisions</b>	Approves	Recommends								
<b>Remuneration decisions</b>	Recommends					Approves Unlimited				Audits & reports to Board
<b>Award of Growing Places fund loans</b>			Approves Above £2m		Approves Up to £2m			Recommends		Audits & reports to Board
<b>Temporary virements of funding on LGF projects</b>		Recommends						Approves Unlimited		
<b>Permanent Virements of funding on LGF projects</b>				Approves Unlimited				Recommends		Audits & reports to Board

<b>Operational day to day management decisions within financial delegation limits</b>	Approves	Approves					Approves			Audits & reports to Board
<b>Initiation of debt recovery action on loan defaults</b>						Approves Unlimited to discuss	Recommends			Audits & reports to Board
<b>Governance Changes</b>			Approves				Recommends			Recommends to Board
<b>Calls for bids for grants or loans</b>			Approves	Recommends	Recommends					

### How we make Decisions on Grant and Loan Distribution

104. We make decisions to award grants and loans based on a robust and thorough process in line with our commitment to transparency. Annex J summarises the different roles of our Committees, sub-committees and members of the Executive team in reaching decisions on how to allocate the funds that we administer.

### Freedom of Information Requests (FOIs) and Complaints

105. Coast to Capital is subject to the provisions of the Freedom of Information Act in relation to our administration of public funds. Coast to Capital responds to all information requests in line with the Act. In the first instance, FOIs should be directed to Coast to Capital via its website. West Sussex County Council, as Accountable Body to the Local Growth Fund, will provide advisory support to Coast to Capital to ensure FOI requests are properly dealt with in accordance with the relevant legislation.

106. Coast to Capital operates a complaints policy including confidential reporting of complaints and full details are set out in Annex M and Annex N.

### How we monitor and publish our performance including the Annual Report

107. We publish an annual report and accounts at the end of our financial year and hold an Annual General Meeting which the public and stakeholders can attend. Public questions are invited in advance of the meeting. Our report and accounts are published on our website.

108. We also commission an annual independent assurance report on Coast to Capital which independently assesses our performance and compliance with this framework.



## **Office Manual and Day to Day Operating Procedures**

109. Our office manual sets our processes and procedures around human resource management and office practice from expense management through to sickness absence and holiday information. A copy is available for all Board members to inspect.

## **Achieving Value for Money**

110. Coast to Capital strives to achieve the best value for money in its operation and expenditure of public funds through the below measures. The Chief Executive is the named officer responsible for ensuring value for money and the identification and management of risk associated with the same:

i. Procurement Policy for our own purchases

The Coast to Capital procurement policy is at Annex K. It sets out the standards by which we procurement of goods and services to ensure we obtain best value for money and operate in a fair and transparent way.

ii. Conditions applied to funding agreements

We expect all of our delivery bodies to which we make funding grants, to operate to best practice in relation to the procurement of goods, services and contracts. Our funding conditions impose these requirements and we will audit through our gateway reviews to ensure that delivery partners adhere to these standards. We will require evidence prior to issuing funding agreements that delivery bodies will operate best practice procurement regimes; in most instances this will be by ensuring compliance with the Public Contract regulations 2015.

These standards include the delivery body demonstrating robust procurement procedures that follow best practice for the goods, services and contracts that they intend to purchase with Coast to Capital funding. This would include the delivery body demonstrating a written down procurement procedure before funding awards are made, which details a robust and competitive approach to procurement through competitive quotations or tendering, with appropriate pre-qualified providers. We will also seek to ensure that delivery bodies operate fair and open tendering procedures, including pre-qualification of providers.

iii. Monitoring outputs from projects that we fund

We monitor projects that we fund, across their whole life cycle and from mid-2017 will be using a gateway audit process, based upon the Government's Gateway review system. Those staff undertaking these review audits will all be gateway trained via the Government's accredited Gateway training provider – Local Partnerships.

The gateway process is a comprehensive best practice approach to project monitoring and is an established methodology to ensure robust standards of project delivery. Unless each key gateway stage is satisfied by delivery bodies, staged funding payments will not be

released. On the basis of these findings, project delivery bodies will be called to account including by being asked to attend Project Pillar committee meetings. Funding may be withdrawn on the recommendations of the Investment Committee if evidence of adequate performance is not provided. In general funding payments are released by Coast to Capital on a quarterly basis through completion of a quarterly claim application form.

iv. Sponsorship

Coast to Capital does offer sponsorship of certain events that accord with its strategic priorities, based on funds available and in line with our sponsorship policy which is set out on our website. This is undertaken through a six monthly sponsorship call advertised on the website and the completion by the applicant of an application form. Applications are considered by the Executive Committee based on a scored evaluation of sponsorship bids. Information on sponsorship decisions is published on the website.

v. Risk Management

Corporate risk management is governed through the Executive Committee in line with its responsibilities. The Chief Executive is responsible for sharing his assessment of the residual level of risk facing the organisation with the Chairman's Committee, who will report on this to the Board at least twice a year. Any Board member can view the risk register at any time.

The risk register is compiled in a standard format and includes a full projects risk register which is reviewed by the Projects Pillar Committee at each meeting. Reports are then provided to the Chief Executive.