

**ACCOUNTABLE BODY ROLE FOR THE GREATER CAMBRIDGE GREATER
PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP**

To: General Purposes Committee

Meeting Date: 19th May 2015

From: Head of Finance

Electoral division(s): All

Forward Plan ref: N/A

Key decision: No

Purpose: To consider and endorse the County Council's role as Accountable Body for Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPEP) and endorse the Assurance Framework for the Greater Cambridge Greater Peterborough Local Enterprise Partnership.

Recommendation: General Purposes Committee is asked to:

- i) Consider and endorse Cambridgeshire County Council's continued role as Accountable Body for the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPEP).
- ii) Delegate day to day responsibility for the Accountable Body role for the GCGPEP to the Section 151 Officer.
- iii) Endorse the Greater Cambridge Greater Peterborough Local Enterprise Partnership Assurance Framework and delegate responsibility for making relevant changes or updates to this to the S151 Officer in consultation with the Chairman and Vice-Chairman of the General Purposes Committee.
- iv) Delegate responsibility to the S151 Officer in consultation with the Chairman and Vice Chairman for GPC to develop and finalise an Accountable Body Agreement between Greater Cambridge Greater Peterborough Local Enterprise Partnership and Cambridgeshire County Council

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1. BACKGROUND

- 1.1 Cambridgeshire County Council works closely with the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPEP), providing financial administration and acting as Accountable Body for GCGP's grant programmes and the Shadow Local Transport Body (which is transitioning to become a LEP Transport Panel).
- 1.2 The GCGPEP was established as a company limited by guarantee in 2010. Since then, LEP's role and funding sources have grown, with the LEP now being a key conduit for government funding, specifically related to the Growth Deal and European Structural and Investment Funds to help boost the economic growth and prosperity of their areas.
- 1.3 In July 2014, a series of Growth Deals was negotiated with LEPs. GCGPEP was successful in securing some £71.1m towards priority projects in Growth Deal Round 1. In January 2015, the Government announced further investment to expand the Growth Deal, and a further £38m was committed as part of this next round. Overall the GCGPEP has successfully bid for £109.1m of Local Growth Fund (LGF) for the period from April 2015 to March 2021 as outlined in Table 1.

	2015/16	2016 onwards	Growth Deal	Expanded Growth Deal	Growth Deal Total
LGF award	£17.1m	£20.4m	£71.1	£38m	£109.1m
Pre-allocated (LTB)	£4m	£10.1m			
Provisional		£19.5m			
Total	£21.1m	£50m			

Table 1 – Funding Allocation

- 1.4 LEPs themselves do not have the statutory basis to receive, manage and disburse the large sums of money that are paid out through the grant funds. Therefore the Local Growth Fund grant payment is made to Cambridgeshire County Council as the Accountable Body for GCGPEP under section 31 of the Local Government Act 2003.
- 1.5 The County Council is currently the Accountable Body for two of GCGP's grant programmes: the £16.41m Growing Places Fund and the £3.2m Regional Growth Fund Agri-tech Initiative. This role includes managing grant claims and making grant payments to projects but not the prioritisation of projects nor investment decisions. These decisions are taken by the LEP Board.
- 1.6 LEPs are required by government to have in place robust mechanisms for ensuring that the public money they receive is safeguarded and used appropriately. These requirements have been reviewed and strengthened in the light of the Growth Deals announced last year and are set out in guidance issued by the Department for Business, Innovation and Skills in December 2014.
- 1.7 In order to support the Government's confidence in delegating funding to the local areas, in December 2014 the Department for Business, Innovation & Skills (BIS) published guidance on LEP Assurance Framework to guide local decision making to support accountability, transparency and value for money.

2. KEY ISSUES FOR CONSIDERATION

- 2.1 Cambridgeshire County Council supports the GCGPEP's aim to drive forward sustainable economic growth in our area. This aligns with the County Council's priority to develop the local economy for the benefit of all. The County Council is represented on the LEP Board, as well as the LEP Leaders Board, and has acted as Accountable Body for the LEP for the funds received from Central Government to date.
- 2.2 Recent Government guidance means that the scope and responsibility of the Accountable Body role has increased and County Council officers have been working with the LEP to develop an Assurance Framework to reflect the changes and as a part of that, to develop a new Accountable Body Agreement. The Accountable Body Agreement will set out the roles of the LEP and the County Council. It will describe the funds to which the agreement applies and explain how the decision making process of the LEP is overseen by the County Council in order to ensure that decisions taken by the LEP Board are lawful and meet the funding criteria. It will also set out a process for dispute resolution should it be required.
- 2.3 The Assurance Framework sets out the wider operating principles and processes for managing the funding streams and activities of the LEP, and the role and responsibility of the Accountable Body in line with guidance published in December 2014.
- 2.4 In compliance with national guidance, the GCGP Enterprise Partnership Assurance Framework (in draft) specifies the Accountable Body will undertake the following responsibilities:
- Ensuring that the Growth Deal decisions and activities of the GCGPEP conform to legal requirements with regard to equalities, social value, environmental, State Aid, procurement etc.
 - Ensuring (through Section 151 Officer) that the funds are used appropriately;
 - Ensuring that GCGPEP keeps an official record of its proceedings;
 - Holding relevant financial documents;
 - Responsibility for the decisions of GCGPEP in approving schemes in compliance with this Assurance Framework (e.g. if subjected to legal challenge);
 - Issue grant offer letters/contracts;
 - Ensuring that the local LEP assurance framework is adhered to.
- 2.5 To ensure compliance, the Accountable Body and GCGPEP must have robust arrangements in place to ensure value for money and effective delivery, through strong project management, project and options appraisal, prioritisation, and business case development. These arrangements are set out in the GCGP Assurance Framework which is largely based on the approved Shadow Local Transport Body Assurance Framework, and updated to reflect the recent guidance.
- 2.6 The Assurance Framework is included in **Appendix 1** has been developed to fulfil the Government requirements and to safeguard both the LEP and the County Council interests and respective roles. In support of this, an Accountable Body Agreement will be developed to provide further detail regarding the specific roles, responsibilities and terms of business including

