

Meeting: Coast to Capital Audit and Risk Committee Meeting
Date: Thursday 12 November 2020
Report Title: Governance Review
Report by: Katie Nurcombe
Item No: 3
Part: A

Recommendation:

The Committee is asked to:

- **comment on and endorse** the Governance Review Working Group proposals.
- **note** the updated work-in-progress Assurance Framework document.
- **note** the outstanding areas still to be considered by the Governance Review.

1. Context

Following a Board development session in September the Coast to Capital Chair circulated a 'Fit for the Future' paper to the Board which set out the Chair's vision for the organisation in particular in relation to evolving the governance of Coast to Capital. In response, a formal Governance Review (in line with the usual annual review of the Assurance Framework) was initiated and the Board agreed the scope of the Review at its meeting in October (Annex A). A Working Group has been established to lead the review consisting of the Coast to Capital Chair, Vice Chair, Chair of the Audit and Risk Committee, Jane Longmore and Frances Rutter.

2. Proposals

The Working Group have discussed and made a number of proposals including the disbanding of the Chair's Committee and **creation of a Finances and Resources Committee**. As a result:

- A new Finances and Resources Committee Terms of Reference has been produced (Annex B).
- An updated Terms of Reference has been produced for the Audit and Risk Committee to ensure the right distinction of responsibilities (Annex C).
- A new 'at a glance' governance organogram has been produced (see updated Assurance Framework).
- The Delegation of Authority matrix has been updated (see updated Assurance Framework).

The Working Group has also considered the **composition of the Board** and associated elements in relation to the operation of the Board. As a result it is proposed:

- That as the boundary transition period will come to an end the Local Authority Board Member for Croydon and Business representative Board member for Croydon positions are removed as of April 2021. In their place two further private sector Directors are subsequently added (from eight to ten).
- An arrangements for continued engagement with Croydon as a key strategic partner will be drawn up – based on a strong relationship developed by the Chief Executive noting the challenges currently faced by Croydon Council (see [Report in the Public Interest](#)).
- The Coast to Capital Chair will discuss with the current Croydon Business representative (Rosaleen Liard) to what extent they would wish to continue to contribute to the work of Coast to Capital post 1 April 2021.

The Working Group has also considered:

- The new **Board Sponsor roles** agreed at the October Board meeting (now detailed on the [website](#)) and agreed a set of general objectives for these roles (Annex D).
- The role of the **Vice Chair** and the responsibilities of this role (see updated Assurance Framework).
- The approach to **Board recruitment** and proposed that all recruitment be considered by the Nominations Committee (rather than the Chair's Committee in some instances). An updated Nominations Committee Terms of Reference has been produced (Annex E).

The Audit and Risk Committee is asked to comment on and endorse these proposals. Subject to comments received the Committee is asked to endorse these proposals.

The Audit and Risk Committee is also asked to approve the updated **Procurement Policy** (Annex F) which has been in development over the past couple of months led by the Head of Finance. This will be added to the Assurance Framework as an Annex.

3. Assurance Framework

An updated work-in-progress Assurance Framework document can be found in Annex G. Updates have been made in tracked changes to help identify the changes that have been made. This document is not a final version for approval; however, it:

- Reflects factual updates that were required following changes over the past year.

- Incorporates the changes proposed above.
- Highlights where further work or amends are required given current ongoing work across the organisation (eg the appointment of a new Accountable Body).

As the Governance Review progresses the Assurance Framework will be updated further and a final or near final version will be circulated to the Audit and Risk Committee in advance of presentation to the Board.

4. Further Work

Not all of the areas covered in the Governance Review scope have been presented to this meeting as further work is ongoing. The progress and plan for these areas is set out below:

- **Chapter 4 – Our Investments** – this section will be re-written to incorporate the new funds launched this year, the updates agreed to the Business Recovery Grants decision making and a review of the monitoring framework. Consideration of the new chapter and relevant Annexes will be undertaken by the Investment Committee in November in the first instance.
- **Stronger Smarter Greener implementation** – the Board agreed a new governance mechanism for the implementation of Stronger, Smarter, Greener. This will be explained in detail and incorporated into the document in the next update.
- **Business Services Governance** – this area needs development with the Head of Services as the programmes and services provided by the Growth Hub have grown over the past year as have the expectations from Government. We need to establish an appropriate governance mechanism to support this area of work. This will be considered by Executive Committee in the first instance.
- **Future proofing** – considering the overall document to ensure that it gives us the flexibility to make decisions and respond to Government requests in an effective and appropriate way.
- **Board roles and responsibilities** – considering the overall document to ensure the Board roles, responsibilities and accountability is clear.
- **Finance** – a Finance Review is also underway (see scope at Annex H) and there may be updates required to the Assurance Framework as a result of this work.

Alongside this Governance Review the Board is also considering the best way to meet the skills/expertise/diversity gaps on the Board. A proposed approach will be considered by the current Chair's Committee in advance of approval by the Board.

5. Conclusion

Progress has been made on the Governance Review and work is on track to meet the key milestones described below.

6. Next Steps

The next steps are as follows:

- Progress the proposals endorsed by the Audit and Risk Committee at this meeting (November 2020)
- Progress the outstanding work set out in section four (November/December 2020)
- Circulate an updated Assurance Framework to the Audit and Risk Committee (December 2020)
- Present proposals to the Board to discuss and agree (January 2021)
- Accountable Body to approve updated Assurance Framework (February 2021)
- Board to approve updated Assurance Framework (March 2021)
- New Assurance Framework published (1 April 2021)

7. Diversity Statement

The Diversity Statement included in the Assurance Framework will be reviewed as part of the Governance Review and an updated Equality, Diversity and Inclusion Policy will be included as an Annex. Consideration will also be given to the inclusion of an Anti-Racist Pledge.

8. Legal Statement

No legal advice has been sought on this paper. The Accountable Body will need to approve the updated Assurance Framework once it has been finalised.

9. Financial Statement

There are no financial implications other than considerations in relation to the potential remuneration of the Vice Chair position.

Annexes:

- Annex A – Governance Review Scope
- Annex B – Finances and Resources Committee Terms of Reference
- Annex C – Audit and Risk Committee Terms of Reference
- Annex D – Board Sponsor Objectives
- Annex E – Nominations Committee Terms of Reference
- Annex F – Procurement Policy
- Annex G – Updated Assurance Framework
- Annex H – Finance Review Scope

Further information on request:

- 'Fit for the Future' Paper

Annex A - Governance Review Scope

Purpose

Coast to Capital is committed to a formal review of the Assurance Framework each year. This year's review is an opportunity to ensure we maintain and build on our 'Exceptional' Governance rating from Government.

Given the evolution of organisation and enhanced expectations from Government this review will address areas of Governance that need Board discussion and agreement. The approach to this review will allow for greater visibility, priority and involvement from Board members as required.

Governance

As set out in the Assurance Framework the Ministry of Housing, Communities and Local Government (MHCLG) must be advised of any significant changes to the Assurance Framework and our Area Lead has been notified of this review.

In line with usual practice, the updated Assurance Framework will be presented to the Audit Committee for discussion before presentation and discussion at the Board.

The Accountable Body must confirm that the updated Assurance Framework meets the [National Assurance Framework](#) requirements in advance of Board approval.

This review will take place alongside and in coordination with a review of our funding models.

Board Engagement

The Coast to Capital Chair, Vice Chair and Chair of the Audit Committee are key Board members involved in this review. Board members who have indicated an interest in this review are invited to join a **Working Group** to help take forward this project.

Scope

The following is in scope of the review of the Assurance Framework:

- Addressing factual updates that are required following changes over the past year – for example the inclusion of 'Smarter, Stronger, Greener'.
- Incorporating decision making structures for the new funds launched in 2020 – in particular the Getting Building Fund and Recovery Grants.
- Reviewing our approach to scrutiny which Government has identified as a priority in our Annual Review.
- Reviewing the Committee structure including Terms of Reference.
- Reviewing policies that have been identified as a priority - in particular the Procurement Policy.
- Reviewing our scheme of delegation, both financial and non-financial in relation to decision making.
- Examining Board composition, in particular reflecting the changes required due to the boundary transition period coming to an end and changes and requirements from Government including diversity.

- Reviewing the expectation on, and responsibilities of, the Vice Chair role and the subsequent implication for remuneration.
- Reviewing the Board recruitment process so this reflects best practice.
- Reviewing the monitoring framework for investments, and the processes and timelines for addressing failure to meet milestones and outputs, including consideration of the early identification of risks and mitigations at the outset of projects.
- Future proofing the Assurance Framework to allow us to launch new funds and act quickly to respond to Government expectations, anticipate future work on social value and a greater focus on outputs.
- Ensuring consistency with any future changes to the National Assurance Framework.

Timeline

Action	Date
Board to approve scope	October 2020
Audit Committee to consider initial proposals	November 2020
Board to discuss and agree proposals	January 2021
Accountable Body to approve updated Assurance Framework	February 2021
Board to approve updated Assurance Framework	March 2021
New Assurance Framework published	1 April 2021

Finance and Resources Committee Terms of Reference - Draft

1. Purpose

The Finance and Resources Committee is responsible for the oversight of the company's financial strategy and performance, and the effective use of the company's resources.

2. Accountability

The Committee is accountable to the Coast to Capital Board.

3. Responsibilities

Finance

The **Finance** responsibilities of the Committee are to exercise the powers and duties of the Board in respect of the financial administration of the company, except for those items specifically reserved for the Board and those delegated to the Chief Executive and other staff. In particular to:

- Advise on the company's Strategic Financial Planning, Investment Planning and Commercial Strategy Development.
- Review the Annual Budget prior to the start of each financial year and recommend it to the Board.
- Review the Budget each quarter, including in-year adjustments and advise on appropriate action as required.
- Agree financial policies, such as the Procurement Policy.
- Ensure there is proper and complete separation between decisions to purchase and the payment of suppliers.
- Approve changes to the Company bank mandate.

The Audit and Risk Committee is responsible for recommending the draft Year-end Financial Statements to the Board; however, members of the Finance and Resources Committee will be invited to the Audit and Risk meeting where these are discussed.

Resources

The **Resources** responsibilities of the Committee are to:

- Authorise permanent changes to the company's establishment.
- Review Board development and performance.
- Determine conditions of employment for Coast to Capital employees.
- Take decisions on pay awards for Coast to Capital employees.
- Provide oversight and accountability of the Chief Executive.
- To monitor major corporate projects as required.

- Ensure that there are annual independent checks of assets and the asset register.
- Authorise the sustainable disposal of individual items of equipment and materials that have become surplus to requirements, unusable or obsolete with an original purchase value of up to £5,000 and reporting such authorisations to the Board.

4. Membership / Appointment / Terms of Office

Membership includes:

- A Chair
- A Vice Chair
- At least one other Board Director
- At least one independent Member

The Chair and Vice Chair must be Board Directors.

Members of the Committee are appointed by the Board based on their skills and experience.

The Chair, Vice Chair and Board Director terms on the Committee run concurrent with their Board Director terms.

The term of an Independent Member is three years. On expiry an Independent Member shall be eligible for reappointment for up to two further three-year terms subject to approval by the Board. Independent Member appointment to the Committee is subject to the same due diligence checks as Board Directors as set out in the Assurance Framework.

Members of the Audit and Risk Committee cannot be members of the Finance and Resources Committee and vice versa.

The Coast to Capital Chief Executive is a non-voting member of the Committee.

The Accountable Body attends the Committee meetings.

5. Quorum

No business shall be transacted at any meeting of the Committee unless at least three of the members are present including the Chair, or in their absence, the Vice Chair.

6. Decision making

Decision making will be by consensus. Where it is not possible to achieve a consensus, the Chair will refer the decision to the Coast to Capital Board.

7. Conflicts of Interest

Members of the Committee are subject to the Coast to Capital Conflicts of Interest Policy as set out in the Assurance Framework. Committee meetings will operate in line with this policy.

