
Meeting:	Coast to Capital Audit Committee Meeting
Date:	13 November 2019
Report Title:	Governance - Update
Report by:	Katie Nurcombe
Item No:	4 a)
Part:	A

Recommendation:

The Audit Committee is asked to note the Governance update and:

- Provide comment on the updated Assurance Framework in particular the new Conflict of Interest Policy and new Financial Controls Policy

1. Context

Our focus on Governance continues and we have made significant progress in this area which is summarised below.

2. Mid-Year Review

We are in the top 10 of Local Enterprise Partnerships on overall performance, and classed as 'good' in all three areas of Governance, Delivery and Strategy. Given this, a 'light touch' Mid-Year Review took place in September. We made a strong case on our performance and confirmed that we are 'targeting exceptional'. Our presentation can be found in Annex A and the note of the meeting can be found at Annex B.

3. Peer Reviews

Following a short pilot period Government has confirmed that they expect LEPs to undertake one peer review a year. We were part of the pilot and gained valuable learning from our engagement with OxLEP. The peer reviews will be formal and supported by the Centre for Public Scrutiny and Ann Limb as LEP Ambassador. For future peer reviews we will be request that we are matched with an 'exceptional' LEP to ensure we learn as much as possible from the process.

4. Assurance Framework

Following the publication of the National Local Growth Assurance Framework by Government in January we updated our [Assurance Framework](#) to meet the new requirements which was published on 31 March 2019. This was signed off by the Accountable Body and the Board and Government has confirmed that we have 'no compliance issues'.

We have reviewed the Assurance Framework and an updated document can be found in Annex C which reflects a number of changes:

- Our new Anti-Fraud and Anti-Bribery Policy
- Our proposed new Conflicts of Interest Policy (see below)
- Proposed changes to the term lengths of the FE and HE Directors
- Proposed changes and points of clarification on our Procurement & Payments Policy
- That the Chief Executive is a paid position and the Chair role will become a paid position
- That two Directors must be on a sub-Committee (in line with the Articles)
- That Board members must live and/or work in the region or have strong connections to the region (in line with the Articles)
- The change of the name of the 'Gatwick 360 Programme Group' to the 'Local Industrial Strategy Programme Group'

Andrew Swayne (Independent Member) has lead a short review of our Conflicts of Interest Policy with the support and advice of Anna Meredith (Investments Audit & Compliance Officer) and an initial draft can be found in Annex D. This reflects best practice as identified by Government and incorporates our ways of working in a streamlined document.

Carli Foster (Head of Finance) has lead a short review of our Financial Controls Policy and an initial draft can be found in Annex E which will be added to the document and Annex accordingly.

The updated Investment Committee Terms of Reference will be added to the Assurance Framework Annexes once it has been approved by the Investment Committee at its meeting in December. The updated Growing Place Fund Committee Terms of Reference will also be added once approved by the Growing Place Fund Committee at its December meeting.

The Assurance Framework has also been updated to pick up any typos and inconsistencies in language and adjust the terminology of 'Chair' rather than 'Chairman' and 'Vice Chair' rather than 'Vice Chairman'.

5. Scrutiny

We have written to all our Local Authorities to let them know we are happy to participate in any Local Authority overview and scrutiny committee. To date, we have not had any requests.

6. Complaints

We have two live complaints which are being dealt with in line with our Complaints Policy.

One complaint, in relation to the Growing Places Fund, is being investigated by our Accountable Body as it has reached Stage 3.

One complaint, in relation to the conduct of a Board member as part of the July 2017 Call for Growth Projects, has been investigated by the Chief Executive under Stage 1.

Please see attached confidential complaint log at Annex F.

7. Audit

An Audit Plan for 2019/20 is underway and an update is covered under item 3b.

8. Conclusion

Coast to Capital is committed to good governance and transparency and we are proud of the strong governance we have in place. Our aim is to make Coast to Capital an outstanding LEP recognised as leading best practice and best in class, with a clear culture of governance and accountability in everything that we do. We continue to target an 'Exceptional' rating in relation to Governance at our Annual Review with Government next year.

9. Diversity Statement

There are no diversity impacts to consider on this paper.

10. Legal Statement

No legal position has been sought on this paper. The Accountable Body will be asked to review and sign-off the Assurance Framework before it is presented to the Board for approval.

Annexes (Part A)

- Annex A – Mid-Year Review Presentation
- Annex B – Mid-Year Review Note
- Annex C – Draft Assurance Framework
- Annex D – Draft Conflicts of Interest Policy
- Annex E – Draft Financial Controls Policy
- Annex E – Complaint Log (Part B - Confidential)

**Coast to
Capital**



Targeting Exceptional

**Coast to Capital Mid-Year Review
13 September 2019**

Contents

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- 2. Governance**
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- 4. Strategy**

Introduction

Targeting Exceptional

We are committed to delivering our Business Plan to the highest level of professionalism and standards of conduct.

We were pleased to received a 'Good' rating across Governance, Delivery and Strategy but are strongly targeting an 'Exceptional' rating in at least one area for our 2019 Review.

Our Board

The Coast to Capital Board is a powerful voice of challenge and advocacy. We have a full Board which is compliant with all requirements and recently appointed:

- A new Vice Chair
- Three new Business Directors
- Two new District Council Directors
- Our HE and FE Directors

Our Team

Our team is a highly motivated and passionate about supporting the success of the region. Our new office has enabled enhanced collaborative across the organisation and with our partners. We are proud of our supportive culture which champions wellbeing and sustainability.

Board Commitments

- Acting solely in the public interest.
- Keeping appropriate records.
- Co-operating with stakeholders.
- Ensuring partnership working.
- Championing success.
- Championing diversity.
- Working with the LEP Network.

Our values

- Ambitious
- Focused
- Trusted
- Champion
- Diverse

Governance

Introduction

Governance

We are fully compliant with all Governance requirements and we are confident that Government, our partners, stakeholders and members of the public have confidence in the way that we conduct our business and know that we have high quality governance in place.



HM Government

Local Enterprise Partnership governance and transparency

Best practice guidance



Ministry of Housing,
Communities &
Local Government

National Local Growth Assurance Framework

The Framework for Mayoral Combined Authorities with a Single Pot funding arrangement and Local Enterprise Partnerships

Oct 2017



Department for
Communities and
Local Government

Review of Local Enterprise Partnership Governance and Transparency

Led by Mary Ney, Non-Executive Director, DCLG Board

Jan 2018



HM Government

Strengthened Local Enterprise Partnerships

July 2018

Jan 2019

Governance

We plan to get ahead of the outcome of the PAC Report published in May in order to be a leading LEP in the area of Governance.

Key Points – we have:

- Fully implemented our new Assurance Framework across the organisation
- Commissioned a review of our Conflicts of Interest policy led by a member of the Audit Committee
- Started a series of audits including on our employment legislation, procurement, payroll systems and our Accountable body arrangements
- Plans to introduce an new Fraud Policy and training across the team
- Introduced a Board induction process for the new Business Directors
- Started the planning process on the appointment of a new Chairman with business engagement and diversity at the forefront
- Written to all of our Local Authority partners with an offer to attend their Scrutiny Committee meetings.

Diversity

We are now exceeding the target that at least one third of our Board members are women by the end of the 2019-2020 financial year. We are committed to equal representation of men and women on our Board by the end of the 2022-2023 financial year.

Julie Kapsalis is our Diversity Champion and diversity was a key focus of our AGM. Wincie Wong, Head of Rose Review Implementation, was interviewed as part of this event.

Julie and Katie Nurcombe (Head of Communications & Corporate Affairs) are leading a piece of work across the Southern LEPs on encouraging diversity in all forms.

Accountable Body

Coast to Capital has a single Accountable Body, Croydon Council and the arrangements are working very well.

Accountable Body Statement

Lisa Taylor – s151

- Croydon Council as the Accountable Body are continuing to work closely with Coast to Capital.
- As the Accountable Body we are satisfied that there are no concerns with the operation of Coast to Capital, with good governance in place and the Audit Committee working well
- Progress to implement the recommendations from the Annual Review is on track
- Accountable Body satisfied with the LEP and happy to report this to the mid year review
- Disappointed that the arrangement will need to end in March / April 2021. Ask to Government to reconsider the criteria for LEP Accountable Bodies.

Key Points

- Croydon Council will remain our Accountable body until April 2021.
- The process to appoint a new Accountable Body will begin in March 2020 subject to discussion with Government
- The process will be supervised by our Audit Committee and informed and supported by Croydon Council

Delivery

Governance

At Coast to Capital we demonstrate fearless Governance and Business Leadership to all key partners and stakeholders.

Programme Management

Our in-house Investments team is now fully resourced to successfully manage and report on all 85 LGF projects.

Strengthened monitoring processes with all Delivery Bodies being held to account against forecast spend/delivery targets.

New procedures have been established to enhance our current risk and programme management.

We evidence programme delivery and decisions on our website to guarantee transparency.

Investment Committee

The Investment Committee now have an enhanced role in project monitoring and appraisal.

New members have joined the Committee and have brought a fresh new perspective into our existing processes and helped to establish new procedures (Funding Withdrawal).

Regular oversight of the entire LGF programme to include Audit, Risk, Delivery and Spend.

High level discussions take place at each meeting, with Delivery Bodies who are deemed 'at risk' being invited to formally present.

Decisions taken and recommendations are presented back to the full Coast to Capital Board via our 'Consent Paper' item.

Risk and Audit



Risk Management

Project risk is determined using the MHCLG risk rating guidance, and is reviewed through our project monitoring processes.

