

ACCOUNTABLE BODY AGREEMENT

Between

- 1) CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**
 - 2) BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 3) COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP**
 - 4) ENTERPRISE M3 LOCAL ENTERPRISE PARTNERSHIP**
 - 5) HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 6) NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP**
 - 7) OXFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 8) ESSEX COUNTY COUNCIL, as Accountable Body for the South East Local Enterprise Partnership**
 - 9) SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP**
- and
- 10) THAMES VALLEY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP**
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ACCOUNTABLE BODY AGREEMENT

THIS ACCOUNTABLE BODY AGREEMENT (this “**Agreement**”) dated **23rd October 2019** (“**Effective Date**”) is by and between:

- 1) **CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**, having a principal place of business at The Incubator, Alconbury Weald Enterprise Campus, Huntingdon PE26 4WX (“**CPCA**”);
- 2) **BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Wycombe Rd, High Wycombe HP14 4BF (“**BTVLEP**”);
- 3) **COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Pacific House (Second Floor), Hazelwick Avenue, Three Bridges, Crawley, RH10 1EX (“**C2CLEP**”);
- 4) **ENTERPRISE M3 LIMITED**, having a principal place of business at Desklodge, Belvedere House, Basing View, Basingstoke, Hampshire, RG21 4HG (“**EM3LEP**”);
- 5) **HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at One Garden City, Broadway, Letchworth Garden City, Hertfordshire, SG6 3BF (“**HLEP**”);
- 6) **NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Centrum, Norwich Research Park, Colney Lane, Norwich NR4 7UG (“**NALEP**”);
- 7) **OXFORDSHIRE LOCAL ENTERPSIRE PARTNERSHIP**, having a principal place of business at First Floor, Jericho Building, City of Oxford College Campus, Oxpens Road, Oxford, OX1 1SA (“**OXLEP**”);
- 8) **ESSEX COUNTY COUNCIL, as Accountable Body for the South East local Enterprise Partnership**, having a principal place of business at Essex County Council, County Hall, Market Road, Chelmsford, CM1 1QH (“**ECC**”);
- 9) **SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Cranfield Innovation Centre, University Way, Cranfield, Bedfordshire, MK43 0BT (“**SEMLEP**”); and
- 10) **THAMES VALLY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP**, having a principal place of business at 100 Longwater Avenue, Reading RG2 6GP (“**TVBLEP**”)

each individually a “**Party**” and collectively the “**Parties**”

BACKGROUND

- A. The Greater South East Energy Hub is a collaboration of eleven (11) Local Enterprise Partnerships (“LEPs”) who will work together to increase the number, quality and scale of local energy projects being delivered over time.
- B. The Department for Business, Energy and Industrial Strategy (“BEIS”) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them. BEIS has concluded that Local Energy Hubs can help to resolve this issue and has provided local energy capacity support to develop and resource the creation of a programme of existing and future investment ready local energy projects (the “Projects”) at a regional scale that will increase the number, quality and scale of local energy projects being delivered.
- C. BEIS and the CPCA entered into the following Memorandums of Understanding:
- i. the first dated **9 September 2018**, was subsequently amended on **26 March 2019** (together “the **MoU**”) and appended hereto at Schedule 5, for the Local Energy Capacity Support funding for which the CPCA is the Accountable Body and under which it was agreed that (i) BEIS would provide funding of **£2,021,000** subject to the terms of the MOU, for the operational delivery of the Local Energy Hub, as detailed herein (the “**Energy Hub**”); (ii) the CPCA would use the Funds to establish a Local Energy Hub Team including a consultancy budget to commission feasibility studies; (iii) the CPCA would form and lead a consortium of Local Enterprise Partnerships (the “**Consortium**”) to deliver the Projects, the objectives and scope of which are as detailed in annex 3 of the MoU ; (iv) the Consortium would establish a Hub Board to oversee the activities of the Energy Hub and be involved in decision-making; and (v) the Funds would be used solely for the development of the Projects; and
 - ii. the second dated **26 March 2019**, was subsequently amended on **14th September 2019** (together the “**RCEF-MoU**”) and appended hereto at Schedule 5, for Rural Community Energy Fund (“**RCEF**”) for which the CPCA is the Accountable Body and under which it was agreed that: (i) BEIS would provide funding of **£3,082,938** subject to the terms and conditions of the RCEF-MoU for the operational delivery of the Local Energy Hub; and (ii) the CPCA would use the funds solely for the purpose of RCEF as detailed in the RCEF-MoU.

The funds received under both MoUs are together the “**Grant**”.

- D. The Energy Hub will operate via a new team of nine (9) experts, who will help to consolidate and up-scale local energy projects. Individual and multi-LEP energy strategies will provide the

initial evidence base for the Energy Hub to begin its work in late 2018, and the new team will provide resources and knowledge to determine how such projects can be developed.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. LEGAL AFFECT OF AGREEMENT

- 1.1. Save as expressly indicated below, this Agreement is not intended to be legally binding on the Parties but an expression of the intentions of each of the Parties in relation to the Energy Hub
- 1.2. Nothing in this Agreement is intended to, or shall be deemed to, establish any formal partnership or joint venture between the Parties, nor constitute any Party as the agent of another Party, nor authorise any of the Parties to make or enter into any commitments for or on behalf of another Party.

2. DEFINITIONS

- 2.1. The following words and phrases have the following meanings:

Accountable Body	the CPCA will ensure compliance with the Section 31 Agreement as the Accountable Body for the Grant;
Assurance Framework	the CPCA Assurance framework appended hereto as Schedule 6
Chairman	an individual who is independent of the Parties, and voted for by the Hub Board;
Confidential Information	all information of a confidential nature (however recorded or preserved) concerning the Consortium, a Party (or former Party) or their respective businesses (including details of customers, clients, suppliers, plans, intentions, market opportunities, operations, processes, product information, know-how, designs, trade secrets or software) and the terms of this Agreement;
Data Protection Legislation	(i) the General Data Protection Regulation ((EU) 2016/679) ("GDPR") unless and until it is no longer directly applicable in the UK, and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK; (ii) any successor legislation to the GDPR and/or the Data Protection Act 2018; and (iii) the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other applicable laws.

Exit Date	The current contract with BEIS will expire on the 31 March 2021 ;
GLA	The Greater London Authority
Grant	<u>£5,103,938</u> to be used solely in accordance with the section 31 grant agreements between BEIS and the Accountable Body;
Hub Board	The decision-making body for the Energy Hub and its activity, made up of Representatives of the Parties and the GLA which although not a Party to this Agreement shall have a position on the Hub Board solely as an observer;
Representative	The individual nominated by each Party and the GLA to represent them on the Hub Board; For the avoidance of doubt, each Party has the right to change the nominated individual, at any time, provided that prior notice is given to the other Parties

3. FORMATION

- 3.1. The Consortium will operate in accordance with the activities and objectives outlined in the MoU, the Assurance Framework and the ToR, so as to enable the Local Energy Hub to achieve its agreed objectives.
- 3.2. The Energy Hub has agreed, with BEIS, to the following objectives:
 - 3.2.1. Increase number, quality and scale of local energy projects being delivered;
 - 3.2.2. Raise local awareness of opportunity for and benefits of local energy investment;
 - 3.2.3. Enable local areas to attract private and/or public finance for energy projects;
 - 3.2.4. Identify working model for teams to be financially self-sustaining after the funding period

4. COMMENCEMENT DATE AND DURATION

- 4.1. This Agreement shall commence on 1 April 2018 and shall continue until the Exit Date unless extended by the mutual written agreement of the Parties and BEIS.

5. GOVERNANCE STRUCTURE

- 5.1. The organisational structure of the Energy Hub, which is detailed in Schedule 1 appended hereto, shall comprise the following Energy Hub bodies:

5.1.1. The Hub Board, which shall be

5.1.1.1. comprised of the Representatives as detailed in Schedule 2 appended hereto;

5.1.1.2. the decision-making body of the Energy Hub; and

5.1.1.3. governed by the Hub Board Terms of Reference (the “**ToR**”) appended hereto as Schedule 3.

5.1.2 The Hub Team, as detailed in Schedule 4 appended hereto, shall:

5.1.2.1 comprise the employees to be employed by the CPCA (the “**Hub Employees**”); and

5.1.2.2. perform the tasks assigned to it by the Hub as per the Hub Team job descriptions and as agreed by the Hub Board.

5.2. General Operational Procedures:

5.2.1 Appointment of Chairman:

- (a) The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process. This will include a public advertisement and an interview process conducted by a Hub Board’s appointments panel. The Hub Board will consult widely and transparently before appointing a new Chair Each Party shall, should they so wish, nominate an individual for the position of Chairman and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;
- (b) Nominated individuals must have:
 - (i) previously held a similar position;
 - (ii) significant energy sector experience; and
 - (iii) an understanding of how authorities operate.
- (c) The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.
- (d) The Hub Board shall then select a panel of no less than five (5) Representatives (the “**Interview Panel**”) to interview the shortlisted nominees
- (e) The appointment of the Chairman shall be made by the unanimous decision of the Interview Panel.
- (f) The position of Chairman shall be reviewed annually.

- (g) The Chair will be a non-voting member of the Hub Board, other than in the event of a tied vote.
- (h) The Hub Board shall appoint a vice chair from amongst its membership.

5.2.2. Representation in meetings:

- (a) A Representative of each Party and the GLA should be present at meetings of the Hub Board;
- (b) Each Representative may appoint a substitute or proxy to attend and vote at any meeting;
- (c) Each LEP Board, or CEO if there is appropriate delegated authority, is required to approve its representative and substitute, and acknowledge that they both have the authority to make decisions on behalf of their LEP;
- (d) Each Representative shall participate in a cooperative manner in the meetings;
- (e) BEIS shall be invited to attend Hub Board meetings.

5.2.3. Convening meetings:

- (a) The Chairman of the Hub Board shall:
 - (i) authorise and approve a relevant schedule of business for the Hub Board;
 - (ii) convene meetings of the Hub Board on a frequency no more than six (6) weeks apart;
 - (iii) give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
 - (iv) prepare and send each Representative a written agenda no later than five (5) working days prior to any meeting.
- (b) Meetings of the Hub Board may be held:
 - (i) face to face in various locations that are geographically accessible to the Parties; or
 - (ii) by teleconference or another telecommunication means where it is not possible to meet face to face.

5.2.4. Minutes of Meetings:

- (a) The Chairman of the Hub Board shall ensure written minutes of each meeting produced, which shall be the formal record of all decisions taken.

- (b) The Chairman of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- (c) Draft minutes will be accepted as final at the subsequent Board meeting.
- (d) Objections lodged with the Chairman should be considered and actioned at the following Board meeting.
- (e) Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within five (5) working days of them being accepted.

5.2.5. Decisions:

- (a) The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

5.2.6. Voting:

- (a) The Hub Board shall not deliberate and decide validly unless at least six (6) Representatives, not including the GLA Representative, are present or represented ("**Quorum**");
- (b) Each LEP Representative present or represented in a meeting shall have one (1) vote.
- (c) Decisions taken shall require a majority of the votes cast of those attending;
- (d) In the event of a tied vote, the Chairman shall have the deciding vote
- (e) for the avoidance of doubt, the GLA shall not be entitled to vote

6. RESPONSIBILITIES OF THE HUB BOARD

6.1. The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

6.2. The Hub Board shall:

- (a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- (b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- (c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;

- (d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- (e) approve the criteria for selection/prioritisation of pipeline projects;
- (f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- (g) approve bids to BEIS for tools to support capability building; and
- (h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- (i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);
- (j) comply with the Assurance Framework.

6.3. The Hub Board shall ensure that the Energy Hub has:

- (a) a suitable financial model;
- (b) appropriate delegated authority and agreed financial thresholds;
- (c) the appropriate strategic direction in accordance with the MOU;
- (d) robust frameworks for the operation of the Hub;
- (e) monitor and evaluate progress against the objectives defined in the MOU;
- (f) an agreed communication strategy; and
- (g) clear plans for self-sustainability by the Exit Date.

6.4. The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 funding agreement requirements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval from the Section 73 officer.

6.5. The Hub Board shall be required to approve:

- 6.5.1. the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Team;
- 6.5.2. the allocation of RCEF Grants;
- 6.5.3. decisions made regarding the allocation of any future funding delegated to the Hub.

7. LIMITATIONS OF LIABILITY

7.1. The Parties acknowledge and agree that the Hub Board shall not be liable for any decisions made under this Agreement.

