

West of England Local Growth Assurance Framework

January 2024

Contents

1. Purpose of the document	5
1.1. Context.....	5
1.2. Scope of the Assurance Framework	6
1.3. What is an Assurance Framework and who it is for?	9
1.4. Status and structure of the framework	11
2. Governance and Decision-Making Structure	12
2.1. West of England Governance	12
2.1.4. Mayoral Combined Authority Committee	14
2.1.5. West of England Joint Committee	15
2.1.6. LEP Board	16
2.1.7. Mayoral Combined Authority/Joint Committee Boards	16
2.1.8. West of England Combined Authority Overview and Scrutiny Committee	17
2.1.9. Audit Committee	18
2.1.10. West of England Chief Executives	18
2.1.11. West of England Directors	19
2.1.12. Portfolio Review Board (PRB)	19
2.2. Transparency	20
2.2.2. The LEP Board	20
2.2.3. Remuneration	22
2.2.4. Code of Conduct	22
2.2.5. Registering and Managing Interests	22
2.2.6. Publication of Meetings and Agenda Items	22
2.2.7. Complaints, Whistleblowing, Freedom of Information Requests and Data Protection 23	23
2.2.8. Communications and Local Engagement	24
2.3. Accountable body role and financial management.....	26
2.3.1. Investment Decisions	26
2.3.2. The Role of the Accountable Body	26

2.3.3.	Accounts and Financial Information.....	27
2.3.4.	Managing Contracts	27
2.3.5.	Risk Management	28
2.3.6.	Internal and External Audit.....	28
3.	Investment Programme - Project Lifecycle.....	30
3.1.	Scheme Identification and Prioritisation	30
3.1.1.	Prioritisation Process - LEP Investment Programme	30
3.1.2.	Prioritisation Process Combined Authority Investment Programme.....	30
3.1.3.	Scheme Identification and Assessment.....	30
3.1.4.	Scheme Assessment	31
3.2.	Business Case Development	31
3.2.1.	Business Case Stages and Proportionality.....	31
3.2.2.	Scheme Development Funding	33
3.2.3.	Due Diligence.....	34
3.3.	Appraisal	34
3.3.1.	Appraisal Criteria.....	34
3.3.2.	Assessing Value for Money	35
3.3.3.	Transport Projects	36
3.4.	Approval process	38
3.4.1.	Approval process and timeline	38
3.5.	West of England Investment Programme Management.....	39
3.5.4.	Risk Management	40
3.5.5.	Project Closure	40
4.	Monitoring and Evaluation.....	42
4.1.	Overview	42
4.2.	Performance Monitoring	43
4.3.	Evaluation and Benefits Realisation	44
Appendix 1	45
Adult Education Budget	45

Appendix 2	51
South-West Net Zero Hub.....	51
Community Energy Fund	51
Project Development Support	53
Public Sector Decarbonisation Skills.....	53
Appendix 3	54
Change Management Delegations for Schemes in the Infrastructure Portfolio and Green Recovery Fund	54
Change Management Delegations for Other Schemes in the Investment Programme.....	56
Appendix 4	58
LEP Publication Checklist	58
Appendix 5	59
Methodology to Assess Value for Money for Various Scheme Types	59
Transport.....	59
Housing and Commercial Interventions.....	60
Skills Capital	60
Growth Hubs	60
Appendix 6	61
Outline and Full Business Case Template	61
Appendix 7	61
Outline and Full Business Case Guidance	61
Appendix 8	61
Feasibility and Development Funding Application Form Template	61

1. Purpose of the document

1.1. Context

- 1.1.1. The West of England is one of the UK's most prosperous regions with an economy worth over £33.2 billion a year. A net contributor to the national purse, with a population of over 1 million and over 43,000 businesses, the West of England competes on a global scale.
- 1.1.2. In 2016, three councils in the West of England - Bath and North East Somerset, Bristol and South Gloucestershire - signed a devolution deal. As a result, significant powers and funding have been transferred to the region through the West of England Combined Authority and Metro Mayor.

1.1.3. The West of England Local Enterprise Partnership (LEP) is a business led public-private partnership which develops and drives policy and strategy for economic growth and job creation in the area. The LEP spans the geography of Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire. The Combined Authority provides support for the activities of West of England LEP including undertaking the role of accountable body for LEP funding.



1.2. Scope of the Assurance Framework

1.2.1. Government have set out in [The National Local Growth Assurance Framework](#) guidance the requirement for LEPs and Mayoral Combined Authorities in receipt of a Single Pot to produce their own local assurance framework. This document sets out the West of England’s governance arrangements for these funds, how due transparency and accountability are

ensured and the way that schemes are appraised, monitored and evaluated to achieve value for money.

1.2.2. The ‘Single Pot’ approach to funding is a significant fiscal agreement in devolution deals which seeks to reduce ring fences and consolidate funding lines for which the Combined Authority is the accountable body. The West of England Business Plan together with the Local Industrial Strategy (LIS) and other West of England plans and strategies, provide the basis for investment decisions alongside the delivery of statutory requirements, conditions of funding and other local transport objectives.

1.2.3. The funds in the scope of this assurance framework (hereafter referred to as the ‘investment programme’) are as follows:

- **West of England Investment Fund (WoEIF)** - the Combined Authority has established the WoEIF through which it will administer the additional £30m per annum allocation to the Combined Authority of grant-based investment funds (sometimes called ‘Gain Share’). These funds span a 30 year period but are subject to a five-yearly Gateway Review by Government. In line with the Devolution Deal this is in the control of the Combined Authority, working with the Metro Mayor. Aside from schemes in the scope of this framework, other exceptional costs are funded via the WoEIF related to the establishment of the Combined Authority and arising from its statutory duties, together with election costs for the Metro Mayor as agreed by the Mayoral Combined Authority Committee.
- **Transforming Cities Fund (TCF)** - the £80m of funding awarded to the Combined Authority to deliver transport improvements aimed at transforming connectivity through improved public transport and active travel infrastructure, reducing congestion and enhancing air quality.
- **City Region Sustainable Transport Settlements (CRSTS)** - the £540m five year transport capital funding for the period to 2026/27. That part of the funding awarded to the Councils for highway maintenance will fall outside of the specific requirements of this framework, but will be subject of monitoring of spend and delivery alongside any particular conditions for the CRSTS

For ease of language, in the scope of this framework the WoEIF, TCF and CRSTS are hereafter referred to as ‘the Combined Authority funding streams’.

- **Adult Education Budget (AEB)** - from 2019/20 the Combined Authority became responsible for administering AEB within its area. Investment decisions for AEB will be made with full consideration to the statutory entitlements which are detailed in the orders laid down to devolve the functions for administering AEB to the Combined Authority.

It should be noted that owing to the nature of AEB, whilst it falls within the general principles of this framework, including transparency, accountability and formal decision making by the Combined Authority Committee, general references to project identification, appraisal, monitoring and value for money will be subject to different arrangements. Further detail on the specific arrangements for AEB are provided in Appendix 1.

- **Local Growth Fund (LGF)** - the £202m of funding covering the period 2015/16-20/21 awarded to the LEP through Growth Deals with Government.
- **Economic Development Fund (EDF)** - the City Deal signed in 2012 by the West of England Councils, the LEP and Government included a range of measures aimed at driving economic growth. Several of the Deal elements have been adopted in ongoing programmes (such as developing an integrated inward investment service) or have been completed. One ongoing element is the Growth Incentive whereby the local authorities retain 100% of business rates growth in five West of England Enterprise Areas.

£500m of the growth in these Enterprise Areas, together with the Bristol Temple Quarter Enterprise Zone, over a 25 year period is being used to create the LEP’s Economic Development Fund to deliver infrastructure to help unlock these locations.

Whilst the operation and monitoring of the Enterprise Zone and Areas is undertaken by the relevant Council, the overall growth performance is overseen by the Business Rates Pooling Board which comprises the four Council’s 151 officers and the LEP. Periodic reports are presented to the

LEP Board and the West of England Joint Committee, and an annual performance report is provided to the West of England Combined Authority Overview and Scrutiny Committee.

- **Revolving Infrastructure Fund (RIF)** - this fund was formed from awards by Government through the Regional Growth Fund and Growing Places. This is a revolving fund aimed at advancing the infrastructure which enables development.
- **Get Building Fund (GBF)** - £13.7m capital funding over the period 2020/21-21/22 to help complete major projects which are planned to stimulate jobs and support the region's economic recovery.

For ease of language, in the scope of this framework the LGF, EDF, RIF and GBF are hereafter referred to as 'the LEP funding streams'.

- **South West Net Zero Hub** - spanning the seven LEPs in the wider south west region, this is one of five local energy hubs established across England. The Combined Authority acts as the accountable body for the South West Net Zero Hub. It should be noted that whilst arrangements for the Hub fall within the general principles of this framework, including transparency, accountability and formal decision making by the Joint Committee, general references to project identification, appraisal and approval will be subject to different arrangements. These are described in Appendix 2.

1.3. What is an Assurance Framework and who it is for?

1.3.1. This assurance framework is underpinned by the Seven Principles of Public Life (the Nolan Principles), namely:

- **Selflessness:** Holders of public office should act solely in terms of the public interest.
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** Holders of public office should be truthful.
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

1.3.2. The framework is required to show that suitable arrangements are in place to effectively manage the investment programme and that robust systems are in place to ensure resources are spent with regularity, propriety, and value for money, whilst at the same time achieving projected outcomes.

1.3.3. The assurance framework also outlines clear and transparent procedures for all stakeholders in the West of England area (including the constituent Local Authorities, the West of England LEP, other key partner agencies, businesses and residents) regarding the delivery and spending associated with the investment programme. The assurance framework and the investment programme will be managed in accordance with the usual local authority checks and balances, including the financial duties and rules which require local authorities to act prudently in spending.

1.3.4. The joint and consistent approach will also provide the opportunity to combine funding to maximise economic impacts. All projects funded through the investment programme will be subject to the agreed prioritisation, appraisal, and monitoring and evaluation framework, including value for money assessments tailored to the nature and scale of the proposed investment.