A full risk register and High Risk Report is prepared for each Investment Committee meeting/Board meeting.

Mitigation is put in place for high risk projects (Amber/Red or Red), using both High Risk Monitoring Protocol and/or Funding Withdrawal Protocol.

We have successfully reduced the number of High Risk projects.

We take a proactive approach to risk management to ensure LGF delivery and spend remains on track.

Audit

All active LGF projects will receive at least one full Audit review each year to gain assurance that project delivery is on track in accordance with the Funding Agreement.

Information gathered feeds into risk management.

This process has enabled us to enhance our standard funding agreement T+C's, and improve our project monitoring.

Evaluation

Completed projects are evaluated against their original FBC submission.

Our ambition is that each project will have a video or written case study to demonstrate outcomes.

Pipeline

In June 2019 Coast to Capital launched a 'call for bids' to find suitable projects that aligned with the Gatwick 360 priorities, in order to allocate the remaining £9.1 million of LGF funding.

Process

35 Expressions of Interest were received all of which fit within priorities 1-8 of the SEP

Following a scoring exercise 15 projects were Invited to submit a Full Business Case

Due to the funds remaining to allocate only several of these projects will be successful.

Funding awards will be determined at our September Investment Committee and October Board meetings.

This 'call for bids' exercise has enabled Coast to Capital to have a stronger pipeline of projects for funds that become available either via Government or through 'Clawback'.

FBC submissions

Brighton 5G Fibre Ring
Caterham Business Hub
Converged Fibre Connectivity Programme
Crawley Growth Programme Phase 3
Croydon Creative Campus
East Surrey College - Vision for Growth
Haywards Heath College
Horley Town Centre
Littlehampton Public Realm
Local Nature Partnerships - Naturally Richer
Plumpton College
Sea Lanes Brighton
Unlocking Marketfield Way
Worthing Gigabite
Worthing Public Realm

Spend

Projects are monitored on capital expenditure against their funding agreement every quarter.

Coast to Capital report this to BEIS through quarterly returns, and we pride ourselves in meeting our in-year spend targets.

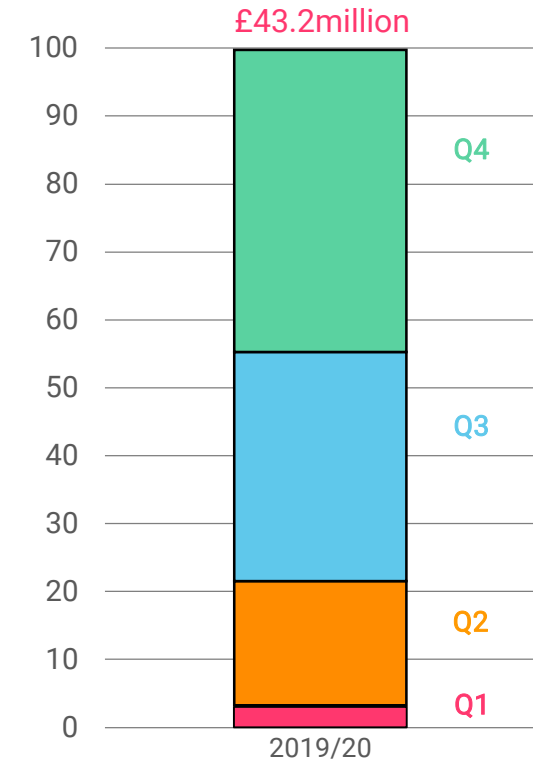
Spend to Date

Coast to Capital has successfully awarded £264.6million of Local Growth Funding to 85 Projects.

In 2019/20 we are on track to fully draw down £43.2million with a total of £1.3million that has been spent to date.

Forecast Spend

The remaining £9.1million will be allocated by December 2019. This would ensure that we fully draw-down our total LGF allocation of £275million by the March 2021 deadline.



Delivery

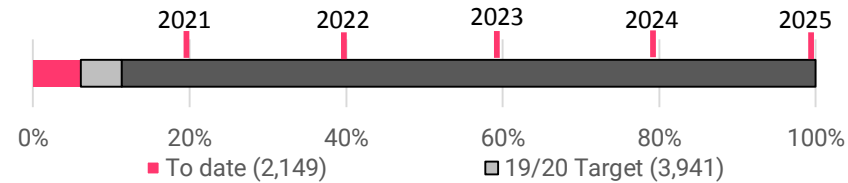
Out of the 85 projects currently funded, there are 30 that have completed, with the rest active and delivering.

Due to the nature of the projects, outcomes are back loaded with the majority being delivered between 2021-2025.

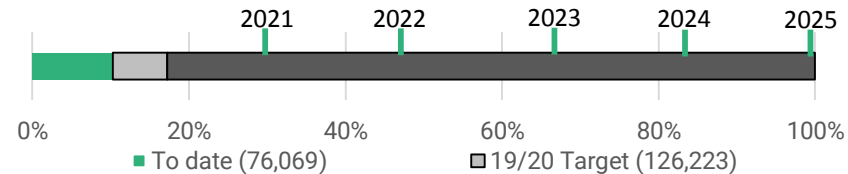
Reporting

The key outcomes that Coast to Capital report quarterly to BEIS are;

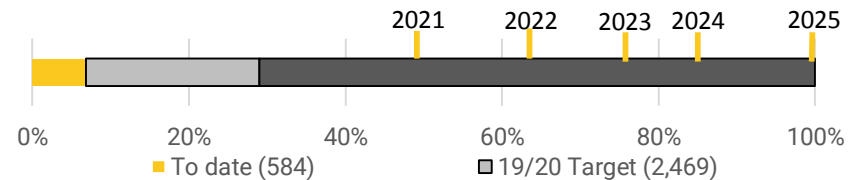
New Jobs Created



New/Refurbished floor space



Residential Units Built/ New Homes



Forecast Outputs



34,777



731,558

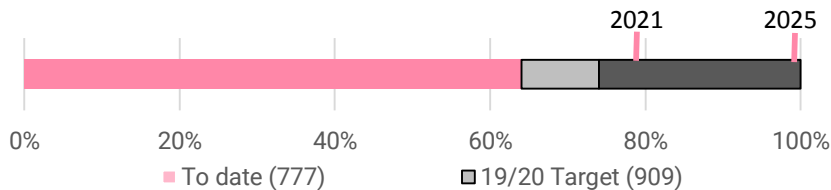


8,500

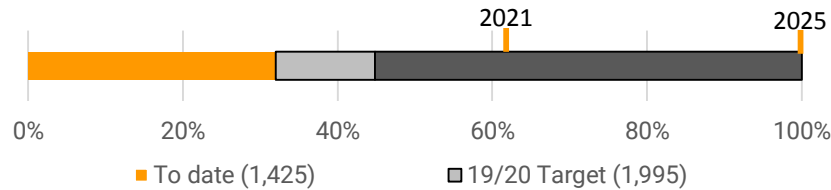
Delivery Continued

Reporting

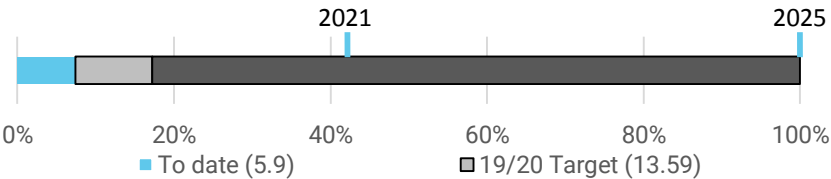
New Apprentices



New Students/
Learners



New Cycle
Ways (km)



Forecast Outputs



1,214

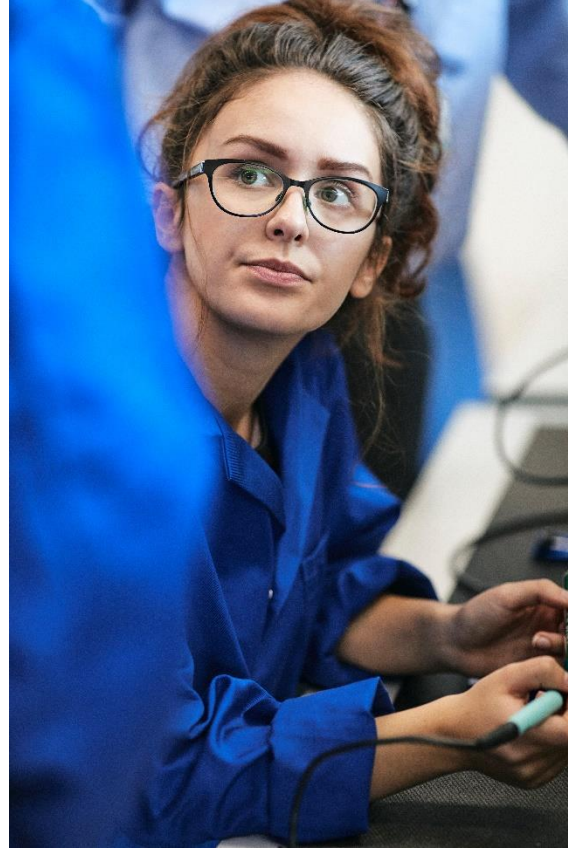


4,448



79km

University of Chichester Tech Park



“Providing valuable knowledge and skills in an area of high deprivation”

££ 10 million LGF

 **1,975** students

 **State of the art engineering and digital technology facilities**

The Aldingbourne Trust



“Supporting adults with learning disabilities to lead enriched and fulfilling lives”

££ 1.96 million LGF

 **72** jobs

 Multi-space **community** building at the **heart** of the Aldingbourne Country Centre

GBMET Construction & Trades Centre



“Young people are developing the skills required to design, create and build homes, schools and hospitals for future generations.”