8. FINANCIAL PROVISIONS

- 8.1. The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.
- 8.2. The CPCA shall be solely responsible for the decisions taken by the Hub Board in respect of the allocation of the RCEF grants and allocation of financial resources by CPCA.
- 8.3. ***Distribution of Funds*** - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board. For the avoidance of doubt, the expectation is that the Accountable Body shall have made commitments to spend the Grant by no later than **31 March 2020**.
- 8.4. ***Justifying Costs*** – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No Party shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant

- 8.5. In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS
- 8.6. ***Record Keeping*** – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date
- 8.7. ***State Aid*** - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules
- 8.8. ***Procurement*** - the Hub Board shall ensure that in delivering the Projects, the Energy Hub is compliant with all relevant requirements of law relating to public procurement

9. OBLIGATIONS OF PARTIES

- 9.1. Each Party agrees:

- 9.1.1. to use all reasonable efforts towards the successful operating of the Consortium and at all times to conduct itself in a fair and proper manner in all transactions of any nature effecting the Consortium;
- 9.1.2. to use all reasonable efforts to comply with the commitments and principles set out in the MOU, thereby enabling the Accountable Body to fulfil its obligations under the MOU;
- 9.1.3. not to disclose Confidential Information to any third party without the prior

written consent of all the other Parties; for the avoidance of doubt and for the purposes of this Agreement, neither the GLA nor consultants shall not be deemed as third parties but must be bound by obligations of confidentiality at least as restrictive as the ones contained herein;

- 9.1.4. that no other members will be added to the Consortium without the express prior written approval of all of the Parties;
- 9.1.5. to keep proper records of all business transacted by or on behalf of the Consortium;
- 9.1.6. to comply with all regulations, professional standards and other provisions about the conduct of the Consortium's business generally, including any directions made from time to time by the Hub Board.

10. ENTIRE AGREEMENT

- 10.1. This Agreement contains the whole agreement between the Parties relating to its subject matter and supersedes all prior discussions, arrangements or agreements that might have taken place in relation to this Agreement. Nothing in this clause limits or excludes any liability for fraud or fraudulent misrepresentation.
- 10.2. Each Party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

11. VARIATION

- 11.1. No variation to this Agreement will be valid or binding unless it is recorded in writing and signed by or on behalf of each of the Parties.

12. NOTICES

- 12.1. Any notice given to a Party under or in connection with this Agreement shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at that Party's address as set out at the beginning of this Agreement. The notice must be addressed to the Party's most senior official.
- 12.2. Any notice shall be deemed to have been received:
 - 12.2.1. if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address; and
 - 12.2.2. if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second (2nd) working day after posting or at the time recorded by the delivery service.
- 12.3. A notice given under this Agreement is not valid if sent by e-mail or fax.

13. THIRD PARTY RIGHTS

- 13.1. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no

third party will have any right to enforce or rely on any provision of this Agreement.

14. MISCELLANEOUS

- 14.1. **Data Sharing** - the Parties must comply with all applicable requirements of Data Protection Legislation, when sharing data about the Energy Hub internally, with each other or BEIS or the GLA.
- 14.2. **Redundancy Liability** – in the event of any Hub Employees being made redundant for whatever reason, the CPCA as the Accountable Body and as the employer of the Hub Team shall be liable to make redundancy payments from the Grant, where such Hub employees fulfil all the criteria required by the Statutory Redundancy Payments scheme.

15. GOVERNING LAW AND JURISDICTION

- 15.1. This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales.
- 15.2. All disputes arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of England and Wales.

16. COUNTERPARTS

- 16.1. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Signature:

Date:

Name:

Title: SECTION 73 OFFICER

BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

ENTERPRISE M3 LIMITED

Signature:

Date:

Name:

Title:

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

OXFORDSHIRE LOCAL ENTERPSIRE PARTNERSHIP

Signature:

Date:

Name:

Title:

ESSEX COUNTY COUNCIL

Signature:

Date:

Name:

Title:

SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

THAMES VALLEY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP

Signature:

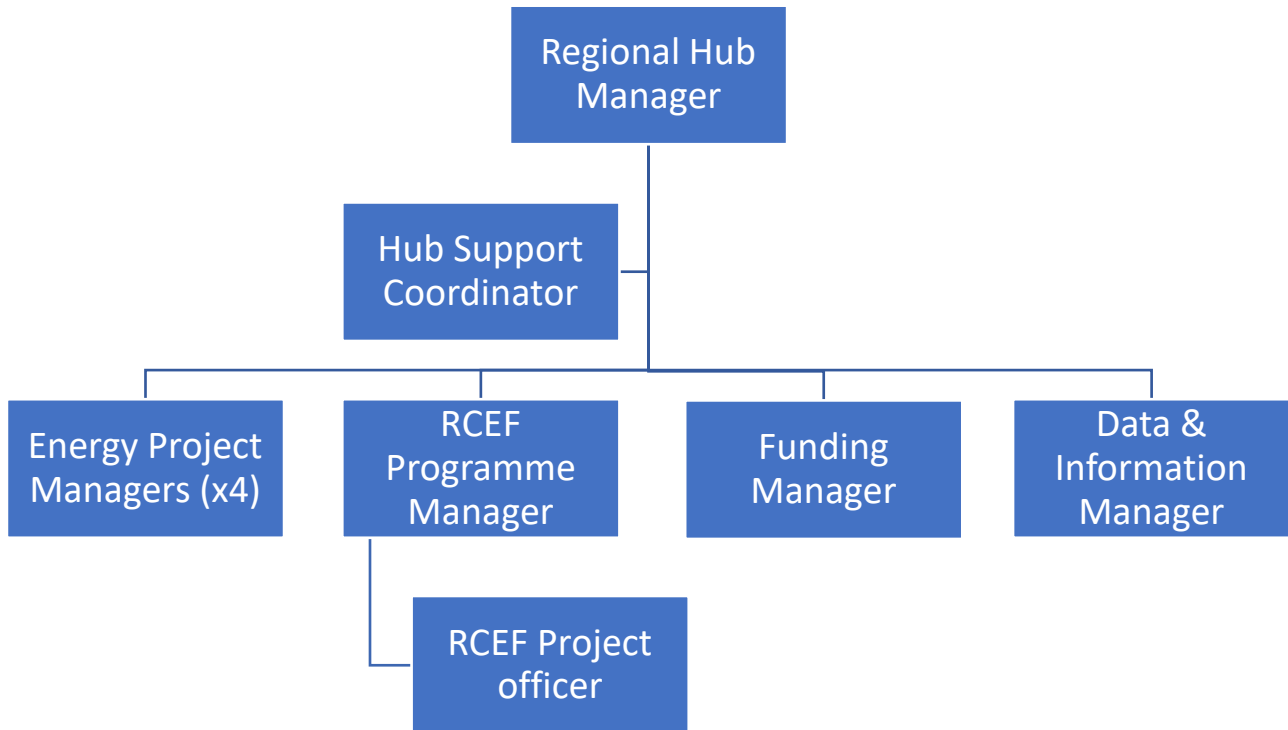
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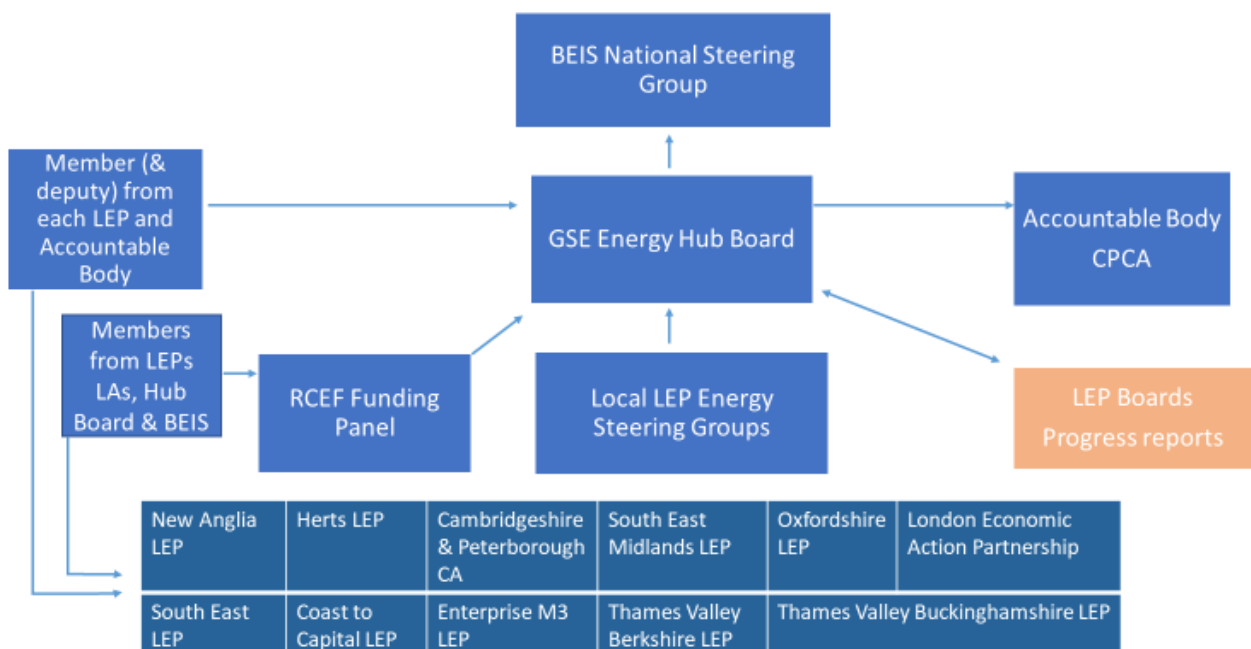
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SCHEDULE 1

ENERGY HUB ORGANISATIONAL STRUCTURE



ENERGY HUB GOVERNANCE STRUCTURE



SCHEDULE 2

HUB BOARD MEMBERS

LEP Area	Primary	Deputy
Buckinghamshire	Ed Barlow	Ian Barham
Coast to Capital	Matthew Wragg	t.b.c.
Enterprise M3	Jennie Pell	Rachel Barker
Cambridgeshire & Peterborough	Domenico Cirillo	Sheryl French
Hertfordshire	Paul Witcombe	Andy Lee
New Anglia	Lisa Roberts	Ellen Goodwin
Oxfordshire	Victoria Fletcher	Sarah Gilbert
Greater London*	Rachel Cary*	Jon Buick*
South East	Adam Bryan	Suzanne Bennett
South East Midlands	Claire Ackroyd	Arthur Le Geyt
Thames Valley Berkshire	Ben Burfoot	t.b.c.
Cambridgeshire & Peterborough (Accountable Body - non-voting)	Robert Emery	

* The Greater London Authority representative(s) shall solely have observer status on the Hub Board and therefore shall not have the right to vote

SCHEDULE 3

HUB BOARD TERMS OF REFERENCE

Terms of Reference April 2019 (Version 1.0)

Review Date – April 2020

Status of the Terms of Reference

The Terms of Reference (“**ToR**”), which are in draft until they are approved by the LEPs and CPCA, will form an Appendix to the Accountable Body Agreement dated **23rd October 2019** between the Cambridgeshire and Peterborough Combined Authority and the Greater South East LEPs and/or lead local authorities (the “**Agreement**”).

The ToR set out the purpose and structure of the Greater South East Energy Hub Board and the Energy Hub Operational Team.

The Agreement sets out the governance arrangements between Cambridgeshire & Peterborough Combined Authority (the “**CPCA**”) and the Greater South East regional LEPs and lead local authorities (the “**LEPS**”).

Status of the Decision-making Process

The decision-making process appended to this document has been reviewed by BEIS and is agreed by the five (5) Regional Energy Hubs Boards and Accountable Bodies. However, it sits outside of the ToR and may be updated by the Greater South East Energy Hub (the “**Energy Hub**”) with the approval of the CPCA and the Greater South East Energy Hub Board.

The Energy Hub Project Assessment Framework sets out the processes and criteria for Energy Hub project support and Rural Community Energy Fund grants.

1. Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them.

BEIS allocated £1.6m for Energy Strategy development by LEPs with the first tranche of thirteen (13) LEPs receiving a total of £600K in March 2017 with the remaining twenty-five (25) LEPs in England offered £1m in September 2017. One of the main outcomes of the strategies was to identify a pipeline of energy investment opportunities for each LEP area.

Following on from the strategies and as part of the Local Energy Programme, BEIS allocated funding to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth. The model for the delivery of this support was the establishment of five (5) regional Energy Hubs in England to support the capacity of LEPs and local authorities to deliver energy projects.

Each Hub has been set up to serve a number of LEP areas which were agreed by mutual consent with the constituent LEPs, with the expectation that the LEPs work closely with their local authorities in the process of setting up and working with the Hubs. The Hubs in turn would work on behalf of all the LEP areas served and their member local authorities, it is a requirement of the BEIS for governance arrangements to be agreed in support of this.

The Hub Board was formed in November 2017 to establish the Greater South East Energy Hub, comprising the consortia of eleven (11) LEPs/lead authorities in the Greater South East. All LEPs were able to put forward proposals for hosting the Hub (as Lead Authority and Accountable Body for the Section 31 grant). The CPCA became the Accountable Body by mutual agreement in March 2018. The Energy Hub was set up in April 2018 and became operational in September 2018.

The Energy Hub is to be funded by BEIS for an initial period of three (3) years, as detailed in the Local Energy Capacity Support Memorandum of Understanding entered into by BEIS and the CPCA (the “**MoU**”) and the Variation to MoU (26/3/19).