8. Transparency

Committee papers and minutes are published in line with the requirements set out in the Assurance Framework.

9. Sub Groups

The Committee may establish such Working Groups and Task and Finish Groups as it deems necessary. However, overall accountability to the Board will remain with the Committee.

10. Duty to Collaborate

The Committee recognises that there will some cross over in objectives and activities with other Committee, in particular the Audit and Risk Committee and the Nominations Committee and will have due regard for this and the need to collaborate.

Audit and Risk Committee Terms of Reference - Draft

1. Purpose

The Audit and Risk Committee is responsible for overseeing the Coast to Capital Assurance Framework, Annual Audit Plan, External Audit and Risk Management process.

2. Accountability

The Committee is accountable to the Coast to Capital Board.

3. Responsibilities

The responsibilities of the Committee are to:

- 3.1 Oversee the Coast to Capital Assurance Framework and its compliance with the National Assurance Framework, ensuring company compliance.
- 3.2 Agree the Annual Audit Plan and oversee its delivery.
- 3.3 Review the draft Year-end Financial Statements and Annual External Auditor Report addressing any significant issues in advance of final recommendation to the Board for approval (Finance and Resources Committee members will be invited to attend the meeting where these are considered).
- 3.4 Make recommendation to the Board on the appointment of the Accountable Body and monitor the arrangements.
- 3.5 Oversee the Coast to Capital Risk Management process.
- 3.6 Recommend to the Board the appointment of the external auditors.

4. Membership / Appointment / Terms of Office

Membership includes:

- Chair
- Vice Chair
- at least two other Board Directors
- at least two independent members reflecting business and local government expertise

The Chair and Vice Chair must be Board Directors.

Members of the Committee are appointed by the Board based on their skills and experience.

Chair, Vice Chair and Board Director terms on the Committee run concurrent with their Board Director terms.

The term of an Independent Member is three years. On expiry an Independent Member shall be eligible for reappointment for up to two further three-year terms subject to approval by the Board. Independent Member appointment to the

Committee is subject to the same due diligence checks as Board Directors as set out in the Assurance Framework.

Members of the Audit and Risk Committee cannot be members of the Finance and Resources Committee and vice versa.

The Coast to Capital Chief Executive is a non-voting member of the Committee.

The Accountable Body attends the Committee meetings.

5. Quorum

No business shall be transacted at any meeting of the Committee unless at least three of the members are present including the Chair, or in their absence, the Vice Chair.

6. Decision making

Decision making will be by consensus. Where it is not possible to achieve a consensus, the Chair will refer the decision to the Coast to Capital Board.

7. Frequency of meetings

The Committee will meet quarterly. Two full meeting (June and November) and two risk focused meetings (September and February). Further meetings may be added at the Committee's discretion.

8. Conflicts of Interest

Members of the Committee are subject to the Coast to Capital Conflicts of Interest Policy as set out in the Assurance Framework. Committee meetings will operate in line with this policy.

9. Transparency

Committee papers and minutes are published in line with the requirements set out in the Assurance Framework.

10. Sub Groups

The Committee may establish such Working Groups and Task and Finish Groups as it deems necessary. However, overall accountability to the Board will remain with the Committee.

11. Duty to Collaborate

The Committee recognises that there will some cross over in objectives and activities with other Committees, in particular the Finances and Resources Committee and will have due regard for this and the need to collaborate.

Board Sponsor Objectives 2020/21

Transport and Aviation Sponsor

Coast to Capital has a number of Board Director 'Sponsors' for various key sector/priority areas for the organisation. The level of availability to discharge their duties in relation to being a Sponsor will vary from one Director to another. Sponsors will act in line with the Coast to Capital Conflicts of Interest Policy at all times and give this due consideration in undertaking their Board Sponsor Objectives.

General Objectives

- Increase the knowledge and understanding of the Coast to Capital team by sharing sector/priority area information and expertise with the LEP executive team and officers.
- Promote the LEP and its Stronger, Smarter, Greener recovery strategy by representing the LEP on the sector/priority area at external meetings and events, in particular in relation to Government engagement.
- Progress the objectives in Stronger, Smarter, Greener by championing the sector/priority area.
- Help accomplish the vision by contributing to Coast to Capital's policy and strategy development in relation to the sector/priority area.
- Influence Government strategy and policy by contributing to and signing off consultation responses (with delegated authority) relevant to the sector/priority area.
- Support the successful delivery and implementation of key projects by providing strategic leadership and expertise as appropriate (specific to project sponsors).

Sponsor Specific Objectives – Transport and Aviation

- Provide transport sector input to Coast to Capital's strategic recovery planning and Smarter, Stronger, Greener implementation, in particular in relation to the 'enabling' priorities including Transport for the South East (TfSE) and the Brighton Mainline Croydon Area Remodelling Scheme.
- Provide transport sector expertise to support Coast to Capital decisions with significant transport elements.
- Represent Coast to Capital on the Shadow Transport for the South East (TfSE) Board and influence relevant TfSE decisions at the Shadow TfSE Board (in consultation with the Coast to Capital Chief Executive) to promote the objectives in Smarter, Stronger, Greener.
- Represent Coast to Capital and contribute expertise to the various TfSE forums, study groups and working groups, as appropriate.
- Represent Coast to Capital as speaker or participant in TfSE consultation, political or public relations events.
- Represent Coast to Capital and the road transport sector at the Gatwick Air Rail Partnership Board.
- Represent Coast to Capital in relevant aviation industry matters and events that are of significance to Gatwick Airport's role in the Coast to Capital economy.

Coast to Capital Nominations Committee - Terms of Reference

1. Purpose

The Nominations Committee is responsible for Coast to Capital Board recruitment and reappointment including the Chair, Vice Chair, Chief Executive, Private Sector Directors and Co-opted Directors.

2. Accountability

The Committee is accountable to the Coast to Capital Board.

3. Responsibilities

The responsibilities of the Committee are to act in accordance with the Coast to Capital Articles and Assurance Framework to:

- 3.1 Scrutinise, select and recommend to the Board the appointment of the Coast to Capital Chair.
- 3.2 Scrutinise, select and recommend to the Board the appointment of the Coast to Capital Vice Chair.
- 3.3 Scrutinise, select and recommend to the Board the appointment of the Coast to Capital Chief Executive.
- 3.4 Scrutinise, select and recommend to the Board the appointment of Private Sector Board Directors and co-opted Directors (unless the Board decides otherwise).
- 3.5 Recommend to the Board the single extension of the term of office of the Coast to Capital Chair or Vice Chair.
- 3.6 Recommend to the Board the extension of the term of office of Private Sector Board Directors.

In recommending appointment/re-appointment to the Board the Committee shall give due regard to the Coast to Capital Diversity Statement.

4. Membership / Appointment / Terms of Office

The Nominations Committee is appointed by the Board to form a diverse and balanced representation from the public and private sectors represented on the Board. The Nominations Committee shall constitute no less than four Directors as per the Articles.

The Board will appoint one of the four Directors as Chair of the Nominations Committee who will report to the Board. The Board will also appoint a Vice-Chair from among the members of the Nominations Committee who may act in the event the Chair is unable to do so.

The Coast to Capital Chair will Chair the Nominations Committee established to appoint the Vice Chair and Chief Executive. The current Chair may not sit on the Nominations Committee established to appoint their successor but will be involved in an advisory capacity. The Coast to Capital Chair may be appointed to the Nominations Committee established to appoint Board Directors and Co-opted Directors.

The Chief Executive may not sit on the Nominations Committee established to appoint their successor or the Chair. They may be involved in the appointment of the Chair in an advisory capacity. The Chief Executive may be appointed to the Nominations Committee established to appoint the Vice Chair, Board Directors and Co-opted Directors.

The Nominations Committee may from time to time appoint persons from the business community to assist it in the selection of the Chair, provided that such appointed persons do not comprise more than one third of the number of the Nominations Committee. The Nominations Committee may also seek specialist advice from the business community (in addition to any appointed persons).

Members of the Committee are appointed for the duration of a specific recruitment campaign and agreed by the Board. Each time the Nominations Committee is established, at least one new member should be appointed.

A representative from the Accountable Body is invited to attend the meetings to ensure a robust and impartial process.

5. Quorum

No business shall be transacted at any meeting of the Committee unless three Board Directors are present, one of whom shall be a Private Sector Director and one of whom is either the Chair or Vice-Chair.

Decisions shall be made by a majority in attendance and voting at the meeting. In the event of an equality of votes on either side, the Chair shall have a second or casting vote and may use their casting vote even where they have not used their first vote.

6. Decision Making

The Nominations Committee is held in private.

Having due regard to the requirements of the Assurance Framework and Articles and following scrutiny, interview and selection of the eligible applicant/s, the Nominations Committee makes a recommendation to the Board which makes the final decision.

7. Frequency of Meetings

Committee meetings will be held as required.

The Committee may hold some meetings by telephone or by using electronic communication should this be necessary.

8. Conflicts of Interests

Members of the Committee are subject to the Coast to Capital Conflicts of Interest Policy as set out in the Assurance Framework. Committee meetings will operate in line with this policy.

9. Transparency

Minutes from the meetings are not published but will be shared with the Board on a confidential basis.

10. Sub Groups

No Working Groups or Task and Finish Groups are required to support the purpose of this Committee.

11. Duty to Collaborate

The Committee will have due regard for the need to collaborate with other Committees.

Coast to Capital Local Enterprise Partnership Assurance Framework

January-April 20202021

Version **87**

Contents

Title	Page
Contents	
Version Control	
1. Introduction	
1.1 Coast to Capital Local Enterprise Partnership	
1.2 Our Area	
1.3 Our Funding	
1.4 Our Assurance Framework	
1.5 Our Principles	
2. Our Strategy	
2.1 Our Vision	
2.2 Our Priorities Approach	
2.3 Our Local Industrial Strategy Build Back Stronger, Smarter, Greener	
2.4 Our Engagement with Partners and the Public	
2.5 Our Collaboration with Other LEPs	
3. Our Governance	
3.1 Our Governance at a Glance	
3.2 Our Board	
3.3 Our Policies	
3.4 Our Committees	
3.5 The Operation of our Executive Team	
3.6 Our Accountable Body	
4. Our Investments	
4.1 Our Funding, Programme and Schemes	
4.2 Our Accountability for Public Funding	
4.3 How we make Decisions on Grant and Loan Distribution	
4.4 Project Monitoring	
4.5 Action to Recover Funds	
4.6 Achieving Value for Money	

Commented [KN1]: To be updated at the end

Commented [KN2]: Recommendation – this section will be re-written and put to Investment Committee to approve in the first instance.