risk management approach. Approval is being sought for delegated authority for the S151 officer to develop this in consultation with the Chairman and Vice Chairman of GPC with the GCGPEP.

- 2.7 Undertaking the Accountable Body role is not without risks and resource implications for the County Council, and the aim is to ensure that requirements, roles and responsibilities are clarified and that risks can be appropriately mitigated.
- 2.8 There are both staffing and financial costs associated with the Accountable Body role in ensuring that there are robust arrangements in place to manage the government funding. In addition, there are liability issues for the County Council as Accountable Body, where the County Council is responsible for ensuring that decisions taken by the LEP are lawful and comply with the requirements set out in the funding agreements. To help mitigate any risks, an Accountable Body Agreement will be put in place to clarify how the partners will work together to help ensure that decisions taken by the LEP Board are lawful and meet the relevant funding criteria.
- 2.9 In terms of staffing and financial requirements, while the County Council is expecting to use current staff as far as possible to continue the role of Accountable Body, the associated costs related to this role do need to be covered. The LEP has agreed to the principle of recovery by the County Council of the costs of staff and other items incurred in fulfilling the role as Accountable Body. Costs are expected to be incurred in programme management, risk management, finance monitoring and administration, and independent technical advice.
- 2.10 The first Local Growth Fund grant payment is expected to be made to Cambridgeshire County Council as the Accountable Body for GCGPEP under section 31 of the Local Government Act 2003. The Department for Communities and Local Government (DCLG) has written to the Chief Finance Officer (Section 151 Officer) on 6th February 2015 confirming the release of £21.1 million LGF capital grant payment for 2015-16 in a single instalment on 1st April 2015.
- 2.11 Government now requires that the Assurance Framework be signed off by the Section 151 Officer of the Council providing the Accountable Body function. This is so as to ensure that the approach is agreed locally and is in compliance with recent national guidance for accountability for agreeing and managing the growth deal funding.

3. CONCLUSION

- 3.1 The County Council is looking to continue to support our GCGPEP in achieving its aims, and helping to deliver on key priorities for this area. In this regard, Members are now being asked to consider and endorse the continuing role of the County Council as Accountable Body, to endorse the Assurance Framework and to delegate the S151 Officer to conclude the Accountable Body Agreement which is being developed to provide clarity on approach and roles and help ensure that risks can be mitigated.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

Cambridgeshire County Council supports the GCGPEP's aim to drive forward sustainable economic growth in our area. This aligns with the County Council's priority to develop the local economy for the benefit of all.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

Undertaking the Accountable Body role has both staffing and financial costs associated with the role in ensuring that there are robust arrangements in place to manage the government funding. The LEP has agreed to the principle of recovery by the County Council of the costs of staff and other items incurred in fulfilling the role as Accountable Body. Costs are expected to be incurred in programme management, risk management, finance monitoring and administration, and independent technical advice, and a separate agreement will be put in place to clarify the specifics involved.

5.2 Statutory, Risk and Legal Implications

There are potential risks and liability issues associated with the role as Accountable Body, where the County Council will be responsible for ensuring that decisions taken by the LEP are lawful and comply with the requirements set out in the funding agreements, and the Assurance Framework. To help mitigate any risks, an Accountable Body Agreement will be put in place to clarify how the partners will work together to help ensure that decisions taken by the LEP Board are lawful and meet the relevant funding criteria.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation Implications

There are no significant implications within this category.

5.5 Localism and Local Member Involvement

The County Council is represented on the LEP Board, as well as the LEP Leaders Board, and has acted as Accountable Body for the LEP for the funds received from Central Government to date.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Local Enterprise Partnership (LEP) national assurance framework	https://www.gov.uk/government/publications/local-enterprise-partnership-lep-national-assurance-framework
Growth Deal Information	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398855/13_Greater_Cambridge_Greater_Peterborough_Growth_Deal.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/399416/Cambridge_and_Peterborough_Factsheet.pdf