The Energy Hub will administer the Rural Community Energy Fund for a minimum period of two (2) years as detailed in the Rural Community Energy Fund Memorandum of Understanding entered into by BEIS and the CPCA (the “**RCEF MoU**”).

2. Objectives of the Greater South East Energy Hub

The key objective of the Energy Hub is to work collaboratively with LEPs and their member local authorities across the greater south east area to co-ordinate the identification and prioritisation of local energy projects and to undertake the initial stages of development for priority projects up to a point where investment can be secured. The governance structure of the Energy Hub allows for decisions to be made at a local level and to be aligned with local strategic priorities. The Energy Hub

will seek to: Increase the number, quality and scale of local energy projects being delivered;

- a) Raise local awareness of the opportunity for and benefits of local energy investment;
- b) Enable local areas to attract private and/or public finance for energy projects;
- c) Identify options for the Energy Hub model to be financially self-sustaining after the funding period.

3. Hub Board and Operational Team Structure

The Energy Hub will operate under an Energy *Hub Board* (the “**Hub Board**”) and an Energy Hub *Operational Team* (the “**Operational Team**”). The ultimate purpose of this dual arrangement is to ensure that the Energy Hub delivers the required quality outcomes outlined in the MoU and the Local Energy Strategies and responds appropriately to changing requirements of both the LEPs and the operational environment.

4. Hub Board Roles and Responsibilities

The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board will provide oversight of the Operational Team’s delivery of the programme to ensure it fulfils the aspirations and expectations of key stakeholders in line with the scope outlined in the MoU. The decision-making process for the allocation of project support is detailed in the Project Assessment Frameworks appended hereto as (Annex 1 Local Energy Capacity Support & Annex 2 Rural Community Energy Fund).

The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

The Hub Board shall:

- a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;
- d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- e) approve the criteria for selection/prioritisation of pipeline projects;
- f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- g) approve bids to BEIS for tools to support capability building;
- h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);

j) comply with the Assurance Framework.

The Hub Board shall ensure that the Energy Hub:

- a) has a suitable financial model;
- b) has appropriate delegated authority and agreed financial thresholds;
- c) has the appropriate strategic direction in accordance with the MOU;
- d) has robust frameworks for the operation of the Hub;
- e) monitors and evaluates progress against the objectives defined in the MOU;
- f) has an agreed communication strategy; and
- g) has clear plans for self-sustainability by the Exit Date.

The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 grant agreements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval of the Section 73 officer.

The Hub Board shall be required to approve:

- a) the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Operational Team;
- b) the allocation of RCEF grants (through the Hub Board or subordinate group thereof);
- c) decisions made regarding the allocation of any future funding delegated to the Hub.

All Board and sub-committee or sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

5. Board Composition

The Hub Board comprises representation of:

- a) one (1) board member from each LEP area served;
- b) one (1) board member representing the Accountable Body Section 73 Officer; and
- c) one (1) Chairperson.

Each LEP board member will have a substitute nominated by the LEP and BEIS will have a position as observer and advisor.

The Energy Hub comprises the following members:

- Cambridgeshire & Peterborough Combined Authority (Accountable Body)
- Cambridge & Peterborough Combined Authority (Business Board)
- New Anglia LEP
- South East LEP
- South East Midlands LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP

- Thames Valley Berkshire LEP
- Buckinghamshire LEP
- Greater London Authority
- BEIS is a permanent observer representing Local Energy

Notwithstanding the foregoing, the Greater London Authority (the “**GLA**”), although being a member of the Hub Board, shall solely have observer status and therefore shall not have the right to vote on any actions or decisions to be taken or approved by the Hub Board.

6. Recruitment of Hub Board Members

The Hub Board shall appoint an Independent Chairperson.

Hub Board Members and Substitutes are nominated by each LEP/lead local authority. Board Members must have the capacity and capability to deliver their role and have delegation for decision-making from their LEP Board or if delegated, the Chief Executive. Hub Board Members are expected to represent their organisations at a strategic level.

The Chief Finance Officer (s73) (or deputy) shall have a non-voting position on the Hub Board.

Whilst all appointments to the Hub Board will be on merit, in accordance with Government requirements, the Hub Board will aim to maintain the gender balance and representation of those with protected characteristics on its board with the following minimum requirements:

- that women make up at least one third (1/3) of the Hub Board by 2020 with an expectation for equal representation by 2023, and
- ensure its Board is representative of the businesses and communities they serve

The Hub Board is currently comprised with an equal gender balance.

Chairperson & Vice Chairperson of the Hub Board

The Hub Board will appoint an independent Chairperson.

The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the CPCA’s diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Hub Board’s appointments panel. The Hub Board will consult widely and transparently before appointing a new Chairperson. Each Party to the Agreement shall, should they so wish, nominate an individual for the position of Chairperson and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;

Nominated individuals must have:

- i) previously held a similar position;
- ii) significant energy sector experience; and
- iii) an understanding of how authorities operate.

The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.

The Hub Board shall then select a panel of no less than five (5) Representatives (the “**Interview Panel**”) to interview the shortlisted nominees.

The appointment of the Chairperson shall be made by the unanimous decision of the Interview Panel.

Terms of Appointment

The term of office for **independent Chairperson** will normally be one (1) year, and subject to a maximum of one (1) consecutive term, unless:

- (a) they resign from their position and communicate this in writing to the Hub Board and CPCA Monitoring Officer; or
- (b) upon receipt of a vote of no confidence by the Hub Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.

The position of Chairperson shall be reviewed annually.

The terms of the appointment will be set out in an appointment letter from the CPCA to the Chairperson. The Chairperson will be remunerated for allowable expenses.

The Hub Board shall appoint a vice Chairperson from amongst its membership, the term of office is at their discretion. For the avoidance of doubt, the GLA representative(s) shall not be eligible for consideration.

Working Groups

The Hub Board may appoint informal non-decision-making working groups or panels. Any such subordinate body set up by the Hub Board shall include one (1) or more Hub Board members, excluding the GLA representative, as nominated by the Board. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the CPCA’s Assurance Framework and Hub Terms of Reference.

RCEF Funding Panel

The Hub Board may appoint a formal decision-making Funding Panel for the RCEF Grants. This subordinate body set up by the Hub Board shall include one (1) or more Hub Board members, excluding the GLA representative, as nominated by the Board, Local Enterprise Partnerships, lead local authorities and a BEIS official. To guard against any potential conflicts of interest that could potentially arise through CPCA involvement with the application or project, the Hub Board must ensure that there are

several local authorities represented on the Funding Panel. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the CPCA's Assurance Framework and Hub Terms of Reference.

7. Accountability

The Hub Board members are responsible for acting as points of contact and communication 'leads' for their LEP area and as such are required to ensure that

- (a) all relevant LEP and local key stakeholders are kept fully informed of Energy Hub activities; and
- (b) they represent the views of the LEP area.

8. Collaboration

The Hub Board members are required to take a collaborative and coordinated approach across multiple LEPs, including supporting the Operational Team to identify strategic collaborative projects. Projects that are supported by the Hub and develop collateral and assets, such as business cases, templates and toolkits shall be shared with other LEPs for the benefit of the greater south east area.

9. Duty of Confidentiality

Hub Board members have a duty to maintain the confidentiality of information that they acquire by virtue of their position. Each shall keep confidential any and all information marked as confidential and any and all materials relating to specific project beneficiaries or prospective beneficiaries of support unless compelled by legal process to disclose such information, or authorised to do so by the Hub Board. The Hub Board members may disclose confidential information to their respective LEP Board and/or Secretariat, providing that information is treated in confidence.

10. General Operational Procedures

Meetings

Meetings of the Hub Board shall not be open to the public unless determined otherwise by the Chair.

Agendas and Minutes

Agendas and reports for the Hub Board will be available on the Hub's website www.energyhub.org.uk at least five (5) clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the CPCA's constitution. Any funding decisions shall be ratified by the CPCA as accountable body for the Hub Board.

The public may have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.

Exemptions that are likely to make information reserved include but are not limited to:

- Commercial sensitivity information
- Information provided in confidence
- Personal data
- Legal privileged information
- Information intended for publication at a future date

Representation in meetings:

A representative of each LEP should be present at the meetings of the Hub Board, (the Board Member). Each LEP may appoint a substitute or proxy, to attend and vote at any meeting and each representative shall participate in a cooperative manner in the meetings.

Convening meetings:

The Chairperson of the Hub Board shall:

- authorise and approve a relevant schedule of business for the Hub Board;
- convene meetings of the Hub Board at a frequency of no more than six (6) weeks apart;
- give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
- prepare and send each Representative a written agenda no later than five (5) clear working days prior to any meeting.

Meetings of the Hub Board may be held:

- face to face in various locations that are geographically accessible to the Parties; or
- by teleconference or another telecommunication means where it is not possible to meet face to face.

Quorum

The Hub Board shall not deliberate and decide validly unless at least six (6) Representatives, not including the GLA Representative, are present or represented ("**Quorum**");

During any meeting if the Chairperson counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chairperson does not fix a date, the remaining business will be conducted at the next ordinary meeting.

Decision Making and Voting

Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chairperson considers it to be necessary to establish whether a consensus exists.

- Each LEP Representative present or represented in a meeting, with the exception of the GLA Representative, shall have one (1) vote.
- The CPCA Section 73 officer does not have a vote;
- Decisions taken shall require a majority of the votes cast of those attending;
- In the event of a tied vote, the Chairperson shall have the deciding vote.

The vote will be by way of show of hands and recorded in the minutes.

Decisions: The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

Decisions of the Hub Board

The draft minutes of the Hub Board will be posted on the Hub's website within twelve (12) clear working days of the meeting taking place. Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within two (2) clear working days of them being accepted.

- The Chairperson of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- Draft minutes will be accepted as final at the subsequent Board meeting.
- Objections lodged with the Chairperson should be considered and actioned at the following Board meeting.

Where decisions need to be ratified by the CPCA as Accountable Body and the CPCA does not agree, they will refer the matter back to the Hub Board with the reasons and ask the Hub Board to reconsider.

Urgency Procedure

In order to ensure that the Hub Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the Regional Hub Manager or other Statutory Officer outside the meeting cycle.

Members will receive email notification which identifies:

- (a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
- (b) The date responses are required by;

- (c) The name of the person or persons making or putting forward the proposal/decision

Two (2) working days after the close of responses, the following will be circulated to all Hub Board Members:

- (a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
- (b) Any mitigating action taken to address Members' stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the Hub Board.

Complaints and Whistleblowing

Any complaint received about the Hub Board will be dealt with under either the CPCA Complaints or Confidential Complaints Policy.

Any complaint about an individual Hub Board member alleging a breach of the Code of Conduct will be dealt with in accordance with the code of conduct.

Any whistleblowing concerns raised about the Hub Board will be dealt with under the CPCA's Whistleblowing Policy.

Each of these procedures or policies shall be published on the CPCA web-site and accessible from the Hub Board's web-site.

11. Code of Conduct

All Hub Board members are expected to adhere to the Nolan Principles of public sector bodies. The CPCA has a Code of Conduct which applies to members of the Hub Board.

12. Conflicts of Interest

Register of Interests

It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. Each Hub Board member must complete and keep up to date a register of interest form required under the CPCA's code of conduct. The register of interest form will be published on the Hub's website within twenty-eight (28) days from the date of the appointment and is a condition of appointment. A member must within twenty-eight (28) days of becoming aware of any change in their interests provide written notification of this.

It is the responsibility of Board members to declare any interest on any item of business being conducted at a Hub Board or working group meeting. Any declarations of interest made by a Hub Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within seven (7) days of the meeting if a new interest has been declared.

Any alleged breach of the Hub Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

13. Grievance Procedure

There are three (3) key points for the grievance procedure:

1. Issues must be dealt with promptly and consistently;
2. The LEPs should have an opportunity to put their case to the Hub Board; and
3. The decision of the Hub Board will be final

The Procedure

i. Raise the grievance in writing

- a) If a LEP has a grievance the LEP Representative should raise it with the Hub Board without unreasonable delay, and within one (1) month of the incident which gave rise to the complaint. The LEP Representative must provide the Hub Board with details in writing of the specific circumstance or circumstances which constitute the grievance, with dates, etc.

ii. Invitation to a Grievance Meeting

- a) The Hub Board will invite the LEP Representative to attend a meeting, without unavoidable delay to discuss the matter. The meeting should ideally be arranged within five (5) working days of the Hub Board receiving the written grievance.

iii. Grievance Meeting

- a) Where possible, a note-taker, who must be uninvolved in the case will take down a record of the proceedings.
- b) The Chairperson of the Hub Board will introduce the meeting, read out the grounds of the grievance, ask the LEP Representative if they are correct and require the LEP Representative to provide clarification regarding details of the grievance if unclear.
- c) The LEP Representative will be given the opportunity to put forward her/his case and say how they would like to see it resolved.
- d) The meeting may be adjourned by the Chairperson of the Hub Board if it is considered necessary to undertake further investigation. Any necessary investigations will be carried out to establish the facts of the case. The meeting will be reconvened as soon as reasonably practicable.
- e) Having considered the grievance, the Chairperson of the Hub Board will give her/his decision regarding the case in writing to the LEP Representative within five (5) working days. If appropriate, the decision will set out what action the Hub Board intends to take to resolve the grievance or if the grievance is not upheld, will explain the reasons.