££ 9 million LGF

82 students

Creating a vibrant learning facility to learn trade & construction

Strategy

Strategy

Local Industrial Strategy

Building on our exceptionally well received strategy, Gatwick 360, our Local Industrial Strategy will promote the co-ordination 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.

Update:

- Regular CLGU monthly meeting took place on 12 September and gave full update
- Update given and full engagement on LIS at AGM on 11 September
- Consultation on evidence to be launched imminently
- Full Board meeting discussion to take place on 17 October
- Big Debate planned for 25 November
- Negotiation to begin in January 2020

Coast to Capital



Forward Look

What's ahead for the U.S. economy?

What's ahead for the U.S. dollar?

What's ahead for U.S. trade policy?

What's ahead for U.S. foreign policy?

What's ahead for U.S. technology?

Forward Look

Local Growth Fund's major milestones, projects and challenges ahead.

- Fairfield Halls Opening.
- Residential build at Preston Barracks.
- Union Place Outline Planning Application.

September
2019

- October Board Meeting: Final decisions on Funding Awards (New Call), and decisions on A29 and Valley Gardens phase 3.

October
2019

- Crawley STEM Centre construction.
- Southern Gateway Developer selected.
- Pelham Campus construction.

November
2019

- A2300 decision expected from DfT.
- Build starts at Bognor Digital Hub.
- Phase 5-7 works at Valley Gardens.

December
2020

- Plus X opening at Preston Barracks.
- Fiveways Planning application submitted.

January
2020

Coast to Capital

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Coast to Capital LEP Mid-Year Review 2019-2020

Location: Pacific House, Hazelwick Avenue, RH10 1EX

Date: Friday 13 September 2019

Time: 13:30-15:00

Action from 2018-19 Annual Performance Review

Action	Action Point	Date completed	Resolution
1	Advise LEP on deadline for transition to new Accountable Body arrangement following LEP boundary changes	16 April 2019	CLGU confirmed the LEP will need to move to an Accountable Body within the LEP footprint by April 2021.
2	LEP to consider its approach to co-optee term length.	22 January 2019	Current co-optees to be made full. Co-optee term length to be one year, agreed by the Board.
3	Further discussion of scrutiny; output delivery, particularly LGF and EZ, and wider LEP impacts; and LEP's commercial approach.	4 March 2019	Meeting with CLGU Delivery team held.
4	Further guidance on what 19/20 Delivery Plans should contain.	25 January 2019	Guidance received from LEP Network.
5	Copy CLGU into any communications with No. 10.	Ongoing	Ongoing.
6	Share experience of what works to increase diversity	April 2019	Completed.
7	C2C to invite Laura Jackson to the South LEPs to discuss LIS	February 2019	Meeting took place.
8	LEP to sight MHCLG/BEIS on the arrangements, including for the SPV for Newhaven, before final agreement.	January to March 2019	Completed.

Introduction

- Coast to Capital (C2C) introduced their presentation "Targeting Exceptional", outlining their ambition to get an 'exceptional' rating in at least one area in the 2019 APR. It now has a full Board which is compliant with requirements and have recently appointed: a new Vice Chair; three new Business Directors; two new District Council Directors; and HE and FE Directors. The new SME representative on the Board is Claire Mason.
- C2C had taken part in a peer review process with Oxfordshire LEP, as part of the pilot exercise flowing from the LEP Review recommendation on this.

- C2C's goal is to be an organisation that is diverse, professional and innovative and seen in the region as an organisation that manages the interface between public and private sector to an exceptional standard.
- It was agreed that the Business voice on the Board is strong and there is a good level of debate at Board.
- C2C's new office has enabled enhanced collaboration across the organisation and with their partners. The LEP puts a premium on offering a good working environment and professional development to staff. This is seen as important, not least as a way to attract and retain staff in a competitive employment environment.

Governance

- C2C do not have any co-opted Board members and now have a full Board of 20 members that they are comfortable with.
- C2C carry out a structured induction of new Board Members, which was well received, in addition to provision from the LEP Network.
- One of the business Board members suffered a serious stroke earlier this year. He has resigned from the Board but will be considered to fill a vacancy that will arise in February for his remaining term and will be welcomed back to serve on the Board, subject to him being sufficiently fit.
- The LEP Chair term ends in July 2020. C2C have started the planning process on the appointment of a new Chair with business engagement and diversity at the forefront, ensuring reach into the largest possible pool of candidates. The LEP will be considering carefully whether the position should be paid or unpaid as at present.
- The Audit Committee recommends reviews to be carried out, including selecting each year one aspect of operations for an in-depth review. The LEP has this year commissioned an independent in depth review of its risk management processes. It has recently published a new fraud policy. There will also be a review of the operation of the LEP's conflicts of Interest policy, led by a member of the Audit Committee. This is alongside a series of audits, including on employment legislation, procurement, payroll systems and Accountable Body arrangements.
- C2C are now exceeding the target that at least one third of Board members are women by the end of 19/20 (currently at 40%). They are committed to equal representation of men and women on the Board by the end of 22/23. Jonathan reiterated that they have no doubt that there will be parity by 22/23. It was noted that the residual risk is around the public sector (political) representatives that C2C are not in control of and could leave the LEP exposed.
- Deputy LEP Chair, Julie Kapsalis, and Katie Nurcombe (Head of Communications and Corporate Affairs) are leading a piece of work across the Southern LEPs on encouraging diversity in all forms. C2C has a very active LGBT angle and is also doing work on neurodiversity (taking advice from a local charity), disability issues, and targeting BAME and young people. A repeat of the C2C Women in Business event held earlier this year was also under consideration. The LEP was proud to be one of two LEPs piloting a 'Banker in Residence' in partnership with NatWest, working to support women entrepreneurs. This followed from the Rose Review of Female Entrepreneurship. C2C's AGM this month had featured a live interview with Wincie Wong, Head of the Rose Review Implementation.
- We discussed how C2C attempted to set up a "super scrutiny committee" – where the scrutiny committees from all 17 LAs in the region scrutinised the LEP. This offer

was not taken up by the LAs. The LEP had written to all local authorities confirming the LEP's willingness to take part in local authorities' own scrutiny committees.

- Relationships with politicians in the region are very good. The LEP has instituted meetings of Leaders before each LEP Board for a full briefing and opportunity to discuss the issues. It was noted that Leaders' diary commitments can prove problematic. This has led the LEP to call a formal meeting of the LEP's Joint Committee before the October Board.

Accountable Body

- Croydon will remain the Accountable Body (AB) for C2C until April 2021. The process to appoint a new AB will begin in the new year. C2C flagged the opportunity cost of the resource needed to procure a new AB. The process will be supervised by the Audit Committee and informed and supported by Croydon Council.
- The LEP are disappointed that the arrangement will need to end in March/April 2021 and ask that Government reconsider the ruling that ABs should be within the LEP area. Cath agreed to take this back to CLGU. Katie made the point that having an AB that is not based in the region has the benefit of meaning that there's no conflict of interest when it comes to funding questions.
- Jonathan observed that the LEP was very pleased with the AB service, particularly compared with their previous arrangement. Based on the procurement exercise it would be challenging to achieve the same level of quality. The cost of the AB service was not cheap at £270,000 per annum, as market-tested through the procurement exercise. Other LEPs' AB arrangements might cost less but C2C's LEP Chair and Board were clear that the service provided was worth it. It was noted that there is frustration on the C2C side that there are unresolved overlaps in other parts of the country, whilst C2C resolved its overlaps quickly, even though it means C2C losing its AB. Cath commented that C2C's positive action to resolve its overlaps had been noted. The Accountable Body is content with the operation of the LEP. As Finance Officer for the LEP. Carli is employed by the Accountable Body and reports to it but is co-located with the LEP and works closely with the LEP Chief Executive and Executive Team. She noted that the relationship with the LEP is open and working well. She felt fully involved in Coast to Capital and its operations.

Delivery

- C2C has a fully resourced team now, with output monitoring taken very seriously through a dedicated post at the LEP. The in-house investments team is now fully resourced to successfully manage and report on all 85 LGF projects.
- The Investment Committee now has an enhanced role in project monitoring and appraisal, with regular oversight of the entire LGF programme to include audit, risk, delivery and spend. There is an open invitation to all Board Members to attend the Investment Committee alongside the Board Members who make up the Committee.
- There has been continuous improvement including ensuring transparency of operation and funding decisions made through the website.
- The LEP considers it achieves a strong performance management role with a small team compared to the size of its programme. The LEP continued to make a significant investment in training and capacity building of its young staff. This included project management, audit and risk management and evaluation training, as well as ensuring mentoring was in place and other opportunities to develop within the company. This was ensuring the LEP had a good level of quality

assurance embedded within its organisation. On rate of spend Cath noted that CLGU spend and output monitoring was showing the LEP had a 75% rate of expenditure of LGF received to date. This was a reasonable rate of spend at this stage though with several high value projects towards the end of the programme the LEP would be a need to continue pressing forward on delivery.

