

# West of England Local Enterprise Partnership

## Guidance for funding applicants

November 2020

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# Abbreviations

<b>IP</b>	Investment Panel
<b>OSC</b>	WECA Overview and Scrutiny Committee
<b>LEP</b>	Local Enterprise Partnership
<b>JC</b>	West of England Joint Committee
<b>OBC</b>	Outline Business Case
<b>FBC</b>	Full Business Case
<b>GOL</b>	Grant Offer Letter
<b>LGF</b>	Local Growth Fund
<b>EDF</b>	Economic Development Fund
<b>RIF</b>	Revolving Infrastructure Fund

# 1 Key Purpose

This guidance is to assist and support applicant organisations (referred to in this guidance as promoters) to understand the process and procedures in place at the West of England Local Enterprise Partnership (the LEP), prior to and once funding has been agreed.

It covers the following stages:

- proposal development
- outline business case
- full business case
- change request
- highlight reports

## 2 Background

The LEP has secured funding to support economic growth across the region and utilises a number of boards and committees to manage the processes that allocate funding and manage the process post allocation.

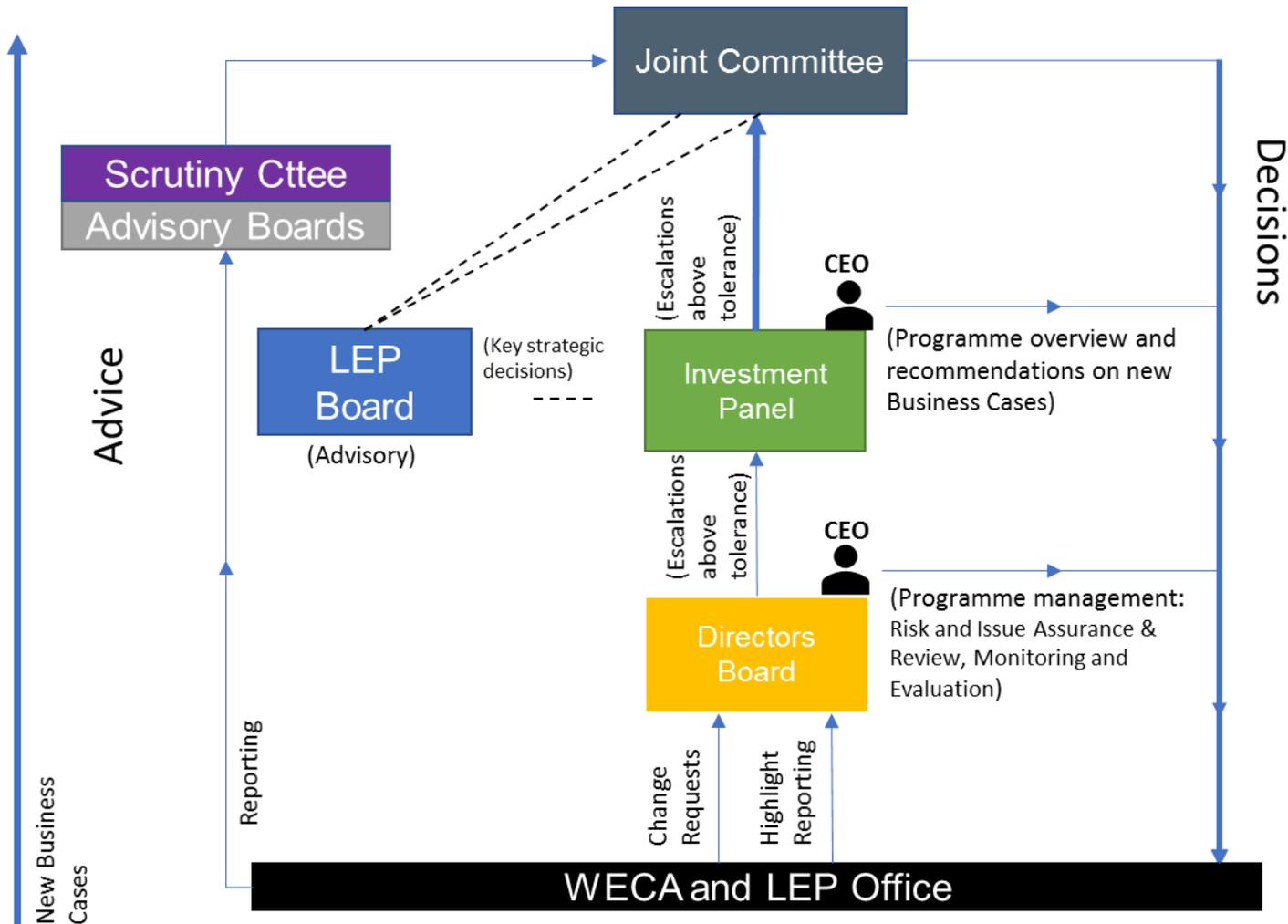
The LEP has introduced the 'One Front Door' approach to managing funds. Its aim is to establish a consistent and transparent approach that oversees a wide range of programmes regardless of their funding source.