14. Accountable Decision Making

Local Energy Capacity Support

All LEPs have set a strategic direction for their respective areas through a Local Energy Strategy. Funded by BEIS in 2017/18, energy strategies were required to provide strategic fit with BEIS policy, (energy related aspects of the Industrial Strategy and the national trajectory for decarbonisation and clean growth) and align with other national and local energy and low carbon policy. The Energy Strategies were signed off at LEP Board level after consultation with all the key engagement groups.

In the Greater South East Hub region there are six (6) Local Energy strategies:

- Local Energy East, a tri-LEP strategy for CPCA, NALEP and Hertfordshire LEP;
- South2East a tri-LEP strategy for SELEP, C2C and EM3;
- Oxfordshire LEP
- South East Midlands LEP
- Thames Valley Berkshire LEP
- Buckinghamshire LEP

LEPs also have responsibility to set strategic direction through Strategic Economic Plans and emerging Local Industrial Strategies.

These strategies form a key element of the Energy Hub's decision making for Local Energy Capacity Support, as for a project to be supported it must contribute to the achievement of strategic priorities and benefit multiple LEP areas.

The decision-making process for Local Capacity Support is governed by the Local Energy Capacity Support Project Assessment Framework.

Rural Community Energy Fund

The Energy Hub, as part of the BEIS Local Energy Programme was allocated Rural Community Energy Funds (RCEF) to further the objectives of RCEF across the Greater South East. The RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community. The Energy Hub will appoint a Rural Community Energy Fund Manager who will provide support to communities in developing grant applications and managing funded studies. The Energy Hub will offer funding to support successful applicants to the RCEF fund by either:

- i) Stage 1 Feasibility Grants – up to £40K;
- ii) Stage 2 Grants – up to £100K for business development and planning of feasible schemes. Each community receiving funds would need to provide a) resources to Community Energy England for sharing across all new schemes; and b) support the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at a local level.

The main objectives of the fund are to:

- i) increase the uptake of the RCEF scheme;
- ii) increase the number of rural communities engaged ;

- iii) monitor the impact of communities of projects funded, included but not limited to:
 - a. Jobs created
 - b. Volunteers engaged
 - c. MW produced

The Hub Board will:

- a) set up a '**Funding Panel**' for the approval of the RCEF Grants which shall include one (1) or more Hub Board members, with the exception of the GLA Representative, as nominated by the Board. The Funding Panel shall include representatives from several local authorities. A BEIS official shall be present on the Funding Panel to represent the views of BEIS and ensure the criteria for RCEF are met.
- b) appoint an independent **Funding Panel** to review applications and make recommendations to the Hub Board.
- c) approve the Terms of Reference for the **Funding Panel** and comply with the CPCA's Assurance Framework and Hub's Terms of Reference.

The decision-making process for the RCEF will be governed by the RCEF Project Assessment Framework that is aligned with the CPCA Assurance Framework.

15. Operational Team

The Operational Team is employed on behalf of the consortium by the CPCA and perform the tasks assigned to it as per the programme objectives set by BEIS and the Hub Board.

The Regional Hub Manager (the "**Regional Manager**") is the senior responsible owner for the Energy Hub and the CPCA Section 73 Officer acts as the Chief Finance Officer.

The Regional Manager reports to the Hub Board, the Combined Authority's Director for Business, Skills & Energy and BEIS.

The Regional Hub Manager will provide, for Hub Board approval, the Energy Hub:

- Financial forecasts;
- Business Plan;
- Communications Plan;
- Stakeholder Engagement Strategy;
- Communications Framework (agreed);
- Communications Protocol (agreed);
- Project Assessment Frameworks;
- Risk Register (agreed);
- Any other framework or plan required by the Hub Board.

The Regional Hub Manager will have freedom to deliver and act on behalf of the Hub within the scope of the Hub Board approved plans and frameworks. This includes the delegation of technical consultancy allocation of up to £5K and discretion to reallocate up of 1% of the Local Capacity Support grant budget between cost centres.

The Regional Hub Manager provides monthly and quarterly progress and performance reports for BEIS for the Local Capacity Support Grant and RCEF. All reporting and minutes from meetings of the Regional Leads from the five (5) Local Energy Hubs will be shared on the Hub Board SharePoint site hosted by the CPCA.

The Regional Hub Manager will provide operational and financial reports for each Board meeting

The Operational Team is managed by the Regional Hub Manager and comprises energy specialists and support staff and – at their discretion – key subcontractors. The Operational Team are responsible for the development of the project pipeline, delivery of the RCEF, day-to-day delivery of the programme, dealing with technical delivery matters, financial monitoring and compliance, interaction with BEIS and stakeholders.

The Regional Hub Manager provides the secretariat to the Hub Board, minutes are taken by the Hub Support Coordinator; programme and local capacity support is provided from across the Operational Team. The Rural Community Energy Manager will support the delivery and administration of RCEF. The CPCA corporate support services (e.g. financial and human resources) will be provided from within the CPCA's existing support arrangements.

Annex 3 of the BEIS **Local Energy Capacity Support Grant MoU** sets out the scope of the Energy Hub and Annex 4 the KPIs and outputs to be provided by the Energy Hub.

The BEIS **Rural Community Energy Fund MoU** sets out the grant principals and governance arrangements for the fund and Annex A sets out the KPIs for the Energy Hub.

The Energy Hub operates on behalf of all LEP areas served, and their member local authorities.

16. Stakeholder Engagement

Working with stakeholders is critical to the success of the Energy Hub. The Energy Hub's Stakeholder Engagement Strategy sets out the people and groups with whom the Energy Hub should and does engage with and how this is done.

The Energy Hub was set up to work with LEPs and their local authorities to provide local capability and capacity. The LEPs through the development of their Local Energy Strategies are engaging with stakeholders and will support the Energy Hub to build relationships in their respective areas.

The Energy Hub will build relationships with local stakeholders to identify need, inform the Hub's support activities, share information and facilitate the development of local energy projects.

The Energy Hub will undertake and/or participate in a range of engagement activities to develop the stakeholder network, which may include; events, roundtables, thematic conferences, regular meetings and exchanges with advisory groups.

The Energy Hub will participate in external events, and the Hub Board members and the Regional Manager promote the work of the Energy Hub in a range of speaking engagements and events.

The Energy Hub participates in local energy conferences, supports programme development and is the BEIS local energy representative at the regional and annual National Energy Efficiency Awards. The Energy Hub will work with other local energy promoters in Energy Hub region to promote the local energy agenda.

The Energy Hub utilises a range of communication channels to engage with stakeholders. An Energy Hub Communications Group with representation from the eleven (11) LEPs has been set up to develop and align communications activity and promote the Energy Hub; this group works to the Energy Hub's Communications Protocol and Communications Framework.

The Energy Hub has a channel on the BEIS Local Energy Team Huddle which is an online forum and networking website for LEPs, Local Authorities and other partners across England to support delivery of local energy projects. The Huddle enables collaborative working, the sharing of documents, access to resources, news and events.

17. Accountable Body

The CPCA is the employer of the Operational team. All Hub employees will be subject to the policies, terms and conditions of the CPCA. These may change from time to time and the Accountable Body will inform the Hub Board on any significant changes to employment terms and conditions.

Financial Provisions

The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.

Distribution of Funds - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board.

Justifying Costs – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No LEP shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to the Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant.

In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS

Record Keeping – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date

State Aid - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules

18. Scrutiny Arrangements

The CPCA's Overview and Scrutiny Committee may review or scrutinise any CPCA decision in its role as accountable body for the Hub Board. The CPCA's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Hub Board decision-making and achievements.

Any Hub Board member may be asked to attend, or otherwise contribute to, a meeting of the CPCA's Overview and Scrutiny Committee.

The CPCA's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

19. Exit Strategy

The Energy Hub is funded by BEIS for an initial term of three (3) years. The Regional Hub Manager will, in collaboration with the Hub Board, identify options for financial sustainability. Hub Board Members are expected to liaise with their member local authorities to explore the feasibility of options identified.

If and/or when the funding model changes and revenue is generated the Hub Board will review the Terms of Reference and replace the Accountable Body Agreement with a Partnership Agreement.

If and/or when the Energy Hub receives capital funding the Hub will address the need to adopt independent due diligence for project assessment processes.

20. Amendments to the Terms of Reference

These terms of reference will be reviewed annually. The Hub Board will recommend any proposed changes to the Terms of Reference to the CPCA.

The CPCA's Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

- (a) as a result of any government guidance, legislative change or decisions of the Hub Board, or
- (b) to enable the documents to be kept up to date, or
- (c) for the purposes of clarification only.

This terms of reference and other governance documents shall be published on the CPCA website and accessible from the Hub's website www.energyhub.org.uk.

ANNEX 1

GSE ENERGY HUB PROGRAMME MANAGEMENT FRAMEWORK

Strategic Project Identification & Development

The Local Energy Strategies set the strategic direction for the respective LEPs and provide the basis for identifying, developing and prioritising local energy investment in the region. The Hub will develop a project pipeline aligned with these strategies and the objectives set by BEIS, the funding body for the Hub.

The objectives of the Hub are to:

- Increase number, quality and scale of local energy projects being delivered
- Raise local awareness of opportunity for and benefits of local energy investment
- Enable local areas to attract private and/or public finance for energy projects
- Identify working model for teams to be financially self-sustaining after first two years

The operational team will identify and prioritise local energy projects for support, undertake initial stages of development for priority projects and programmes and take a collaborative and coordinated approach across multiple LEPs.

This Programme will play an important role in delivering aspirations for sustainable and low carbon energy outlined within the Energy Strategies, Strategic Economic Plans and Local Industrial Strategies of the [no. of] LEP areas across the GSE Energy Hub and through the Hubs direct contact with stakeholders.

The GSE Energy Hub Board will prioritise projects that demonstrate:

- Strategic benefit across the Hub area
- clear strategic fit to LEP plans and objectives
- achievement of a balance of breadth of projects
- achievement of a balance of risk (routine/ambitious)
- clear additionality and not duplicating, competing with or replacing existing initiatives
- contribution toward the Hub KPIs including value of projects, funding secured, energy saved/generated, carbon saved, increased GVA, new jobs and skills
- deliverability
- consideration of ability to contribute financially, where appropriate, to support long term sustainability of the Energy Hub
- an acceptable risk register/profile

Each individual partner LEP and the Energy Hub Delivery Team is responsible for overseeing the identification and development of strategically important projects over a 2 year programming period.

Processes

Pipeline Development

Potential projects will be identified through Local Energy Strategies, partner LEPs and direct contact with stakeholders. Project information will be collated and sent to the Energy Hub.

First Sift

Project Review: All projects will go through an initial sifting process, being assessed to check whether they meet the minimum criteria:

- **Strategic fit** – the objectives and impacts need to be aligned with the LEPs Local Energy Strategies, Strategic Economic Plans and/or Local Industrial Strategies.

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- **Resource Required** – the type of support or resource required from the Hub is aligned with project type and stage and available Hub resource. Requests for support from the Hub can include human resource and technical support funding.
- **Financial Requirement & Funding Sources** – Details of funding sources identified for the project. Where projects are stalled due to lack of resource or technical expertise to deliver, the project promoter should demonstrate senior officer support for the project.
- **Deliverability** - The project should be affordable and deliverable within a clearly defined timescale.

The initial sifting process will be undertaken by the Hub's Energy Project Managers. Any projects that do not have strategic fit and perform poorly against the criteria will not be taken further, with feedback being given to the project promoter. Projects meeting the minimum criteria does not guarantee that Hub support will be approved.

Projects that meet the minimum criteria will be allocated to the project pipeline relating to the type of project, project stage, timescale and type of resource required. Energy Project Managers will identify clear opportunities for collaborative projects, where opportunities are identified these projects will be developed into a draft thematic programme for the GSE Hub region. Synergies will then be assessed with the other four Energy Hubs at a national level, with the objective of maximising effective deployment of resources.

Strategic Prioritisation

This will include, but is not limited to:

- Alignment with Energy Strategies from multiple LEPs in the GSE region.
- Projects that are beyond the capacity of individual LEPs to deliver e.g. projects that are currently not economically viable, for example, due to technologies or business practices.
- Projects that demonstrate achievable benefits that are aligned with the Hub objectives.
- Projects that address common market failures, for example, where energy investment would unlock economic development opportunities.

Projects that require technical support (external consultancy) will be sent an Additional Information form. The Hub will endeavour to make resources available to assist with the compilation of information. Where opportunities have been identified to group projects with common needs and themes into programmes, the Hub team will work with project promoters to develop a potential Hub offer. The level of detail required will be proportionate to resources and funding required.