Annexes

Annex	Title	Page
A	Agreement between Coast to Capital and London LEP in relation to the London Borough of Croydon	
B	Agreement between Coast to Capital and South East LEP in relation to Lewes District	
C	Local Industrial Strategy Programme Group Terms of Reference	
D	Coast to Capital Conflicts of Interest Policy	
E	Coast to Capital Gifts and Hospitality Policy	
F	Chair's Committee Finance and Resources Terms of Reference	
G	Audit and Risk Committee Terms of Reference	
H	Joint Committee Terms of Reference	
I	Investment Committee Terms of Reference	
J	Growing Places Committee Terms of Reference	
K	Skills 360 Board Terms of Reference	
L	Business Services Committee Terms of Reference	
M	Growth Grant Appraisal Panel Terms of Reference	
N	EU Structural and Investment Funds (ESIF) Committee	
O	Executive Committee Terms of Reference	
P	The Transport Assurance Framework	
Q	How funding decisions are made and how we monitor projects	
R	Financial Controls Policy	
S	Complaints Policy (including Confidential Complaints Procedure)	
T	Whistleblowing Policy	
U	Anti-Fraud and Anti-Bribery Policy	
V	Code of Conduct	
W	Declaration of Interest	

Commented [KN3]: To be removed – as transition period will be over

Commented [KN4]: To be removed – as transition period will be over

Commented [KN5]: To be replaced with Stronger Smarter Greener Governance agreed by the Board

Commented [KN6]: Recommendation: to replace with Finance and Resources Committee

Commented [KN7]: In scope of review

Commented [KN8]: In scope of review

Commented [KN9]: Recommendation: To be removed – and business services governance reviewed

Commented [KN10]: To be updated in line with new Business Recovery Grant process

Commented [KN11]: In scope of review

Commented [KN12]: In scope of review

Commented [KN13]: To add new Procurement Policy

Coast to Capital website: <http://www.coast2capital.org.uk>

Version Control

Version	Reason for update	Publication date
V8	Updated following a Governance Review in line with our annual review of the Assurance Framework	April 2021
V7	Updated to respond to annual review of Assurance Framework	January 2020
V6.3 - 2019	Compliant with 'National Local Growth Assurance Framework' (January 2019) – Signed off by Accountable Body and Board	March 2019
V6.2 - 2019	Draft version shared with Board members and updated with feedback	-
V6.1 - 2019	Draft version reviewed by Accountable Body	-
V6 – 2019	Updated to comply with 'National Local Growth Assurance Framework' (January 2019) – Draft for Board consideration	-
V5 – 2018	Updated to comply with 'Local Enterprise Partnership governance and transparency: best practice guidance' (January 2018)	February 2018
V4 – 2017	Final version 2017	February 2017
V3 – 2016	Draft version produced to comply with 'Local Enterprise Partnership National Assurance Framework' (November 2016)	November 2016
V2.1 - 2016	Updated for 2016	March 2016
V2 – 2015	Final version 2015	March 2015
V1 – 2015	Draft version produced for Growth Deal 2015	January 2015

1. Introduction

1.1 Coast to Capital Local Enterprise Partnership

Coast to Capital is one of 38 Local Enterprise Partnerships (LEPs) across England. ~~= but the only one lucky enough to be responsible for driving the economic growth and sustainable success of this beautiful, vibrant and exceptionally well connected region.~~

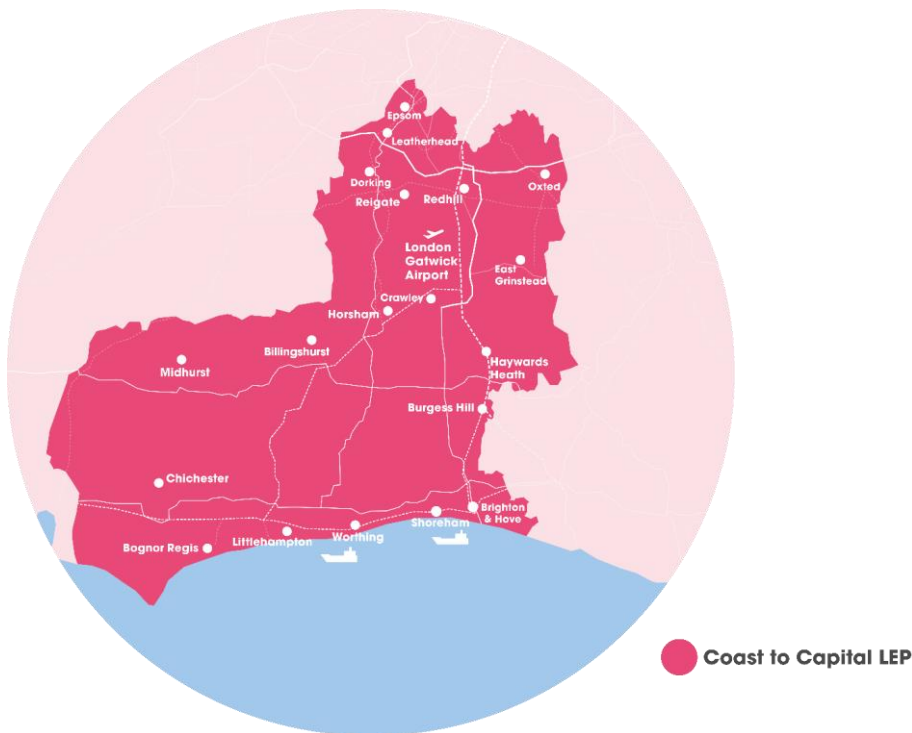
As a LEP, we are here to provide strategic leadership, connect business with support and act as a catalyst for transformational change. As an ambitious and professional business-led collaboration between the private, public and education sectors, we work in partnership to deliver a successful strategy for economic growth.

1.2 Our Area

~~The Coast to Capital region has long been the UK economy's unpolished gem. Unprecedented global connections, enviable links into the heart of London, one of the world's greatest cities, and home to the most entrepreneurial coastal city region in the country.~~

~~The Coast to Capital area does not fit the template. Rather than a single identifiable city region, it is a network of functional economic hubs around Gatwick airport which is the most important asset in our area.~~

~~The economic hubs of Greater Brighton, West Sussex and East Surrey each have their own distinct sense of identity, offering a powerful draw for businesses, entrepreneurs and visitors from London, across the UK and the rest of the world.~~



As Croydon is a gateway between our region and London, Croydon Council and the London LEAP continue to be a key strategic partner. In recognition of the wider Greater Brighton area which includes Lewes and Newhaven we work closely with Lewes District Council and the South East LEP.

We have a formal strategic relationship with the London LEP in relation to Croydon as it is fundamental to the economic success of the growth corridor from Gatwick airport to London. Our agreement with the London Economic Action Partnership (LEAP) on activity in relation to Croydon can be found in Annex A.

We also have a formal relationship with the South East LEP in relation to Lewes as it is a vital part of the economy of Greater Brighton. Our agreement with the South East LEP on activity in relation to Lewes can be found in Annex B.

1.3 Our Funding

We prepare our annual budget so that there is transparency to our funders, partners and the public about how we use our funding. Our budget is published in our Business Plan each year which is available on our [website](#). Our activities and expenditure fall into four categories which includes core, investment, contracted and discretionary expenditure.

Commented [KN14]: To update in line with comments from the Finance Review

- **Core** - includes provision for our corporate affairs function including the Chief Executive, Governance, Board and Accountable Body services. It also includes the administration of the office and corporate overheads, and our business engagement and communication function. This is funded by our Core Grant from Government and contributions from our Local Authority partners.
- **Investment** - includes provision for the costs of administering and scrutinising the Local Growth Fund (LGF), Growing Places Fund (GPF) and the Growth Grant Programme (GGP). LGF and Growth Grants are fully capitalised and we receive commercial revenue from our Growing Places Fund.
- **Contracted** - includes provision for delivering services for Government such as the Growth Hub, Enterprise Advisor Network and our European Structural Funds. We receive grants to fully fund the Growth Hub and part fund the Enterprise Adviser Network (50%) and our European work (around 50%).
- **Discretionary** - includes provision for delivering our Policy & Strategy work including the Strategic Economic Plan (SEP) and Local Industrial Strategy (LIS).

Coast to Capital is a company limited by guarantee (company number 08166412) and our accounts are published on Companies House and our website. We also include a financial statement each year in our Annual Report which is published on our [website](#) and includes the total:

- amount of funds within the LEP's direction or control at the start and end of the financial year¹;
- amounts committed by the LEP to external organisations through grants and risk finance (loans, equity, guarantees and quasi-equity);
- amounts committed to suppliers to purchase goods, works or services; and
- amounts incurred in running the LEP (for example salary costs, lease payments and expenses).

The financial statement includes a link to our accounts on the Companies House website. We also provide a link to the Accountable Body accounts on our website.

1.4 Our Assurance Framework

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 scrutiny, audit, transparency, probity and professionalism in the way that we conduct business.

Coast to Capital's governance and assurance mechanisms have been designed to be compliant with the Government's National Local Growth Assurance Framework and

¹ This shall include money committed to the LEP but paid into the Accountable Body's bank account to be invested at the LEP's direction, any commercial funds which it has generated and legacy funds generated from investments, but not including the value of any assets which it holds. It shall also not include funds which the LEP has a role in allocating but does not currently commit such as European Structural and Investment Funds.

follows its guidance in relation to best practice in the way we run our organisation and make our decisions. This demonstrates our absolute commitment to public accountability. 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. 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 published on the Governance page of our [website](#) and reviewed annually. It is updated in line with any changes to the National Local Growth Assurance Framework. We notify the Ministry of Housing Communities and Local Government (MHCLG) if we are considering any significant changes to our Assurance Framework.

This document focuses on 'how' Coast to Capital operates rather than what it does. The Coast to Capital website www.coast2capital.org.uk contains full and up to date details on our activities.

1.5 Our Principles

Transparency and accountability is at the heart of everything we do and fundamental to our culture as an organisation. This section details our commitment to transparency.

Transparency

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).

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.

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.

Therefore, papers and minutes for the Board and any Committees which involve discussions, recommendations or decisions about public money will be published; however, commercially sensitive information may be redacted. We are committed to meeting the timelines below:

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

The Board and Committees will make decisions on merit having taken into account all of the relevant information available at the time of evaluation. Any decision is that is made in contravention of the processes set out in the Assurance Framework will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision making process.

Commitments

Our Board Members and Officers demonstrate the highest standards of conduct when carrying out their responsibilities and have regard to the following principles in their work. Our Board Members and Officers are committed to:

- Acting solely in the public interest in line with the Nolan principles; making decisions purely on merit, in accordance with agreed LEP processes and act with regularity and propriety when managing public money;
- Keeping records which demonstrate they meet all their legal obligations and all other compliance requirements placed upon them ensuring these are accessible if requested;
- Actively cooperating with stakeholders and other regeneration organisations, including other LEPs. This involves engaging deliberately and constructively with all stakeholders and partners in order to collect information which can be factored into decisions;
- Ensuring partnership working and engagement on projects or decisions which are likely to have an effect across LEP borders or significantly affect the plans of another LEP;
- Championing successes within their communities, including bringing to the attention of Government local growth projects which should be recognised as innovative or examples of best practice and ensuring that stakeholders are able to make informed decisions on local growth matters;
- Championing diversity and operating in line with our Diversity Statement, including reporting to the Board on progress and how improvements can be made at each Board meeting and nominating a Diversity Champion; and
- Working with LEP Network.

2. Our Strategy

Coast to Capital produces an economic strategy for the region which we call the Strategic Economic Plan (SEP). We published our ambitious new Strategic Economic Plan, 'Gatwick 360', in July 2018 which is available to download on our website. Following this, we undertook extensive research, analysis, and stakeholder engagement to prepare a Local Industrial Strategy. This put us in an extremely strong position to prepare a recovery strategy following the pandemic in 2020. We were pleased to publish 'Build Back Stronger, Smarter, Greener' in September 2020. These strategy documents and our evidence base can be found on our website.

2.1 Our Vision

Our vision is to build back stronger, smarter and greener – working with our partners to make a difference to people and places and ensuring that our region is a fantastic place to live, grow and succeed. Our vision by 2030 is for our towns and cities to be known around the world as fantastic places to live, to grow and to succeed. We will become the most dynamic non-city region in England, centred around a highly successful Gatwick airport.

2.2 Our Priorities Approach

Our SEP identifies eight economic priorities:

- Deliver prosperous urban centres;
- Develop business infrastructure and support;
- Invest in sustainable growth;
- Create skills for the future;
- Pioneer innovation in core strengths;
- Promote better transport and mobility;
- Improve digital network capability; and
- Build a strong national and international identity.

The implementation of Gatwick 360 is overseen by a Programme Group alongside the negotiation of our Local Industrial Strategy (see below). The Local Industrial Strategy Programme Group Terms of Reference can be found in Annex C.

Coast to Capital produces an annual Business Plan which explains what we aim to do in order to deliver our vision and priorities. Our Business Plan is published at the start of each financial year on our website.

Government has confirmed that LEPs should focus their activities on the following four activities:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action

needed to boost productivity, earning power and competitiveness across their area.

- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

Commented [KN15]: To consider the inclusion of these and position. Government to provide an update.