- Tony noted that the LEP had reduced its use of flexibility in managing its spend. This was now only used in exceptional cases. He was confident the LEP could deliver 100% of its promised spend.
- In June 2019 C2C launched a call for bids to find suitable projects that aligned with the Gatwick 360 priorities, in order to allocate the remaining £9.1m of LGF funding and provide a credible pipeline. 35 EOIs were received with 15 invited to submit a Full Business Case. Due to the level of funds remaining to allocate only several of these projects will be successful.
- Due to the nature of the projects, outputs and outcomes are backloaded with the majority being delivered between 2021 and 2025. Out of the 85 projects currently funded, there are 30 that have been completed, with the rest active and in delivery.
 - C2C are keen to have a conversation with Stephen Jones and other LEPs in a wider forum on how success is measured. The LEP's delivery performance compared favourably with bodies such as Network Rail for example. Further, projects delivered through C2C's £300m Growth Deal would be more than the sum of their parts. A parallel was HS2, where success would not be measured in metres of track laid, but in the regeneration that happens in Manchester and Birmingham over a longer timeframe. Projects such as Chichester University's Tech Park or the Aldingbourne Trust, for example, delivered far more than their simple outputs demonstrated. The LEP produced case-study videos which brought this out.
 - Cath confirmed that LEPs should be thinking about the narrative around what their Growth Deals had delivered, alongside the collection of data on outputs. The LEP would start to develop this. The LEP's message on wider impacts would also be communicated to CLGU.
- On individual projects, a post project evaluation process was in place at C2C that would audit project outputs against those originally forecast.
- The LEP operates a robust risk management process to identify and act on projects at risk. The numbers of risk rated projects has reduced.

Strategic impact

- There has been good engagement with CLGU on LIS through monthly meetings between C2C and the Area Lead and CLGU London and the South East Team LIS lead as C2C have been developing their LIS. The LIS process is progressing well, with full and committed involvement of the LEP Board. The LEP has held a series of stakeholder events to take forward discussions based on the SEP published in July 2018. The evidence base has been expanded and updated and will shortly be published for consultation by end October. There has been early engagement with BEIS analysts as well as discussions with some departments, including MHCLG on housing related interests. A period of honing priorities in discussion with local partners will follow the evidence base consultation. Engagement with Government on a draft LIS is likely to begin early in the New Year.
- The Strategic Economic Plan published last year has put the LEP in a good position from which to develop the LIS.

- Work on C2C's evidence base for the LIS covers both Croydon and Lewes. C2C know that they will not be able to spend any money in Croydon but recognise that activity in Croydon is central to improving the region as a whole.
- Alongside the LIS work the C2C Chair and Chief Executive have been leading work on the South East LEPs grouping. This draws together LEPs around London to discuss common issues and to look holistically at the South East economy and what might be opportunities and threats to its development.
- C2C has a close relationship with London and are not against London joining the southern grouping of LEPs, but this work is still at an early stage.
- There was discussion of the arrangements for Newhaven EZ. C2C had made a significant investment before the LEP Review through £16m of LGF and through strategic input and influence. Post-Review the EZ's accountability now rests with SELEP. It was a matter of great regret to C2C that its proposal for the EZ arrangements had not been taken up by SELEP and that the opportunity for previous LEP Board Member, Steve Allen, to chair an EZ Board had been lost. C2C were fulfilling their obligations through participation in the oversight arrangements, as agreed, and monitoring of their LGF investments but the C2C Board had been clear that there should be no further effort beyond that.

LEP Feedback

- C2C underlined the need for confirmation of future core funding. C2C noted also that at present, the LEP's £500k annual core funding barely covers to the costs of delivery of the assurance framework and the AB. Cath would raise this with CLGU colleagues.
- The LEP reflected that the Careers and Enterprise Company provided a service which was expensive at £160,000.

AOB

- C2C noted that they stand ready to take whatever action is asked of them on Brexit. They would like as much information as possible on this as and when it becomes available and are ready to re-prioritise.

Action Points

Action	Action Point	Owner	Date to be completed	Date completed	Resolution
1	Advise whether the requirement for an Accountable Body to be within LEP territory can be revisited, enabling C2C to retain Croydon as Accountable Body.	Cath Goodall	November 2019		
2	Confirm position on next year's core funding.	Cath Goodall	End September 2019	Formal confirmation of position still pending (Oct 2019).	
3	Propose CLGU discussion with LEPs on reflecting wider impact from LEP projects.	Cath Goodall	October 2019		
4	C2C to start building a narrative around delivery of its Growth Deal outputs/outcomes	Tony Middleton	December 2019		

Attendees:

Cath Goodall, Area Lead – London and South East, CLGU
Matthew Kaye, Policy Advisor – London and South East, CLGU
Jonathan Sharrock, Chief Executive, Coast to Capital LEP
Tony Middleton, Chief Operating Officer, Coast to Capital LEP
Katie Nurcombe, Head of Communications & Corporate Affairs, Coast to Capital LEP
Carli Foster, Head of Finance, Coast to Capital LEP

Coast to Capital Local Enterprise Partnership Assurance Framework

~~March 2019~~ **[Date]**

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Version ~~6.37~~

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

Version Control

Version	Reason for update	Publication date
<u>V7</u>	<u>Updated to respond to changes required</u>	<u>IBC</u>
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

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1.1 Coast to Capital Local Enterprise Partnership

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.

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.

A circular map of the London Gateway region, centered on London Gatwick Airport. The map is divided into three color-coded areas representing different strategic relationships:

- Coast to Capital LEP:** Represented by a pink area with diagonal lines, covering the majority of the region from the airport southwards to the coast.
- Strategic relationship with London LEP:** Represented by an orange area, located to the north of the airport, including areas like Redhill and Oxley.
- Strategic relationship with South East LEP:** Represented by a grey area with diagonal lines, located to the east of the airport, including areas like Haywards Heath and Burgess Hill.

Key locations marked on the map include: Gatwick, Leatherhead, Redhill, Oxley, East Brimstead, Haywards Heath, Burgess Hill, Shoreham, Brighton & Hove, Newhaven, Lowest, Worthing, Littlehampton, Bognor Regis, Chichester, Midhurst, Billingshurst, and Harsham.

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 LEP 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.

- **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~~ **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 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);

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.

- 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 ~~also~~ 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 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 ~~Sub~~-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 ~~Sub~~-Committees will make decisions on merit having taken into account all of the relevant information available at the time of evaluation. Any decision 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; ~~and~~
- 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 an 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 SEP, Gatwick 360, in July 2018 which is available to download on our [website](#).

2.1 Our Vision

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

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 [Gatwick 360 Local Industrial Strategy](#) Programme Group Terms of Reference can be found ~~at~~ [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](#).

2.3 Our Local Industrial Strategy

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.

Government has confirmed that LEPs should focus their activities on the following four activities to support the development and delivery of their Local Industrial Strategy:

- **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.

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;
- Monthly newsletters;
- Social media campaigns; and
- Press releases.

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 developing a Local Energy Strategy with the Greater South East Energy Hub.

We engage bilaterally with our partner LEPs and are also part of the 'Southern LEPs' 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':

- Buckinghamshire Thames Valley;
- Coast to Capital;
- Enterprise M3;
- Hertfordshire;
- Oxfordshire;
- 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.

We are working with our LEP counterparts and colleagues from the Department for International Trade, the Cities and Local Growth Unit, the Department for Energy and Industrial Strategy and Innovate UK to explore how Innovation South might deliver a mechanism for large scale conversations and interventions around international trade and investment. There is no formal governance in place for Innovation South at the current time but this is under review should it take on a more formal role.

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 by 2020.

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 ~~M~~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.

South2East Local Energy Strategy

Coast to Capital, Enterprise M3 and South East Local Enterprise Partnerships have published a local energy strategy that will help to identify a pipeline of energy projects across the area for 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

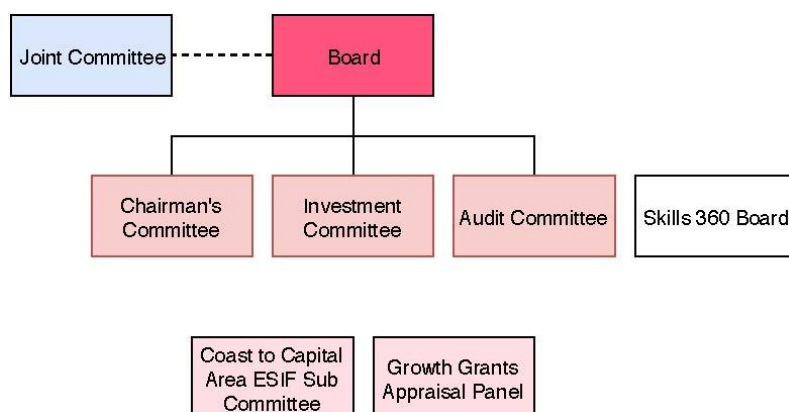
In addition to our formal collaborative arrangements in relation to Croydon and Lewes, we are committed to working with other LEPs to maximise the impact of our strategy and investment across local geographies. We engage with other ~~LEPS-LEPs~~ on projects and decisions which are likely to have an effect 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.

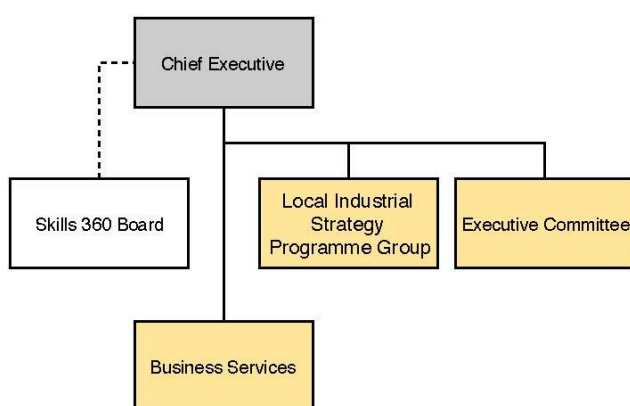
3. Our Governance

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 Sub-Committees. These report back into the Board and operate at a more operational level ensuring that there is oversight and governance around the day to day running of the LEP.