1.3.5. This assurance framework will be updated regularly and reviewed annually to ensure that it remains fit for purpose. Furthermore, other funding sources may subsequently be aligned with the investment programme to ensure that an integrated, comprehensive and strategic approach to promoting growth within the West of England is adopted. Where these fall within the scope of this framework it will be updated accordingly. Where there are significant changes to the operation of the framework the Cities and Local Growth Unit will be informed, and any necessary action undertaken.

1.3.6. In performing its role, the Combined Authority will ensure that it acts in a manner that is lawful, transparent, evidence-based, consistent and proportionate. The Combined Authority s73 Officer will confirm that the financial affairs of the LEP are being properly administered and are compliant with the National Local Growth Assurance Framework by the end of February each year.

1.3.7. The assurance framework sits alongside the Combined Authority's Monitoring and Evaluation Framework which sets out the Combined Authority's approach to Monitoring & Evaluation.

1.4. Status and structure of the framework

1.4.1. The remainder of this document is set out in the following sections:

- **Section 2:** Describes the governance and decision-making structures and outlines the transparency that will apply to all decision making.
- **Section 3:** Sets out the procedures for prioritising projects, appraising projects and developing appropriate business case documentation to satisfy the value for money assessment.
- **Section 4:** Outlines the procedures required for monitoring and evaluating projects and the overall investment programme.

2. Governance and Decision-Making Structure

2.1. West of England Governance

2.1.1. The governance structure for the Combined Authority and the LEP is shown in Figure 2.1. The specific roles in this governance process are set out below.

2.1.2. The governance arrangements for the investment programme provide timely and binding decisions, with due clarity, transparency and accountability. These are underpinned by a consistent approach which seeks to harmonise governance processes (noting that different funds may have different ultimate decision makers), assurance and reporting arrangements. This provides the flexibility to match the most suitable funding stream to a particular scheme, and also allow overview, efficiency and rigour. The governance process is shown diagrammatically in Figure 2.2.

2.1.3. It should be noted that a LEP integration process, initiated by Government, is underway with LEP functions anticipated to transfer into Mayoral Combined Authorities (or groups of local authorities where MCAs do not exist). The West of England Combined Authority is discussing the approach to this work with its partners across the West of England LEP. Any amendments to future governance and assurance arrangements will be carried out as required once these discussions have concluded.

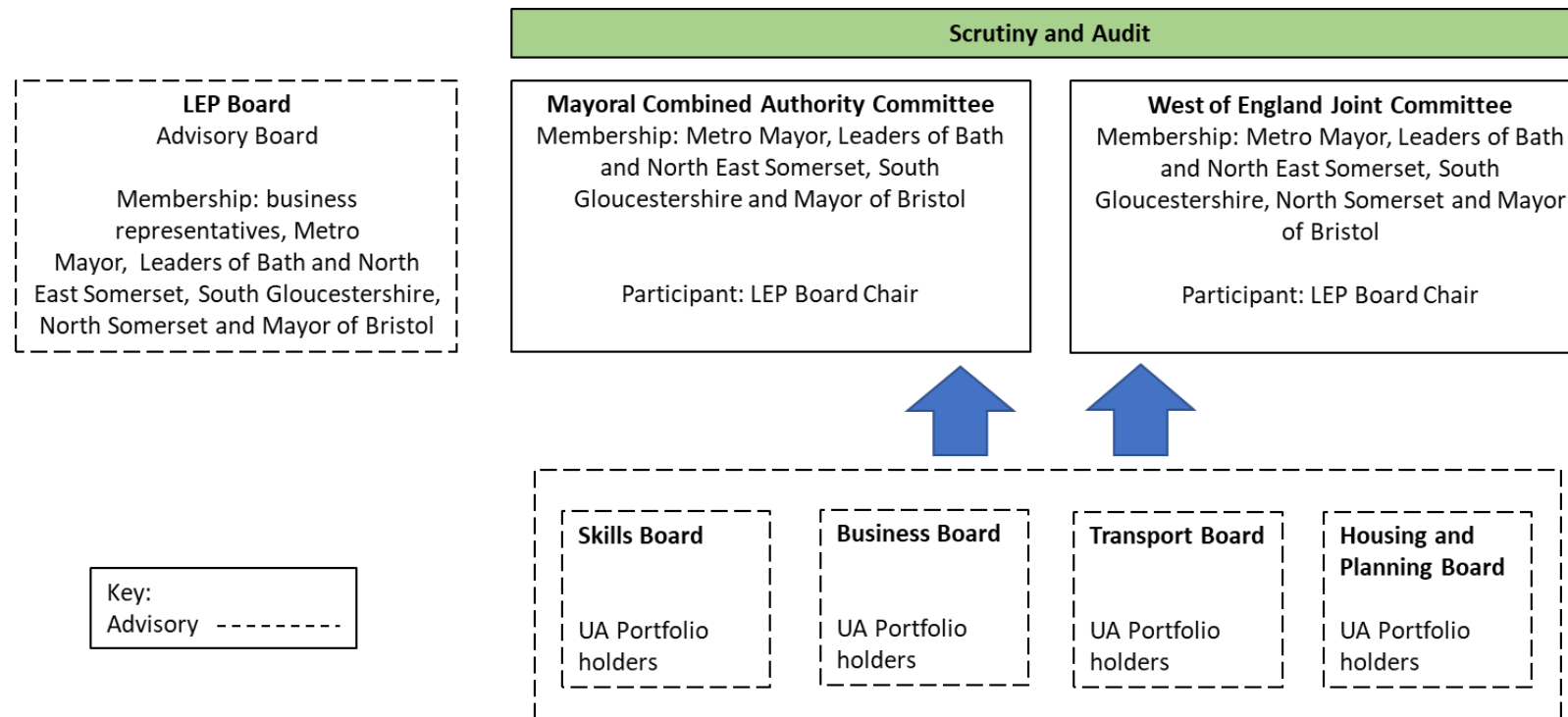


Figure 2.1 - West of England Combined Authority Governance

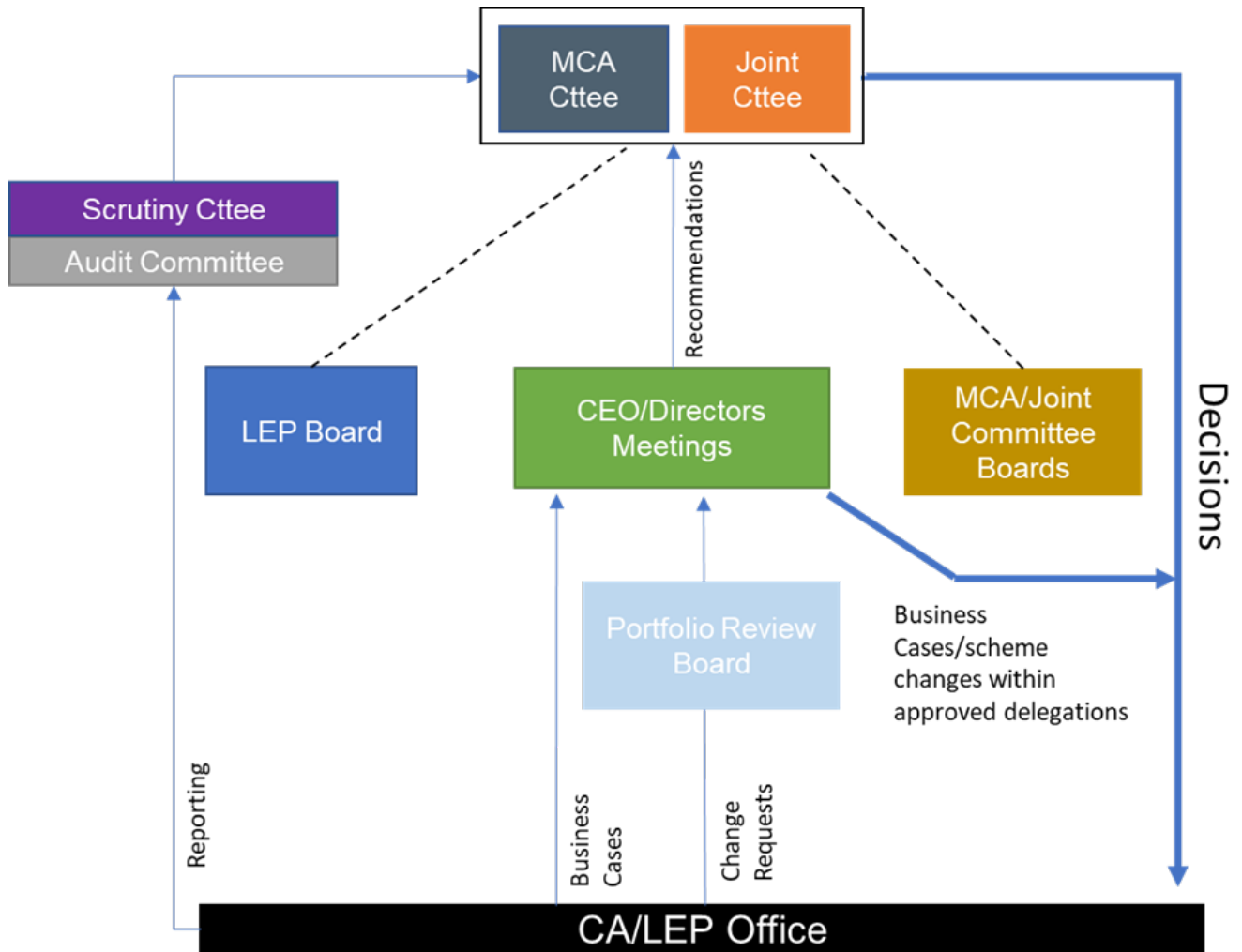


Figure 2.2 - Investment Programme Governance Process

2.1.4. Mayoral Combined Authority Committee

2.1.4.1. The Combined Authority Committee is chaired by the West of England Metro Mayor, and is made up of the council Leaders of Bath and North East Somerset and South Gloucestershire and the Bristol Mayor. The Committee meets regularly and in public and the papers for these meetings are published on the Combined Authority [website](#). The

constitution of the Combined Authority is also [published](#) which includes the code of conduct for members (Part C). This Committee provides the formal and accountable decision making process related to the Combined Authority funding streams. The delegations granted by the Mayoral Combined Authority Committee related to scheme changes are set out in paragraph 2.1.10.1 and 2.1.11.1, 2.1.11.2 and Appendix 3.

