

THIS DRAFT FRAMEWORK REMAINS SUBJECT TO REVIEW AND AGREEMENT OF ESSEX COUNTY COUNCIL AS THE ACCOUNTABLE BODY FOR THE SELEP LEGACY CAPITAL PROGRAMME, AND THE RESPECTIVE PARTNER COUNCILS

Interim Framework for Decision Making in respect of the SELEP Legacy Capital Programme in Greater Essex

Key Points of Note

- The terms of the existing Service Level Agreements (SLAs) for the Local Growth Fund (LGF) and Getting Building Fund (GBF), in place between partners and the Accountable Body continue to apply, unless a variation is agreed.
- Proposal of interim arrangement until an alternative arrangement is implemented via a Partnership Board or a Joint Committee.
- Without interim arrangement or Joint Committee in place then any decisions on changes to Legacy Capital Programme Projects will require a variation to be agreed to the existing LGF and GBF Service Level Agreements (SLAs) directly with the Accountable Body.

Key Principles for Decision Making

- The SELEP Legacy Capital Programmes are the Getting Building Fund (GBF) and the Local Growth Fund (LGF).
- Following the closure of SELEP, projects continue to be delivered by the respective lead Upper Tier Partner Council in Greater Essex, that is, Essex County Council (ECC), Southend-on-Sea City Council (SCC) and Thurrock Council (TC).
- Delivery is in accordance with the historic decision making of the SELEP Accountability Board, unless a change request has been approved in accordance with the agreed process, and a variation applied to the respective Service Level Agreement (SLA) in place between Essex County Council as Accountable Body and the respective Partner Council.
- Responsibilities of each Council is set out in the SLA and additionally within the Transition Agreement that will be implemented to effect the closure of SELEP.
- All decision making must be in accordance with the Assurance Framework.
- All decisions must be made in consultation with the Accountable Body (Essex County Council) and in some circumstances, MHCLG.
- All decisions must be transparently recorded and reported.
- All decisions made by respective Councils must also be in accordance with their own formal Governance arrangements, financial regulations and scheme of delegation.

Options for Decision Making Process

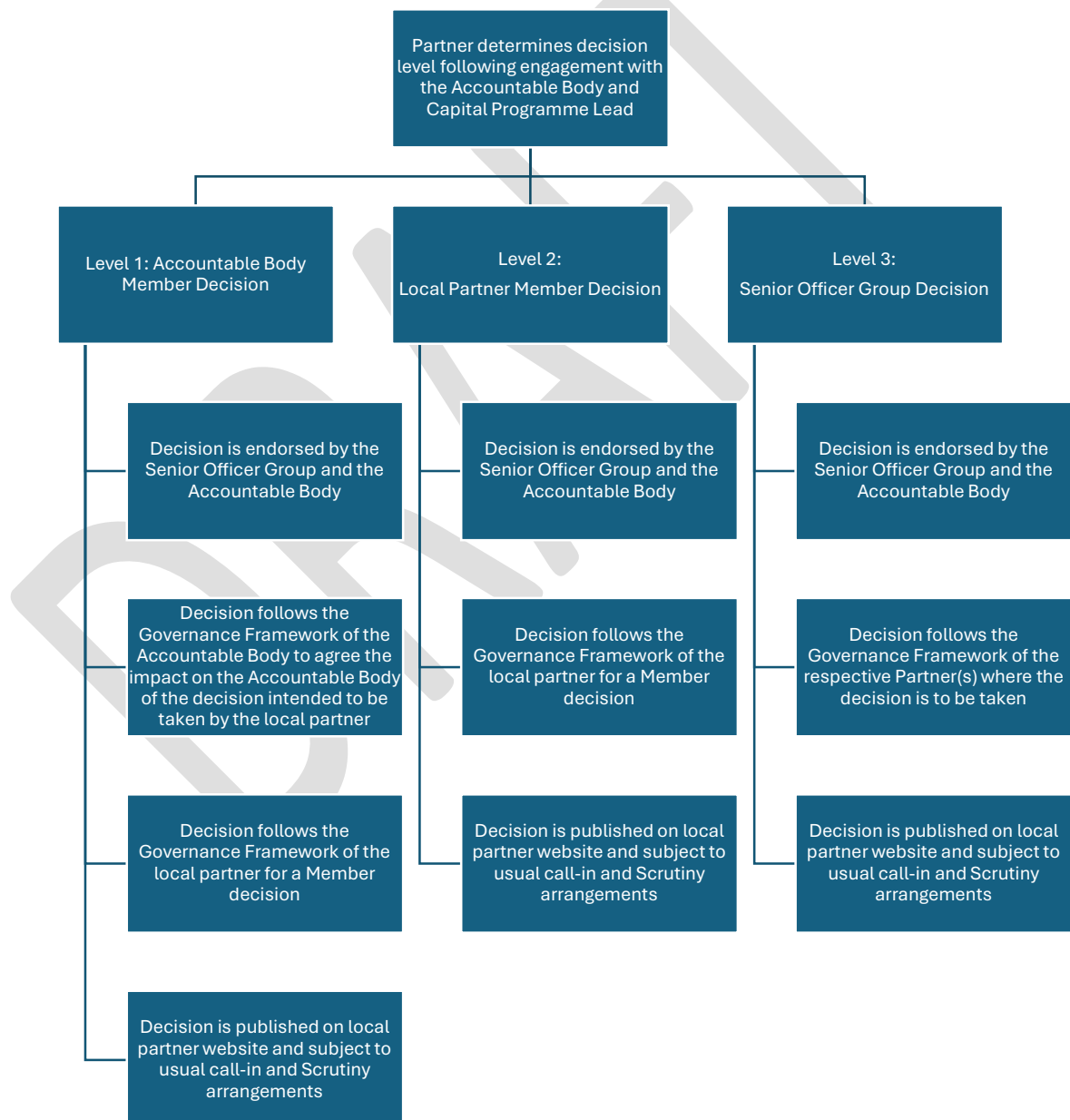
Until an alternative arrangement is implemented via a Partnership Board or a Joint Committee, the following options are proposed in respect of decision making in relations of the SELEP Legacy Capital Programme:

Option 1: Changes to the current SLAs are sought and agreed directly with the Accountable Body without wider partner consultation. This option is not in line with the expectations of the Greater Essex LEP Integration Plan submitted to MHCLG.

Option 2: Undertake the governance to implement a Joint Committee for the purpose of managing the oversight of the SELEP Legacy Capital Programme, in accordance with the expectations of MHCLG – this option is supported by the Accountable Body; however, it is recognised that this may take time to implement and requirements may change if a Combined Authority is established for Greater Essex.

Option 2a: Implement an interim process that allows for decision making whilst a longer-term solution is agreed and implemented – this option is set out below and is the recommended option for the short to medium term

Proposed Interim Decision Making Process for the SELEP Legacy Capital Programme



Process Notes:

The Accountable Body must be consulted on all proposed decisions and/or project changes, to agree the level and governance route for the decision; sufficient lead in time must be allowed to enable the required engagement and governance to be implemented, including to allow for the publication of any key decisions within the statutory minimum period and at least eight weeks in advance for a Cabinet decision.

All decision papers to be shared with the Accountable Body 10 working days in advance of any other stakeholder engagement to be undertaken regarding the decision to be taken to enable a legal and financial review to be undertaken and confirmation that decision making is in line with the current Assurance Framework.

The Accountable Body will advise of any commentary required to be included within, or appended to, the relevant decision papers. The commentary is expected to be limited to confirmation of any risks (including legal, financial and reputational) associated with the decision and any required mitigations to provide assurance that the overall risk to the Accountable Body is not increased.

If decisions cannot be agreed between the respective partner, Senior Officer Group and the Accountable Body, the decisions will initially be escalated to the respective s151 Officers of the three partner Councils. If further escalation is required, the MHCLG representative will be requested to mediate and will be required to provide written assurance to the Accountable Body of their support for the agreed way forward.

All decisions are required to meet the requirements of the Assurance Framework and any agreed governance arrangements.

All change requests impacting the delivery of GBF and LGF funded projects are required to be notified to MHCLG who will confirm if they want to agree the change before it proceeds.

As required, all agreed changes will be updated within the respective LGF and GBF Service Level Agreements.

ECC is expected to follow the same process of engagement with the Accountable Body as is required of SCC and TC.

Examples of Type of Decision

Note: In consideration of the level of the decision, consideration must be given at all times that MHCLG continue to hold ECC Accountable for the LGF and GBF funds awarded to support delivery of the SELEP Capital Programmes.

| Level 1: Accountable Body Member Decision | Level 2: Local Partner Member Decision | Level 3: Senior Officer Group Decision |
|-------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Award of funding to a Project | Change decisions that transfer funding between projects within either the LGF or GBF programme | Investment of a GBF Project underspend of less than £50,000 within the same project to extend delivery and outcomes |

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|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Removal of funding from a Project | Increase or reduction in programme costs and funding of over 10% or £500,000 (or if less as determined by local governance) | Increase or reduction in programme costs of less than 10% or £500,000 (or if less as determined by local governance) |
| Any request by a Partner Council to write-off any SELEP Capital Programme Funding allocations (LGF or GBF) | Project completion | Practical project completion |
| Any request by a Partner Council to re-purpose any LGF or GBF funding to a project outside of the respective grant programme | Substantive change in Project outputs or outcomes | Change in project outputs or outcomes where the value for money assessment is not substantially impacted |
| Any decisions that are not in line with the Assurance Framework or agreed governance arrangements | Extension in Project delivery timelines in excess of 12 months or across financial years (as determined by local governance) | Change decisions to increase the delivery timelines of less than 12 months where this is within the same financial year |
| Any other decisions that expose ECC as Accountable Body to unmitigated risks | Removal of match funding sources from a project | |

Note: This interim process will form part of a wider governance framework for the oversight of the SELEP Legacy Capital Programme, in accordance with the MHCLG Assurance Framework requirements.