Technical Support Project Appraisal

Projects that are allocated to the project pipeline will be prioritised according to the Hub's Assessment Framework. This includes, but is not limited to:

Strategic Fit

- Clear strategic fit to LEP plans and objectives.
- Reflect common themes/challenges/opportunities from across the Hub region which could benefit multiple areas.
- A clearly identified challenge to delivery which the Hub can support the resolution of.

Deliverability

- A clear governance structure and delivery capacity.
- Sufficiently advanced to deliver in the relevant timeline.
- A clear case should be made for Hub support, identifying what barriers the Hub could help overcome. A business case will include a strategic case, economic case, commercial case, financial case and management & legal case.
- Senior commitment from the LEP/LA.
- An acceptable risk register/profile.

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- State Aid compliant.

Additionality

- Hub intervention will improve the likelihood of delivery and/or the quality of the project.
- A clear process to achieve metrics and contribute to the Hub's Key Indicators.

Economic, Environmental & Social Benefits

- Demonstrating how impact will be maximised across LEP area, particularly in employment and economic growth as well as environmental impact and in other relevant aspects.
- Unlocking further investment and/or access to other funding streams.
- Provide Value for Money (carbon/energy).
- Drive demand for further economic, environmental and social objectives.
- Consideration of ability to repay funding, where appropriate.

Priority projects will be agreed with the Energy Hub Manager for further development.

Project Recommendations:

A report setting out the Hub's recommendations will be submitted to the Hub Board. The Hub Board will consider and recommend projects to be supported directly by the Hub and/or to enter subsequent due diligence. The Hub Board will also make recommendations for further action for projects that cannot be supported directly by the Hub but may be eligible for support from another delivery partner.

All projects recommended by the Hub are subject to the Hub's project appraisal and approval and procurement processes.

The Hub as delivery body takes responsibility for ensuring effective delivery including where subcontractor delivery bodies have been appointed.

The Hub Board reserves the right to decide not to include a project in the prioritisation process if key information is missing or it is not based on a robust set of assumptions.

Stage 2: Due Diligence & Project Approval

The Hub Board will consider the recommendations for both support to individual projects and collaborative commissions led by the Hub at six weekly Board.

Any decision made by the Hub Board which is made in contravention of the process will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision-making process.

Recommendations approved by the Hub Board that require due diligence will require the project promoter to complete a due diligence form, following satisfactory due diligence by the CPCA Section 73 officer and approval from the Hub Board the project will proceed to Funding Agreement.

Project Funding Agreement

Where technical funding support has been approved, decision plus conditions (if relevant) will be conveyed to the applicant through legal grant award letter issued by CPCA as Accountable Body.

The Hub will procure and sign off collaborative projects through CPCA as Accountable Body.

Stage 3: Delivery, Monitoring and Evaluation

Individual project managers will oversee project delivery, monitoring and evaluation. CPCA will oversee monitoring and evaluation of the GSE Energy Hub programme and report to relevant stakeholders as necessary.

The Hub Board will receive updates on progress and recommendations.

Stage 4: Project Closures

The Hub Board will receive and agree project closure reports.

CPCA will oversee Hub Board agreed project closure reports (financial and practical) provided by the Regional Hub Manager.

A programme evaluation will be performed towards at the end of the initial funded phase of the Energy Hub.

Governance

All project support enquiries, pro-forma support and casework is delivered through Energy Project Managers and support staff employed by CPCA. The EPMs are supported by the Regional Hub Manager.

The Regional Hub Manager will review projects, identify synergies and make recommendations to the Hub Board.

The Hub Board are the decision-making body for the approval (or otherwise) of recommendations made by the Regional Hub Manager.

Project approvals are only made through a majority decision by the Hub Board which comprises one representative from each LEP.

Due diligence of grant applicants is completed by the Hub and CPCA Section 73 Officer.

Requests for payment are submitted by the applicant/Hub as formal claim process, reviewed by the Hub and payment is approved by Section 73 Officer at CPCA.

Accountability

CPCA is the Accountable Body for the Hub.

CPCA provides the legal support to prepare suitable grant documentation for each approved project.

CPCA provides the procurement support to prepare suitable specifications for works commissioned directly by the Hub.

DRAFT GSE Energy Hub Programme Management Framework

Project Stage	Steps	GSE Energy Hub Role
STAGE 1 Project Planning & Development	GSE Energy Hub Project Managers	First sift of project applications/pipeline to identify energy projects of interest to the GSE Energy Hub using the Decision Tree. This includes but is not limited to: <ul style="list-style-type: none"> Strategic fit with LEPs Energy and Economic or Industrial Strategies Resource requested meets the Hubs objectives and available resources Funding or finance identified or demonstration of senior management support Project delivery timeframe Projects that meet the minimum criteria will be added to the project pipeline spreadsheet. Projects that are not suitable will be given feedback and signposted to other sources of support.
	GSE Energy Hub Team	First sift, using decision tree, of low carbon projects that meet the minimum criteria to identify clear opportunities for collaboration and efficiencies of scale.
	Energy Hub Manager	Projects prioritised for internal Hub staff support will be approved by the Hub Manager and allocated a lead Energy Project Manager.
	Regional Energy Hub Leads	Where practicable, projects passing first sift process and identified as high potential for cross Hub collaboration and efficiencies will be discussed with Hub Leads to identify opportunity for collaboration over multiple Hubs.
	Energy Hub Manager	Projects that meet the minimum criteria and require technical support will be sent an additional information form for completion. This will include an indication of the type of support that may be expected from the Hub, for example where projects are identified for a collaborative approach the Hub is likely to commission consultancy on behalf of multiple projects.
	GSE Energy Hub Manager	Scoring of technical support projects using the GSE Assessment Framework. The GSE Energy Hub Programme Manager will consider and recommend projects to be supported directly by the GSE Energy Hub. The GSE Energy Hub Manager will also make recommendations for further action for projects that can not be supported directly by the GSE Energy Hub. <ul style="list-style-type: none"> Energy projects that are aligned with the Energy Strategies from multiple LEPs within the GSE Energy Hub Energy projects that demonstrate opportunity deliver [SMART] benefits Projects that are beyond the capacity of individual LEPs/LAs/private sector to develop e.g. due to resource constraints, lack of technical knowledge, funding gap Energy projects that address common market failures for example where energy investment would unlock economic development opportunities, or supports innovation
	GSE Energy Hub Board	The GSE Hub Board will consider and make decisions on the project recommendations of the GSE Energy Programme Manager.
STAGE 2: Due Diligence & Project Support Agreement	Due diligence	Project Managers will undertake due diligence of projects and owners to assess key challenges to development and likelihood of achieving a successful outcome
	Project Support Agreement in place. Project is able to proceed.	A standard Agreement will be used, reflecting specific project conditions to be signed by all parties. This will detail the support to be provided, timeline, requirements of each party, monitoring and process when support ends.
STAGE 3: Delivery, Monitoring and Evaluation	Monitoring includes claims and verification checks and progress update reports.	GSE Energy Hub delivery team will oversee project development, monitoring and evaluation.
	Monitoring includes claims and verification checks and progress update reports.	GSE Energy Hub Programme Manager will oversee day to day delivery of the Programme. Additional monitoring and evaluation of the GSE Energy Hub programme will be aligned to the approach used by Cambridge & Peterborough Combined Authority reporting to relevant stakeholders as necessary. A GSE Energy Hub Communications Plan will ensure key progress and delivery updates are given to stakeholders.
	GSE Energy Hub Board	Will receive updates on progress and recommendations
	GSE LEP Chairs	Will receive updates on progress and recommendations
STAGE 4: Project Closure	This includes closure on both financial and practical matters.	GSE Energy Hub will oversee both financial and practical closure of the current programme. A Programme Evaluation will be performed at the end of the project.

DRAFT GSE Energy Hub Programme Management Framework

		In order to effectively evaluate the GSE Energy Hub programme, an initial baseline will be developed.
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DRAFT

GSE Energy Hub Rural Community Energy Fund

Programme Management Framework

October 2019 (v1)

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1. Overview

Cambridgeshire and Peterborough Combined Authority (CPCA) are the Accountable Body for the Greater South East (GSE) Energy Hub. The Hub comprises;

- Cambridge & Peterborough Combined Authority (Business Board)
- New Anglia LEP
- South East LEP
- South East Midlands LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP
- Thames Valley Berkshire LEP
- Buckinghamshire LEP
- Greater London Authority

In March 2019, with subsequent amendment in September 2019, the Department of Business, Energy and Industrial Strategy (BEIS) and the CPCA entered into a Memorandum of Understanding (MoU) to accept a regional apportionment of the Rural Community Energy Fund (RCEF) amounting to £3.08 million under a Section 31 grant.

This DRAFT Programme Management Framework has been developed because CPCA require an Assurance Framework for the RCEF fund that is separate from that of the GSE Local Energy Hub. This DRAFT Programme Management Framework will also apply to any additional RCEF funding.

2. Transparency & Openness

Section 9 of the GSE Energy Hub Terms of Reference details the confidentiality obligations of all parties.

It is important that all decisions taken regarding funding are open and transparent. Transparency will be maintained through existing CPCA arrangements and by adhering to the Local Government Transparency Code (2015).

3. Freedom of Information Act 2000 & Protection of Freedoms Act 2012

As a public body, CPCA will be responsible for holding the official record of GSE Energy Hub Board proceedings and all GSE Energy Hub documents and will ensure compliance with the Freedom of Information Act 2000 and Protection of Freedoms Act 2013. Full details of CPCA's Freedom of Information requests procedure can be found on the CPCA website.

4. Greater South East Energy Hub Management Framework

The Cambridgeshire and Peterborough Combined Authority (CPCA) are the Accountable Body for the Greater South East (GSE) Energy Hub and has established the GSE Energy Hub Board. The board members have been nominated by each Local Enterprise Partnership with delegation for decision-making, the Board members are senior officers from GSE LEPS and lead Local Authorities and represent their organisations at a strategic level. The CPCA provide oversight of the GSE Energy Hub Board. Currently the GSE Energy Hub Board meet every six weeks The

GSE Energy Hub Board will be responsible for the allocation of RCEF grants (through the Hub Board or subordinate group thereof).

This DRAFT Programme Management Framework reflects the MoU with BEIS on the principles of the Section 31 RCEF Grant:

- The RCEF is a scheme which provides funding to rural communities¹ in England to develop renewable energy projects which provide economic and social benefits to the community
- The GSE Local Energy Hub will follow the principles below to deliver the RCEF programme
- Up to £230,000 of the funds have been allocated on the principle of hiring staff to the Local Energy Hub for a minimum of 2 years (travel and subsistence, learning and development and management costs are included within).

The GSE Energy Hub have recommended that a FTE RCEF Project Officer is employed to provide support to community organisations and a 0.5FTE Programme Manager post be created to ensure complete separation between project development and appraisal, to manage the administration of RCEF and ensure consistency of appraisal.

The Local Energy Hub will offer funding support to successful applicants to the RCEF fund in either of the following ways:





- Stage 1 feasibility grants- of up to £40,000, allowing for inclusion of multi-technology projects; and
- Stage 2 grants- of up to £100,000 for business development and planning of feasible schemes.

Each community receiving funds would need to agree to provide resources to Community Energy England for sharing across all new schemes and provide support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

The purpose of this DRAFT Programme Management Framework is to detail the operating principles and the governance arrangements for decision-making at each stage of the process. It offers stakeholders - including government, CPCA partners and local communities the assurance that there is a robust framework in place to support the development, assessment and monitoring of RCEF grant funding applications; ensuring at all times maximum impact and value for money for the local area and that funds are spent lawfully.

This DRAFT Programme Management Framework has been developed in conjunction with CPCA's Assurance Framework (September 2019), the GSE Energy Hub Terms of Reference and is compliant with the RCEF MoU between CPCA and BEIS.

The DRAFT GSE Energy Hub Programme Management Framework covers the following:

Project Stage	Steps	NEYH Energy Hub Roles
STAGE 1 Project Planning & Development: Community based groups express interest and/or apply for grant funding	RCEF Programme Manager	Community Group express interest in RCEF. Hub Support Coordinator will screen initial email enquiries to the info@energyhub.org.uk inbox and forward live enquiries to Project Officer(s). A live enquiry refers to a community group that has determined it is eligible to apply for RCEF and has asked for further discussion with Project Officers.
	RCEF Project Officer(s)	RCEF Project Officers will provide necessary technical support to community groups to fill in grant applications forms. GSE Energy Hub Project Managers can also support this process
	RCEF Programme Manager	Will log Grant Applications and allocate project reference number. The PM will then assess Grant Application forms using Assessment Matrix and make initial recommendations to the GSE Energy Hub Board Funding Panel. If further clarification is required on grant application this will be sent back to RCEF project officer to provide further support to the community group.
		
STAGE 2: Due Diligence & Project Approval	GSE Energy Hub Board Funding Panel	Grant applications and recommendations will be considered quarterly by the GSE Energy Hub Board Funding Panel at RCEF Grant Appraisal meetings. GSE Hub Board (or a subgroup thereof) will consider the initial recommendations of the RCEF Programme Manager and provide final recommendations to CPCA regarding RCEF grant applications.
		