This guidance applies to the following funding schemes in its 'One Front Door' approach:

- Economic Development Fund
- Local Growth Fund
- new schemes via the Revolving Infrastructure Fund
- new future funding streams

# 3 One Front Door Approach

The 'One Front Door' approach includes the following:



# One Front Door Approach (continued)

**WECA and LEP Office** – The LEP can provide assistance and support to promoters and clarify funding sources available. It might review and make recommendations to any of the Boards and Committees but it is not a decision making body. Hereafter referred to as LEP Office.

**Directors Board** – The Directors Board comprises of the Directors of Development of the four constituent West of England Councils and WECA/LEP. The Board considers programme performance, risks and issues, highlight and exception reports and makes recommendations on the approval of scheme changes below tolerances where a Joint Committee decision is required. The tolerances are shown in Section 6 Scheme Variance.

**Investment Panel (IP)** - The Investment Panel includes the Chief Executives of the LEP and four local authorities and makes recommendations on a fundable programme of schemes to the LEP Board and the Joint Committee. The Investment Panel will make recommendations on schemes funded by the Economic Development Fund (EDF), Local Growth Fund (LGF) and new schemes coming through the Revolving Infrastructure Fund (RIF). The Panel will have oversight of all schemes.

**West of England Local Enterprise Partnership Board (LEP)** - The LEP Board develops and drives policy and strategy for economic growth and job creation in the LEP area. It supports local authority members and businesses in the delivery of economic growth and job creation, including involvement in decisions about grant funding where appropriate and in line with central government policy or requirements.

**West of England Joint Committee** - A formally constituted Committee, its membership comprises the Leaders of Bath & North East Somerset Council, North Somerset Council and South Gloucestershire Council and the Mayors of Bristol City Council and the West of England Combined Authority.

**WECA Overview and Scrutiny Committee (OSC)** - The Scrutiny Committee scrutinises the publicly funded aspects of the West of England LEP. Its membership includes elected members from the Councils.

**Accountable Body** – The West of England Combined Authority is the nominated authority for the LEP. It receives the grant funding and is the accountable body.