2.1.5. West of England Joint Committee

2.1.5.1. The West of England Joint Committee involving the West of England Metro Mayor, the Council Leaders of Bath and North East Somerset, North Somerset and South Gloucestershire and the Bristol Mayor meets formally and in public, and papers for these meetings are published on the Combined Authority [website](#). The Terms of Reference of the West of England Joint Committee can be viewed in the [constitution](#) (page A7). This Committee makes all decisions related to LEP funding streams (again aside from the delegations set out in paragraph 2.1.10.1 and 2.1.11.1 and 2.1.11.2).

2.1.5.2. It is the role of these Committees to approve and periodically review a programme of schemes through the submission of Strategic Outline or Outline Business Cases (see Appendix 7). These schemes will be awarded 'Programme Entry'. Schemes with Programme Entry will then produce Full Business Cases (see section 3.2) for approval to secure confirmation of delivery funding. Where there is urgency, the approval of specific Outline or Full Business Cases may be granted to the Combined Authority Chief Executive in consultation with the Chief Executive of the constituent Councils by the Mayoral Combined Authority or Joint Committee. In addition, in order to maintain the pace of delivery, the following programme delegations have been granted:

- The Combined Authority Director of Infrastructure in consultation with the Directors of Infrastructure of the constituent Councils to approve Business Cases/Funding Applications to a value of £6m within the CRSTS programme.
- The Combined Authority Director of Environment in consultation with the Directors of Environment of the constituent Councils to approve Business Cases/Funding Applications for schemes within the Green Recovery Fund, which forms part of the WoEIF.

2.1.6. LEP Board

2.1.6.1. The purpose of the West of England LEP Board is to secure the region's continuing and ambitious economic success and attractiveness as a place for its residents to live and thrive and for businesses and communities to grow in a sustainable way.

2.1.6.2. The LEP Board is a business led partnership between business/universities and the region's unitary and combined authorities. The LEP Board works in a collaborative and catalytic way seeking to share and test ideas informed by best practice from across the globe to ensure that actions are evidence based and draw upon the best in the world.

2.1.6.3. In terms of the LEP funding streams, the role of the LEP Board is to bring a business perspective and make recommendations to the West of England Joint Committee based upon advice from the Chief Executives (see 2.1.10.1). The LEP Board and Chair play a key advisory role and make recommendations that are considered by the Joint Committee, who take full account of these recommendations in their decision making. The Chair of the LEP Board participates as a non-member in the meetings of the Mayoral Combined Authority and Joint Committees.

2.1.6.4. The Board may request periodic updates on all LEP funded projects, so they are sighted on their performance, issues, risks and relevant mitigations in place.

2.1.7. Mayoral Combined Authority/Joint Committee Boards

2.1.7.1. The following Boards meet six times a year and involve the West of England Metro Mayor and the relevant Cabinet lead Member(s) for the constituent Councils: -

- Skills Board
- Business Board
- Transport Board
- Housing and Planning Board

2.1.7.2. The Boards do not make decisions but provide strategic guidance and advice to the West of England Mayoral Combined Authority Committee, West of England Joint Committee and LEP on skills, business, transport, housing and planning matters, including having oversight of projects and

programmes, raising issues and giving views. The Terms of Reference can be viewed in the [constitution](#) page A7).

2.1.8. West of England Combined Authority Overview and Scrutiny Committee

2.1.8.1. The functions of the Overview and Scrutiny Committee are primarily to scrutinise the work of the Combined Authority and the Joint Committee including the prioritisation and approval of schemes, and progress with the delivery of the investment programme. The West of England Combined Authority Overview and Scrutiny Committee has the power to:

- I. Review or scrutinise decisions made, or other actions taken, in connection with the discharge of any functions which are the responsibility of the Mayoral Combined Authority or Joint Committee.
- II. Make reports or recommendations to the Mayoral Combined Authority or Joint Committee on matters that affect the Combined Authority area or the inhabitants of the area.
- III. Make reports or recommendations to the Mayoral Combined Authority or Joint Committee with respect to the discharge of any functions which are the responsibility of these Committees.
- IV. In so far as the business of the LEP relates to the discharge of functions of Combined Authority or Joint Committee, the Overview and Scrutiny Committee shall have the power to scrutinise the LEP as set out in I) to III) above.

2.1.9. Audit Committee

2.1.9.1. The functions of the Audit Committee include:

- Reviewing and scrutinising the authority's financial affairs.
- Reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.
- Reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.
- Making reports and recommendations to the Mayoral Combined Authority in relation to the reviews they have conducted.
- To consider and approve the Annual Statutory Accounts
- To consider Member Code of Conduct

2.1.10. West of England Chief Executives

2.1.10.1. The governance process is underpinned by the West of England Chief Executives meeting which comprises the Chief Executive of the Combined Authority and the LEP (hereafter referred to as the Combined Authority Chief Executive) and the Chief Executives of the relevant constituent local authorities. The Chief Executives meet regularly and are aligned to meetings of the Mayoral Combined Authority and Joint Committees and its role in the context of the investment programme is to:

- Act on information provided by scheme promoters and technical advice and recommend a programme (the 'Programme Entry' schemes) for:
 - Combined Authority funding streams - approval by the Combined Authority Committee.
 - LEP funding streams - approval by the West of England Joint Committee
- Make recommendations on individual investment decisions for schemes with 'Programme Entry' awarded by the Mayoral Combined Authority or West of England Joint Committee based upon business cases and technical advice.
- Approve specific Business Cases or Feasibility and Development Funding Applications (see 3.2.2.1) subject to delegation from the

Mayoral Combined Authority or Joint Committee. The decision on such Business Case or Application is made by the Combined Authority Chief Executive, in consultation with the Council Chief Executives.

- Consider change requests for approval within the agreed tolerances. As above, the decision on such change requests is made by the Combined Authority Chief Executive in consultation with the Council Chief Executives.
- Make recommendations to the Mayoral Combined Authority or Joint Committee for those changes outside of the tolerances.
- Provide overview of the investment programme.
- Managing programme level risks

2.1.11. West of England Directors

2.1.11.1. The West of England Directors of Infrastructure meet at least monthly and consider change requests within granted delegations and the recommendations made on them by the Portfolio Review Board. They also make approval decisions on projects with a cost up to £6m within the CRSTS programme.

2.1.11.2. The West of England Environment Directors met regularly and consider Business Cases/Funding Applications within the Green Recovery Fund and make approval decisions on change requests within the agreed tolerances.

2.1.12. Portfolio Review Board (PRB)

2.1.12.1. The Portfolio Review Board comprises the Combined Authority and Council s73/s151 officers and Directors. Subject to agreement of the revised Terms of Reference at the Mayoral Combined Authority Committee in January 2024, the role of the PRB is:

- Overview and assurance of all programmes within scope to support delivery, limit delay and ensure value for money.
- Ensure alignment of the portfolio with regional objectives.

- Gain assurance on the portfolio delivery in line with expected financial and operational milestones.
- Consider and recommend change requests to relevant decision makers with particular emphasis on those with significant scope, benefits, cost or programme change which have wider programme impact.
- Consider the programmes in totality and overall impact at a portfolio level of individual programme changes.
- Gaining assurance regarding grant conditions, and inform any required s73/s151 sign off with funders e.g. DfT
- Help to manage risks associated with the portfolio.
- Ensure post-project reviews are taking place, and gain assurance from Directors that insight is being shared and lessons learned acted upon.
- Identify common themes/issues across the portfolio, which may impact on the delivery of the portfolio, and action appropriately.
- Support the sharing of good practice across programmes.
- Gain assurance that resources are appropriate to ensure portfolio delivery.

2.2. Transparency

2.2.1. The Combined Authority and the LEP are committed to being open, transparent and accountable.

2.2.2. The LEP Board

2.2.2.1. The LEP Board Chair comes from the private sector. Opportunities for membership of the LEP Board are openly advertised and widely promoted. The LEP Chair in consultation with the Business Nominations

Committee (BNC), which is the only sub-Board of the LEP Board, is responsible for nominating business members including the vice chair, and the Higher Education representative, for approval by the LEP Board. The Vice Chair in consultation with the BNC is responsible for the nomination of the Chair, for approval by the LEP Board.

2.2.2.2. Selection criteria and procedures ensure that individuals are selected on the basis of their relevant merits and abilities, and that this promotes diverse representation reflective of the local business community. The LEP's [Equality and Diversity Statement](#) is published on the LEP website.

2.2.2.3. The membership of the LEP Board comprises:

- Up to fourteen business members including the Chair
- One Higher Education representative
- The West of England Metro Mayor, the Mayor of Bristol City Council and the Leaders of Bath and North East Somerset Council, North Somerset and South Gloucestershire Council

2.2.2.4. In line with the commitment to secure a greater gender balance, half of the LEP Board business/Higher Education members are currently women (36% of all Board members, including the LEP Chair and elected representatives).

2.2.2.5. The term of the Chair and Vice Chair is three years from date of appointment. The term of business members and Higher Education member is up to three years. Terms are staggered to ensure continuity amongst the membership and support succession planning. Members can serve a maximum of two terms, but renewal of term is not automatic. In the event of the resignation of a business member an appointment process would be undertaken in line with the process described above.

2.2.2.6. The membership of the [LEP Board](#) and the [terms of reference](#) can be viewed on the [website](#). A member or members of the LEP Board, currently [Neil Douglas](#), are specifically responsible for representing and engaging with the SME business community.

2.2.2.7. An induction process is in place for new members of the LEP Board. All new Combined Authority officers follow the organisation's induction process.

2.2.3. Remuneration

2.2.3.1. LEP Board members receive no remuneration or expenses. The LEP's [Gifts and Hospitality Register](#) is published on the LEP website.