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.



3.2 Our Board

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

- the Chair~~man~~ who is drawn from the private sector;
- the Vice Chair~~man~~ who is drawn from the private sector;
- the Chief Executive;
- eight 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 ~~M~~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~~ **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~~ **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 as 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 ~~member of the~~ Board **Member** represents and engages with the Small and Medium Enterprise (SME) business community as our SME Champion. Details of Board ~~M~~members and their specific roles, including our SME Champion and Diversity Champion within Coast to Capital, are set out on our 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.

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

The Chair will become a paid role from July 2020.

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

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 are committed to ensure that at least one third of our Board ~~members~~ Members are women by the end of the 2019-2020 financial year. 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~~ 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. ~~We are recruiting a new Stakeholder Manager and e~~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~~this role and will be written into their objectives~~. 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~~man~~

Our Chair~~man~~'s responsibilities are to:

- 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 ~~and through the membership of the Prime Minister's Council of Chairs;~~
- Chair the Board of Directors meetings and the Chairman's Committee;
- Take a leading role in determining the structure of the Board and leading the appointment of Board Mmembers and the Vice Chair~~man~~;
- 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, ~~and~~ 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~~man~~

Our Vice Chair~~man~~'s responsibilities are to:

- Support the Chair~~man~~ to deliver ~~his~~~~their~~ duties and deputise for the Chair~~man~~ at Board and other meetings as required as a proxy, also in instances when the Chair~~man~~ is conflicted;
- Attend Coast to Capital Board and Chairman's Committee meetings and provide support to Board members and Sub-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 and support strategy development; ~~and~~
- Ensure that the LEP acts in a transparent, efficient and effective way.

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 member must be or have been employed by an organisation not ~~included including as a~~ Central ~~g~~Government, ~~!Local~~ ~~g~~Government or a public corporation as defined for the UK National Accounts. Those from Higher Education or Further Educational Institutions are not classified as public sector organisations for this purpose.

Our Local Authority Directors

The Board is directly accountable to the public through the four democratically elected directors drawn from local authorities. Our Local Authority Directors are the Leaders of Surrey County Council, West Sussex County Council, 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~~man~~ 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~~man~~. The District Council representatives are also the Chair~~man~~ and Vice Chair~~man~~ 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 will serve a maximum term of three-years with no option for re-appointment. The Further Education Director is appointed by agreement of the Principals in the Coast to Capital area.

Commented [KN1]: Limited response to consultation – two years were suggested as pressure on FE bodies. Thus ‘maximum’ proposed.

The Higher Education Director will serve a term of three-years with no option for re-appointment. The Higher Education Director is appointed by agreement of the Chancellors / Vice Chancellors of the Universities in the Coast to Capital area. If the Higher Education Director is unable to attend a Board meeting then a representative from the other Universities may deputise.

Commented [KN2]: For agreement

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 Chairman’s 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 Board Director.

The Chair~~man~~ of the Board is appointed through the Nominations Committee following open advertisement and consultation with businesses. The Nominations Committee is drawn from the Board membership with at least four ~~members~~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. The Nominations Committee makes a recommendation to the Board which makes the final decision.

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

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~~ Members before consideration of the new director's appointment to the Board. The appointment of any new director to the Board must be by a majority vote in favour.

Board Resignation

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

Board Member Duties and Capability

Every Board ~~member~~ 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~~ Members have to adhere to the seven principles of public life, also known as the Nolan Principles, detailed in Annex D. All Board ~~members~~ Members are required to sign an undertaking to abide by the Nolan Principles as part of our Code of Conduct.

Board ~~members~~ 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~~ 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 Chairman's Committee and approval of the Board.

The Chairman and Vice Chairman's terms of office will run for three years from their appointment with the potential to renew for one further term upon a recommendation from the Nominations Committee to the Board for the Chairman and upon a recommendation from the Chairman's Committee to the Board for the Vice Chairman. 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.

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
- 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~~man~~, 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~~24~~ hours before the meeting. Public comments will be considered by the Board at the time of the agenda item being discussed. In this way the Board can take into account public comments before making decisions. 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 ~~M~~member’s register of interest.

Where the Board delegates under the ‘Scheme of Delegation’ decision making powers to sub-ordinate Committees and Sub-Committees, these have their own transparency arrangements that are detailed later in this document, 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 ~~m~~Members and the main point of contact.

We also ~~currently~~ 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 ~~M~~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

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~~man~~ 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 ~~M~~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 Chairman's 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 Sub-Committees of the Board (Members) and decision making employees (employees). The policy sets out guidelines and procedures for identifying, monitoring and managing actual, apparent and potential conflicts of interest and~~which~~ can be found in Annex D.

The LEP recognises that Directors, members and employees will have legitimate interests that arise out of their capacity as a private citizen 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 the LEP.

The LEP further recognises that any 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. However, a conflict of interest in itself is not

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, a Declaration of Interests form must be completed and once appointed this will be published on our website. Declarations of interest of our Committee ~~M~~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 ~~M~~members are entitled to claim reasonable travel, subsistence and associated expenses in accordance with their Coast to Capital related duties. These should be submitted to the Head of Finance on a monthly basis. Chief Executive expenses are approved by the Chair~~man~~ and other Board ~~M~~members expenses are approved by the Head of Finance. Expense claim forms are kept on file for audit and budget monitoring purposes.

Team members are entitled to claim reasonable travel, subsistence and associated expenses in accordance with their Coast to Capital related duties. 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 ~~SR~~. Our Whistleblowing Policy can be found in Annex ~~IS~~.

Anti-Fraud and Anti-Bribery Policy

Coast to Capital will not accept 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 committed against it, whether by internal or external parties. Our Anti-Fraud and Anti-Bribery Policy can be found in Annex U.

3.4 Our Sub-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	Strategy & Policy	Services
Assurance & Audit by :	<i>Audit Committee</i>	<i>Audit Committee</i>	<i>Audit Committee</i>	<i>Audit Committee</i>	<i>Audit Committee</i>
Reporting to & Oversight by :	<i>Board</i>	<i>Board</i>	<i>Chairman's Committee</i>	N/A	<i>Board</i>
Decisions by :	<i>Investment Committee</i>	<i>Growing Places Committee</i>	<i>Executive Committee</i>	<i>Board</i>	<i>Chairman's Committee</i>
Refinement & validation of Recommendations by:	<i>Executive Team</i>	<i>N/A</i>	<i>Executive Committee</i>	<i>Executive Team</i>	<i>Executive Team</i>
Recommendations by:	<i>Investment Committee</i>	<i>Executive Team</i>	<i>LEP Lead Officer</i>	<i>LEP Lead Officer</i>	<i>LEP Lead Officer</i>
Initiation request by :	<i>Grant applicant</i>	<i>Loan Applicant</i>	<i>LEP Officer</i>	Consultation	Consultation

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 Sub-Committees responsibility for certain tasks. The following sections explain the constitution, membership and role of each Sub-Committee.

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

Chairman's 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 Chairman's Committee is chaired by the Chairman of the Board with membership comprising the Vice Chairman and two other Board Directors. Directors are appointed to the Committee by the Chairman.

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

Audit Committee

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

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

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 £2m on behalf of the Board to approve all LEP investment decisions relating to the Growing Places Fund. The Growing Places Fund is a revolving business loan fund which provides loan finance and /or equity investment to growth businesses where banks have not been willing to lend. The fund lends only to items that are considered capital investment and which can be capitalised under standard accounting practice. All investment decisions must be consistent with the Coast to Capital investment strategy. ~~With the appointment of a new Chair of the Growing Places Committee the terms of reference of this Committee is under review and will be included in the Assurance Framework once agreed. 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 terms of reference of this Committee are set out in Annex ~~K~~J.

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 ~~K~~L.

Growth Grant Appraisal Panel

~~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.~~

~~The Growth Grant Appraisal Panel has delegated powers to award individual growth grants for businesses up to a maximum of £170,000 subject to de minimis State Aid Rules, i.e. the total value of any assistance or advantage given on a selective basis by a public authority to any organisations that could potentially distort competition and trade in the EU is not to exceed 200,000 Euros over three consecutive fiscal years. The businesses must demonstrate they have a gap in funding in their~~

~~application. The panel's delegated powers for 2018/19 are limited to £2,000,000. Funding beyond this will be approved by the Investment Committee and updated here once approved.~~

~~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 L 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~~ maintains an 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 ~~NM~~.

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 be 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 ~~man~~ 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 QN.

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	Chairman's Committee	Executive Committee	Audit Committee
Operational day to day expenditure (incl procurement of goods and services) Approval within budget	Approves up to £150k	Approves up to £10k	Unlimited			Approves up to £500k		Audits & reports to Board
Operational day to day expenditure that exceeds overall gross LEP budget	Recommends		Board Decision					Audits & reports to Board
Award of Funding under LGF			Approves above £2m	Approves up to £2m				Audits & reports to Board
Award of Growth Grants			Approves over £2m	Approves up to £2m and gives powers to Growth Grant Appraisal Panel				Audits & reports to Board
Operational budget setting & approval			Approves unlimited				Recommends	Audits & reports to Board

Agreement of Policy & Strategy			Approves					
Recruitment Decisions	Approves	Recommends						
Remuneration decisions	Recommends					Approves unlimited		Audits & reports to Board
Award of Growing Places fund loans			Approves above £2m		Approves up to £2m			Audits & reports to Board
Temporary virements of funding on LGF projects		Recommends		Approves unlimited				
Permanent virements of funding on LGF projects				Approves unlimited				Audits & reports to Board
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						Approves Unlimited to discuss	Recommends	Audits & reports to Board
Governance Changes			Approves				Recommends	Recommends to Board
Calls for bids for grants or loans			Approves	Recommends	Recommends			

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 are also planning a series of 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~~ 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 Groups**. Led by a private sector Board ~~member~~[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](#).