# 4 Key for flow charts



Start or End

start and stop points in a process



Process

process or action step



Document

process step that produces a document



Decision

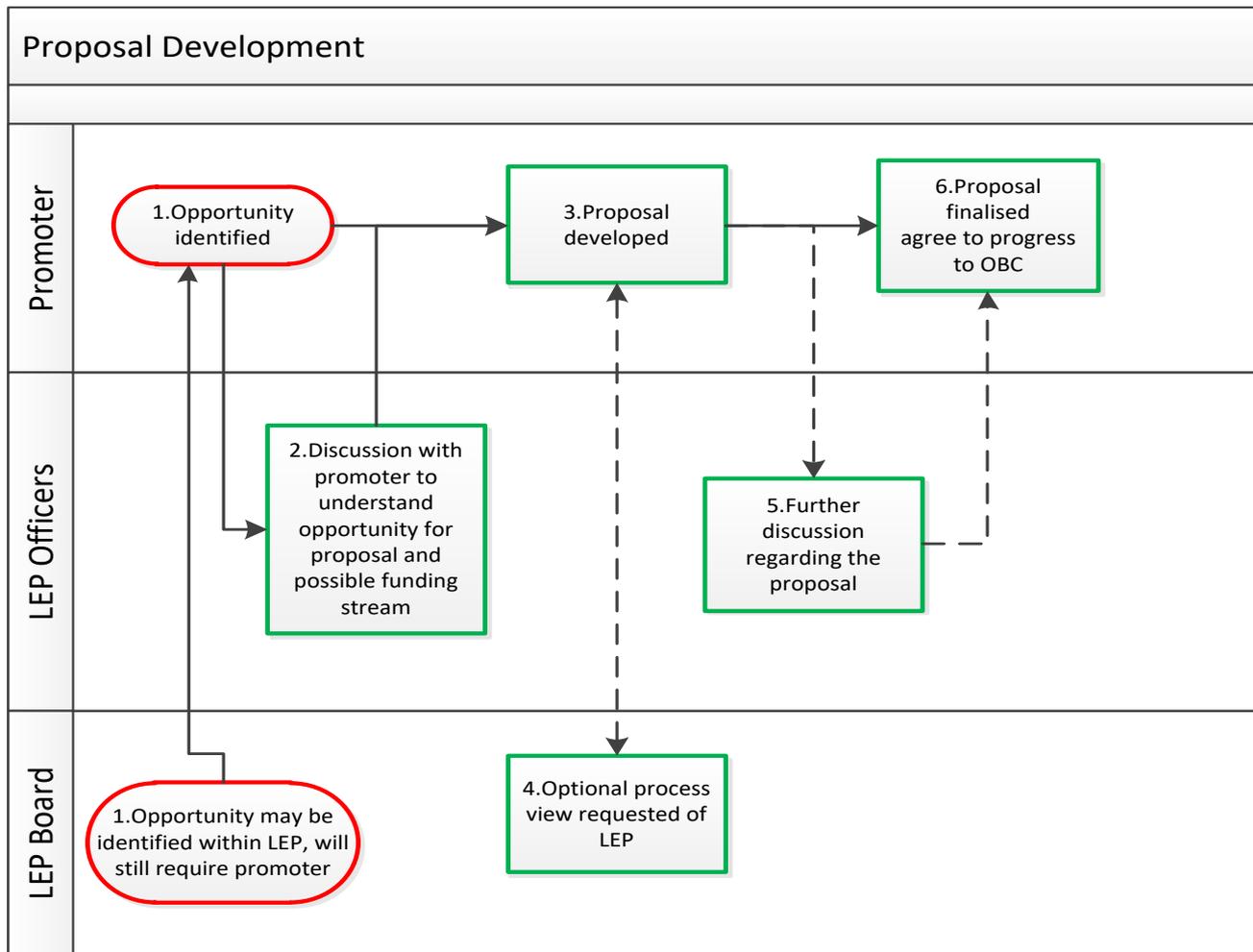
indicates a question or branch in the process flow