STAGE 3: Project Funding Agreement	Regional Hub Manager	Regional Hub Manager recommends grant applications for approval and sign off by Section 73 Officer and Director of Business & Skills in line with the Cambridgeshire & Peterborough Combined Authority Assurance Framework.
	RCEF Programme Manager	<p>If grant application is approved then RCEF Programme Manager is notified to draw up and issue funding agreement. Advance payments may be staged and released when the project meets its agreed milestones which will be detailed in the funding agreement.</p> <p>If grant application is rejected then RCEF Programme Manager notified to send letter of rejection that clearly states the reasons for the decision.</p>
		
STAGE 4: Delivery, Monitoring and Evaluation	RCEF Programme Manager	RCEF Programme Manager to oversee day to day delivery of the programme, ensuring key progress and delivery updates provided to stakeholders, updates on progress on Key Performance Indicators to the GSE Energy Hub Board
	RCEF Programme Manager	Monitoring includes claims and verification checks and progress update reports.
	RCEF Project Officers	RCEF Project Officers will continue to engage with successful grant applicants to support project delivery, monitoring and evaluation.
		
STAGE 5: Project Closure	This includes closure on both financial and practical matters.	CPCA will oversee both financial and practical closure of the current programme. A Programme Evaluation will be performed at the end of the project.

Stage 1: Project Planning & Development

Strategic Project Identification & Development

This Programme will play an important role in increasing the number of community energy projects across the greater south east region. A gov.uk website [<https://www.gov.uk/guidance/rural-community-energy-fund>] and the GSE Energy Hub website [<https://www.energyhub.org.uk/rural-community-energy-fund/how-to-apply/>] will direct applicants to GSE RCEF Project Officer(s) and programme documentation.

RCEF officer(s) will then work with community groups to identify/develop high quality projects and credible grant funding applications. The grant funding application details all stages of the project that need to be considered in order to be eligible to apply for the first stage feasibility grant.

RCEF Programme Manager will log Grant Applications and allocate project reference number. RCEF Programme Manager will then assess Grant Application forms using Assessment Matrix and make initial recommendations to the GSE Energy Hub Board Funding Panel. If further clarification is required on grant application this will be sent back to RCEF project officer to provide further support to community group.

Calls for applications will be quarterly. The quarterly deadlines for Grant Application submission will be:

23rd August 2019 - to be assessed on 9th September 2019

28th November 2019 - to be assessed in December 2019

Other dates to be set

RCEF funding will be phased over the duration of the programme to ensure that high quality grant applications are encouraged and supported.

Stage 2: Due Diligence and Project Approval

The RCEF project officers will review the project evidence provided to date and will inform Project Applicants of any additional requirements to be met in order to complete due diligence. The Project Applicant will be provided with an agreed timeframe to provide the evidence needed to complete due diligence [grant application requirements].

RCEF Programme Manager will be responsible for assessing grant applications and making initial recommendations to the GSE Energy Hub Board Funding Panel.

Stage 1	Role	Responsibility
Community Project Development	RCEF project officers notified of interest, acknowledge contact and support eligible	RCEF project officers

	organisations to submit Grant Applications to RCEF Programme Manager	
Due Diligence and Appraisal	RCEF Programme Manager for financial due diligence and appraisal. RCEF Programme Manager makes initial recommendations to GSE Hub Board Funding Panel.	RCEF Programme Manager
Appraisal and Decision	<p>GSE Energy Hub Board Funding Panel consider grant applications and initial recommendations.</p> <p>GSE Hub Board Funding Panel make final recommendations to CPCA on the approval or rejection of grant applications. GSE Energy Hub Regional Hub Manager then recommends grant applications for approval and sign off to the CPCA Director of Business & Skills</p> <p>RCEF Programme Manager will communicate decisions to applicant organisations.</p>	<p>GSE Energy Hub Board Funding Panel</p> <p>GSE Energy Hub Regional Hub Manager. CPCA Section 73 Officer and Director of Business & Skills</p> <p>RCEF Programme Manager</p>

The GSE Energy Hub Board Funding Panel will make the final recommendations on which project grant applications will be awarded and rejected. GSE Energy Hub Regional Hub Manager then recommends grant applications for approval and sign off by CPCA Section 73 Officer and Director of Business & Skills in line with the CPCA Assurance Framework.

Grant applications that are approved will be sent to RCEF Programme Manager to issue a Funding Agreement. Grant applications that are rejected will be sent to RCEF Programme Manager to issue a letter of rejection with a clear explanation of why they were rejected.

Sharing of information

The summary of appraisal undertaken for each project. This document will be shared once a project has been through independent due diligence and has been approved.

Each community group receiving grant funding will need to agree to provide resources to Community Energy England for sharing across all new schemes and provide support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

The project applicant will reserve the right to redact any commercially sensitive information within RCEF documentation.

Stage 3: Project Funding Agreement

All Funding Agreements for the RCEF must be signed by a representative of both CPCA and the Project Applicant who must have the appropriate level of autonomy and delegation to commit and bind their organisation to the Funding Agreement.

Stage 4: Delivery, Monitoring and Evaluation

Project Delivery, Monitoring and Evaluation will be in full accordance with the Memorandum of Understanding.

Project Delivery

Once the Funding Agreement has been signed the project moves from development to delivery. The delivery phase comprises a range of activities to ensure the project is delivered effectively. Whilst the development phase deals with the project in terms of how it is expected to be delivered, the delivery phase deals with the live project being delivered. You should be aware that unanticipated issues could arise once delivery has commenced; therefore you should ensure that the project can evolve and develop during the delivery phase.

There are a number of processes which support project delivery. CPCA shall monitor and report on delivery in accordance with the Memorandum of Understanding. The GSE Energy Hub Board will oversee project delivery, monitoring and evaluation and receive progress reports from RCEF Programme Manager on Key Performance Indicators.

Claims Procedure

Once a grant application has been approved and a Funding Agreement signed, grant claims can be submitted by the applicant to CPCA to draw down the funding based on the funding profile within the agreement.

Project Applicants will need to submit claims as agreed at approval and in line with the schedule set out in the Funding Agreement. Expenditure will be claimed on an advance basis unless otherwise agreed, this will be detailed in the Funding Agreement with applicants.

Claims should clearly report achievement against financial and output/outcome profiles which will be checked by the RCEF Programme Manager.

Expenditure

The project applicant will be required to keep a full audit trail for each item of expenditure.

Outputs:

Evidence to verify outputs claimed will need to be provided with each quarterly claim. These will be specific to each project but may include the following:

Example of Outputs that may be required

Title	Unit of Measurement	Counted	Exclusions	Evidence Verification
Consultancy support to develop feasibility study	Final report received	Costs incurred following grant approval	Costs incurred prior to grant approval	Evidence that contract commenced after grant approval. Evidence that Feasibility Report covers essential criteria specified by Community Group
Community consultation costs	Participant sign in sheets Event evaluation forms	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Receipts that demonstrate eligible costs actually incurred
Financial, legal, planning support	Copies of advice provided	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Evidence that contract commenced after grant approval. Evidence that financial, legal, planning advice specifically and exclusively relates to rural community energy project
Planning consent	Copies of planning consent and conditions	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Evidence that planning application specifically and exclusively relates to rural community energy project
Grid connection	Copies of grid connections agreement	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Evidence costs specifically and exclusively relates to rural community energy project
Other project specific outputs	Specific to project	Specific to project	Specific to project	Specific to project

Project Audits/Closure

Financial Completion Audit:

Grant applicants will receive a financial completion form to complete. The financial completion will involve carrying out checks on project spend and outputs to confirm accuracy of costs, compliance with terms and conditions of the grant awards and the overall grant governance. At the end of the project, a financial transaction list will be required. As part of the financial checks a random sample of at least 10% of the overall project costs will be checked.

Practical Completion:

If a project still has outputs to report after financial completion then the project will receive a practical completion form once all outputs have been achieved. The purpose of this exercise is purely to verify outputs claimed.

Evaluation

The general approach will be to evaluate projects where lessons can be learned to inform future grant applications and where innovative approaches are being delivered. The detail of this will be discussed with individual projects at the earliest opportunity.

Programme Risk Management Procedures

Quarterly progress updates will be produced by the RCEF Programme Manager containing both programme and project specific information. Risks will be ranked as red, amber, green according to progress/issues arising and any ranked as red will be escalated for discussion with the GSE Energy Hub Board and/or BEIS to agree any mitigating action/intervention.

5 Programme and Project Management

The GSE Energy Hub currently provides monthly and quarterly reports to BEIS on their activities and progress. Moving forward, the GSE Energy Hub is to report on RCEF delivery through this process and show their performance against stipulated Key Performance Indicators. This element of the report will be made available to Defra for comment if they so wish. BEIS will undertake an annual review of the scheme across the five Local Energy Hubs. BEIS will provide Defra with the opportunity to respond to this review.

KPIs for the GSE Energy Hub include:

- 49 stage 1 applications
- 3 stage 2 applications
- Total amount (£) granted
- No. of new rural communities engaged
- Technologies to be used on site
- MW planned
- Investment (£) secured
- Jobs created
- Volunteers engaged
- Match funding (£) secured
- Community support provided

- No. of completed case studies
- Total MW built out

General Programme Management will be the responsibility of the following groups:

- GSE Energy Board (or subgroup thereof) will agree Programme and Project Management changes in consultation with BEIS
- CPCA as Accountable Body, is responsible for overall Programme Management and for working with BEIS should any variation to the Section 31 grant become necessary

6 RCEF Governance

The existing GSE Energy Hub Board (or a subgroup thereof) will assess applications to the RCEF fund moving forward and will make final recommendations for funding allocations. Membership of the GSE Energy Hub Board includes Local Enterprise Partnerships and lead local authorities from the region, as well as a BEIS official from the Local Energy team.

When RCEF matters or applications are brought to the board (or subgroup thereof) the following stipulations are made:

A BEIS official should be present at the panel to be able to represent the views of BEIS and ensure the criteria for the fund are being met, however it is noted that they will not be able to vote. This is because this is local funding determined by local governance structures. The Hub board should provide papers to BEIS officials for scrutiny before meetings;

Defra, as part financial contributors to the RCEF fund, may maintain oversight over the RCEF process and decisions of the Hub Board. If requested Hub Board papers should be provided to Defra; and

To guard against any conflicts of interest that could potentially arise through Combined Authority involvement with any application or project, the Hub Board must ensure there are several local authorities represented on the application assessment panel.

Role of The Accountable Body

CPCA is the accountable body for the GSE Energy Hub and is responsible for managing the programme.

CPCA provides legal support to prepare suitable grant documentation for each approved project.

Role of the GSE Energy Hub Board regarding RCEF

The GSE Energy Hub Board consists of nominated members from the consortia LEPs and lead local authorities.

The GSE Energy Hub Board is responsible for the following functions – overall strategic direction for the allocation of grant and leverage of funds; provide direction and support for the development, delivery and implementation of Energy Hub funded activities, provide staffing

structure recommendations to CPCA, approve criteria for selection/prioritisation of pipeline projects. The Hub Board shall approve, allocation of technical/consultancy support (financial, commercial, legal, and technical), allocation of RCEF grants (through the Hub Board or subordinate group thereof), allocation of any future funding delegated to the Hub .

Each member organisation's can nominate one member of the GSE Energy Hub Board (or local authority) to make recommendations on RCEF Grant Appraisal who must be appropriately qualified and experienced in the view of other members.

The Group consists of the following members:

GSE Energy Hub Board	
Member	Organisation
David Walton or Matt Hullis (SCC)	New Anglia LEP

Representatives of each Party

Deputies are permitted but GSE Energy Hub Project Managers may not deputise for the purposes of RCEF Grant Appraisal.

Observers will attend these meetings but do not have a vote.

Chairperson

The Chairperson will be nominated by the GSE Energy Hub Board. If the Chairperson is not able to be present at a board meeting then the remaining members will appoint a deputy for the duration of the meeting.

Quorum

For decision making a minimum of 5 LEPs must agree the recommendation on grant applications for it to be passed. This is a recommendation on each individual application. Decisions must be provided at the meeting by the representative. If a LEP representative cannot attend (and no second representative is available to attend for their LEP area) they should provide their

recommendation by proxy, to the Chair. Proxy votes need to be provided by email no later than one working day before the Board meeting.

Reporting Arrangements

Summaries of the grant appraisal papers will be circulated two weeks in advance via email by the Programme Manager in advance of the grant appraisal meeting. Full papers will be provided upon request. The Programme Manager will provide progress quarterly reporting to BEIS and the GSE Energy Hub Board.

Frequency of Meetings

Every 3 months by teleconference

Conflicts of Interest Procedures

The GSE Energy Hub board has a clear set of procedures in place for dealing with any conflicts of interest, which may occur during business, as outlined in section 12 of the Terms of Reference and as required by the CPCA's code of conduct.