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.

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

We are happy to participate in any Local Authority ~~overview~~ [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 Committee. This independently assesses our performance and compliance with this framework on a targeted basis.

We are also able to call on Croydon Council'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 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, ~~and~~ the Data Protection Act 2018 ~~and in line with legal~~, National and Local Assurance Framework ~~and~~, 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 office manual 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~~ Members to inspect.

3.6 Our Accountable Body

Our Accountable Body

Coast to Capital has a single Accountable Body, Croydon Council, which is responsible for overseeing the proper administration of the governance and financial affairs within Coast to Capital. Croydon Council commenced the role of Accountable Body on 1 October 2018. The Service Level Agreement with Croydon Council 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 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:

- 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 Grants Appraisal Panel, and at the Coast to Capital Board.

The Head of Finance, 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 [accounts payable team](#).

Commented [KN3]: Confirm which 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, Sub-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, this will be finalised when Coast to Capital provide the cashflow.

4. Our Investments

Government chooses to administer regional investment funding in England through **L**ocal **E**nterprise **P**artnerships. 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 **M**ember of the Board, Investment and Audit Committee to ensure appropriate use of resources.

4.1 Our Funding, Programmes and Schemes

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 **ing** 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 **r**elated 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 ~~Funding 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~~ 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.P.~~ Q.P. 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 ~~COO~~ 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 ~~is~~ 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 ~~H~~High ~~R~~risk ~~M~~Monitoring ~~P~~protocol which consists of; watch and wait, write to ~~government~~ 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 ~~QP~~ 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 of or new students
New housing unit completions	Number of new houses <u>homes</u> 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

We receive [match](#) funding from the Careers and Enterprise Company, which [was established and is a private company 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

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 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.

The Growth Grant team engage with Local Authority partners and key area partners to provide an overview on the programme and receive input on the strategic direction of the programme.

Full details on the governance and decision making for the Growth Grant Programme are detailed in the Coast to Capital Growth Grant Programme – Background document as set out on our [website](#).

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 ~~(Chair)~~
- 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 [QP](#) 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~~ [Monitoring and Reporting](#) 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 Auditor [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 ~~QP~~.

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-Monitoring p~~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 procurement policy is ~~at-in~~ Annex ~~RQ~~. 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 ~~gateway~~ reviews to ensure that delivery partners adhere to these standards. We will require evidence prior to issuing funding agreements that delivery bodies will operate best practice procurement regimes; in most instances this will be by ensuring compliance with the Public Contract regulations 2015.

These standards include the delivery body demonstrating robust procurement procedures that follow best practice for the goods, services and contracts that they intend to purchase with Coast to Capital funding. This would include the delivery body demonstrating 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 ~~gateway~~ audit process, based upon the Government's Gateway review system. Those staff undertaking these review audits will all be gateway trained via the Government's accredited Gateway training provider – Local Partnerships.

The gateway process is a comprehensive best practice approach to project monitoring and is an established methodology to ensure robust standards of project delivery. Unless each key gateway stage is satisfied by delivery bodies, staged funding payments will not be released. On the basis of these findings, project delivery bodies will be called to account including by being asked to attend 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 Chairman's Committee, who will report on this to the Board at least twice a year. Any Board ~~M~~ember can view the risk register at any time.

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 ~~H~~high ~~R~~risk ~~M~~monitoring ~~P~~protocol is operated by the Investment Committee and Board and is detailed in Annex ~~Q~~P.

Item 4a) Annex D - Coast to Capital conflicts of interest policy

Contents:

1. Introduction

- 1.1 A conflict of interest is any situation in which Coast to Capital Board Member's, Committee Member's or employee's personal interests, or interests that they owe to another body, may (or may appear to) influence or affect their decision making.
- 1.2 This policy explains the how Coast to Capital Board Members, Committee Members and employees involved in decision making should consider, declare and manage actual, apparent and potential conflicts of interest.
- 1.3 Board Members, Committee Members and employees are individually responsible for declaring interests and avoiding perception of bias that may or may not affect Coast to Capital's reputation in the public eye.
- 1.4 Declaration of interests are not a resolution of the conflict but assists Coast to Capital with managing the conflict. All declarations will be formally reviewed every 6 months and all Board Members, Committee Members and employees are to declare any interests as they arise.

2. Identifying conflicts of interest

- 2.1 Conflicts may be actual, apparent or potential and may inhibit open discussion, influence decisions or actions made that are not in the interests of Coast to Capital or risk creating the impression that Coast to Capital has acted improperly.
- 2.2 An **actual conflict** is where there is an undisputed Board Member, Committee Member or employee interest that would cause influence to a discussion or decision being made involving the organisation where the said interest is vested. An example of this might be a Committee Member whom is also a member of a local authority, being involved in the decision making process regarding the approval of their own local authority's project funding.
- 2.3 An **apparent conflict** of interest is one which appears to compromise the impartiality of a Board Member, Committee Member or employee in the eyes of the public but is not an actual conflict. An example of this might be where a Board Members spouse or partner works for a company that is tendering for an assignment at Coast to Capital and that spouse or partner is not in any way involved in the tendering exercise.
- 2.4 A **potential conflict** would involve a situation involving a Board Member, Committee Member or employee that may develop into an actual conflict. An example of this might be a Board Member giving professional advice to a company or organisation that has indicated its future intention to bid for Coast to Capital funding.

- 2.5 Any interest of which a Member or employee has no knowledge and which is unreasonable to expect them to have knowledge shall not be treated as a conflict.

3. Registering and declaring pecuniary and non-pecuniary interests

- 3.1 All Board Members must declare pecuniary and non-pecuniary interests of their own and their household as defined in the National Local Growth Assurance Framework (Jan 2019) prior to appointment.
- 3.2 Committee Members and employees must, within 28 days of appointment declare any pecuniary or non-pecuniary interests of their own and their household as defined in the [National Local Growth Assurance Framework \(Jan 2019\)](#).
- 3.3 Individual registers of interest must be reviewed and updated at least 6 monthly and at the start of any meeting or at any point during this meeting in which interests should be declared.
- 3.4 If an interest not on the register arises, this must be declared and added to the individuals register within 28 days. This will include any gifts and hospitality which is defined further within the Coast to Capital Gifts and Hospitality Policy.

4. Procedure for managing conflicts

- 4.1 At the start of each meeting the following statement will be read by the Chair:
Should any Member or employee consider themselves or another present to have a conflict of interest, this must be declared at this point. Should an interest be realised later on, this can be declared at any point within the meeting.
- 4.2 Non-conflicted Members will decide, with the advice of the Accountable Body where necessary, if a conflicted Members interest is trivial or non-trivial. Should the interest be deemed non-trivial, the conflicted Member should be excluded from all discussion and decision making involving the interest and should be asked to leave the room at this point. Should the conflicted Member be the Chair, a Vice Chair should be selected.
- 4.3 Should the interest be deemed trivial the Member can be involved in any discussion and decision making, in either circumstance a clear record should be made within the meeting minutes.
- 4.4 In the case of a conflict of interest that is of a sensitive nature, any information deemed as sensitive will be redacted from all publicised minutes.

5. Non-compliance

- 5.1 Non-compliance of this policy is a breach of the Coast to Capital Code of Conduct and may lead to disciplinary proceedings.

Financial Controls Policy

Budget setting and financial monitoring

The annual budget is approved by the Board in Q4; prior to the start of the new financial year.

A monthly report showing actual income and expenditure against the budget is prepared and presented to the Executive Committee each month. In addition monthly meetings are held with individual budget holders to review expenditure in detail and discuss any variances to budget.

The Chief Executive can authorise a virement of up to 10% of the allocated budget between different departments. Note: virements from departments with ring fenced funding should not be undertaken (e.g. Growth Hub, Local Growth Fund).

Virements exceeding 10% require Board approval.

Procurement

Any decision to procure goods or services is subject to the following process:

- Up to £5,000 Budget holder discretion and approval
- £5,001 - £10,000 Three written quotations with Chief Executive approval
- £10,001 - £25,000 Full tender process with Chief Executive involved in award
- £25,001 - £50,000 Full tender process with one Board Director involved in award
- Over £50,000 Full tender process with two Board Directors involved in award

Circumstances may arise where it is not possible to follow the above process, for example when procuring highly specialist services or when there is a level of urgency. Any deviation from this policy must be discussed and approved by the Chief Executive and Head of Finance before making any commitments to purchase. If approval is granted then the rationale for the departure from the policy needs to be documented and retained by the Head of Finance.

Invoice approval

All invoices must be approved by the budget holder either by email or signing the invoice. Invoices over £5k must be supported by evidence (quotes/tender documents) that the procurement process has been followed and appropriate approval has been obtained from the Chief Executive and Board Directors as outlined above.

Budget Holders:

- COO – Local Growth Fund, Growing Places Fund, LIS
- Head of Corporate Affairs – Administration, Business Engagement & Communications, Corporate Affairs, LIS
- Head of Services – Growth Hub, Growth Support, Growth Grants, LIS
- Skills Manager – Enterprise Advisor Network
- Head of Strategy & Policy – Strategy & Policy, LIS

Employee and Director expense claims

All employees should send their expense claims together with appropriate supporting documentation to their line manager for approval. The line manager will then forward approved expense claims to accounts@coast2capital.org.uk. Further checks will be undertaken by the Head of Finance, before expense claims are passed on for payment.