direction of process flow

# 5 Funding Award Process

Chart 1 – Proposal Development

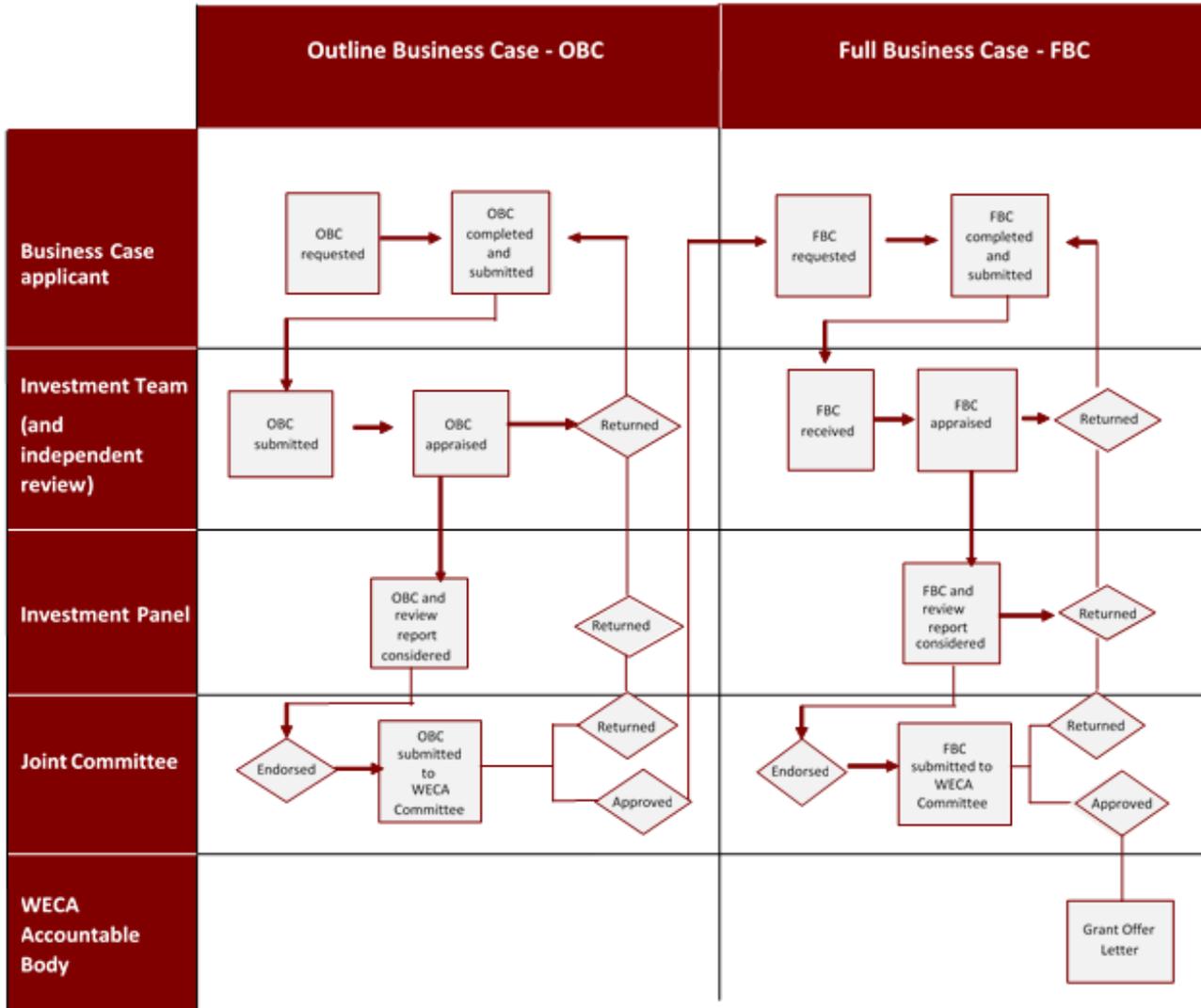


This is the process that identifies an idea for a scheme and develops it to the point where a promoter agrees to put together an Outline Business Case (OBC).