In conducting GSE Energy Hub business, the following procedures will be applied:

Each member of the GSE Energy Hub Board and RCEF Funding Panel is required to complete a written Declaration of Interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual declarations of interest forms are to be completed within twenty-eight (28) days from the date of appointment and is a condition of appointment. A member must within twenty-eight (28) days of becoming aware of any change in their interests provide written notification of this. An up to date Register of Interests is maintained.

To ensure that individuals are not playing a role in decision making when they are conflicted, declarations of interest will be requested at the start of each meeting and declared, and any action taken (such as not taking part) will be recorded within the minutes. The member should update their register within seven (7) days of the meeting if a new interest has been declared. The Register of Interests are updated, as appropriate, following each meeting.

Complaints Procedure

CPCA has a dedicated complaints procedure which is followed upon receipt of a complaint. Any complaint received about the Hub Board RCEF Funding Panel will be dealt with under either the CPCA Complaints or Confidential Complaints Policy. Any breach will be dealt with under the CPCA Member Complaints Procedure.

The GSE Energy Hub has a grievance procedure for LEPs which is set out in section 13 of the Terms of Reference.

7 RCEF Communications Plan

Local Energy Hub Leads/BEIS are currently working on a joint RCEF communications plan. The

Midlands Energy Hub (Nottingham City Council) are the Local Energy Hub lead.

SCHEDULE 4

HUB EMPLOYEES & ROLES

- **Regional Hub Manager** - principal Energy Hub ambassador, operational lead and line manager for the other seven staff.
- **Four (4) Energy Projects Managers** - project identification, stakeholder engagement and project delivery readiness key account managers who will each cover an approximate area equivalent to four counties plus all will cover Greater London.
- **Data and Information Manager** - principal responsibility for setting up, maintaining and providing analysis on systems that contain energy data, stakeholder information, related project summaries, funding options and key sector specific organisations. Key technical researcher for the Hub; responsible for GDPR.
- **Hub Support Co-ordinator** – administrative/operational manager for the Energy Hub; first point of contact via telephone, email and website for new contacts; responsible for the communications plan, meetings, events, workshops and seminars.
- **Funding Manager** - assessor of potential projects for funding viability, securer of funding streams, researcher of innovative funding solutions for projects and groups thereof.
- **Rural Community Energy Fund Programme Manager** – principal responsible for the administration and management of the RCEF fund, grant governance, grant assessment and secretariat to the funding panel.
- **Rural Community Energy Fund Project Officer** - providing the community engagement function, project development support and feasibility study management.

SCHEDULE 5

- I. MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA**
- II. VARIATION TO MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA**
- III. MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA (RCEF)**
- IV. VARIATION TO MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA (RCEF)**

LOCAL ENERGY CAPACITY SUPPORT 2017/18

**MEMORANDUM OF UNDERSTANDING
Between the**

**SECRETARY OF STATE FOR BUSINESS ENERGY &
INDUSTRIAL STRATEGY**

And

Cambridgeshire and Peterborough Combined Authority

MEMORANDUM OF UNDERSTANDING
LOCAL ENERGY CAPACITY SUPPORT 2017/18

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MEMORANDUM OF UNDERSTANDING

LOCAL ENERGY CAPACITY SUPPORT 2017/18

PARTIES

1. The Parties of this Memorandum of Understanding (“**the MOU**”) which includes its Annexes are The Secretary of State for Business Energy & Industrial Strategy (“**the Secretary of State**”); and
2. Cambridgeshire and Peterborough Combined Authority (the Authority)
3. known together as “**the Parties**”

BACKGROUND

4. The Secretary of State has decided to grant funding to the Authority and the Authority has committed to spend such funds in line with the Scope outlined in Annex 3.
5. The total amount of the Grant funding referred to in paragraph 7 is referred to in the MOU as “the Grant”
6. The Parties wish to record their understanding regarding the Grant funding. Therefore this MOU sets out the understanding reached by the Parties on, amongst other things, the amount of the Grant available to the Authority, payment of the Grant, how it should be spent, commitments by the Authority to deliver against the Scope and commitments in relation to the administration of the Grant.

DEFINITIONS

“**Consortium**” means a group of local authorities working together to deliver the Scope set out in annex 3 under the leadership of the Lead LEP.

“**Lead Authority**” means the nominated Lead Local Authority as stated within the Proposal who will lead establishing the local energy hub on behalf of the region.

“**Local Energy Hub**” (also “the Hub”) is a team established using the Grant to provide local energy capacity support across a region comprised of multiple LEP areas.

“**The Scope**” comprises the objectives and activities which are expected to be undertaken using the Grant, set out in annex 3.

THE GRANT

7. Subject to the Authority meeting the commitments set out in Annex 1 the Secretary of State will grant the following funds to the Authority

	Revenue funding
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LOCAL CAPACITY ENERGY SUPPORT GRANT	£1,321,000
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PAYMENT OF THE GRANT

8. The Authority will as soon as possible and by [March 16th 2018] at the latest provide the Secretary of State with two signed copies of this MOU. The Authority will as soon as possible and by [March 16th 2018] at the latest provide the Secretary of State with the documentation and information listed in Annex 1 to the extent it has not already been provided to the Secretary of State by the Authority.
9. The Secretary of State will pay the Grant to the Authority after the receipt of the documentation and information in accordance with the preceding paragraph and will endeavour to do so within 10 days of receipt of the same.

COMPLETION OF THE PROPOSAL

10. The Authority will deliver the Proposal, in line with the Scope.

ELIGIBLE COSTS

11. Subject to paragraph 12 and 13, the Authority will use the Grant for eligible costs in accordance with the provisions of the MOU. Eligible costs are those properly incurred to deliver the Proposal, in line with the Scope.

GRANT

12. Without prejudice to any other provisions of this MOU, the Authority will not use the Grant for the following purposes:
 - a) to replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project.)
 - b) use for activities of a political or exclusively religious nature;
 - c) use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector;
 - d) use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money);
 - e) use to cover interest payments (including service charge payments for finance leases);
 - f) use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);

- g) use to pay statutory fines, criminal fines or penalties;
- h) use to pay for eligible costs incurred before this MOU has been signed by both Parties; or
- i) use in respect of Value Added Tax that the Authority is able to reclaim from HM Revenue and Customs.

AVAILABILITY OF THE GRANT

13. The Authority will be expected to have made commitments by 31st March 2019 to spend all of the Grant.

STATE AID

14. The Authority acknowledges that it is important to ensure that the Grant and use of it is not, and does not become, an unlawful state aid under Article 107 of the Treaty on the Functioning of the European Union. State aid rules ensure that the governments of EU Member States do not distort competition by unfairly subsidising their own industry or particular parts of it.
15. To minimise the risk that the European Commission or a court requires grant funding to be repaid, the Authority will:
- a) comply with EU law relating to state aid in its use of the Grant and its delivery of the Proposal;
 - b) ensure that use of the Grant in connection with the Proposal complies with EU state aid rules (including the de minimis Regulation); and
 - c) obtain and retain all declarations and information as may be required to enable both the Authority and the Secretary of State to comply with EU state aid rules, particularly the de minimis Regulation and to provide copies to the Secretary of State when required to do so.

and by signing this MOU the Authority confirms that this is the case.

PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES

16. The Authority will, in delivering the Proposal:
- a) comply with all relevant requirements of law relating to public procurement; and
 - b) unless the Secretary of State agrees otherwise in writing, pay the person from whom any goods, works or services are purchased within 30 days of receiving a valid invoice from that contractor.

COMMERCIAL USE OF THE GRANT

17. The Authority will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed as part of the Scope. If the Authority does so, it:
- a) will inform the Secretary of State immediately and in writing; and
 - b) understands that the Grant may be reduced by the amount of that revenue or gain (as the case may be).
18. The Authority is permitted to receive financial contributions from local authorities and other organisations which benefit from the services outlined in the Scope, provided the Authority has the legal powers to do so, and that these financial contributions are only used to augment or extend the duration of the services offered by the Hub and that the Authority does not profit through revenues generated or capital gains arising from the use of this Grant.

REDUCTION WITHDRAWAL AND REPAYMENT

19. In accordance with paragraphs 20 to 25, it is the understanding of the Parties that the Secretary of State may ask the Authority to repay all, or any proportion of, the Grant, together with interest (calculated in accordance with paragraph 23 and, in the case of late payment, paragraph 24) and any other amount required by the European Commission, where the Grant, or any part of it, has been paid (including in cases where the Authority has already spent the Grant money).
20. The Authority accepts that the Secretary of State may exercise the options referred to in the preceding paragraph where the Secretary of State:
- a) is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or of the European Commission; or
 - b) has reasonable grounds to consider that the payment of the Grant, or the Authority's use of it, contravenes any requirement of law, in particular (but without limitation) EU law relating to state aid.
21. When exercising the options referred to in paragraph 19, the Secretary of State will notify the Authority of the grounds concerned and (except in a case falling within paragraph 20(a), as far as possible, consider the Authority's representations made within any reasonable timeframe required by the Secretary of State.
22. A decision by the Secretary of State to ask the Authority to repay the Grant will be communicated by letter, and the Authority will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Secretary of State in writing.
23. Where the Secretary of State requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:

- a) the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - b) any other rate required by law in the circumstances (including any rate required under EU law relating to state aid), if it is higher.
24. Where the Authority does not make the relevant payment within the timeframe specified in this MOU, further interest on the outstanding sum (inclusive of interest already charged under the preceding paragraph) will accrue, after that deadline, at the statutory rate of interest under section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher.
25. Should the Secretary of State not exercise his options under paragraph 19 or delay in doing so, this shall not constitute a waiver of those options unless the Secretary of State confirms such a waiver in writing. Furthermore, any such written waiver shall not be taken as a precedent for any other, or subsequent, circumstances.

SUSPENSION

26. The Secretary of State may suspend payment of the Grant where:
- a) one of the grounds in paragraph 21 arises;
 - b) the Secretary of State has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise; or
 - c) one of the provisions of the MOU is not met by the Authority,
- pending consideration of the circumstances and the making of a decision.
27. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
- a) the Authority will continue to comply with the requirements of this MOU including any deadlines occurring during the period of suspension; but
 - b) the Authority will not make any further use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.
28. The Authority will inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 21 might arise or that it will not be able to meet the provisions of the MOU. If such concerns arise after the Authority has received the Grant, the Authority will not make any use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.

AGREED USE OF UNDERSPEND

29. In the event that the Authority does not use all the Grant to secure delivery of the Proposal

- a) The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the objectives of the Grant ; and
- b) If the Parties are unable to reach an agreement described in paragraph a) the Authority agrees to repay the unspent Grant.

COOPERATION

- 30. The Authority agrees to cooperate and work in collaboration with named individuals from the BEIS Local Energy Team appointed by the Secretary of State in delivering their Proposal.

INFORMATION SHARING

- 31. The Secretary of State may share information relevant to the Grant and Proposal including evaluation outputs with the agents of the Secretary of State, other public authorities and the European Commission

EVALUATING SCHEMES DELIVERED THROUGH BEIS LOCAL ENERGY CAPACITY SUPPORT

- 32. The Authority will evaluate or support and participate in evaluation of their use of the Grant in relation to the reporting requirements set out in Annex 4.
- 33. The Authority will set aside an amount of money for the purpose of evaluation to be specified by the Secretary of State.
- 34. The Authority agrees that the output from the evaluation will be published (this does not include publishing the Information in a way that identifies individual households).
- 35. Annex 4 sets out the form of information the LA is to provide.

PROVISION OF MANAGEMENT INFORMATION ABOUT USE OF BEIS LOCAL ENERGY CAPACITY SUPPORT

- 36. The Authority will provide information to the Secretary of State in accordance with the requirements set out in Annex 4.

REQUIREMENT OF LOCAL AUTHORITY IN A CONSORTIUM OF LOCAL AUTHORITIES

- 37. Where the Authority is part of a Consortium, the Authority must have been designated as the Lead Authority within the proposal. The Lead Authority is required to inform the Secretary of State as to the partners in the Consortium. The Lead Authority is to be the signatory to this MOU and will receive the Grant for the delivery of the Proposal, subject to the terms of this MOU.

PROVISION OF PERSONAL INFORMATION AND COMPLIANCE WITH DATA PROTECTION ACT

- 38. In so far as it is possible to do so in accordance with data protection legislation (including, the General Data Protection Regulation and the Data Protection

Act), the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Authority agrees to collect information for evaluation and reporting purposes (referred to below as “the Information” in a way which:

- a) allows it to share the Information with the Secretary of State;
- b) allows the Secretary of State to share the Information with any of its research or evaluation partners;
- c) enables the Information to be used by the Secretary of State to contact individuals who are the subject of the Information for the purposes of further research; and
- d) allows the Secretary of State to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households)

provided always that the Secretary of State complies with the provisions of the data protection legislation.