The Head of Finance will review and approve expense claims for the Senior Management Team and Board of Directors.

Payment of invoices and expense claims

The Head of Finance will prepare the invoices and expense claims for payment once approval has been obtained.

Payments are processed either by the Investment Manager or the Office Manager in accordance with the following process and the bank mandate:

- Individual payments up to £10,000 – must be authorised by 1 nominated approver
- Individual payments over £10,000 – must be authorised by 1 nominated approver and 1 nominated board approver

Nominated approvers:

- Head of Services
- Head of Corporate Affairs

Nominated board approvers:

- Chair
- Vice-Chair

Payroll

The Office Manager will notify the Head of Finance on or around the 15th of each month with any changes required for payroll such as new starters, leavers, season ticket loans, bonuses, change in salary, etc. The Office

Manager will provide appropriate supporting documentation such as new starter forms, resignation letters, season ticket agreements, etc.

The Head of Finance will send the changes required to the outsourced payroll provider (Knill James) via a secure client portal. Payroll reports will be prepared and sent back to the Head of Finance who checks that all changes have been processed. An analysis is also performed comparing the current month payroll to the previous month to ensure everything is in line with expectation. Any variances are investigated and explanatory notes are added.

The Head of Finance will confirm that payroll has been checked and is ready for payment. The Chief Executive signs off the payroll report each month.

The payroll payments to employees and HMRC will be processed by the Investment Manager or Office Manager and must be authorised by 1 nominated approver and 1 nominated board approver for payments

Nominated approvers:

- Head of Services
- Head of Corporate Affairs

Nominated board approvers:

- Chair
- Vice-Chair

Month end process

The external bookkeeper visits the Coast to Capital offices once per month to record the transactional data in Sage 50 this includes posting all invoices and expense claims, journal entries such as payroll, prepayments and accruals and reconciling the bank accounts.

The Head of Finance works closely with the external bookkeeper to ensure the following:

- everything is recorded completely and accurately
- any issues are resolved
- the creditors ledger, accruals and prepayments are reviewed

After the bookkeeper has finished recording the transactions, the Head of Finance checks the bank reconciliations in Sage and conducts a review of the data and makes any corrections prior to preparing the monthly management reporting.

The Head of Finance prepares balance sheet reconciliations on a quarterly basis.

Cash Flow forecasting

The Investment Manager monitors cash flow on a weekly basis and prepares a three month cash flow forecast with input from the Head of Finance and budget holders.

Document retention

All documentation is retained either electronically on the Finance shared drive or stored in the locked finance cupboard.

Meeting: Coast to Capital Committee Meeting
Date: 13 November 2019
Report Title: Governance – Audit Plan
Report by: Katie Nurcombe
Item No: 4 b)
Part: Part A

Recommendation:

The Audit Committee is asked to:

- Note progress on the Audit Plan for 2019/20

1. Context

The Audit Plan for 2019/20 has been agreed by the Audit Committee as follows:

- Engage BDO to complete an audit and review on our internal risk management and controls as a priority
- Croydon Council's internal auditors to complete audits on:
 - Payroll function and other finance systems
 - Accountable Body arrangements
- Undertake audits on:
 - Employment legislation compliance
 - Value for money of our major procurement contracts
- Review our insurance cover by an industry expert

2. Risk Management Review

This is covered under item 1.

3. Payroll Function & Finance Systems

This is covered under item 4 c) of this agenda.

4. Accountable Body Arrangements

Croydon Council has continued in to fulfil the role of Accountable Body for Coast to Capital and report 4 c) of this agenda provides an update for the Committee of the work undertaken by the AB and an update on the audit.

5. Employment Legislation Compliance

The Employment Legislation audit is being carried out by the Coast to Capital Audit & Compliance Offer. It has been split into two; working practices and recruitment.

Working practices

Over the last six months extensive work internally has taken place to update the Coast to Capital team manual with guidance from external HR consultants. We now have a fully comprehensive draft document which aligns with our values. A consultation period will take place in November with the document being fully implemented in December. We are proposing a three month review period of the operation of the manual and the audit will take place during this time. The scope can be found in Annex A.

Recruitment

A review of our recruitment processes will take place in quarter four. The scope can be found in Annex B.

6. Value for Money of Major Procurement Contracts

The Coast to Capital Audit & Compliance Offer has provided initial changes and points of clarification as part of the update to the Assurance Framework which has been considered under item 4a. If approved these changes will come into effect when the Assurance Framework is approved. Therefore, the audit will be conducted in quarter four. The scope will be circulated to Audit Committee for comment before the end of the year.

7. Insurance Cover

We review our Directors and Officers and our Professional Indemnity insurance cover each year and take advice from our brokers to confirm that we have the right level of cover for our operations. We renewed our insurance with the same provider following this process in August/September 2019. As we had a claim during the year this increased our costs and restricted us in the providers that were willing to insure us at a competitive price. The Office insurance (Public Liability, office contents) is also reviewed with advice from our brokers to confirm the right level of cover & premium. The building insurance is arranged by the landlord.

8. Independent Scrutiny Review

In line with the Assurance Framework the Audit Committee can identify an area to undertake an optional independent scrutiny review on. As extensive work is taking place on our approach to risk management it is proposed that we do not identify an additional topic for consideration. For 2020/21 the topic would be identified

through our new approach to risk management and informed through our enhanced audit processes.

9. Audit Charter

As part of this work we are putting together an Audit Charter. This document provides a clear outline and structure for all audits undertaken to include roles, responsibilities and authority of the auditor.

10. Next Steps

The next steps are as follows:

- Annual Review with Government (January 2020)
- Audits completed in Q3 and Q4 (all completed by March 2020)
- Audit Report 2019/20 drafted (March 2020)
- Audit Plan 2020/21 developed with Accountable Body informed by feedback, Audit Report and risk management processes (March/April 2020)
- Audit Committee to review Audit Report and sign off Audit Plan (June 2020 Meeting)

11. Diversity Statement

There are no diversity implications for consideration.

12. Legal Statement

The Audit Plan 2019/20 has been agreed by the Accountable Body.

Annexes (Part B)

- Annex A – Employment Legislation Audit – Working Practices Scope
- Annex B – Employment Legislation Audit – Recruitment Scope

Item 4b) Annex B - Working Practices Audit Scope

The purpose of this audit is to review Coast to Capital's consistent implementation of statutory employee rights and any additional benefits as set out in employment documents. This will include a review of relevant policies, procedures, employee contract and the employee handbook along with staff interviews. The scope has been detailed below along with a timetable.

Audit scope:

- Ensure that Coast to Capital meets at least statutory requirements related to employee rights.
- Review all employee documents to verify compliance with employee rights, and that expected and actual practices are consistent and that they align with Coast to Capital's culture and values.
- Review all documents and working practices that relate to the additional benefits set by Coast to Capital and ensure that these benefits are made available to all staff and that implementation is consistent throughout the organisation.
- Highlight areas of inconsistency and risk and how these may be remedied including the requirement for set procedures where there are currently gaps and any potential training requirements.
- Make recommendations for updates to policies, procedures, employee handbook or contracts of employment to meet more effective working practices whilst maintaining employee legislation compliance and Coast to Capital's culture and values.
- Confirm that appropriate measures are in place to effectively deal with situations that arise relating to employment which will require formal action (eg. Disciplinary & grievance policies)

Timetable

Scope signed off by the Audit Committee	14 November 2019
Review of documents	w/c 3 February 2020
Staff interviews / engagement	w/c 3 February 2020
Audit report writing	w/c 3 February 2020
Final report available	28 February 2020

Item 4b) Annex C Recruitment Audit Scope

The purpose of this audit is to review Coast to Capital's compliance with statutory employment legislation in relation to the recruitment process. This review will follow the recruitment process from advertisement through to confirmation of employment following a satisfactory probationary period. The scope has been detailed below along with a timetable.

Audit scope:

- Ensure that Coast to Capital meets at least statutory requirements related to the recruitment process and both expected and actual practices are consistent.
- Evaluate the use of all documentation relating to recruitment and how this is demonstrated using actual or theoretical examples (eg. Contracts of employment and job advertisements)
- Confirm that appropriate measures are in place to effectively promote fairness, equality & diversity at every stage of the recruitment process. To include advertisement, selection of interviewees, interviews, decision making, new starter procedure, measurement and confirmation of a successful probationary period.
- Review current procedures taken to reject candidates at every stage of the recruitment process including an unsuccessful probationary period.
- Highlight areas of risk and inconsistencies and how these can be remedied including any recommendations of potential training requirements.

Timetable

Scope signed off by the Audit Committee	14 November 2019
Review of documents	w/c 6 January 2020
Staff interviews	w/c 6 January 2020
Audit report writing	w/c 6 January 2020
Final report available	31 January 2020

Coast to Capital

Meeting: Coast to Capital Audit Committee Meeting
Date: 13 November 2019
Report Title: Governance – Accountable Body Update
Report by: Lisa Taylor – Director Of Finance, Investment and Risk, Croydon Council
Item No: 4 c)
Part: A

Recommendation:

The Audit Committee is asked to note:

- The work of the Accountable Body (AB) since the last report presented to this Committee in June 2019.
- The recruitment process for the Coast to Capital Head of Finance.
- The audit work being undertaken by the AB's internal auditors
- The stage 3 complaint investigation undertaken by the AB

The Audit Committee is asked to:

- Seek confirmation from MHCLG regarding the AB requirements for the LEP post April 2021.