1. An idea for a scheme could originate from a wide range of sources, including a local authority, university, government department or private business. Chart 1 illustrates the possible sources of initial ideas using examples of the promoter and the LEP Board.
2. The LEP office is available to provide additional help and assistance. Discussions may assist the promoter to decide whether it would be beneficial to develop a proposal and to understand the funding sources available. This part of the process is optional.
3. Proposal is developed by the promoter.
4. The promoter may wish to obtain the view of the LEP Board (optional).
5. Further consultation may be held with the LEP Office.
6. The promoter agrees to progress and to develop an OBC.

# Funding Award Process (continued)

Chart 2 – Outline Business Case



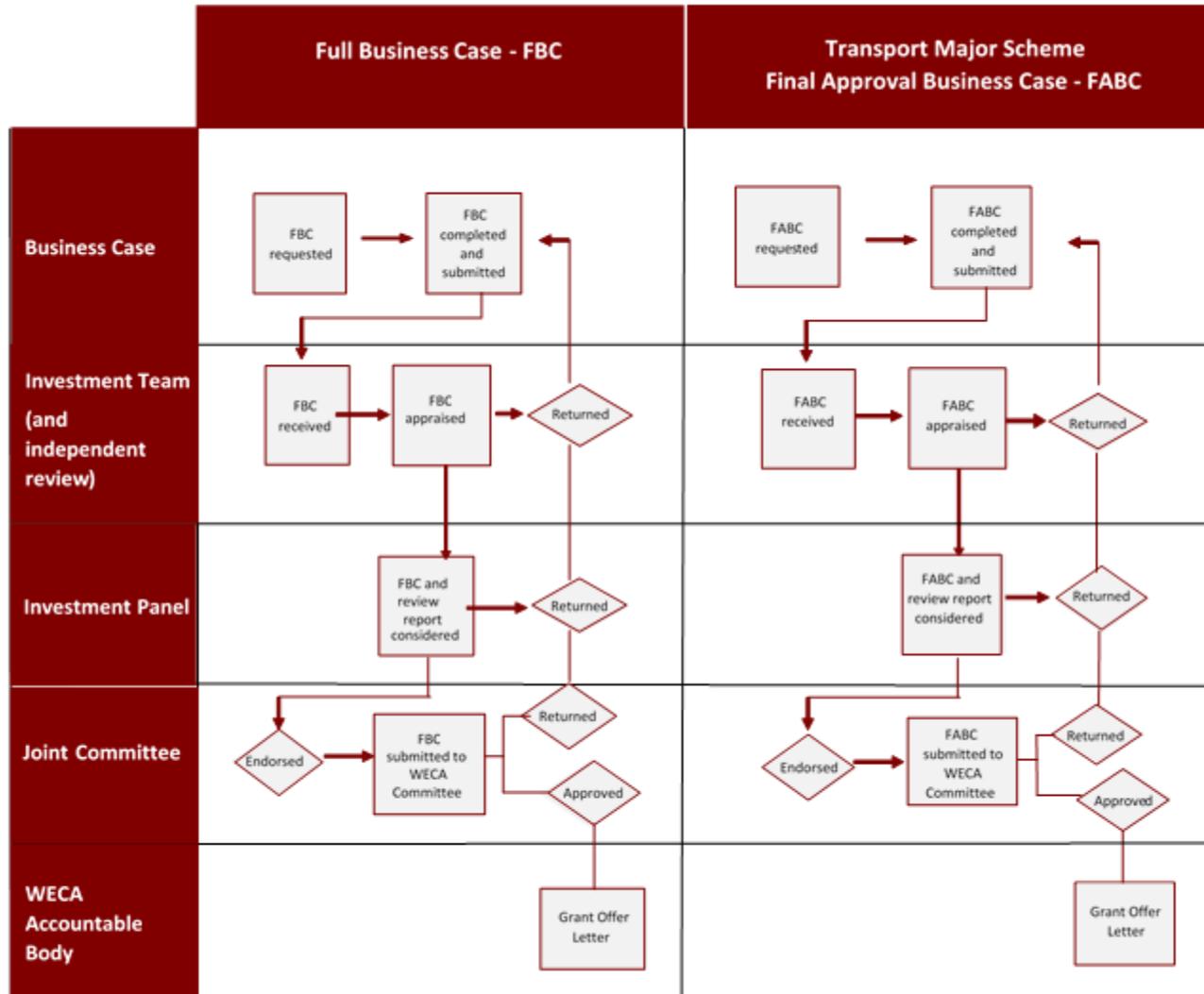
This stage of the process results in schemes being awarded programme entry, after which schemes would progress to Full Business Case (FBC).