2.3 ~~Our Local Industrial Strategy~~Build Back Stronger Smarter Greener

~~Coast to Capital is in Wave 3 of the development of Local Industrial Strategies which began in December 2018. Through extensive local consultation with businesses, public partners and civil society, we will build on the unique local strengths identified in Gatwick 360 to ensure our area reaches its economic potential through increased productivity.~~

~~Our Local Industrial Strategy will promote the coordination of local economic policy and national funding streams and establish new ways of working between national and local government, and the public and private sectors.~~

Commented [KN16]: To update with latest status position nearer publication.

2.4 Our Engagement with Local Partners and the Public

Strategy development is led by our Strategy & Policy team. We are committed to consulting and deliberately and constructively engaging with key stakeholders on everything that we do, in particular strategy development. This includes:

- Our Board
- Area Partnerships
- Private sector stakeholders
- County and Local Authorities
- Government departments
- Subnational bodies
- Third sector representatives
- Community interest groups
- Universities and research institutions
- Further education stakeholders
- Other LEPS
- Task and Finish groups as required
- Public consultation (via our website)

Our Communications Framework guides the work we do to communicate our work to local partners and the public which also includes how we inform them of future strategy development. This Framework is available on request and includes up to

date website information, marketing strategies including social media, monthly newsletters, press releases and targeted communications.

2.5 Our Collaboration with other LEPs

Our economic interests are served by identifying as part of the wider South East region, across Local Enterprise Partnership boundaries. We value our relationships with our LEP partners and are currently working successfully as part of ~~Innovation South~~, Transport for the South East and ~~the developing a Local Energy Strategy with the~~ Greater South East Energy Hub. Up to date information on these partnerships and related strategies can be found on our website.

Commented [KN17]: Deleted detail below and referred to website information instead so we can keep this up to date.

We engage bilaterally with our partner LEPs and are also part of ~~the 'Southern LEPs Catalyst South' group~~ which brings together LEPs across the wider South East to identify areas for collaboration and to maximise the impact of our engagement with Government. The following LEPs make up the 'Southern LEPs': Coast to Capital, Enterprise M3, Hertfordshire, Solent, South East and Thames Valley Berkshire LEP are members of Catalyst South.

- ~~Coast to Capital;~~
- ~~Enterprise M3;~~
- ~~Hertfordshire;~~
- ~~Solent;~~
- ~~South East; and~~
- ~~Thames Valley Berkshire.~~

~~Innovation South~~

~~A consortium of more than 100 organisations spanning six LEPs and eight counties, including businesses, industry and partners from across the private and public sectors, promoting opportunities for investment in the South of England. The principal remit of Innovation South was to deliver a Science and Innovation Audit. This audit identified the Innovation South area's strengths in particular digital enabling technologies applied in four key sectors; Connected Digital, Advanced Engineering, Biosciences and Marine & Maritime.~~

~~The following LEPs make up the Innovation South area:~~

- ~~Coast to Capital;~~
- ~~Dorset;~~
- ~~Enterprise M3;~~
- ~~Thames Valley Berkshire;~~
- ~~South East LEP; and~~
- ~~Solent.~~

~~Innovation South is currently not undertaking any live projects.~~

Transport for the South East

~~A partnership of local Highways Authorities and LEPs working closely with national Government to secure future prioritisation of and investment in the South East region's transport needs and ambition. Transport for the South East intends to become a statutory body.~~

~~The following LEPs make up the Transport for the South East area:~~

- ~~• Coast to Capital;~~
- ~~• Enterprise M3;~~
- ~~• Thames Valley Berkshire;~~
- ~~• South East LEP; and~~
- ~~• Solent.~~

~~The LEPs have two voting seats on the Shadow Partnership Board through which they represent the five LEPs. A Coast to Capital Board Member currently holds one of two LEP voting seats. Full details of the Shadow Partnership Board Members can be found on the Transport for the South East website.~~

~~Greater South East Energy Hub~~

~~Coast to Capital, Enterprise M3 and South East Local Enterprise Partnership have published a local energy strategy that will help to identify a pipeline of energy projects across the area for potential investment through the Greater South East Energy Hub. A tri-LEP Strategic Energy Delivery Group will be established as local governance to oversee delivery of the strategy. This group will feed into the respective LEP Boards and engage with the Energy Hub.~~

~~The Energy Hub is a wider sub-regional body comprising 11 LEPs with the Department for Business, Energy and Industrial Strategy (BEIS). Coast to Capital has a seat on the Energy Hub Partnership Board.~~

Collaborative Working

~~In addition to our formal collaborative arrangements in relation to Croydon and Lewes, w~~
We are committed to working with other LEPs to maximise the impact of our strategy and investment across local geographies. We engage with other LEPs on projects and decisions which are likely to have an effect across our boundaries. Our collaborative activity and opportunities for collaboration is reported to the Board as appropriate at each meeting as part of the Chief Executive report.

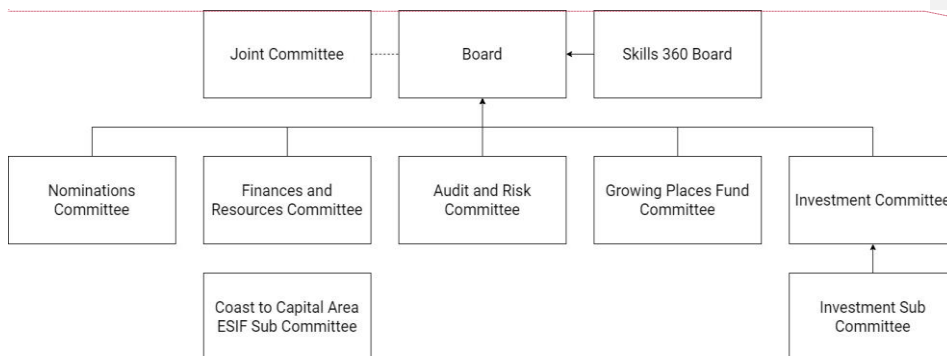
Coast to Capital is also committed to working with the LEP Network to discuss issues of shared importance as a sector, engage with Government, and share knowledge and good practice.

Commented [KN18]: To update in line with approach to project development in relation to SSG once this has been confirmed.

3. Our Governance

3.1 Our Governance at a Glance

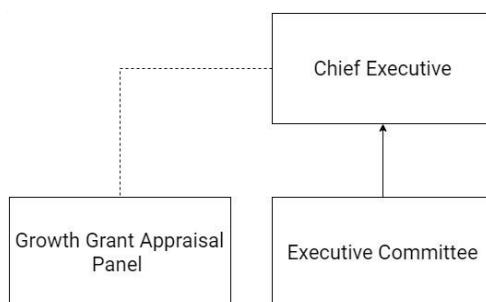
The Board governs our organisation and takes the key strategic decisions to determine our strategic direction and our region's strategic economic plan. The Board delegates certain responsibilities and authority to its Committees. These report back into the Board and operate at a more operational level ensuring that there is oversight and governance around the day to day running of the LEP.



Commented [KN19]: Recommendation: see new Governance structure

-also need to consider new Services Governance proposals in development

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 the senior leadership team. Operational teams are organised around three separate areas of work, Strategy & Policy, Investments and Services which are all supported by the Communication & Corporate Affairs team. ~~We are now structuring our work around the eight priorities identified in our Strategic Economic Plan and the work required to negotiate a Local Industrial Strategy.~~



Commented [KN20]: Recommendation: see new structure

3.2 Our Board

Coast to Capital has a Board of Directors (the Board) comprising:

- the Chair who is drawn from the private sector;

- the Vice Chair who is drawn from the private sector;
- the Chief Executive;
- ~~eight~~ ten Directors drawn from the private sector;
- three Directors drawn from local authorities;
- two District Council Directors;
- a Director from further education; and
- a Director from higher education.

~~We also have a Local Authority Board Member for Croydon and a Business representative Board member for Croydon in line with our strategic relationship with the London Economic Action Partnership (LEAP). The Local Authority Member is the Leader of Croydon Council and the business representative is recruited in the same way as Board Directors with a term of two years. These two Members have the same rights as other Board members and will be reviewed at the end of the boundary change transition period (April 2021).~~

The composition of the Board is in accordance with the Government guidance that the maximum number of Directors should be 20.

We are also able to appoint up to three persons as co-opted Directors for their specific skills and expertise and to bring diversity to the Board for a term length of one year. Any persons so co-opted will be required to adhere to the same standards as Business Board Directors.

A named Board Member represents and engages with the Small and Medium Enterprise (SME) business community as our SME Champion. Details of Board Members and their specific roles, including our SME Champion and Equality and Diversity Champion within Coast to Capital, are set out on our website. We have also identified Board Sponsors for key sector/priority areas. These are also set out on the website.

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.

Board Members must live and/or work in the Coast to Capital area or have strong connections to the area.

Accountability

[To determine]

Board Remuneration Policy

All Board Director roles as described above, but with the exception of the Chief Executive and Chair are non-remunerated.

Commented [KN21]: Recommendation: Croydon members to leave the Board at the end of March. Engagement relationship with Croydon developed. Posts transferred to private sector Directors posts.

Commented [KN22]: Expand on co-opted Directors. Add in detail on how we use Independent Members on our Committees.

Commented [KN23]: To describe fully as part of the review.

The Chief Executive is paid a salary which reflects market rate for the role. This is set in consultation with recruitment advisors, reflecting market rates for equivalent roles including in Local Government. The pay rate is reviewed periodically, most recently in January 2018. The Chief Executive is not eligible for a bonus. The salary is adjusted annually in line with the Coast to Capital pay settlement, which is agreed by the [Chair's Finance and Resources](#) Committee.

The Chair ~~role became remunerated in August 2020 currently set at £20,000 per annum. This is flat for three years after which it will be reviewed. will become a paid role from July 2020 and as such, our Board Director Remuneration Policy is under review.~~

~~Excluding the two Croydon representatives, Board Members must live and/or work in the Coast to Capital area or have strong connections to the area.~~

Diversity Statement

Commented [KN24]: To be updated as part of review

Coast to Capital is an inclusive organisation that values and promotes diversity. We work across a diverse and vibrant region and believe that our impact is enhanced through championing inclusion and reflecting the dynamic businesses and communities that we support. Diversity fosters growth and innovation and is integral to the delivery of our strategy.

We meet the current requirement that at least one third of our Board Members are women. We are also committed to equal representation of men and women on our Board by the end of the 2022-2023 financial year. A named Member of the Board is our Diversity Champion which is set out on our website.

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 as a key requirement of filling vacant posts. Diversity considerations are an integral part of our Board and Committee recruitment processes, from advertisement to interview and subsequent appointment. Our Committees will be reviewed annually to ensure they are reflective of the local population with guidance from our Diversity Champion.

A report on diversity will be provided in the Chief Executive Report at every Board meeting. This will include a progress update and recommendations about how improvements can be made.

Our Board papers consider diversity implications across all our projects and programmes. Ensuring diversity in our engagement with local communities and businesses is a key part of our engagement plans in relation to our Local Industrial Strategy. Our approach to engagement will be kept under review and reported to the Board.

We publish an Equality and Diversity policy which can be found on our [website](#) and includes more detail on how we operate in line with the commitments above.