1. Context

As previously reported to this Committee, Croydon Council was appointed Accountable Body for Coast to Capital at its Board meeting on the 4th July 2018, and commenced in role on the 1st October 2018, and will remain as AB until April 2021. The AB will work with Coast to Capital to transition to the new AB by the set deadline of April 2021.

2. Section one - key personnel update

Since the last report to this committee Lisa Taylor has been appointed on the 1st October 2019 as the S151 Officer for Croydon Council, a post she previously held on an interim basis since February 2019.

The lead Legal Officer remains as previously reported.

The AB has continued to build a good solid working relationship with Coast to Capital and Council officers have attended Board meetings, Investment

Committees and Audit Committees providing support and challenge to the LEP as appropriate.

As previously reported to this Committee the AB has appointed an interim Head of Finance who works solely at Coast to Capital. This arrangement has worked well for both Coast to Capital and the AB.

The current interim Head of Finance will be leaving the post at the end of November 2019 to commence maternity leave and a recruitment process is currently underway to appoint a replacement Head of Finance for Coast to Capital. The recruitment is a joint process and the appointment will be made following an interview process undertaken by both Coast to Capital and AB senior staff.

The appointment will be for the period November 2019 to April 2021, which is the period Croydon Council will be AB for Coast to Capital.

The AB will support Coast to Capital with the appointment of a new AB and ensure a smooth transition in April 2021.

3. Audit

As reported to this Committee in June 2019 the AB has commissioned a number of audits to be undertaken by the AB's internal audit provider Mazars. These audits are:

- Payroll function and other finance systems (Annex A)
- Accountable Body arrangements (Annex B)

The scope of the Payroll function and finance systems audit includes budget setting, financial monitoring and reporting, payment of invoices, payroll, treasury management and the annual financial statements and audit process. A walkthrough of processes and key controls has been performed as well as sample testing of key controls for the general ledger, budget, accounts receivable and payable, cash and payroll. All documentation has been provided and follow up queries answered. The final report is currently being drafted.

Mazars will also be undertaking a review of the Accountable Body arrangements in place against the National Assurance Framework. The scope includes the systems and processes in place to enable the Accountable Body to fulfil its responsibilities, this includes:-

- Regulatory, organisational and legislative requirements
- Holding and administering Government funds
- Oversight of the award and use of the funds
- Local audit arrangements
- Monitoring arrangements
- Provision of technical advice
- Role of the Section 151 Officer

A walkthrough of processes and key controls will be performed, and report issued when the audit has been completed.

4. Complaints

As detailed in the Coast to Capital complaints policy the AB will investigate any complaints that have been raised with Coast to Capital that have failed to be resolved by Coast to Capital at stages 1 and 2 and therefore reach stage 3.

The complaints policy states:-

If the complainant is not satisfied with the outcome of the complaint the complainant can approach the Accountable Body. The Accountable Body will, in investigating the complaint liaise with Coast to Capital to ensure that the matter is properly investigated and responded to. The Accountable Body will consider whether the LEP has followed its complaints procedure correctly.

The AB has recently been approached by an organisation to investigate a complaint under stage 3 of the complaints policy. The complaint has been investigated and a response has been sent to the complainant.

A summary of the stage 3 response is as follows:-

I am satisfied that this matter has been thoroughly investigated in so far as there is evidence to do so and that its conclusions are consistent with the evidence that I have seen and the discussions that I have had.

5. AB Status

The Coast to Capital mid-year review with MHCLG took place on the 13th September 2019. At that meeting Coast to Capital asked MHCLG to reconsider their previous recommendation regarding the need for the AB to be a Local Authority within the LEP region. MHCLG have taken this away as an action to reconsider.

The rationale for this ask was that an AB from outside of the LEP region is independent, a neutral partner with no conflict of interest and therefore better placed to work with the LEP on an independent basis.

Given the time it takes to recruit an AB and embed a new AB, Coast to Capital need confirmation of the AB appointment from MHCLG and it is recommended that the Audit Committee follow up on this action with a letter to MHCLG asking for them to confirm the position re AB appointments.

6. Diversity Statement

There are no direct diversity implications arising from this report.

7. Legal Statement

The Director of Law and Governance from the AB is satisfied that there are no direct legal implications arising from this report.

Annexes:

- None

Further information on request:

- None

TERMS OF REFERENCE

Coast to Capital – Finance Systems

1. INTRODUCTION

- 1.1 Coast to Capital (C2C) was founded in 2011 as the Local Enterprise Partnership (LEP) for the London Borough of Croydon; East Surrey; Gatwick Diamond; Brighton & Hove; Lewes and West Sussex. It is a business led collaboration between private and public sectors across a diverse area and is responsible for the administration, allocation and distribution of the Government funded Local Growth Fund to support the delivery of the growth deal and other publically funded schemes within the area.'
- 1.2 The audit plan agreed by the C2C Audit Committee at its 18 June 2019 meeting included an audit of the 'Payroll function and other finance systems by Croydon internal auditors'.
- 1.3 The Accountable Body Agreement, clause 1.11 details that, *'The dedicated finance package required and to be delivered is a 'full package' and included in the fees detail above at the following services*
 - *The provision of a dedicated team*
 - *Financial monitoring and reporting*
 - *Payment of invoices and associated queries*
 - *Raising of Purchase orders and any associated queries*
 - *Budget setting*
 - *Completion of the annual accounts and completion of the annual audit in conjunction with the independently appointed external auditors*
 - *Payroll*
 - *Treasury Management'*

2. OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each controls / process being considered:
 - Walkthrough the processes to consider the key controls;
 - Conduct sample testing of the identified key controls, and
 - Report on these accordingly.

3. SCOPE

- 3.1 This audit will examine the 'payroll function and other finance systems' and will include the key controls within the following scope areas:
 - Budgetary control
 - General ledger

- Accounts receivable
- Accounts Payable
- Cash and Banking
- Treasury
- Payroll

4. TIMING

4.1 The audit is intended to commence during October / November 2019 and appointments to conduct the audit fieldwork will arranged shortly. The lead auditor will be Awune Ajumogobia. At this stage it is expected that the final report will be distributed as follows:

- Jacqueline Harris-Baker – Executive Director of Resources and Monitoring officer (Final only)
- Lisa Taylor – Director of Finance, Investment and Risk and S151 Officer
- Carli Foster – Head of Finance, Resources

5. KEY CONTACTS FOR THE AUDIT

Name	Role	Contact Details
Dave Phillips	Senior Audit Manager (Mazars LLP)	Email: internal.audit@croydon.gov.uk Tel: 02087 605771
Awune Ajumogobia	Internal Auditor (Mazars LLP)	Email: internal.audit@croydon.gov.uk Tel: 02087 605771



TERMS OF REFERENCE

Coast to Capital – Accountable Body

1. INTRODUCTION

- 1.1 Coast to Capital (C2C) was founded in 2011 as the Local Enterprise Partnership (LEP) for the London Borough of Croydon; East Surrey; Gatwick Diamond; Brighton & Hove; Lewes and West Sussex. It is a business led collaboration between private and public sectors across a diverse area and is responsible for the administration, allocation and distribution of the Government funded Local Growth Fund to support the delivery of the growth deal and other publically funded schemes within the area.
- 1.2 In April/May 2018 C2C undertook a tender process to appoint a single Accountable Body. The London Borough of Croydon (LBC) won the bid.
- 1.3 The 'Coast to Capital Local Enterprise Partnership Assurance Framework' details that, 'The Accountable Body is actively involved in all key Coast to Capital Committees including the Board, Investment Committee and Audit 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:
 - Providing a finance function which involves holding funds under managed investment paid by Government on behalf of the LEP, administrating 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.'

- 1.4 The Assurance Framework document also, within the Accountable Body section details the role of the S151 Officer and the 'Accountable Body arrangements for funding received from Government'.
- 1.5 The audit plan agreed by the C2C Audit Committee at its 18 June 2019 meeting included a 'Review of Accountable Body arrangements'.

2. OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each control / process being considered:
 - Walkthrough the processes to consider the key controls;
 - Conduct sample testing of the identified key controls, and
 - Report on these accordingly.

3. SCOPE

- 3.1 This audit will, except for those aspects detailed under item 3.2, review the accountable body arrangements in place against the 'National Local Growth Assurance Framework' and the accountable body systems and processes in place to enable it to fulfil its responsibilities:
 - Regulatory, Organisational and Legislative Requirements;
 - Holding, Administering and processing of Government Funds;
 - Oversight of the Award and Use of Funds;
 - Local Audit Arrangements;
 - Monitoring Arrangements;
 - Provision of Technical Advice; and
 - The Role of Section 151 Officer.
- 3.2 The 'operational finance requirements' (detailed in 1.3 above) will be subject to a separate internal audit and thus excluded from this audit.

4. TIMING

- 4.1 The audit is intended to commence during October / November 2019 and appointments to conduct the audit fieldwork will arranged shortly. The lead auditor will be Awune Ajumogobia. At this stage it is expected that the final report will be distributed as follows:
 - Jacqueline Harris-Baker – Executive Director of Resources and Monitoring officer (Final only)
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 - Carli Foster – Head of Finance, Resources

5. KEY CONTACTS FOR THE AUDIT

Name	Role	Contact Details
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Awune Ajumogobia	Internal Auditor (Mazars LLP)	Email: internal.audit@croydon.gov.uk Tel: 02087 605771