1. An OBC is prepared by the promoter.
2. The OBC will be reviewed by the LEP Office and the Accountable Body. A joint findings report will be prepared.
3. The Investment Panel receives a copy of the OBC and an update from the Accountable Body. The OBC is recommended for programme entry or rejected.
4. If the OBC is unsuitable for programme entry then the promoter will be informed via a decision notice issued by the LEP Office.
5. The promoter can either update the OBC and resubmit or stop.
6. Those schemes recommended for programme entry are passed to the LEP Board.
7. The Investment Panel make a recommendation to the Joint Committee
8. Either the OBC is awarded programme entry by the Joint Committee or rejected.
9. Elected Members of the Overview and Scrutiny Committee are able to scrutinise the decisions.
10. The promoter is informed of the decision via a decision notice.
11. The OBC can either be accepted without any change required or require an update or not be supported.

If accepted the scheme progresses to the FBC stage.

# Funding Award Process (continued)

Chart 3 – Full Business Case

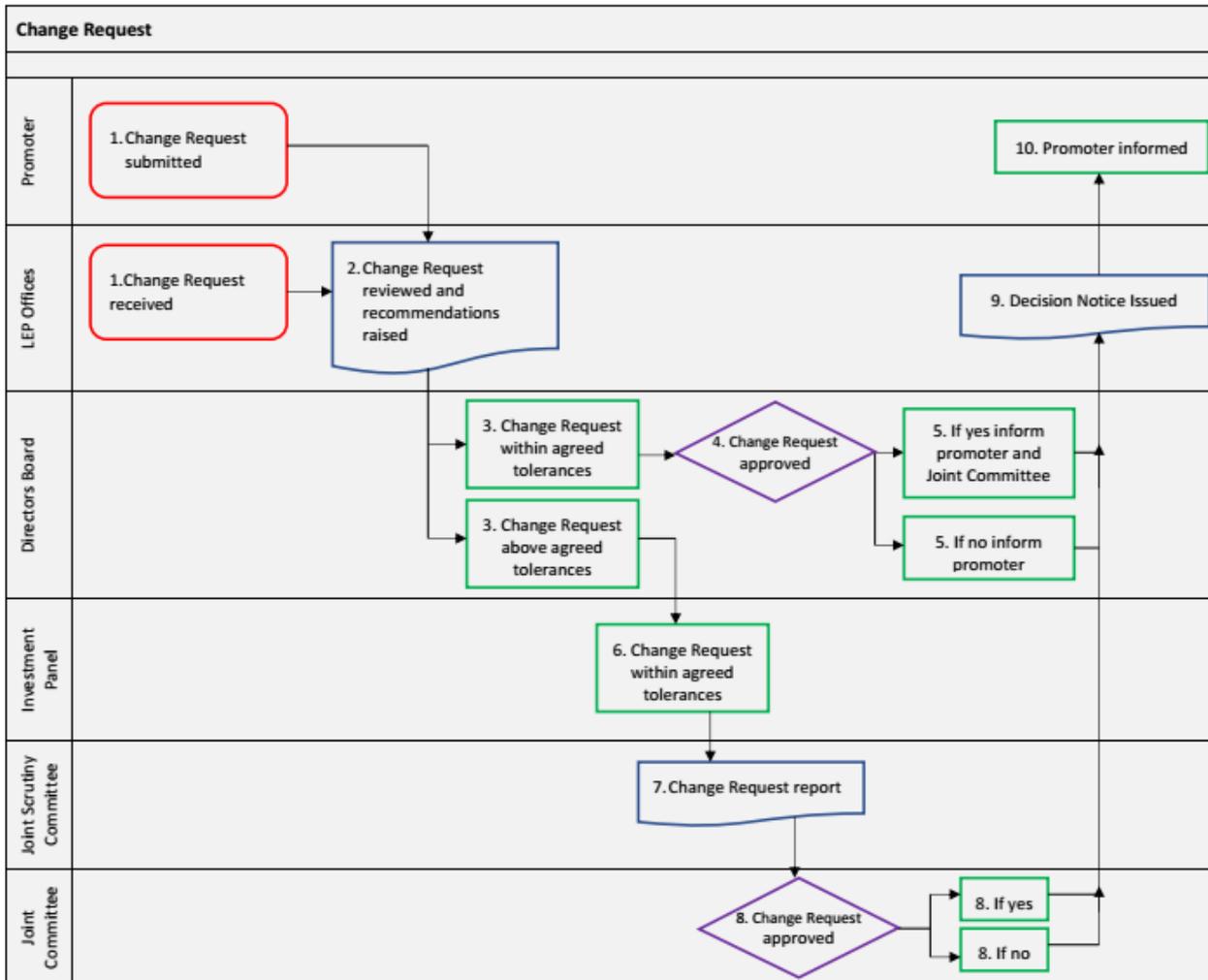


The FBC process follows the same order of meetings as the OBC, commencing with programme entry, a FBC and concluding with either a grant offer letter or the decision that the scheme should not proceed.

1. Programme entry was confirmed as part of the OBC process.
2. The FBC is prepared by the promoter.
3. The FBC will be reviewed by independent reviewers, the LEP Office and the Accountable Body. A joint findings report will be prepared.
4. The promoter will be able to comment on any findings from the joint review.
5. The Investment Panel will review the FBC and make recommendations to the Joint Committee.
6. A decision is made on the FBC, it is either approved, not approved, or approved with conditions.
7. If the FBC requires amendment, or is approved with conditions the promoter will be informed. The promoter may then update the FBC and resubmit, stop or meet the requested conditions.
8. The conditions are then reviewed and approved including reference to the Investment Panel where required.
9. A decision notice is issued by the LEP office and the promoter informed.
10. A grant offer letter (GOL) is issued by the Accountable Body to the promoter.
11. GOL is signed by the promoter and the Accountable Officer (Finance Officer or Section 151 Officer), making the GOL a legal contractual agreement.