2.2.4. Code of Conduct

2.2.4.1. The LEP Board members are required to follow a Code of Conduct (which includes the conflicts of interest policy) which is based on the Seven Principles of Public Life. This Code of Conduct is published on the [website](#). LEP Board members are required to sign the Code of Conduct before taking up their role. Officers who support the LEP are employees of the Combined Authority and are bound by the Combined Authority's code of conduct

2.2.5. Registering and Managing Interests

2.2.5.1. The LEP Board Code of Conduct includes the way that pecuniary and non-pecuniary interests are declared and managed. This policy applies to all involvement with the work of the LEP. The interests of Board members are published on their individual profile pages on the [LEP website](#). The register of interest is signed within 28 days of taking up the role on the Board and in advance of participation in the role. Board members are required to review their declared interests before each meeting. Senior staff at the Combined Authority and the LEP and those who advise on decisions are also required to complete a register of interest form.

2.2.6. Publication of Meetings and Agenda Items

2.2.6.1. The agendas, reports, minutes and forward plan for the Mayoral [Combined Authority Committee](#) and West of England [Joint Committee](#) are published on the West of England Combined Authority [website](#). The Committees receive a regular report with the recommendations and delegations made by the West of England Chief Executives or Directors which is published as part of the papers.

2.2.6.2. Stakeholders are able to submit questions, petitions or statements to the Mayoral Combined Authority and Joint Committee.

2.2.6.3. The agenda, reports and minutes of the LEP Board are available on the Combined Authority [website](#). The agenda and reports for the Board are published 5 clear working days in advance of the meeting. The minutes of Board meetings are published within 2 weeks of the meeting. Any recommendations made by the LEP Board relating to the LEP funding programme will be published through the notes of the meeting. The LEP Board is not a decision-making body, and aside from the Annual Meeting the Board meetings are not held in public.

2.2.7. Complaints, Whistleblowing, Freedom of Information Requests and Data Protection

2.2.7.1. Any complaints related to the arrangements, processes or decision making associated with the investment programme will follow the formal complaints process of the Combined Authority. The [procedure](#) is published on the Combined Authority website and looks to manage any complaints that should arise appropriately and effectively. The complaints process makes provision for third parties or the public to make confidential complaints.

2.2.7.2. In addition to the above, there is also a [Whistleblowing Policy](#) in place, which outlines the process to follow when reporting a perceived wrongdoing within the Combined Authority and the LEP, including something that is believed to contravene the core values and Nolan Principles of Public Life. The LEP will inform the Cities and Local Growth Unit should any concerns be raised through the whistleblowing procedure.

2.2.7.3. Procedures are in place to manage [Freedom of Information](#) requests related to the activities of the Combined Authority and the LEP, including the investment programme. Appropriate data protection arrangements are in place in line with the Data Protection Act 1998, the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The Combined Authority [Data Protection Policy](#) has been adopted by the LEP Board.

2.2.7.4. In the interests of transparency, the Combined Authority and the LEP are committed to ensuring relevant information related to the business of the LEP Board or decisions at the Joint Committee is published aside from where there are matters of commercial or other sensitivity.

2.2.8. Communications and Local Engagement

2.2.8.1. The Combined Authority and the LEP are committed to ongoing engagement with public and private sector stakeholders. This includes engaging stakeholders to inform key decisions and ensuring that there is local engagement with feedback to the general public about future LEP strategy and progress. A Combined Authority Business Plan has been formally approved and progress with the delivery of the Plan is reported annually. The LIS and Regional Recovery Plan were informed by consultations with key stakeholders and partner agencies from across the West of England.

2.2.8.2. Key information related to the arrangements for, and activities of the LEP, and the LEP funding streams, are published on the [Combined Authority website](#). This is kept up to date to ensure the information remains current, and for the [funding programme](#) it reflects the latest position regarding scheme funding and approval status. References to material and documents published on the website are included in various places within this assurance framework, but for ease a checklist is provided in Appendix 5.

2.2.8.3. The LEP Annual General Meeting will be openly advertised and open to the public.

2.2.8.4. Information related to the operation of the Combined Authority funding streams is published on the Combined Authority [website](#). For AEB, a process of engagement with providers was undertaken in developing the application process and arrangements, and relevant documentation and guidance are published on the Combined Authority [website](#).

2.2.8.5. All scheme Outline and Full Business Cases are published as part of the report to the Mayoral Combined Authority or Joint Committee considering their approval. External opinion expressed on these business cases by the public and other stakeholders will be made available to the Mayoral Combined Authority or Joint Committee to inform decision making. Where a specific delegation to approve a Business Case has been granted by the Mayoral Combined Authority or Joint Committee to the West of England Chief Executives or Directors, then such officer

decisions will be published, and this will be reported (together with the Business Case) to the next meeting of the Committee.

- 2.2.8.6. The Combined Authority and LEP are committed to working with the LEP Network and where appropriate to engage with other LEPs and develop joint strategies and investments and share best practice.
- 2.2.8.7. The Combined Authority will comply with Government communications and branding guidelines for schemes funded through relevant programmes including the branding and wording used on websites, signage, social media, press notices and other marketing material. These requirements have been shared with all scheme promoters and compliance is a condition set out within grant offer letters.

2.3. Accountable body role and financial management

2.3.1. Investment Decisions

2.3.1.1. All investment decisions, including ensuring the effective allocation of the investment programme in line with the Combined Authority and LEP Business Plan, together with the LIS and other West of England plans and strategies, will be the responsibility of the Mayoral Combined Authority or West of England Joint Committee.

2.3.2. The Role of the Accountable Body

2.3.2.1. The West of England Combined Authority will be the Accountable Body for all funds within the investment programme and will be responsible for the proper administration and financial probity of the funds received. The Combined Authority will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure.

2.3.2.2. As the Accountable Body, the Combined Authority will be responsible for overseeing policy, the prioritisation of funding, ensuring value for money, evaluating performance and managing risk. The Combined Authority will:

- Hold investment programme funds and make payments in accordance with the decisions of the Mayoral Combined Authority or Joint Committee.
- Ensure that funding is approved and allocated in a manner that is lawful, transparent, evidence-based, consistent and proportionate.
- Ensure that the decisions and activities conform to the legal requirements with regard to equality and diversity, environmental regulations and other relevant legislation and guidance.
- Ensure through its Section 73 officer that the funds are being used appropriately, prudently and are in accordance with decisions made by the Mayoral Combined Authority or Joint Committee, or through delegation, together with adherence to relevant guidance/legislation for the intended purpose.

- Record and maintain the official record of proceedings relating to decisions made on all investment projects.

2.3.2.3. Should a decision related to funding not conform to this assurance framework e.g. not meeting legal requirements or representing inappropriate use of funds then the Combined Authority, as accountable body, will not action this decision.

2.3.3. Accounts and Financial Information

2.3.3.1. The Combined Authority [Statement of Accounts](#) is published on the Financial Information section of the Combined Authority website. For [2018/19 and 2019/20](#) the LEP income and expenditure is dealt with in note 21 to the accounts (page 76 of the linked report). An Annual Report is published setting out grant payments made each year for all projects within the LEP funding programme, the 2020/21 report can be viewed [here](#). Expenditure at the programme level, alongside key outputs and outcomes, across all of the LEP programmes is shown in the [22/23 Delivery Plan](#).

2.3.3.2. The investment funds are accounted for in such a way that they are separately identifiable, with individual cost centres. The Combined Authority will prepare quarterly financial statements for the Mayoral Combined Authority or Joint Committee in relation to the overall fund, costs of the investment projects, and profiling of spend.

2.3.4. Managing Contracts

2.3.4.1. All contracts awarded by the Combined Authority will follow the authorities Contract Standing Orders which include the Combined Authority's Financial Regulations and the Public Contracting Regulations 2015. Where projects are delivered by other organisations business cases will set out the procurement strategy, compliance with regulations and how value for money will be ensured. Where there are changes to scheme cost or scope which arise through the procurement process or in delivery these will be reported and considered through the agreed change management process. As set out in paragraph 2.1.6.4, the LEP Board may request periodic reports on progress with schemes across the programme so they are sighted on performance and risks.

2.3.5. Risk Management

2.3.5.1. A key role of the assurance framework is to ensure that risk is identified, monitored and managed appropriately, both at a corporate level for the Combined Authority and at a programme and project level. The risks associated with individual investment programme projects are discussed in Section 3.5.4 and these will require consideration as part of the business case development through into delivery. The risks associated with the overall investment programme are identified and, in conjunction with plans to mitigate these risks, managed by the Chief Executives. Significant risks will be escalated and will be added to the Combined Authority Corporate Risk Register. This Risk Register is regularly reviewed by the Corporate Leadership Team and activities are reported to Audit Committee.

2.3.6. Internal and External Audit

2.3.6.1. All investment programme funding from HM Government will be held and managed by the Combined Authority. In doing so the funds will be subject to financial management arrangements and subject to Internal Audit in accordance with the Accounts and Audit Regulations (2015) and in compliance with the mandatory Public Sector Internal Audit Standards. This will provide independent and objective assurance regarding the effectiveness of the Combined Authority's risk management, control and governance processes.

2.3.6.2. The Combined Authority s73 officer will be responsible for reporting on the financial management and assurance of the investment programme to the Combined Authority Audit Committee through the delivery and outturn of the annual Internal Audit plan and published accounts.

2.3.6.3. All investment programme funding decisions taken by the Mayoral Combined Authority or Joint Committee will also be subject to review through annual external audit, which undertakes a review of value for money arrangements by assessing whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resource.

2.3.6.4. Audit reports related to the LEP produced by either internal or external audit will be shared with the LEP Board and the Cities and Local Growth Unit.

3. Investment Programme - Project Lifecycle

3.1. Scheme Identification and Prioritisation

3.1.1. Prioritisation Process - LEP Investment Programme

3.1.1.1. The LGF and GBF have been fully expended. Should further flexible funding be awarded to the LEP, schemes would be considered through an open and transparent prioritisation process including their strategic fit, impact and value for money and deliverability. Owing to the nature of the funds, the EDF (which is predicated on borrowing against future business rates growth in the Enterprise Zone and Areas) and the RIF (which requires repayment) are only available to the West of England Councils.