Our Chair

Our Chair's responsibilities are to:

- Provide leadership and set the strategic direction of Coast to Capital - to ensure the development and implementation of our strategy to promote economic growth in the area
- Being a champion at a national level through the LEP Network and Ministerial engagement, and at the South East level through the Catalyst South Chairs Group
- Be a figurehead for the wider regional business community and our partners, demonstrating an understanding of the economy and building traction on the issues raised to support and attract business growth
- Advocate for the economic, commercial and demographic issues facing the area, particularly strengths and opportunities that should be taken to drive forward economic growth
- Chair the Board of Directors meetings
- Take a leading role in determining the structure of the Board and leading the appointment of Board Members and the Vice Chair
- Work collaboratively with the Board and executive team to build a strong organisation based on best practice from the Private Sector
- Ensure that Coast to Capital is run in a transparent and accountable way, in compliance with the Assurance Framework and adhering to the seven Nolan Principles of public life
- Be the line Manager for the Chief Executive and provide support, advice and challenge to them
- Ensure that relevant, accurate, timely and clear information is provided to the Board through the executive team in order to make sound decisions, monitor issues and provide advice. In particular in relation to setting priorities, developing plans, monitoring performance, managing risks and ensuring that there are enough resources available
- Contributing to the development of an effective private, public and education sector partnership to achieve practical outcomes with a consensual approach
- Attending and chairing working groups and other meetings on specific issues and engaging with stakeholder groups and forums such as Transport for the South East or seek nominations from others to do so
- Declare any interests that may be relevant to any Coast to Capital decisions and comply with the Code of Conduct and relevant policy
- Represent Coast to Capital at high profile events including speaking opportunities
- Understand and commit to Coast to Capital's Equality and Diversity aspirations and policy

The Chair may be a member of Coast to Capital Committees and provide contributions and expertise; however, they would not be expected to Chair any Committees.

Commented [KN25]: Updated in line with Chair job description.

Commented [KN26]: Added as requested by Chair.

- Provide leadership in setting the strategic direction of Coast to Capital and being a champion at a national level through the LEP Network and Ministerial engagement;
- Chair the Board of Directors meetings and the Chair's Committee;
- Take a leading role in determining the structure of the Board and leading the appointment of Board Members and the Vice Chair;
- Work collaboratively with the Board to build a strong organisation based on best practice from the Private Sector, fostering positive relationships with the Board and ensuring that Coast to Capital is run in a transparent and accountable way, in line with the Assurance Framework and adhering to the seven Nolan Principles of public life; and
- Provide support, advice and challenge to the Chief Executive and ensure that relevant, accurate, timely and clear information is provided to the Board through the executive team in order to make sound decisions, monitor issues and provide advice.

Our Vice Chair

Our Vice Chair's responsibilities are to:

- Support the Chair to deliver their duties; and
- Deputise for the Chair at Board and other meetings as required as a proxy, also in instances when the Chair is conflicted;
- Support the Chief Executive with operational matters and key relationships;
- Foster positive working relationships amongst Board members and exemplify Board member behaviour and input;
- Attend Coast to Capital Board and Chair's Committee meetings and provide support to Board members and Committees as required;
- Foster positive working relationships amongst Board members and exemplify Board member behaviour and input;
- Act as an ambassador and champion for Coast to Capital, engaging in projects which require Board member leadership;
- Advise the Coast to Capital Chief Executive Team and support strategy development; and
- Ensure that the LEP acts in a transparent, efficient and effective way.

Commented [KN27]: Recommendation: further work will be undertaken to inform the VC job description

Our Business Directors

As a business-led organisation our success depends on the strength of our Business Directors and we are committed to promoting strong business sector representation on the Board. Through our recruitment processes and succession planning we ensure that we have business representation which is reflective of the culture and diversity of our area and businesses.

At least two-thirds of the Board must be representatives from the private sector. A Private Sector Director must be or have been employed by an organisation not

including Central Government, Local Government or a public corporation as defined for the UK National Accounts Sector Classification. Those from Higher Education or Further Educational Institutions are not classified as public sector organisations for this purpose.

Our ~~Local Authority~~Public Sector Directors

The Board is directly accountable to the public through the ~~four~~three democratically elected directors drawn from ~~the upper tier and unitary authorities in our area~~local authorities. Our ~~Local Authority~~Public Sector Directors are the Leaders of Surrey County Council, West Sussex County Council ~~and~~, Brighton and Hove City Council ~~and Croydon Council~~.

There are two District Council Directors on the Board. One representing the District and Boroughs of the area around Gatwick and one representing the Districts and Boroughs across the coastal strip. The role of these representatives is to promote the voice of the Districts and Boroughs and support the delivery of the Coast to Capital mission. Both Directors are appointed by the Chair following a nomination by the Districts and Boroughs they represent. Unless they cease to be the nominated members of their respective authorities prior to the end of the term/s, they will serve a term of two-years with the possibility of serving a further one-year term following approval by the Districts and Boroughs they represent and the Chair. The District Council representatives are also the Chair and Vice Chair of the Joint Committee to ensure continuity and consistency of engagement.

Our FE and HE Directors

There is one Further Education Director and one Higher Education Director on the Board. The role of these Directors is to promote the voice of the education sector to support the delivery of the Coast to Capital mission.

The Further Education Director is appointed by the Coast to Capital Board following a nomination by the Principals in the Coast to Capital area.

The Higher Education Director is appointed by the Coast to Capital Board following a nomination by the Chancellors / Vice Chancellors of the Universities in the Coast to Capital area.

Board appointment process

Board members drawn from the private sector are appointed through public advertisement against a role profile and person specification and are interviewed by the ~~Chair's~~Nominations Committee with appointment recommendations being made to the full Board. Appointments to the Board are made by decision of the Board.

Co-opted Board Directors are chosen for their unique and specific experience and are appointed in the same way as a private sector Board Directors s (unless the Board decides otherwise).

Commented [KN28]: Updated to bring in line with Articles.

The Chair and Vice Chair of the Board is appointed by recommendation of the Nominations Committee following open advertisement and consultation with business, to the Board which makes the final decision.

~~The Vice Chair is appointed by recommendation of the Nominations Committee following open advertisement and consultation with business, to the Board which makes the final decision.~~

The appointment of any new director to the Board must be by a majority vote in favour.

The Nominations Committee Terms of Reference can be found in Annex X.

~~The Nominations Committee is 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 private.~~

Director Due Diligence Checks

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:

- Reference checks from two suitable referees;
- Director disqualification and bankruptcy checks;
- Other Directorships checks; and
- A press check.

Where we are legally permitted to do so we will undertake Disclosure and Barring Service checks for unspent criminal records as required.

The results of these checks will be provided to Board Members before consideration of the new director's appointment to the Board.

Board Resignation

The arrangements for the resignation of Board Members is set out in our Articles which can be found on our website.

Board Member Duties and Capability

Every Board Member is bound by the legal duties of Directorship under the Companies Act 2006. These include acting in the interest of the LEP as a company and avoid conflicts of interest in conducting LEP company business. Board Members have to adhere to the seven principles of public life, also known as the Nolan Principles. All Board Members are required to sign an undertaking to abide by the Nolan Principles as part of our Code of Conduct.

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.

Terms of office

The period of appointment of a Private Sector Director is three years. On expiry a Private Sector Director shall be eligible for re-election for up to two further three-year periods subject to the recommendation of the ~~Chair's Nominations~~ Committee and approval of the Board.

The Chair and Vice Chair's terms of office will run for three years from their appointment with the potential to renew for one further term of a maximum of three years in exceptional circumstances and upon a recommendation from the Nominations Committee to the Board ~~for the Chair and upon a recommendation from the Chair's Committee to the Board for the Vice Chair~~. Final agreement to renew must be from a Board majority.

The period of appointment of a co-opted Director shall be one year in line with Government guidance.

Unless they cease to be employed by one of the nominating organisations prior to the end of the term, the Further Education Director and Higher Education Director will serve a maximum term of three-years with no option for re-appointment.

Deputies

Local Authority Directors (excluding District Council Directors) and Higher Education Directors are able to nominate a named Deputy to attend a Board meeting if they are unable to attend. Such nominations shall be notified by the Director to the Chief Executive and Governance Officer in advance. On nomination and prior to attending any meeting in the role of Deputy, the their Deputy must complete a Declaration of Interest Form and submit the completed form to the Chief Executive in accordance with Coast to Capital requirements. When acting in the role of Deputy, the Deputy so nominated shall comply with all duties and have the same rights as the Director that they are deputising for. The interests declared by the named Deputy and any expenses incurred by the Deputy in performance of the role on Coast to Capital shall

be included on the register/s maintained and published by Coast to Capital for these purposes.

Decision making on the Board

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); and
- Accountable to HM Government for full delivery of the Growth Deal.

In the absence of a formal Board meeting the process for allowing decision by exception will be for the Executive to request approval via email. Board approval will be confirmed by the executive receiving a majority of positive responses to the proposal via email. These emails will be recorded and saved centrally. Exceptions include decisions which need to be taken urgently outside of the formal meeting timetable, however decisions on the award of funding will not be taken outside the formal meeting arrangements.

Frequency of meetings and Quorum

Board meetings are held at least four times a year. The quorum for Board meetings is seven Directors the majority of whom shall be Private Sector Directors.

Publication of meeting papers and agendas

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 include confidential information under The Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012 (where applicable) which includes:
 - Information provided by a Government department on terms which forbid the disclosure of the information to the public;
 - Where disclosure to the public is prohibited by a court;
 - Where the LEP holds "exempt information" under Schedule 12A of the Local Government Act 1972. This includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime. or

Commented [KN29]: Recommendation: Update in relation to 'future proofing' powers of the Board to take decisions and delegate decision on new funds in response to Government.
Also check arrangements are compliant in a virtual meeting setting.

- As included in Schedule 12A, commercially sensitive information to either Coast to Capital or another party.

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

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

Any member of the public can submit a comment or view on any agenda item; however we reserve the right to not consider any vexatious, repetitive or malicious comments. Comments must be sent so that they reach Coast to Capital no later than 36 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. Public comments will be shared in full on the website after the meeting when the minutes are published.

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.

Any declaration of interest made at the meeting will be included in the minutes unless agreed with the Chief Executive that the declaration is a ‘sensitive interest’ as described in the Localism Act 2011 and should be kept confidential. A new declaration of interest will be updated on the relevant Member’s register of interest.

Where the Board delegates under the ‘Scheme of Delegation’ decision making powers to Committees, these have their own transparency arrangements that are detailed later in this document, however are also bound by the requirements of the National Assurance Framework.

Board Secretariat

Coast to Capital provides strong support to the Board through the Chief Executive and the Senior Management Team who are always available to Board Members and the main point of contact.

We also employ a Governance Officer who provides additional support and an independent Secretariat service to the Board. It functions as a bespoke and specific role with responsibilities to deliver our Board meetings, support Board Members in addition to help deliver the Governance requirements of Coast to Capital.

We also work in close collaboration with our Accountable Body to support the Board.

Board Performance

Commented [KN30]: Recommendation: to review and discuss

On joining the Coast to Capital Board, Members are given a full induction within the first quarter that they are in post. This, along with continuous training, will ensure that Board Members are adequately supported to provide challenge and direction to the organisation and understand how best to work with Government. Coast to Capital will utilise the induction and training offer from Government once this is available.

Annually the performance of the Board is reviewed by the Chair and individual feedback is provided to all members. An annual Board development programme is agreed based on a skills analysis and feedback from the Board.

Along with the organisational strategy, this process informs Board succession planning and underpins the specific role profile and person specification for planned upcoming Board Member vacancies. Our succession planning includes continually monitoring Board term end dates and forward planning for recruitment of upcoming vacancies in line with current organisational priorities. This is kept under review by ~~Chair's~~ the Finance and Resources Committee.

3.3 Policies

Conflicts of Interest Policy

Coast to Capital has a Conflicts of Interest Policy that applies to the Directors of the Board (Directors) of Coast to Capital, Members of Committees of the Board (Members) and all employees. The policy sets out guidelines and procedures for identifying, declaring, monitoring, reporting and managing commercial, actual and potential conflicts of interest and can be found in Annex D.

Coast to Capital recognises that Directors, members and employees will have legitimate interests that arise out of their private capacity and that there are situations in which the private interests and affiliations appear to or have the potential to conflict with the proper performance of official duties within Coast to Capital.

Coast to Capital further recognises that conflicts of interest are a matter of public interest and that when situations are not properly identified and managed, they can seriously endanger the integrity of the organisation and decision making.

The main elements include:

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

Prior to appointment as a Director or acting as a nominated Deputy, a Declaration of Interests form must be completed and once appointed/nominated this will be published on our website. Declarations of interest of our Committee Members will also be published on our website. Declarations of interests should be formally reviewed every six months and prior to each meeting. A Declaration of Interest form must be updated within 28 days of a change occurring. Further detail on the operation of our Conflicts of Interest Policy can be found in Annex D.