# 6 Scheme Variance

Chart 4 – Change Request

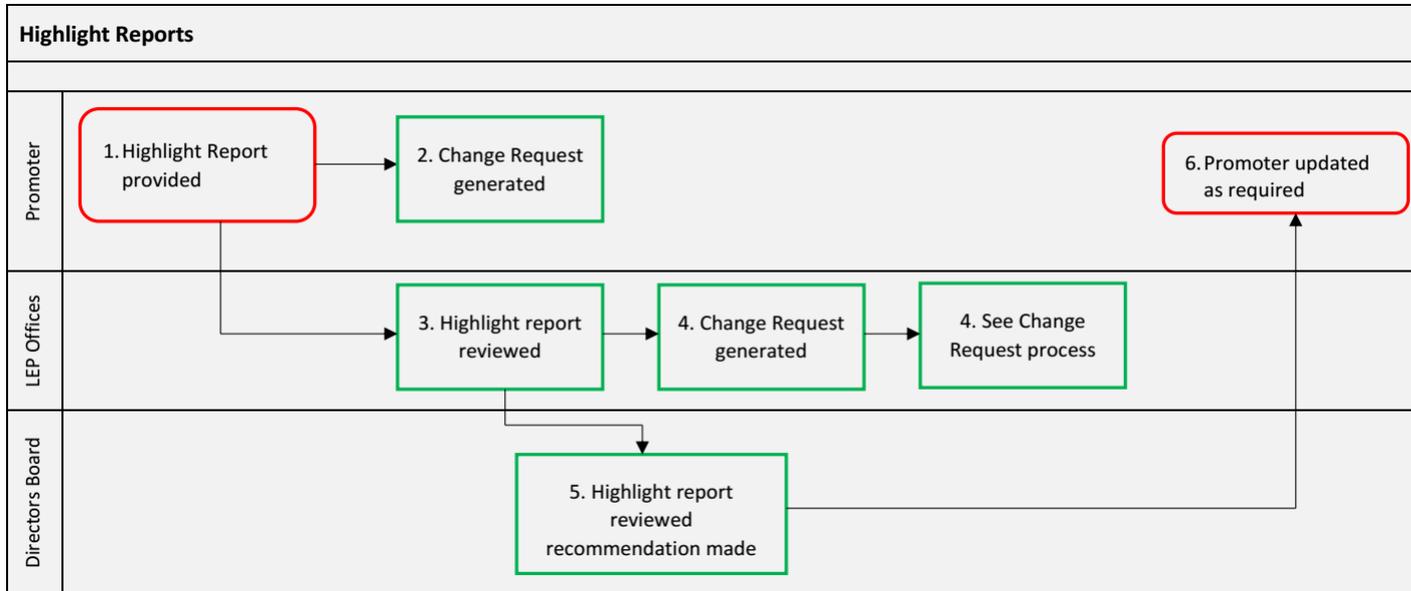


A change request will be generated whenever the scheme varies from the agreed tolerances.

1. A change request could be generated by the promoter or the LEP office, as a result of changes to cost, time or scope. The specific details for each scheme can be found in your offer letter.
2. The LEP Office will raise any recommendations and forward to the Directors Board.
3. The Director’s Board is able to approve a change request where:
  - cost - increases up to 10% to a maximum of £300k
  - Match – reduction in match up to 10% to a maximum of £300k
  - Re-profiling – up to £100k between financial years
  - time - slippage of schemes less than 3 months which can be contained within the financial year
  - scope – up to 10% change in value of quality
  - scope – 10% change in one or more of the benefits metrics
4. The Directors Board will make a decision to authorise the change and this will be signed off by the LEP Chief Executive.
5. The LEP Office will inform the promoter of the decision via a Decision Notice. The Investment Panel and the Joint Committee will be advised of the approved changes.
6. For any change request above the thresholds, a recommendation will be made by the Investment Panel and reviewed by the Joint Committee.
7. Elected Members of the Joint Scrutiny Committee are able to scrutinise change requests prior to the Joint Committee.
8. The Joint Committee will either reject or authorise the change.
9. A decisions notice will be issued by the LEP Office to the scheme promoter.
10. The promoter is informed through the decision notice.

# 7 Monitoring

## Chart 5 – Highlight Report



1. Highlight reports provide quarterly updates on each scheme and should be completed by the promoter.
2. The highlight report may identify a scheme variance and a change request may be required.
3. The highlight report will be reviewed by the LEP Office.
4. The LEP Office may generate a change request on behalf of the promoter.
5. The highlight report will be reviewed by the Investment Panel.
6. The promoter will be notified as required at the end of this process.

# 8 Assurance Framework & Templates

Through their Growth Deal each LEP is required to develop an accountability and assurance frameworks which set out the arrangements and processes through which the Growth Deal and Local Growth Fund will operate. The approved West of England Growth Deal Assurance Framework is available online at [www.westofenglandlep.co.uk/funding/local-growth-fund](http://www.westofenglandlep.co.uk/funding/local-growth-fund)

The most up-to-date templates for Outline and Full Business Cases and Highlight Reports are appended to the Assurance Framework document. If you require a Word version of the templates, please contact the Local Enterprise Partnership Office:

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