3.1.2. Prioritisation Process Combined Authority Investment Programme

3.1.2.1. For the WoEIF and TCF a process of prioritisation has been undertaken based upon agreed thematic criteria to establish a joint investment programme. The detail of the thematic methodology used, including prioritisation process and metrics, was agreed in advance of its application. The prioritisation process and Combined Authority investment programme will be subject to regular, and at least annual review.

3.1.3. Scheme Identification and Assessment

3.1.3.1. Candidate schemes for funding through the Combined Authority investment programme will be identified by the Combined Authority and the constituent Councils through their fit with the strategic and economic policy and plans for the area including the Combined Authority Business Plan, LIS, Spatial Plans, Joint Local Transport Plan, Employment and Skills Plan, Regional Recovery Plan and the West of England Green Infrastructure Strategy. This scheme identification process will be guided by a set of agreed regional objectives and investment principles for the investment programme. These are set out in the Investment Strategy and include the scope for funding to be repaid (in whole or part) or generate a return, in order that the investment programme has a greater impact. Where schemes are not promoted by the Combined Authority or the Constituent Councils, then an open, transparent and evidence-based process will be used to identify projects for funding.

3.1.4. Scheme Assessment

3.1.4.1. Identified schemes will be assessed against agreed criteria, including those for individual programmes within the overall Investment Fund, such as previously used for the Land Acquisition Fund, Development Infrastructure Fund and Love Our High Streets programmes.

3.1.4.2. Schemes will be able to seek funding for development through completion of a Feasibility and Development Funding Application Form. Formal entry into the programme will be considered at Outline Business Case.

3.2. Business Case Development

3.2.1. Business Case Stages and Proportionality

3.2.1.1. The business case development and appraisal process will apply the principle of proportionality, with more detailed information being required for large, complex or contentious projects. The application and appraisal process for the investment programme will involve the following stages:

- Strategic Outline Business Case (SOBC) - this will provide the underlying justification for the project and will support the prioritisation and programme development stage. For schemes over £20m or which are innovative or likely to be contentious an SOBC will be required. Innovative or contentious schemes will include those which plan to deploy cutting edge technology, use new or complex techniques or approaches in their delivery or operation or are expected to attract significant interest from stakeholders and the public. Smaller or less complex schemes can progress direct to Outline, or where appropriate, Full Business Case.
- Outline Business Case (OBC) - this will confirm the strategic context, make a robust case for change and identify the preferred option for delivery from a shortlist of options considered based upon how well it meets scheme objectives.
- Full Business Case (FBC) - this will include a detailed business case for the project consistent with HMT's guidance on the five case business case model which is developed to a level where it is capable of being

given final approval, including detailed design and having secured all necessary powers, consents and land to enable the delivery of the scheme. The assessment of Value for Money (VfM) will, in particular, underpin the economic case and the decision to proceed. This will follow the latest Green Book business case guidance and take account of project specific appraisal guidance published by the relevant government department (see section 3.3 on Appraisal). The OBC and FBC template is shown in Appendix 6 and guidance on completion is shown in Appendix 7.

- 3.2.1.2. In the interests of efficiency and to avoid duplication, business cases will build upon, augment and draw upon the recommendations from the previous stage(s). The final content of, and recommendations on, the FBC will be included in the contractual agreements for funding. Where assumptions have been made, these will be clearly set out in the Business Case, with sufficient sensitivity testing carried out on these assumptions to demonstrate the robustness of the economic assessment.
- 3.2.1.3. Schemes which are relatively straightforward, such as revenue interventions and capital projects which do not require planning permission or other consents can progress direct to FBC.
- 3.2.1.4. Where 50% or more of the funding for a project has been awarded by a Government department or Homes England through a specific funding application which gives final funding approval for delivery (equivalent to a Full Business Case), a separate business case may not necessarily be required to access match funding through the funds in scope of this framework. In such cases it may be assumed that the business case and value money will already have been suitably established by the external funder as part of the funding award.
- 3.2.1.5. Where this applies, funding applications will be published, and suitable Monitoring and Evaluation arrangements will be put in place to ensure the needs of both the external funder and the Combined Authority are met (see section 4 on Monitoring and Evaluation). Match funding awards for streams in the scope of this framework will be approved by the Mayoral Combined Authority or Joint Committee.
- 3.2.1.6. For transport schemes, business cases should use the templates and approach provided in DfT [guidance](#). For these purposes, a transport

scheme is defined as any scheme that significantly changes the transport network infrastructure, whatever its objectives. A local guidance [note](#), and [summary](#) have been produced to help promoters which sets out the Combined Authority's expectations. Cycling schemes should meet the standards set out in Local Transport Note 1/20 Cycle Infrastructure Design unless there are exceptional circumstances, the rationale for which should be clearly stated in the business case.

3.2.1.7. For smaller scale and relatively straightforward transport schemes, a specific template is used, structured around the five cases, which seeks to capture the critical aspects of the business case in a comprehensive but proportionate way. A set of eligibility criteria is used to establish whether a scheme fits the requirements to follow this streamlined approach and sits at the lower end of the spectrum in terms of project size, technical and delivery complexity, stakeholder challenge, and the level of risks and novelty.

3.2.2. Scheme Development Funding

3.2.2.1. Combined Authority Funding Streams

Projects within the investment programme funded by the Combined Authority funding streams will be eligible to submit for scheme development support. This will be based on the submission of a scheme Feasibility and Development Funding Application Form which will identify tasks, timescales and costs for bringing forward an SOBC, OBC or FBC. The template is shown in Appendix 8. Aside from where a delegation has been granted to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils, or a Combined Authority Director in consultation with the constituent Council Directors, all submissions will be appraised and approved by the Mayoral Combined Authority Committee. Where such approval is via delegation these decisions will be published and reported to the following meeting of the Committee, including publication of the application.

3.2.2.2. LEP Funding Streams

Aside from the RIF, projects within the investment programme funded by LEP funding streams are expected to meet their own development costs until they secure Outline Business Case approval. Development costs incurred from Outline Business Case approval can be recovered

once a scheme has secured Full Business Case approval. For the RIF, FBC development funding can be accessed at the point of OBC approval.

3.2.3. Due Diligence

3.2.3.1. The Combined Authority is committed to undertaking due diligence activities that support effective decision-making and project appraisal. In relation to the investment programme applications, the nature and timing of due diligence will depend on the individual project or scheme, the cost of the scheme and the potential impact of the project. The Combined Authority will be responsible for determining when the due diligence is carried out and by whom. A level of due diligence will be carried out by the Combined Authority, but external agencies may also be commissioned to support this function as appropriate.

3.3. Appraisal

3.3.1. Appraisal Criteria

3.3.1.1. The appraisal process for the investment programme will be consistent with HM Treasury's Green Book and Business Case Appraisal process, including supplementary and departmental guidance, such as the Department for Transport's (DfT) WebTAG appraisal guidance for transport schemes and the Department for Levelling Up, Housing and Communities (DLUHC) Appraisal Guide. This will be based on the five cases model:

- Strategic case - which provides a compelling case for change and explains how the project fits with the objectives of the organisation and wider public sector agendas.
- Economic case - which describes how the project/preferred option represents best public value.
- Commercial case - which demonstrates that the deal is attractive to the market, can be procured and is commercially viable.
- Financial case - which confirms that the proposed spend is affordable.

- Management case - which confirms that what is required from all parties is achievable.

3.3.1.2. Projects will be appraised against these criteria and should also meet minimum thresholds and requirements (for example, a Benefit Cost Ratio that is at least acceptable and meets the established guidance or recognised benchmarks for that project type).

3.3.2. Assessing Value for Money

3.3.2.1. It is useful to keep in mind that good VfM, as defined by HM Treasury is the optimal use of resources to achieve the intended outcomes. 'Optimal' being 'the most desirable possible given expressed or implied restrictions or constraints'. VfM is not just about achieving the lowest initial price, it is defined as the optimum combination of whole life costs and quality, with due regard to propriety and regularity.

3.3.2.2. The National Audit Office (NAO) uses three criteria to assess the VfM of government spending i.e. the optimal use of resources to achieve the intended outcomes:

- Economy - minimising the cost of resources used or required (inputs) - spending less.
- Efficiency - the relationship between the output from goods or services and the resources to produce them - spending well.
- Effectiveness - the relationship between the intended and actual results of public spending (outcomes) - spending wisely.

3.3.2.3. For the investment programme, the Combined Authority and the LEP will make investment decisions based on a range of evidence, such as the strategic case and other local impacts and analysis of cost effectiveness (including GVA impact at the local level), as well as the wider VfM appraisal. This evidence will be consistent with HM Treasury's Green Book and other relevant departmental appraisal guidance. These are set out in Appendix 5.

3.3.2.4. Whilst recognising the national BCR will remain the universal metric to assess VfM, the Combined Authority will take account of a range of evidence when deciding to invest in a project (such as the local impacts

on the economy and investment unlocked) within the context of a wider VfM appraisal. In the event that a scheme does not offer at least ‘high’ VfM (i.e. that the national BCR is below 2 once significant non-monetised impacts and key uncertainties have been considered), the Combined Authority may still decide, exceptionally, to invest in a project based on the strength of evidence presented within the overall business case, including the strategic case and local impacts (see 3.3.3).

- 3.3.2.5. Aside from the circumstances set out in paragraph 3.2.1.4, independent advice will be sought, including where required external support, for review of business cases. The assessment will be proportionate to the relative size of the scheme being considered, but will, as a minimum, provide independent validation of the assumptions made by scheme promoters.
- 3.3.2.6. Further safeguards are in place to avoid any conflict of interest that may arise between staff and consultants acting on behalf of scheme promoters and those that are being asked to provide independent assessments on behalf of the Combined Authority.
- 3.3.2.7. Full Business Cases, including their value for money, will be signed off by the s151 officer or Chief Finance officer of the promoting organisation. As is the case for VfM statements, Full Business Case Assessment Summary Reports will be signed off by the Combined Authority s73 officer and these will be included in the report to the Mayoral Combined Authority or Joint Committee where the business case is being considered. Where the Combined Authority is the scheme promoter separation of roles will be ensured and business case sign off will be provided by another member of the Combined Authority Corporate Leadership Team or the s151 officer from one of the constituent Councils. The appraisal reports will be presented to the Mayoral Combined Authority Committee as part of the decision-making process, via an Assessment Summary Table.