Gifts and Hospitality Policy

The Coast to Capital Gift & Hospitality policy will be to decline gifts or hospitality exceeding £50. However, Coast to Capital will accept offers of free venues to deliver our Board meetings, Stakeholder events and team away days provided that these venues reflects the values and ethos of the organisation. Our Gift and Hospitality Policy can be found in Annex E.

Expenses

Board Members are entitled to claim reasonable travel, subsistence and associated expenses in accordance with their Coast to Capital related duties. The Board Expenses Policy ~~is currently under review~~ **has been reviewed in 2020 and shared with Board members.** These should be submitted to the Head of Finance on a monthly basis. Chief Executive expenses are approved by the Chair and other Board Members expenses are approved by the Head of Finance. Expense claim forms are kept on file for audit and budget monitoring purposes.

Commented [KN31]: To be signed-off and circulated to Board members.

Coast to Capital employees are entitled to claim reasonable travel, subsistence and associated expenses in accordance with the Coast to Capital Travel and Subsistence Policy. These should be submitted to the Head of Finance on a monthly basis. Expense claim forms are kept on file for audit and budget monitoring purposes.

Complaints and Whistleblowing

Coast to Capital operates a complaints policy including confidential reporting of complaints and full details are set out in Annex S. Our Whistleblowing Policy can be found in Annex T.

Anti-Fraud and Anti-Bribery Policy

Coast to Capital will not tolerate any level of fraud, bribery or corruption. We are committed to protecting our assets and are committed to promoting honesty and integrity in all of our activities. Coast to Capital is determined to prevent, deter and detect all forms of fraud, bribery and corruption in relation to the work of Coast to Capital whether committed by internal or external parties. Our Anti-Fraud and Anti-Bribery Policy can be found in Annex U.

Procurement Policy

The purpose of the Coast to Capital Procurement Policy is to structure purchasing processes and sourcing strategies to ensure that the services and goods acquired are the result of transparent, objective, time and cost-effective decision making and risk management. Our Procurement Policy can be found in [Annex X](#).

3.4 Our Committees

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.

Activity	Award of Local Growth Fund Grants	Award of Growing Places Loans	Day to day company operations incl. Risk Management	Risk Management	Strategy & Policy	Services
Assurance & Audit by :	<i>Audit and Risk Committee (process) Investment Committee (delivery)</i>	<i>Audit and Risk Committee</i>	<i>Audit and Risk Committee</i>	<i>Audit and Risk Committee</i>	<i>Audit and Risk Committee Joint Committee</i>	<i>Audit and Risk Committee</i>
Reporting to & Oversight by :	<i>Board</i>	<i>Board</i>	<i>Chair's Finance and Resources Committee</i>	<i>Board</i>	<i>N/A Board</i>	<i>Board</i>
Decisions by :	<i>Investment Committee and Board (subject to funding level)</i>	<i>Growing Places Committee</i>	<i>Chief Executive and Executive Committee (subject to mandate)</i>	<i>Board (risk appetite) Audit and Risk Committee (interventions) Executive Committee (day-to-day)</i>	<i>Board</i>	<i>Chair's Committee Board</i>
Refinement & validation of Recommendations by:	<i>Investment Sub Committee or Executive Team</i>	<i>N/A Executive Committee</i>	<i>Executive Committee</i>	<i>Executive Committee</i>	<i>Executive Team Committee</i>	<i>Executive Team Committee</i>
Recommendations by:	<i>Executive Team Member with portfolio remit Investment Committee</i>	<i>Executive Team Member with portfolio remit Executive Team</i>	<i>Executive Team Member with portfolio remit LEP Lead Officer</i>	<i>Executive Team Member with portfolio remit</i>	<i>Executive Team Member with portfolio remit LEP Lead Officer</i>	<i>Executive Team Member with portfolio remit LEP Lead Officer</i>
Initiation request by :	<i>Grant applicant</i>	<i>Loan Applicant</i>	<i>LEP Officer</i>	<i>The Risk Manager</i>	<i>Consultation Government</i>	<i>Consultation Government</i>

The Board oversees the work of the Chief Executive and their executive team. The executive team work streams are divided into teams and each of these is governed through a number of Committees which comprise LEP officers and other stakeholders as appropriate.

The Board delegates to a number of Committees responsibility for certain tasks. The following sections explain the constitution, membership and role of each Committee.

In line with our Articles at least two Directors must be on a Committee.

Chair's Finance and Resources Committee

~~This Committee is responsible for the oversight and accountability of the Chief Executive, in their 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 Chair's Committee is chaired by the Chair of the Board with membership comprising the Vice Chair and two other Board Directors. Directors are appointed to the Committee by the Chair.~~

The Finance and Resources Committee is responsible for the oversight of the company's financial strategy and performance, and the effective use of the company's resources.

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

Audit and Risk Committee

~~The Audit and Risk Committee is responsible for overseeing the Coast to Capital Assurance Framework, Annual Audit Plan, External Audit and Risk Management process. 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 Committees and executive Committees and reporting to the Board on compliance with this assurance framework and the company's statutory duties.~~

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

Nominations Committee

The Nominations Committee is responsible for Coast to Capital Board recruitment and reappointment including the Chair, Vice Chair, Chief Executive, Private Sector Directors and Co-opted Directors.

Joint Committee

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 terms of reference of the Committee are set out in Annex H.

Investment Committee

The Investment Committee has delegated powers on behalf of the Board up to £2 million to approve all LEP investment decisions relating to the public funding streams that the LEP stewards. These include the Local Growth Fund and Legacy Funding issues.

The terms of reference of the Committee are at Annex I.

Growing Places Committee

The Growing Places Committee has delegated powers up to £2 million 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. The terms of reference of this Committee are set out in Annex J.

Skills 360 Board

~~The Skills 360 Board will focus on building the evidence base, establishing local priorities, developing local solutions and policy and identifying the investment needs in relation to skills which will inform Coast to Capital's development of its Local Industrial Strategy with Government.~~

The Skills 360 Board will focus on building the evidence base, establishing local priorities, developing local solutions and policy and identifying the investment needs in relation to the skills needs of the area. These are set out in the Skills Strategy and Action Plan published in September 2020 and in our annual Local Skills Report to the Department for Education.

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

Business Services Committee

~~The Business Services Committee has a focus on the successful and efficient delivery of services to businesses delivered by Coast to Capital. Its purpose is to ensure the successful implementation and day to day management of the service~~

~~portfolio. It involves clients from different parts of Government to meet our aspiration of being the best in class in delivery of these services~~

~~The terms of reference of this Committee are set out in Annex L.~~

Growth Grant Appraisal Panel

Commented [KN32]: To review in line with Recovery Grant changes

The Growth Grant Appraisal Panel has delegated powers to award individual growth grants for businesses up to a maximum of £500,000. The businesses must demonstrate they have a gap in funding in their application. The Growth Grant funding relates to the Business Finance Project funded from the Local Growth Fund. This is an independent panel chaired by a Board Member that approves each Growth Grant. The terms of reference of this Panel are set out in Annex M which also includes the Scoring Methodology of the Growth Grant Programme.

EU Structural and Investment Funds Committee

Coast to Capital are representative members of the ESIF Committee which has an advisory role to the managing authority on the implementation of EU structural funds in our region.

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

3.5 The Operation of our Executive team

The LEP maintains a permanent team led by a Chief Executive and their senior team.

Staff are organised around three separate work areas: Strategy and Policy, Investments and Services. In addition, the Chief Executive has other direct reports covering cross cutting corporate support functions e.g. Finance, and Communications and Corporate Affairs. The commercial function sits under the Chief Operating Officer as this role also covers management of the Growing Places Fund.

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 £50,000 per year is also set out on the website.

On joining Coast to Capital all staff are given a full induction on the operation of the organisation within the first quarter they are in post. We are committed to the training and development of our workforce. All staff also have to sign the Coast to Capital Employee Code of Conduct.

All Senior Officers and anyone in the organisation involved in a funding decision making process, including Growth Grants, must complete a Declaration of Interest form which will form part of the register published on the website.

Our Chief Executive

The Chief Executive is fully accountable within the Governance structure of the company and works closely with the Chair to deliver the Business Plan. The Chief Executive is an independent and impartial advisor working under the direction of the LEP Board and is employed by Coast to Capital.

Our Chief Executive's responsibilities are to:

- provide high quality leadership for the LEP, so that we are a strong partner making a positive difference in economic performance across our region;
- make Coast to Capital amongst the strongest LEPs in the country, influential within the LEP network and with Government;
- maximise the impact of the Board, with highly engaged Board Members adding value to our business and exemplifying the role of the LEP;
- lead a highly effective and professional executive team, benchmarked against best practice from public and private sector comparators;
- build understanding and engagement across the region in the work of the LEP, from business, public sector and education sectors;
- achieve outstanding delivery of projects which builds our national reputation as an excellent place for public investment;
- broaden the scope and impact of our business services in order to maximise our influence and engagement with business in the region;
- develop clearly prioritised and well-articulated positions on the most important strategic issues facing the region, which influence national policy and decision making.

The Executive Committee

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

The terms of reference of the Executive Committee are set out in Annex O.

Scheme of Delegation

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

All decisions can only be made at quorate meetings, and it is the responsibility of the executive officer responsible for organising the relevant meeting to ensure quorate attendance of members.

Scheme of Delegation

Action	Chief Executive	Internal Heads	Board	Investment Committee	Growing Places Committee	Chair's Finance and Resources Committee	Executive Committee	Audit and Risk Committee
Operational day to day expenditure that exceeds overall gross LEP budget	Recommends to Finance and Resources Committee		Board Decision Approves			Recommends		Audits & reports to Board
Award of Grant Funding (including under LGF)		Recommends	Approves above £2m	Approves up to £2m Audits & Reports to Board (delivery)				Audits & reports to Board (process)
Withdrawal of Grant Funding			Approves	Recommends				Audits process and Reports to Board
Award of Growth Recovery Grants		Grants under £50k approved by Chief Executive and Internal Heads.	Approves over £2m	Approves £50k to up to £2m and Approves powers to operation of Growth Recovery Grant Appraisal Panel				Audits & reports to Board
Operational budget setting & approval			Approves unlimited			Recommends	Recommends to Finance and	Audits & reports to Board

Commented [KN33]: Sense check

							<u>Resources Committee</u>	
Agreement of Policy & Strategy		<u>Recommends</u>	Approves					
Recruitment Decisions	Approves	Recommends						
Remuneration decisions	Recommends					Approves unlimited		Audits & reports to Board
Award of Growing Places fund loans		<u>Recommends</u>	Approves above £2m		Approves up to £2m			Audits <u>process</u> & reports to Board
Temporary virements of funding on LGF projects		<u>Recommends</u>		<u>Approves unlimited</u>				
Permanent virements of funding on LGF projects		<u>Recommends</u>		Approves unlimited				Audits <u>process</u> & reports to Board
<u>Material changes to LGF outputs</u>		<u>Recommends</u>	<u>Approves significant changes</u>		<u>Approves</u>			<u>Audits process & reports to Board</u>
Operational day to day management decisions within financial delegation limits	Approves	Approves					Approves	Audits & reports to Board
Initiation of debt recovery action on loan defaults					<u>Approves</u>	<u>Approves Unlimited to discuss</u>	Recommends	Audits <u>process</u> & reports to Board

Commented [KN34]: Check

<u>Material changes to loan agreements</u>			<u>Approves significant changes</u>		<u>Approves</u>		<u>Recommends</u>	<u>Audits process & reports to Board</u>
Governance Changes			Approves				Recommends to Audit and Risk Committee	Recommends to Board
Calls for bids for grants or loans			Approves	Recommends	Recommends			

Commented [KN35]: Check

Corporate Functions

As a private company, Coast to Capital runs its own corporate functions including office management, administration, procurement, human resources and communications. This work is led by the Head of Communications and Corporate Affairs.