3.3.3. Transport Projects

- 3.3.3.1. For transport projects, the Combined Authority and the LEP will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling and appraisal meets the guidance set out in WebTAG. WebTAG will be used for all schemes but for schemes with low cost (below £6m) a more

proportionate approach may be taken (see 3.2.1.7). In addition to WebTAG, other robust or evidence-based assessments or methodologies may be employed to prioritise and assess the overall business case for a scheme.

3.3.3.2. The expectation is that all schemes must achieve “high” VfM (where benefits are at least double costs as set out within DfT’s guidance) at all stages of the approval process. VfM for these schemes will be independently scrutinised on behalf of the Combined Authority as part of the assessment process. This will be via a commission to a specialist transport consultant, fully independent from the scheme promoter and with no involvement in the development of the scheme being appraised. The independent assessment will be published and made available to the Mayoral Combined Authority or Joint Committee (or the Chief Executives or Directors of Infrastructure where there is a delegation) as part of the decision making process.

3.3.3.3. Notwithstanding the above principles on VfM, the Combined Authority and the LEP will be able to approve transport schemes with lower VfM, having regard to specific circumstances including:

- Evidenced and compelling wider economic, social and environmental benefits
- The ability of the scheme to address multiple Combined Authority and the LEP policy objectives.
- Significant levels of match funding being provided by the scheme promoter.

3.3.3.4. Examples of such exceptional circumstances could include where a transport scheme:

- Unlocks a major development site.
- Can be directly attributed to job creation and/or GVA growth.
- Stimulates significant land value uplift which can subsequently be captured.

- Has a low BCR but is part of a programme that can evidence a ‘high’ BCR as a minimum.

3.3.3.5. The justification will be clearly set out in the report before the Mayoral Combined Authority or Joint Committee at the point of decision making.

3.3.3.6. Such projects must have been subject to earlier rigour to assess options for de-scoping, or to explore higher VfM alternatives, and these considerations will be tested as part of the independent review of the business case and reported as part of decision making to the Mayoral Combined Authority or Joint Committee. This will include considering the robustness of the evidential basis to enable the Combined Authority and the LEP to determine the relative weights to be afforded to the different aspects of the case.

3.3.3.7. The recommendations to the Mayoral Combined Authority or Joint Committee will clearly explain the rationale for approving a scheme with medium or worse VfM and the implications of the recommendation.

3.4. Approval process

3.4.1. Approval process and timeline

3.4.1.1. To ensure the investment programme is managed strategically the Combined Authority s73 officer, supported by officers in the Resources Directorate, will be responsible for the overall management of the programme and that linkages are made within the portfolio of projects seeking investment. The time taken to assess projects will depend on the nature and complexity of the proposal, but typically business case submissions will be around 2 months prior to decision making at the Mayoral Combined Authority or Joint Committee.

3.4.1.2. The outcome of the independent assessments of investment programme schemes will be reported to the Mayoral Combined Authority or Joint Committee as part of the recommendations made on the merits of individual applications. An Assessment Summary Table will form an appendix to these reports and will be part of the Mayoral Combined

Authority or Joint Committee's public agenda pack that is available to view on the Combined Authority website.

3.4.1.3. Aside from where the Combined Authority is the scheme promoter, the Combined Authority will prepare a Grant Offer Letter for agreement by the applicant. The offer letter will, in particular, set out the following which will be monitored by the Combined Authority:

- A financial profile including quarterly expenditure.
- A profile of outputs and outcomes to be achieved with key milestones for delivery.
- Projected impacts and a timetable for their achievement.

3.4.1.4. The Combined Authority have appropriate processes in place to recover non-compliant funding. Should a decision be made not to recover funding, a strong and compelling justification will be required which will be formally documented.

3.5. West of England Investment Programme Management

3.5.1. A performance management system is used to collate, record and report on the progress of individual projects and the investment programme overall. Where projects do not achieve their milestones for delivery, projects will need to provide evidence to demonstrate that they will be able to get back on track or seek approval for change via the Portfolio Review Board. Projects that consistently fail to meet projected performance (financial and outputs) may have funding withdrawn. Projects 'at risk' will be reviewed, and the outcomes of this process will be referred back to the Mayoral Combined Authority of Joint Committee, prior to any withdrawal of funding and decision on expenditure incurred. For the LEP funding programme the LEP Board will also be periodically advised on progress, issues and risks.

3.5.2. There are a number of mechanisms that will ensure effective management of the investment programme to maximise the economic impact within the area. These include:

- Designation of the Combined Authority s73 officer as having overall responsibility for management and reporting on the performance of the investment programme to the Departmental Accounting Officer within DLUHC.

- Ensuring suitable mechanisms and resources are in place to effectively monitor, evaluate and review the performance of projects in the investment programme in respect of delivery, expenditure and outputs/outcomes.

3.5.3. A monitoring system is in place for the investment programme to record financial expenditure and claims and the achievement of outputs and outcomes. Quarterly Highlight Reports are submitted to the Combined Authority providing progress against key milestones and actual and forecast spend. In addition, the achievement of key performance metrics - capturing outputs and outcomes achieved in support of the Combined Authority Business Plan and overall growth and wider objectives will be periodically reported linked to scheme Monitoring and Evaluation Plans.

3.5.4. Risk Management

3.5.4.1. The Combined Authority Chief Executive will be responsible for the identification and management of risk for the investment programme. As set out in section 2.3.5, key risks for the investment programme will be added to the Corporate risk register and will be monitored (alongside the performance monitoring procedures) by Internal Audit and reported to the Audit Committee.

3.5.4.2. A risk management strategy and risk register forms part of the management case of each scheme OBC or FBC. Risks will be managed through appropriate mitigation measures agreed with the project applicant prior to approval of the scheme. Key and current risks will form part of the regular scheme highlight reporting.

3.5.4.3. Overall risk management for the investment programme will have regard to the ongoing monitoring of achieved investment performance against that projected. Appropriate measures will be adopted to ensure that the monitoring of investments provides an informed basis for future investment decisions.

3.5.5. Project Closure

3.5.5.1. All projects are required to produce an End of Project Delivery Report at the end of the project (within 3 months of completion), which demonstrates that:

- All activities have been delivered and these accord with the offer letter where appropriate.
- All funding has been spent appropriately in line with the projected financial profile for the project. In addition, where grant funded, final claims are accompanied by an audit report.
- There are no outstanding risks or actions that need to be taken to sign the project off by the Combined Authority.
- All relevant outputs and key milestones have been achieved.
- The key successes and lessons learnt from the project.
- Confirmation of the evaluation activities to be subsequently undertaken, when these will take place and the lead contact who is responsible for ensuring this occurs.

4. Monitoring and Evaluation

4.1. Overview

4.1.1. The Combined Authority's overall approach to Monitoring and Evaluation is underpinned by the following key principles:

- Reporting requirements are locally defined and support delivery of local strategies
- Evaluation is meaningful and proportionate
- Data is collected once and used many times
- Baseline information is consistent across key initiatives
- Monitoring and evaluation is a core part of all activities
- Lessons learned are used to inform future policy development

4.1.2. This will enable the Combined Authority to:

- Demonstrate local accountability. Show how funding is being spent and benefits achieved against local strategies and action plans, demonstrating the value and effectiveness of local decision making and shaping future priorities
- Comply with external scrutiny. Demonstrate progress and delivery to the constituent council members, senior government officials and Ministers
- Understanding what works. Provide a feedback loop and enables the lessons learnt to be fed back into policy making and communicated to stakeholders, as well as supporting the case for further devolution and investment in the area.
- Developing an evidence base. Provide a mechanism for collecting, collating and analysing data which can be used across the organisation

and by others, following the principle of collecting data once and using it many times.

- Ensure quality assurance. For interventions funded through investment programme, Monitoring & Evaluation plans form part of business case submissions and these are independently reviewed and published to support business case approval decisions by the Mayoral Combined Authority or Joint Committee.

4.2. Performance Monitoring

4.2.1. All projects funded through the investment programme, regardless of the size, will have an effective monitoring and evaluation plan in place which will form a key part of the business case. This will enable assessment of the effectiveness and impact of investing public funds, and the identification of best practice and lessons learnt that can inform decisions about future delivery. The monitoring plan will guide the collection of data from individual projects and will be designed to ensure that it captures information required by the Combined Authority and government.

4.2.2. Individual monitoring and evaluation plans will be proportionate, correspond with procedures for appraisal, and be in line with the latest government department guidance where relevant. These plans will identify the resources required to deliver the proposed monitoring and evaluation activities. All transport schemes will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes.

4.2.3. All monitoring and evaluation plans (which will form part of business cases) and interim and final monitoring and evaluation reports will be published on the Combined Authority website.

4.2.4. The offer letter will set out the key milestones for the delivery of the scheme together with the outputs and outcomes detailed in the business case and embodied in the monitoring and evaluation plan. Quarterly monitoring returns will be used to capture progress against these agreed milestones and metrics and will include information related to:

- Delivery
- Expenditure
- Outputs and outcomes

4.2.5. The individual project monitoring information will feed into an overall monitoring plan for the investment programme, which will be published and periodically reported to the Combined Authority Committee, including the extent to which projects are contributing to the overall objectives of the Combined Authority.

4.2.6. For the WoEIF, the evaluation component of individual projects' monitoring and evaluation plans will complement the five-year Gateway Review. This government evaluation will focus on identifying the impact of investments made using this funding.

4.3. Evaluation and Benefits Realisation

4.3.1. Monitoring and Evaluation Plans, which form part of business cases, should identify the outcomes (benefits) planned to be delivered, how outcomes will be measured, a baseline assessment, and how it is intended to implement, monitor and assess the project to identify whether the benefits have been realised in line with the approach and timescales set out in the Plan. As set out in section 3.5.5, the End of Project Delivery Report will confirm the monitoring activities set out in the Monitoring and Evaluation Plan. This report will also identify lessons learnt to inform the future delivery of projects through the Combined Authority and LEP investment programme and more widely.

Appendix 1

Adult Education Budget

The Adult Education Functions Order 2018 details the adult education functions in the Apprenticeships, Skills, Children and Learning Act 2009 which were transferred from the Secretary of State for Education to the West of England Combined Authority. Through this transfer of functions, the Combined Authority took responsibility for AEB in the Combined Authority area from 1 August 2019 to make sure eligible learners, aged 19 and over, have appropriate education and training.

This Framework provides assurance that the West of England Combined Authority has in place the necessary systems and processes to manage delegated functions and funding relating to the AEB effectively.

Governance and Decision Making

The decision-making powers for Adult Education Budget (AEB), Adult Skills Fund (ASF), Multiply, and Skills Bootcamps initiatives are made by the Mayoral Combined Authority Committee, and on the 6th of October 2023 they resolved to delegate authority during the 2023/2024 academic year to the West of England Mayoral Combined Authority's Director of Economy and Skills, in consultation with equivalent Directors from the Unitary Authorities. An illustrative list of decisions in respect of the delegations includes:-

- Decisions on Adult Education Budget / Adult Skills Fund Commissioning Plan, Multiply and Skills Bootcamp funding approach.
- Decisions on indicative and final provider allocations for Adult Education Budget / Adult Skills Fund, Multiply and Skills Bootcamps.
- Decisions on in-year reallocation for funding including growth, claw back, continuing learners, and rebasing for future allocations.
- Decisions on provider contract extensions determined by the Grant Offer Letter.
- Decisions on contract termination in-line with rules determined with the Grant Offer Letter.

- Decisions to reallocate funding where providers are underperforming as determined in the Grant Offer Letter.
- Making decisions on the purpose and allocation of funds not allocated through initial funding calls or Curriculum Delivery Plan allocations.
- Making decisions on recommended amendments to the devolved approach for Adult Education Budget/Adult Skills Fund in subsequent academic years.

The 2023/2024 academic year

On the 10th of May 2023 the Chief Executive's Office Group via delegated Authority of the Combined Authority Committee approved a set of conditional allocations to each AEB provider and the mechanism through which allocations for the 2023/24 academic year will be approved.

The grant allocation approach has been developed based on the following key principles:

- to maintain funding stability for providers
- to build delivery plans which are responsive to economic need
- to ensure the process is fair, efficient, and transparent

Roll-forward allocation were awarded to the existing 9 AEB providers to a value of £14,688,028. On the 10th November 2023, via the delegated authority to the Director of Economy and Skills, a further £1,435,870 of funding was awarded to 8 providers to support 1,400 learners through the AEB Open Application. This includes 2 new providers to AEB and 6 existing providers.

The Open Application process aligns to the AEB Commissioning Plan focusing on learners that are low skilled, low paid or unemployed, and supporting them to fill gaps in their skills to allow them to progress.

The total AEB grant funding for 2023/24 is £16,123,898 across 11 providers.

The providers are required to develop and agree with the Combined Authority a Curriculum and Delivery Plan (C&DP) which forms part of the funding terms and conditions of the Grant Funding Agreement, alongside the following published AEB policies which are updated annually:

- [Funding and Performance Management Rules 2023//24](#)
- [Funding Rates and Formula 2023/24](#)

- [Provider Performance Management Framework 2023/24](#)

Financial Assurance and Auditing

The Audit and Assurance approach incorporates joint working arrangements that have been agreed with the Education and Skills Funding Agency (ESFA) and other Mayoral Combined Authorities (MCAs) through the AEB Audit, Assurance, Fraud, and Investigations Network.

Combined Authority officers agreed an audit code of practice with the ESFA and MCAs which sets out a common standard for the provision of assurance in relation to the funding of post-16 providers (including AEB).

An accredited external audit organisation has been awarded a five-year audit contract following a competitive tender process in 2021. In addition, an alternative independent auditor will deliver audits where conflicts of interest exist with contracted firms.

The assurance reviews will test the accuracy of data submissions, learner records and review the internal controls providers have in place. The results of audit activity and financial health assessments will be shared with MCAs/GLA via the data sharing agreement, which ensures the data being shared is consistent, safe, and secure.

If the ESFA or the Combined Authority suspect fraud or financial irregularity or receive information and/or allegations in relation to a provider, including a subcontractor (that is funded by both ESFA and the Combined Authority) an approach has been agreed and adopted by both organisations.

Due Diligence

The Combined Authority receive financial information from the Education and Skills Funding Agency (ESFA) about the financial health of providers following each national finance return.

All financial health assessments received are reviewed as part of the published [West-of-England-Combined-Authority-Adult-Education-Due-Diligence-Approach-FINAL.pdf \(westofengland-ca.gov.uk\)](#)

This document outlines the Combined Authority due diligence process to assess the degree of risk in funding Adult Education providers and sets out the criteria that would prevent an organisation being considered for funding or result in the discontinuation of Adult Education funding to that organisation.

In respect of funded providers, the Authority has set out performance management arrangements including action to address weakness in financial health where this impacts on the delegated funds.

Risk Management

Risk management is integral to the structuring and presentation of AEB provision. During delivery, the AEB team maintain a risk log which is regularly reviewed and reported on through their monthly 'Data Provider Monitoring and Risk' meetings. Significant risks will be escalated and will be added to the Combined Authority Corporate risk register. This is reviewed by CLT regularly and activities are reported to the Audit Committee.

Stakeholder Engagement

The Combined Authority Regional Skills Board provides strategic guidance and advice to the Combined Authority Committee on Employment and Skills matters and the Combined Authority is actively working with a range of stakeholders to support the development of the AEB system which delivers provision to Combined Authority residents. These stakeholders include: providers, provider representative bodies, key local stakeholders (e.g. Local Authorities, DWP, VCSE infrastructure organisations, DfE/ESFA etc.). This work is conducted both through formal engagement routes (pre-arranged group meetings) and informal meetings (group & 1-2-1).

The West of England Employment and Skills Advisory Panel (ESAP) has a key responsibility in overseeing and guiding the strategic planning and implementation of skills related services and support within the region, including the Local Skills Improvement Plan (LSIP). It will ensure that the region effectively realises the vision outlined in the Employment & Skills Plan, which was fully refreshed in June 2023.

The Combined Authority uses its website to engage with the wider community and it will be use it as a platform for transparent sharing of the AEB commissioning processes and objectives.

Monitoring and Evaluation

The Combined Authority's approach to monitoring and managing AEB performance is outlined in the [Adult Education Funding and performance Management Rules 2023/2024](#). Following the issuing of a Grant Funding Agreement, the responsibility for overseeing the successful implementation and delivery of projects will rest with the AEB team, comprising of the AEB Programme Manager, AEB Team Manager, Senior Relationship Manager, Senior Funding & Assurance Officer, Senior Data Analyst, Information Officer and Project Coordinator.

There is a legal requirement on providers to submit data to the Secretary of State for all provision funded by DfE. Learner data will continue to be gathered from providers in a national Individual Learner Record data system, via the Individualised Learner Record (ILR) that the ESFA will use to share data to support the Combined Authority in the development and maintenance of the AEB functions devolved.

To carry out the delegated functions, the Authority are receiving some data direct from AEB providers for validation purposes, supplementary data is uploaded securely and includes monthly claim forms, data in funding reports, supporting evidence for funding claims, and detailed subcontracting plans through the Curriculum and Delivery Plans. The DfE has set out Monitoring and Evaluation guidelines for AEB, which include:

- Consideration for the statutory entitlements detailed in the Orders;
- The need to consider how funding of the AEB will align to Strategic Skills Plans and support the delivery of local economic objectives;
- Arrangements for enabling effective and meaningful engagement of local (and national) partners in proposed use and evaluation of the AEB; and
- Robust monitoring and evaluation plans going forward, to help identify and measure the impact of AEB spending in their area.

All monitoring and evaluation reports will be published on the Combined Authority website. The Combined Authority will report on the previous academic year findings to date, referencing the most up to date publicly available data at that point in time.

The Combined Authority is developing its own robust monitoring and evaluation plans going forward, to help identify and measure the impact of AEB spending.

The future

The West of England Combined Authority Adult Education Budget: Commissioning Plan 2023/24 sets out how the Combined Authority intends to utilise the adult education provision that we fund to implement the [Local Industrial Strategy](#) and [Employment and Skills Plan](#). This is a further step towards our vision of an integrated and cohesive education, employment and skills system for the West of England.

From the 2024/25 academic year the Adult Education Budget will be replaced on a national level with the Adult Skills Fund (ASF). This will involve changes to certain aspects of the national approach to adult skills funding and will amalgamate the AEB with other funding streams such as Multiply.

The Mayoral Combined Authority will use the 2023/2024 and 2024/2025 academic years to consolidate and continue to build upon the system changes introduced in previous academic years. Greater simplification and more flexibility will be given to providers to spend their allocations this academic year in response to a rapidly changing skills landscape.

Appendix 2

South-West Net Zero Hub

Community Energy Fund

From 2023/24 the Combined Authority, as accountable body for the South West Net Zero Hub, became responsible for administering the Community Energy Fund (CEF) within the wider SW of England, including West of England, Gloucestershire (Gfirst), Dorset, Heart of Southwest, Solent, Swindon and Wiltshire and Cornwall and Isles of Scilly Local Enterprise Partnership areas. The scheme is set to close on 31 March 2025. Grant funding decisions for CEF will be made with full consideration to the terms of a Memorandum of Understanding signed with the Department for Energy Security and Net Zero (DESNZ).

The CEF provides grants up to £40,000 to community groups to undertake feasibility studies and up to £100,000 towards project development, such as planning and legal fees. There is a total fund of £2m including administration costs.

The aims of the fund are to:

1. Increase the level of community and locally owned renewable and low carbon energy assets to make progress towards the Government's net-zero carbon emissions targets.
2. Support communities by helping them to reduce energy costs or generate income through community owned energy assets, reinvesting income locally, or services to reduce energy demand.
3. Promote growth through the creation of jobs and volunteering opportunities in the communities where projects are located.