We are committed to meeting the Government branding guidelines for projects and ensuring that our website includes the information specified by Government.

Stakeholder Relations and Engagement

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.

Our communications framework and stakeholder strategy sets out the core principles for how we do this, with a particular focus on:

- **Engagement events with business:** we hold regular engagement events with business including our AGM and Annual Partnership event. This is how we engage with area partnerships, statutory bodies and business representative organisations from across the region. These events allow 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. We will continue to run consultation events for partners to engage on the Local Industrial Strategy.
- **Engagement with business:** the Chief Executive, Senior Officers and other staff meet regularly with businesses in the region, including speaking at business conferences and events.
- **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.
- **Press engagement:** we highlight our successes and the issues we are working on and engage with regional media to bring attention to this.
- **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.

We evidence our engagement:

- through our new CRM system which will log our interaction with businesses and stakeholders;
- by reporting on our press activity; and
- providing minutes and reports on our meetings and consultation events on our website.

This will be kept under review as our stakeholder function matures.

The Board also identifies key issues within the Coast to Capital business plan on which it wants to form **Task Working 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.

Our relationship with area partnerships helps develop our Strategic Economic Plan and negotiation of our Local Industrial Strategy. These groups are also useful in disseminating information in two directions to businesses and local partners. The four area partnerships in the Coast to Capital region are autonomous groupings which represent business and other stakeholders in different parts of the 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.

Freedom of Information Requests (FOIs)

Coast to Capital is not subject to the provisions of the Freedom of Information Act; however, our Accountable Body, public sector partners and Joint Committee are subject to the provisions in the Act. Coast to Capital will respond to all information requests in line with the spirit of the Act. In the first instance, FOIs should be directed to Coast to Capital via its website and Croydon Council, as Accountable Body, will provide advisory support to ensure FOI requests are appropriately dealt with. Any requests that involve our public sector partners will be forwarded to them to lead the response with our support as necessary.

General Data Protection Regulation (GDPR) and Data Protection

We have fully adopted the requirements of General Data Protection Regulation (GDPR) and comply with the provisions of the Data Protection Act 2018. Internal processes, procedures, data systems and documentation are compliant and will continue to be reviewed to ensure ongoing compliance. We process and handle data in line with our Privacy Notice which can be found on our [website](#).

Commented [KN36]: Update link

Monitoring our performance

We publish an annual report, financial statement and accounts at the end of our financial year. Our annual report, financial statement and accounts are published on our [website](#).

We hold an Annual General Meeting once a year which the public and stakeholders can attend. Public questions are invited in advance of the meeting. If is not possible to hold this event in person it will be a fully accessible virtual event.

Each year we take part in an Annual Review with Government where our performance is reviewed.

Scrutiny and Audit

We have agreed the following appropriate scrutiny and audit arrangements with our Accountable Body as set out in the next two sections.

Scrutiny

Our approach to scrutiny is embedded throughout the organisation and relates strongly to our Risk Policy and the Board's agreed appetite to risk. For example:

- Our Local Growth Fund projects are scrutinised based on our robust risk management process and subject to our Funding Withdrawal Protocol (see section 4).
- Grant funds that we administer are subject to full due diligence processes.
- Our approach to the Stronger, Smarter, Greener Investment pipeline has agreed scrutiny arrangements focused on investment projects that have greater involvement from Coast to Capital (see section 4).

We are happy to participate in any Local Authority Overview and Scrutiny Committee. We will respond positively to requests to share information to ensure that the Committee is in possession of the necessary information to provide robust scrutiny and advice. Our attendance and the information and outcomes from our participation will be published on the governance page of our [website](#).

We may also commission an optional annual independent scrutiny report on an aspect of the governance of Coast to Capital at the discretion of the Audit [and Risk](#) Committee. This independently assesses our performance and compliance with this framework on a targeted [risk](#) basis. Reports from these reviews can be found on the governance page of our [website](#).

We are also able to call on ~~Croydon Council~~ [our Accountable Body](#)'s internal audit function to undertake further scrutiny if required based on an assessment of risk.

As part of our Annual Review with Government we provide an annual assurance statement from the Chief Executive and Chair on the governance and transparency

of Coast to Capital which includes an update on the scrutiny arrangement described above and is published on our [website](#).

Audit

Each year we agree an audit plan with our Accountable Body following the Annual Review with Government. ~~Our Accountable Body also completes an annual internal audit using their internal auditors.~~

All feedback in relation to scrutiny or audit is considered by the Audit [and Risk](#) Committee and reported to the Board.

Record Keeping

Coast to Capital keeps both hard copy and electronic records for a minimum of six years in a secure environment subject to The General Data Protection Regulation 2016/679, the Data Protection Act 2018, National and Local Assurance Framework, Government funding requirements and in line with our legal and data retention policies. Appropriate personnel will also be made available, with reasonable notice, to answer any questions arising from any monitoring process in connection with these records.

Office Manual and Day to Day Operating Procedures

Our employee handbook sets out 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.

3.6 Our Accountable Body

Our Accountable Body

Coast to Capital has a single Accountable Body, ~~Croydon Council~~~~XXX~~, which is responsible for overseeing the proper administration of the governance and financial affairs within Coast to Capital. ~~Croydon Council~~~~XXX~~ commenced the role of Accountable Body on ~~1 October 2018~~~~1 April 2021~~. The Service Level Agreement with ~~Croydon Council~~~~XX~~ can be found on our website which defines the remit of the Accountable Body ~~up to April 2021~~. This also ensures that the usual Local Authority checks and balances apply to the awards of funding directed by the LEP Board.

The Accountable Body is actively involved in all key Coast to Capital Committees including the Board, Investment Committee and Audit [and Risk](#) Committee. The Accountable Body also attends the Annual Review with Government and the Section 151 Officer has regular meetings with senior Coast to Capital staff.

Our Accountable Body is responsible for:

Commented [KN37]: Update in line with decision to appoint new Accountable Body when decision is made.

- Providing a finance function which involves holding funds under managed investment paid by Government on behalf of the LEP, administering and processing Government funds and delivering our operational finance requirements;
- An oversight function ensuring funds are handled with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money including:
 - 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.
 - Ensuring that the funds are used in accordance with the conditions placed on each grant.
 - Oversight of LEP governance and transparency arrangements and ensuring that this assurance framework is adhered to.
 - Ensuring compliance with the National Assurance Framework and agreement on scrutiny arrangements.
 - Ensuring that there are arrangements for local audit of funding allocated by the LEP equivalent to those of local authorities.
 - Monitoring arrangements as set out in the Accountable Body agreement detailed on the Coast to Capital website.
- A support function providing technical advice on the relevant law, discussing risks, in particular:
 - 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.

With regards to the expenditure of public funds, the ultimate deployment of funds reside with the Section 151 Officer of the Accountable Body, and only takes place with their approval, following decisions made by the relevant Coast to Capital Board or Committee.

The accounts through which the Local Growth Fund passes will be published and available for public inspection. Our Accountable Body will publish its accounts in accordance with the provisions of The Accounts and Audit Regulations 2015; full details can be found on their [website](#).

Our Accountable Body will 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.

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, including the Growth Grant Appraisal Panel, and at the Coast to Capital Board.

The Head of Finance, ~~employed by Croydon Council and~~ appointed jointly by the Accountable Body and Coast to Capital, liaises with Coast to Capital teams and delivery bodies to ensure data is correctly received and approved. There are close links with the Section 151 Officer at ~~Croydon Council~~ and the Accountable Body's accounts payable team.

Our Section 151 Officer

The role of our Section 151 Officer in our Accountable Body is to oversee the proper administration of the governance and financial affairs within Coast to Capital.

The particular responsibilities of the Section 151 Officer are as follows:

- ensure the oversight of the proper administration of financial affairs within the LEP;
- Attend Board meetings;
- Attend Investment Committee meetings;
- Provide an Assurance Statement as part of the Annual Performance Review;
- Submit a letter to MHCLG's Accounting Officer by 28 February each year which:
 - Details the checks that the Section 151 officer has taken to assure themselves that the LEP has in place the processes that ensure proper administration of financial affairs in the LEP
 - A statement whether, having considered all the relevant information, the Section 151 Officer is of the opinion that the affairs of the LEP are being properly administered in line with the National Assurance Framework and this Assurance Framework
 - If not, information about the main concerns and recommendations about the arrangements which need to be implemented in order to get the LEP to be properly administered

Coast to Capital will ensure that the Section 151 Officer is given sufficient access to information in order to carry out their role. All relevant documentation is provided to the Section 151 Officer, including agenda and papers of Board, Committee and Panel meetings, where decisions are being made. The Section 151 Officer has the opportunity to comment on all such relevant documentation.

The Section 151 Officer should exercise their duties in line with the CIPFA guidance and the National Assurance Framework.

Accountable Body arrangements for funding received from Government

The Accountable Body receives Coast to Capital's funding and holds this separately for draw down by Coast to Capital. The Accountable Body will be able to invest funds in the same way as Croydon Council monies are invested when the LEP provide a cashflow.

Arrangements are currently being put in place to ensure funding from Government from Coast to Capital is invested in accordance with the cash flow requirements of Coast to Capital.

Commented [KN38]: Update on new AB appointment

4. Our Investments

Commented [KN39]: Redraft section

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 area and commit to ensuring that public resources are managed appropriately. We seek to achieve accountability, transparency and value for the money in the work that we do to deliver these.

Coast to Capital funding is overseen by Croydon Council as the Accountable Body. A Head of Finance is in post who reports to both the Coast to Capital Chief Executive and Croydon Council's Section 151 Officer. The Section 151 Officer approves all payments and ~~is a Member of~~ attends the Board, Investment and Audit ~~and Risk~~ Committee to ensure appropriate use of resources.

4.1 Our Funding, Programmes and Schemes

Commented [KN40]: Add Backing Business Fund, Getting Building Fund etc

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. All investment decisions using public funds will be made with reference to statutory requirements and in addition with reference to conditions of funding and local transport objectives where applicable. The condition of Local Growth Funding is that it is capital funding only. The LEP is fully involved, engaging with all relevant groups and stakeholders.

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 make information available to the public through the mechanisms set out in this framework.

In line with the Growth Deal, Coast to Capital is fully responsible for ensuring the Local Growth Fund is correctly deployed and administrated 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 or re-allocate this funding through the governance structures as detailed within this document.

If and when we have unallocated and / or returned funds, we may issue Gatwick 360 Strategic Economic Plan related targeted commissioning calls. We reserve the right to commission any single Delivery Body subject to public procurement and our procurement policy requirements provided the Investment Committee is satisfied that is the most suitable Body to deliver the project and that no other body would be equally equipped. All calls for bids are advertised openly by being published on the Coast to Capital [website](#) and notifications being sent out to our stakeholders and partners. The selection criteria and selection processes are transparent. 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 criteria upon which we are inviting bids, based upon the strategic themes and priorities identified within our Strategic Economic Plan.

Applications for Local Growth Funds are assessed and an award is made through a formal agreement. Once a project has been approved, it will then be monitored robustly through the lifetime of the project and a robust audit trail is kept to demonstrate compliance. All potential applicants for this funding will complete a business case template. This will be independently evaluated by Investment Committee Members and experts if relevant and scrutinised in line with the LEP processes. The Investment Committee then makes either a decision (to note) or recommendation for approval to the Board on funding awards through a single consent paper presented at each Board meeting. This will include a summary of the relevant information, and the relevant documents and information to support decisions and recommendations will be made available to the Board in advance of its meeting via the Board Portal as set out in Annex Q. The Board will be asked to note decisions made by the Investment Committee up to £2million, and will be asked to approve recommendations to include funding awards over £2million.

Board members have the opportunity to raise questions against any of the items included within the consent paper, but the Board cannot overturn decisions made by the Investment Committee and can only ask for their re-consideration.

Questions must formally be raised to the Chair of the Investment Committee (copied to the Chief Executive Officer) ideally no later than 5 working days in advance of the next Board meeting. Where comments are raised, the Board will formally discuss that particular item in the paper at the Board meeting.

When an investment decision is approved by the Investment Committee or Board, Croydon 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.

Any decision that is made in contravention of the process set out here will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision making process.

The Coast to Capital Investment Committee is updated with project progress through a suite of documents to include a high risk report, dashboard, and financial update. Following each Investment Committee meeting, a consent paper will be presented to the Board detailing all decisions (to note) and recommendations for approval made by the Investment Committee.

In the event of non-compliance, misrepresentation or underperformance by a delivery body the LEP will take the appropriate steps to recover any funding. This starts with a risk assessment of the project which is developed by the Investments team. The

risk assessment includes a description of the project where concerns have been raised, relevant details including the amount of funding awarded and the sum at risk due to the concerns and where recovery of funds is considered. If required, a legal opinion from the Accountable Body can be sought to set out the legal basis for recovery and likelihood of success. The risk assessment is then presented to the Investment Committee who will then make a recommendation under the High Risk Monitoring Protocol which consists of; watch and wait, write to Government to request a funding carry forward, apply sanctions or withdrawal of funding. These will be considered by the Investment Committee who will then make decisions, or recommendations to the Board accordingly. Then if necessary the Board can decide to withdraw funding as part of the consent item. See Annex Q for full details of the process.

Our Output Accountabilities to Government

In line with our Gatwick 360 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 via our upstream reporting to Government every quarter. The Investment Committee are also made aware of output progress via the Investment Dashboard.

Core outputs and metrics

Core Output /Outcome Accountabilities to Government	Metric
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 or new students
New housing unit completions	Number of new homes 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

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 was available through the Growing Places Fund. The fund is currently fully

committed but if any further loan capital is made available, application details will be published on our website.

The Growing Places Committee is charged with monitoring the £23m deployed via the Growing Places Fund and reporting to the Board.

Growth Hub

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 Account Managers. Core public funding is provided to cover employment costs of the team and the operation of their service.

Enterprise Advisor Network and Careers Hub

We receive match funding from the Careers and Enterprise Company, which was established and is funded by Government since 2015, for the provision of Enterprise Co-ordinators in the Coast to Capital area. Enterprise Co-ordinators work with volunteer business leaders to develop and implement careers strategies for young people in schools and colleges across the region.

Escalator Programme

Launched on 29 October 2018, the Escalator Pilot is a six month programme of expertly facilitated monthly meetings focused on a key topic of interest identified by the members themselves. This model of peer-to-peer roundtables is a professionally delivered programme. Each peer-to-peer group will be limited to no more than 8 businesses.

Peer Networks Programme

Launched in September 2020, the Peer Networks is a programme of expertly facilitated monthly meetings focused on a key topic of interest identified by the members themselves. The Peer Networks programme is funded by BEIS and runs to march 2021. This model of peer-to-peer roundtables is a professionally delivered programme. Each peer-to-peer group will be limited to no more than 11 businesses. The programme delivery partners was appointed following a rigorous tender process and awarded to MDHub.

Growth Champions

The Growth Champion Network is a collection of consultants, all carefully curated as experts in their respected field. The Champions are specialists across a broad range of industries and business practices. The Growth Champions work closely with the Coast to Capital Growth Hub's team of Account Managers to provide specialist areas of support for business to unlock further growth.

Growth Champions

Commented [KN41]: Add commentary on Experts in Residence

The Growth Champion Network is a collection of consultants, all carefully curated as experts in their respected field. The Champions are specialists across a broad range of industries and business practices. The Growth Champions work closely with the Coast to Capital Growth Hub's team of Growth Relationship Managers to provide specialist areas of support for business to unlock further growth. The Growth Champion activity is funded through the SEEDA Legacy funded which will be fully spent by the end of March 2021.

Growth Grant Programme

The Coast to Capital Growth Grant Programme is a capital equipment (capex) grant. The grants part-fund projects undertaken by innovative, high growth small and medium sized enterprises (SMEs) and social enterprises in the Coast to Capital LEP area. Eligible projects will result in an increased turnover of at least 20% per annum and improved productivity in the company and wider economy.

Calls for applications and successful applications are published on our website. A Growth Grant Appraisal Panel makes decisions on grant applications and comprises of a specialist group of members with experience in business finance. Feedback from the panel members provides input into the strategic delivery of the programme.

Applications that are approved by the Growth Grant Appraisal Panel will sign a Grant Agreement with Coast to Capital. The agreement will detail the conditions that must be met by the grant recipient before they can receive grant funding. The Grant Agreement also includes details on the monitoring and claims processes.

Successful applicants will submit claims in arrears for their approved expenditure. These claims are subject to approval from our Accountable Body. Once approved, our Accountable Body will facilitate payment to Coast to Capital, after which Coast to Capital will pay the recipients directly.

Business Recovery Grant Programme

The Coast to Capital Business Recovery Grant Programme is a capital equipment (capex) grant. The grants part-fund projects undertaken by businesses with recovery potential during and post the COVID-19 pandemic. It is available to all sizes of business with a particular goal to support women and BAME led businesses and to, increase and safeguard employment and provide social value and social impact.

Calls for applications and successful applications are published on our website. All applications are subject to due diligence. A due diligence provider has been procured following a rigorous tender process and undertakes due diligence on all grant applications of above £50,000 and a selection of grants of up to £50,000. Applications of up to £50,000 that are not reviewed by our due diligence provider are subject to rigorous internal due diligence. A Business Recovery Grant Appraisal Panel makes decisions on grant applications above £50,000 and comprises of a specialist group of members with experience in business finance. Feedback from the

panel members provides input into the strategic delivery of the programme. For grants of below £50,000 a director will approve grant applications following the full application scoring process and due diligence.

Applications that are approved by the Business Recovery Appraisal Panel will sign a Grant Agreement with Coast to Capital. The agreement will detail the conditions that must be met by the grant recipient before they can receive grant funding. The Grant Agreement also includes details on the monitoring and claims processes.

Successful applicants will submit claims in arrears for their approved expenditure. These claims are subject to approval from our Accountable Body. Once approved, our Accountable Body will facilitate payment to Coast to Capital, after which Coast to Capital will pay the recipients directly.

European Union Funding

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

~~Newhaven Enterprise Zone is a formal partnership between Coast to Capital, Lewes District Council and the Department for Business, Energy & Industrial Strategy (BEIS). An enterprise zone is a designated area that provides tax breaks and Government support for growth. Businesses locating to Enterprise Zones benefit from up to 100% business rate relief over a five-year period and simplified local authority planning for certain developments within the Enterprise Zone area.~~

~~Newhaven Enterprise Zone is formed of eight sites in and around the centre of the town, including key areas of the port. More information, including the Newhaven Enterprise Zone Strategic Framework, can be found on the Newhaven Enterprise Zone website.~~

~~The Newhaven Enterprise Zone Strategy Board is responsible for taking formal decisions regarding Newhaven Enterprise Zone. Representation on the Board consists of:~~

- ~~• Coast to Capital~~
- ~~• Lewes District Council~~
- ~~• East Sussex County Council~~
- ~~• Newhaven Town Council~~
- ~~• BEIS~~

~~The Newhaven Enterprise Zone Community Fund supports charities and not-for-profit organisations which benefit the Newhaven area, in particular, those which help to encourage a sense of place and to build on the thriving community in the town.~~

~~The Community Fund is managed and administered by Sussex Community Foundation.~~

~~Work is ongoing to determine how Newhaven Enterprise Zone should best be constituted in the longer term, to ensure the strategic investment of income from business rate relief to promote and secure business growth in the area, including infrastructure issues. More information on future Enterprise Zone arrangements and investment will be made available on the website as it is agreed.~~

~~A two year transition period is currently underway to handover responsibility for the Newhaven Enterprise Zone to the South East LEP by April 2021.~~

Revenue Grant from Government

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 other LEPs) an annual funding allocation to help cover our operational costs.

Contributions from local authorities in the region

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.

4.2 Our Accountability for Public Funding

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.

4.3 How we make Decisions on Grant Distribution and Loan Distribution

We make decisions to award grants and loans based on a robust and thorough process in line with our commitment to transparency. Annex Q summarises the decision making processes accordingly.

4.4 Project Monitoring

The Investments team conduct thorough monitoring and regular communication with all Local Growth Fund and Growing Places funded projects throughout their

lifetime, to ensure that conditions and clauses within funding agreements are being adhered to. The monitoring process includes but is not limited to;

- Quarterly downstream reporting. Delivery Bodies complete and submit quarterly claim forms, along with risk registers and highlight reports. Financial claims provide sufficient invoice evidence to allow sign off by the LEP and Accountable Body, to enable payment of LGF funds. Monitoring is conducted up until project completion, to include full reporting of LEP funds, matched funding, outputs and milestones.
- Quarterly upstream reporting. The Investment team submit monitoring forms to BEIS in order to update Government on project delivery, finances, outcomes, and risks. This data is used to track the LEP's performance against our Growth Deal targets.
- Site Visits and Project Reviews. The Investment Programme Managers conduct regular site visits and project meetings with Delivery Bodies to ensure delivery is progressing to the anticipated timescale, to get updates around outcomes, risks, and to see physical progress on site. These are conducted at various stages of the project through start to completion.
- High Risk reporting. As part of the High Risk Monitoring Protocol that the Investment Committee have been tasked with, the Investments Programme and Risk Manager regularly updates both Investment Committee and Board with a suite of documents in relation to project delivery and financial risk. These documents include the High Risk Report, Risk Register, Individual Risk Sheets, Financial updates, Dashboard, and Output Delivery.
- Audit Reviews. The Investments Committee, Board and Investment Programme and Risk Manager have the ability to commission an audit by our Investments Audit and Compliance Officer, or to commission a 'deep dive' audit review on any of our funded projects. Audit reviews will be conducted to assess both high risk projects, and to ensure project delivery and outcome delivery is on track. Reports will be sent around to a circulation list, or by request of Board members. The reviews will enable the Investment Programme and Risk Manager to effectively risk assess projects as part of the Investment Committee reporting.

More detail of these processes can be found in Annex Q.

4.5 Action to Recover Funds

Coast to Capital, through its Investment and/or Growing Places Committees, will take steps to recover either grant or loan funding, where conditions precedent to the award of that funding are not complied with. Breaches of conditions within funding

or loan agreements are brought to the attention of the relevant Committee, which will then decide upon the steps to be taken to either require remediation of defaults or to immediately initiate recovery of funds. This includes where there is non-compliance, misrepresentation or underperformance. The relevant Committee will receive reports providing information on projects which have received funding including:

- a. A description of projects where concerns have been identified;
- b. Relevant details including the amount of funding awarded and the sum at risk due to concerns; and
- c. Where recovery of funds is considered, a legal opinion from the Accountable Body which sets out the legal basis for recovery and the likelihood of success.

Where a decision is taken not to pursue recovering where non-compliance and there are legal grounds to do so this will be clearly justified in the record of the decision.

Where a delivery body also sets out plans to draw down funding within a particular year and those plans have been presented to a relevant Committee or represented to the LEP in written correspondence, the LEP will if required, in order to achieve overall expenditure draw down commitments that have been made to Government, withdraw such funding permanently from projects, to be redeployed to new schemes. Such decisions will be taken by the relevant Committee by recommendation to the Board. Decisions to withdraw funding will be also taken in accordance with our High Risk Projects Monitoring Protocol, through recommendations to the Board.

4.6 Achieving Value for Money

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 Financial Controls Policy is in Annex R. It sets out the standards by which we undertake 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 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 an appropriate written 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 use an 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 Investment 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. 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 Chair'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 as set out in the Risk Policy which can be found at Annex X.~~

The projects risk register is published and reviewed by the Investment Committee at each meeting, upon advice from the Investments Team. The risk assessment process follows the MHCLG protocol as specified for LEPs. A specific High Risk Monitoring Protocol is operated by the Investment Committee and Board and is detailed in Annex Q.