The fund will achieve its aims by removing barriers to investment that are currently preventing the development of community-scale projects.

The SW Net Zero Hub has worked with DESNZ and the 4 other Net Zero hubs in England to develop support materials including:

- Application forms and guidance documents
- A process for assessing bids
- A scoring matrix for transparent and consistent assessment of bids

The Combined Authority is the Accountable Body for the CEF, use of funds will be compliant with agreed Combined Authority policy and process, ensuring transparent oversight and allocation of public funding.

The Joint Committee is ultimately accountable for the CEF, with a delegation in place to the LEP Chief Executive in consultation with the Combined Authority Section 73 Officer. The LEP Chief Executive will consult with the South West LEP Chief Executives in making decisions. The LEP Chief Executive is required to provide periodic updates to the Joint Committee.

All grant applications will be reviewed by the Net Zero Hub team, using a scoring matrix agreed with DESNZ and the other Net Zero Hubs.

Recommendations for grant funding will be provided to the SW Net Zero Hub Board in its advisory capacity, who will challenge or endorse as appropriate. The SW Net Zero Hub Board will then agree recommended grant decisions for the West of England LEP Chief Executive to consider.

Grant recommendations are only made through a majority decision by the Net Zero Hub Board which comprises one representative from each LEP.

The West of England LEP Chief Executive in consultation with the SW LEP Chief Executives is the decision-making body for the approval (or otherwise) of recommendations made by the Regional Net Zero Hub Manager and Net Zero Hub Board.

SW LEP Chief Executives will be able to challenge Net Zero Hub Board recommendations, on issues related to correct application of the scoring criteria. Any challenge to the process will trigger a review and report to the West of England LEP Chief Executive who will make the final decision.

SW LEP Chief Executives will be asked to confirm their response to decisions within 5 working days.

SW LEP Chief Executives can confirm delegation of their role to their Net Zero Hub Board representative by writing to the Combined Authority Chief Executive.

Project Development Support

The South West Net Zero Hub also provides a support service to organisations, which is not a grant, to develop local energy projects.

Public Sector Decarbonisation Skills

The South West Energy Hub also provides a support service to organisations, which is not a grant, to reduce direct emissions from public buildings. The purpose of the support is to support organisations to identify low carbon opportunities in public buildings, develop net zero organisational plans and develop investment grade proposals to help the public sector secure funding such as the Public Sector Decarbonisation Scheme.

Social Housing Decarbonisation Fund

The South West Net Zero Hub is delivering three programmes worth £44m grant funded measures to improve the energy efficiency of social housing properties across the South West. SHDF wave 1 and 2.1 will help low income households improve the energy efficiency of poor quality homes. Low income is defined as an annual household income of no more than £30,000. Eligible homes are those with Energy Performance Certificates (EPCs) rated Band D, E, F or G; with improvements bringing them up to Band C where possible.

The SHDF programme is a consortia of 21 partners who are social housing providers and are responsible for delivering the improvements to their homes. A Programme Board with a representative of each partner has been established for each consortium which reports to the Hub Board and the Combined Authority Senior Management Team as required, via the SW Net Zero Hub Manager.

Appendix 3

Change Management Delegations for Schemes in the Infrastructure Portfolio and Green Recovery Fund

Number	Category	Approval	Tolerances
1	Cost Increases	Combined Authority Director of Infrastructure or Environment in consultation with the Directors of the relevant constituent Councils	CRSTS - Cost movement between projects no overall increase in programme budget Cost increases of up to 10% to a ceiling of £100k (Feasibility and Development Funding) subject to funding being available and there being no impact on any other project in the programme
		Combined Authority Chief Executive is consultation with the Chief Executives of the relevant constituent Councils	£3m (approved scheme funding) subject to funding being available and there being no impact on any other project in the programme
		Mayoral Combined Authority or Joint Committee	Cost increases above this threshold
2	Reductions in Match Funding	Combined Authority Chief Executive is consultation with the Chief Executives of the relevant constituent Councils	Reduction in match funding up to 10% to a ceiling of £300k
		Combined Authority Director of Infrastructure or Environment in consultation with the Directors of the relevant constituent Councils	Reprofiling of up to £100k (Feasibility and Development Funding) and £500k (approved scheme delivery funding) between financial years
3	Reprofiling of Spend (with no cost increase overall)	Combined Authority Director of Infrastructure or Environment in consultation with the Directors of the relevant constituent Councils	Reprofiling of up to £100k (Feasibility and Development Funding) and £500k (approved scheme delivery funding) between financial years
		Mayoral Combined Authority or Joint Committee	Reprofiling between financial years above this level

Number	Category	Approval	Tolerances
4	Time	Combined Authority Director of Infrastructure or Environment in consultation with the Directors of the relevant constituent Councils	Slippage of agreed reporting milestones less than 6 months
		Mayoral Combined Authority or Joint Committee	Slippage of milestones of 6 months or over
5	Scope, Benefits and Quality	Combined Authority Director of Infrastructure or Environment in consultation with the Directors of the relevant constituent Councils	Changes in the agreed approach to delivery, standards or quality
		Combined Authority Chief Executive is consultation with the Chief Executives of the relevant constituent Councils	Changes to the accountable delivery organisation
		Mayoral Combined Authority or Joint Committee	Changes to the fundamental scope of the scheme or over 10% change in one or more metrics of benefits

Change Management Delegations for Other Schemes in the Investment Programme

Number	Category	Scale	Approval
1	Cost Increases	Cost increases of up to 10% to a ceiling of £100k (Feasibility and Development Funding) and £3m (approved scheme funding) subject to funding being available and there being no impact on any other project in the programme	Combined Authority funding streams: Combined Authority CEO, in consultation with constituent Councils CEOs LEP funding streams: Combined Authority CEO in consultation with the West of England CEOs
		Cost increases above this threshold	Mayoral Combined Authority or Joint Committee
2	Reductions in Match Funding	Reduction in match funding up to 10% to a ceiling of £300k	Combined Authority CEO in consultation with CEOs
		Reduction in match funding above this level	Mayoral Combined Authority or Joint Committee
3	Reprofiling of Spend (with no cost increase overall)	Reprofiling of up to £50k (Feasibility and Development Funding) and £100k (approved scheme funding) between financial years	Combined Authority CEO in consultation with CEOs
		Reprofiling between financial years above this level	Mayoral Combined Authority or Joint Committee
4	Time	Slippage of milestone(s) for approved schemes less than 3 months	Combined Authority CEO in consultation with CEOs
		Slippage of milestones of 3 months or more	Mayoral Combined Authority or Joint Committee

Number	Category	Scale	Approval
5	Scope, Benefits and Quality	Up to 10% change in value of quality as percentage of project value and/or 10% change in one or more metrics of benefits and/or minor change to the scope of the scheme	Combined Authority CEO in consultation with CEOs
		Over 10% change in value of quality as percentage of project value and/or over 10% change in one or more metrics of benefits, or a fundamental change to the scope of scheme	Mayoral Combined Authority or Joint Committee

Appendix 4

LEP Publication Checklist

Checklist
The Local Growth Assurance Framework
Annual Report and Delivery Plan 2022-2023
LEP Board meeting agendas, papers and minutes
LEP Board membership and Terms of Reference
Annual Assurance Statement from the leadership of the LEP
The LEP's Code of Conduct and Conflict of Interest policy
Board Members' registers of interest
The LEP gifts and hospitality register
Complaints policy
Whistleblowing policy
The LEP funding programme with a description of the scheme, the promoter and the funding awarded
Annual Funding Report detailing projects in receipt of funding and grant payments made [2020/21]
Mayoral Combined Authority Committee Reports and Joint Committee Reports

Appendix 5

Methodology to Assess Value for Money for Various Scheme Types

Transport

For these purposes, a transport scheme is defined as any scheme that significantly changes the transport network infrastructure, whatever its objectives. Such schemes will be subject to the minimum requirements on VfM assessment, assurance and evaluation of transport projects set out in Annex B of the National Local Growth Assurance Framework Guidelines. The minimum requirements are set out below. These will apply to all transport schemes.

- The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted for approval.
- Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). Alternative planning assumptions may be considered as sensitivity tests the results of which may be considered in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will be scrutinised to ensure it has been developed in accordance with WebTAG principles. This will be undertaken independent of the management unit or authority promoting the scheme.
- A value for money statement for each scheme in line with published [DfT WebTAG guidance](#) and [DfT advice on assessing VfM](#) will be presented for consideration at each approval stage.
- The VfM assessment must be signed off as true and accurate by the Combined Authority s73 officer.
- Only schemes that offer at least "high" value for money, ie with a BCR above 2 and accounting for significant non-monetised impacts and key uncertainties have been considered, as assessed using DfT guidance will

be approved aside from the circumstances outlined in section 3.3.3 of this framework. Schemes will be assessed against the relevant thresholds at each approval stage.

- Proposals will be assessed against achieving the specific intended strategic goal or objectives, and any appraisal should consider this in addition to value for money assessments.
- Business cases must be published (and publicised) before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders must be available to decision makers when decisions are being taken (see section 2.2.8).
- Schemes will be monitored and evaluated in line with the latest DfT guidance on the evaluation of local major schemes.

Housing and Commercial Interventions

Arrangements will be based on Homes England good practice, advice and guidance, alongside MHCLG's appraisal guide for residential and non-residential development. For projects beyond housing and transport interventions, for example enabling works, land assembly, utilities and/or public realm projects, the HMCLG appraisal guide will be useful in helping to appraise the costs and benefits of these types of interventions.

Skills Capital

ESFA Skills Funding Agency good practice, advice and guidance will provide a reference for skills capital projects. These projects will be expected to follow the same business case process and requirements as other schemes within the investment programme.

Growth Hubs

The Growth Hub will comply with the 'principles of funding' which includes using robust monitoring and evaluation systems to exercise continuous service improvement, ensure excellence in quality delivery and deliver greater levels of impact on business.

Appendix 6

[Outline and Full Business Case Template](#)

Appendix 7

[Outline and Full Business Case Guidance](#)

Appendix 8

[Feasibility and Development Funding Application Form Template](#)