RECORD KEEPING

39. The Authority will keep for ten years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:

- a) the identity of any third party concerned and their business;
- b) the amounts any third party has been given;
- c) the purpose for which the money was spent;
- d) evidence that contracts have been awarded in accordance with public procurement law where they are required to be; and
- e) details of and information relating to any significant sub-contracting by the Authority.

MONITORING AND AUDIT

40. The Authority will:

- a) respond fully, truthfully and promptly to any enquiries the Secretary of State, or the Comptroller and Auditor General, or their representatives, may make about the Proposal or the use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify);
- b) allow the Secretary of State, the Comptroller and Auditor General, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site;

- c) where requested, ensure that any information or evidence provided to the Secretary of State, the Comptroller and Auditor General, or their representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
- d) give reasonable assistance to the Secretary of State or the Secretary of State's contractors to carry out work in connection with the Grant throughout delivery of the Proposal and up to two years after completion of the Proposal, for example as part of the Secretary of State's ongoing evaluation commitments.

RISK MANAGEMENT

- 41. The Authority will agree to provide assurance that risks in relation to the delivery of the Proposal have been identified, following the approach set out in the Risk Register at Annex 5. The Authority will complete the Risk Register and return it to the Secretary of State no later than 16th March 2018.
- 42. In providing assurance about the management of risks the Authority will identify risks which arise from its own activities and those which arise from third Parties.
- 43. The Authority will provide the Secretary of State with a report based on exception by 4 October 2018 and again by 4 March 2019 about the status of the risks identified within the Risk Register and whether any new risks have emerged. The report will also provide a statement as to whether risk management is effective and whether any remedial action is necessary.
- 44. The report required by the preceding paragraph will report against any risk which scores medium or above using the tables provided in Annex 5.
- 45. As soon as it becomes apparent to the Authority that a risk on the Risk Register is scoring high or above using the tables provided in Annex 5, the Authority will inform the Secretary of State.

OTHER BEIS FUNDING PROGRAMMES

- 46. Where the project utilises other BEIS funding programmes the Authority agrees to comply with the relevant requirements of those programmes.

FREEDOM OF INFORMATION

- 47. The Parties may be obliged to disclose information relating to the Local Energy Support, the Grant and the Proposal under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.

48. The Parties will assist and cooperate with each other as reasonably requested to facilitate compliance with those requirements.

49. In the event that the Secretary of State provides information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the Secretary of State may make that response publicly available for the purposes of transparency.

NOTICE AND COMMUNICATIONS

50. The Authority will be able to contact the Department of Business Energy & Industrial Strategy in writing by post or hand delivery to the following address:

Department of Business Energy & Industrial Strategy, 1 Victoria Street, SW1H 0ET

51. The Authority's day to day contacts with the Department on any working day by telephone or email between 9am and 5pm are:

NAME	EMAIL	TELEPHONE
Helen Pearce	helen.pearce@beis.gov.uk	0300 0685350

52. The Authority's day to day contacts for the Department are

NAME	EMAIL	TELEPHONE
Paul Bourgeois	paul.bourgeois@gcgp.co.uk >	07715 408 407

INTELLECTUAL PROPERTY

53. In undertaking the Proposal, the Authority must not infringe the intellectual property rights of any third party.

54. Where the Proposal gives rise to the generation of any intellectual property, the Authority will not subsequently seek to make profit from the use of such intellectual property, for example through the use of licences without written consent by the Secretary of State.

55. Unless otherwise agreed by the Secretary of State, the Authority will allow the Secretary of State royalty free use of any intellectual property created whilst delivering the Proposal.

COMPLIANCE WITH THE LAW

56. The Authority will comply with all laws and regulatory requirements when delivering the Proposal.

57. In signing this MOU, the Authority confirms that use of the Grant for the purpose of the Proposal and in accordance with the MOU is in compliance with all laws and regulatory requirements.

ANTI-DISCRIMINATION

58. The Authority will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

RESPONSIBILITY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS

59. The Authority will ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering the Proposal (whether or not as part of a Consortium) comply with the commitments and principles set out in the MOU and will be responsible for any failure by them to meet those commitments and principles.

WARRANTIES

60. The Authority confirms that:

- a) it has full capacity and authority to deliver the Proposal and to enter into this MOU;
- b) it will obtain any consents necessary to undertake the Proposal;
- c) the information and evidence in its Proposal remains true, complete and accurate, and that its circumstances have not materially changed since submitting its Proposal; and
- d) it knows of the existence of no circumstances which might materially and adversely impact on its ability to undertake the Proposal or observe the provisions and principles of this MOU.

LIMITATION OF LIABILITY

61. The Authority confirms that the Secretary of State's liability to the Authority is limited to payment of the Grant (subject to the Authority meeting the commitments and principles of the MOU and its Annexes and to the Secretary of State's rights set out therein). The Authority remains entirely responsible for its risks and liabilities in undertaking the Proposal, and the Secretary of State shall have no liability for any consequence, direct or indirect, that may arise through the Authority's undertaking of the Proposal or its use of the Grant.

VARIATION

62. No variation of this MOU will be effective unless it is agreed in writing and signed by both Parties. This does not prevent either Party making reasonable

changes in relation to the administrative arrangements in the MOU (such as contact details) by notice in writing to the other Party, without such agreement in writing signed by both Parties.

ASSIGNMENT

63. The Authority will not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this MOU without the approval in writing of the Secretary of State.

STATUS

64. This MOU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU. The Parties do, however, enter into the MOU intending to honour all their commitments under it.
65. Nothing in this MOU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, the Authority will not hold itself out as having any such relationship with the Secretary of State.

FURTHER FUNDING

66. The Secretary of State is under no obligation to provide the Authority with any further funding in respect of the Proposal or for any other purpose.

REFERENCES

67. In this MOU references to legislation, including EU legislation and any documents issued by the EU institutions, are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this MOU).

Signed for and on behalf of the Secretary of State

Ben Golding

Director, Home and Local Energy

28 February 2018

Signed for and on behalf of the Authority

Signature

Name

Position

Date

ANNEX 1

Documentation to be provided by the Authority before the Grant will be released

What needs to be provided?	When it needs to be provided?	Where it is in this MOU
A signed copy of the Section 151 Officer declaration		Annex 2
Completed Grant claim form		Annex 6
Two signed copies of this MOU		N/A
Risk Register		Annex 5

ANNEX 2

Section 151 Officer Declaration

In my position as the Section 151 Officer for [xxxxxxxxxxx] I confirm that:

- a) [xxxxxxxxxxxxxxxxxxx] will accept the grant funding that has been offered through the BEIS Local Energy Support grant;
- b) The information and evidence pertaining to this grant claim is complete, true and accurate;
- c) [xxxxxxxxxxxxxxxxxxx] will deliver the goods and services that have been set out in the proposal in accordance with the terms of the Proposal; and
- d) [xxxxxxxxxxxxxxxxxxx] will comply with the provisions of the Memorandum of Understanding dated ____/____/2018 in connection with its delivery of the proposal

SIGNATURE

NAME

POSITION

DATE

ANNEX 3

BEIS Objectives and Expected Outputs

Objectives of the Local Energy Hubs

1. Increase number, quality and scale of local energy projects being delivered
2. Raise local awareness of opportunity for and benefits of local energy investment
3. Enable local areas to attract private and/or public finance for energy projects
4. Identify working model for teams to be financially self-sustaining after first two years

Proposed tasks:

1. Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point
2. Undertake initial stages of development for priority projects and programmes
3. Take a collaborative and coordinated approach across multiple LEPs
4. Regional leadership and liaison with BEIS

The Proposal

a. Establishment of Greater South East Local Energy Hub



Greater South East
Hub lead confirmation

Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1A 2AW
22nd December 2017
Dear Helen

Further to the Task and Finish Group's interim update email to you on the 30th November the Greater South East Hub Board has now met for the first time. It has come to a decision in regard to the preferred organisation to lead the Hub consortium and act as accountable body for the funding and this is the Cambridgeshire and Peterborough Combined Authority.

All four offers to lead the project completed a Project Lead Information Pro-forma to ensure that all 11 LEPs fully understood what was being offered. I have attached GCGP LEPs document for information. It details evidence of local expertise, track record, staffing and skills in place. It also shows the proposed governance and team structures and how they

inter-relate. The governance arrangements proposed enable the Hub Board to plan Hub operations and project delivery with associated risk management.

The Section 151 Officer from the Accountable Body will scrutinise and support the financial governance of the project with the Hub Board and GCGP LEPs Chief Executive Officer.

All 11 LEPs and some of the local authorities already engaged in local energy endeavours in the Greater South East area have worked as a team to scope, discuss and agree the basis on which we will work as an alliance of LEP areas. To this end all 11 LEPs and some local authorities at County and District/Borough level have offered to support the set up and subsequent operational delivery of the Hub with their collective expertise and knowledge in this and related areas. A discussion is currently live in respect of the 14 possible office space, hot desk and meetings space offers equally distributed across the geography (see Annex 1) for the dedicated team and Hub Board to utilise. GCGP LEP is engaged with each of these organisational offers to formalise arrangements in the New Year.

The Regional Director of the Hub would attend monthly meetings with the BEIS Local Energy team and other regional hub leads with an offer for a BEIS representative to attend Hub Board meetings.

The Hub Board's Terms of Reference has been drafted and this will be circulated to all 11 LEPs in the New Year for further discussion and evolution as necessary.

One aspect the Hub Board will be asked to consider the next time they meet is how intellectual property generated by the Hub is dealt with. At this stage the Task and Finish Group believe that our principal position is that the Hub would be keen to share with the other Hubs in a reciprocal manner. With the exception of data protection and commercially confidential information the intention is to share documents and data which may be of use to the other Hubs through a protected space such as the Huddle.

The Task and Finish Group, established by the Hub Board, has now completed its primary function and the intention is now to evolve it into a Hub Board Working Group with the hope that additional LEP and local authority representatives can be utilised to ensure full geographical representation and a holistic approach to the endeavour both in planning and inception. Once the Hub is set up from April 2018 it is expected that the Working Group will morph into the Hub's Operational Team If you have any questions please do not hesitate to contact us.

Yours sincerely

Paul Bourgeois – Head of Sustainability

On behalf of:

Berkshire Thames Valley LEP

Buckinghamshire Thames Valley LEP

Coast to Capital LEP

Enterprise M3 LEP

Cambridgeshire and Peterborough Combined Authority/Greater Cambridge Greater Peterborough LEP

Hertfordshire LEP
London LEP
New Anglia LEP
Oxfordshire LEP
South East LEP
South East Midlands LEP

Project Lead Information Pro-forma

Name of person completed this pro-forma: Paul Bourgeois

Project Lead organisation name: Cambridgeshire and Peterborough Combined

Authority/Greater Cambridge Greater Peterborough LEP

LEP area:

Cambridgeshire, Peterborough, Rutland plus five districts in Norfolk, Suffolk, Hertfordshire and Essex

Accountable Body name (if appropriate): Cambridgeshire and Peterborough Combined Authority

Has the Section 151 Officer given approval: Yes

Address of the Project Lead organisation:

Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Huntingdon, PE28 4WX

Principal contacts for Hub setup, finance and operational issues:

Paul Bourgeois (GCGP LEP) & Sheryl French (CCC)

SECTION 1: Finance

Please provide details of the operating cost model including:

Cost area Charging model

Flat on-cost rate or equivalent

Overhead rate of 15% on gross salary per person irrespective of grade. This rate includes access to accommodation, finance, procurement, recruitment and HR support.

Pension contribution rate

5% employers pension contribution into a person stakeholder pension scheme.

Initial IT hardware provision costs

The capital costs for the laptops will be needed upfront and a budget of £4,500 has been allocated.

The set up of the software and mobilisation of the equipment is included in the IT support cost detailed below.

On-going IT support costs including software licences

The on going IT support package is £1,260 per person per year.

Telecoms costs

A budget of £3,840 pa has been allocated for mobile phone contracts.

Printing and photocopying costs (if not including in the on-cost rate)

Photocopying is included in the overhead cost but a designated printing budget of £3,000 pa has been allocated.

Any other relevant costs that will be charged to the Hub

A legal budget has been allocated of £9,000 pa to cover aspects such as procurement, contracts and general advice. A marketing and promotions budget of £2,400 pa and a meetings budget of £2,400

have both been allocated within the overall budget. Also a cost of living increase for year two of 2% has been incorporated into the overall cost model.

SECTION 2: Structure and Employment (max. 500 words)

Please provide:

- ☐ An explanation of where the Hub responsibility will reside within the organisation's structure;
- ☐ The name of the organisation's most senior person, with their designation, involved and approving the offer of Project Lead;
- ☐ What reporting lines will be put in place to support the Hub as an independently governed functioning unit;
- ☐ How could Hub staff be employed? e.g. Direct, permanent employees / Two-year contract employees / Seconded from another organisation / Sub-contractual arrangements with a 'Staff Host' organisation.

The Hub's principal responsibility will be with the Cambridgeshire and Peterborough Combined Authority, which will also act as accountable body for financial governance of the grant via its Section 151 Officer. Strategic support to the Hub will also come from the Energy Investment Unit based in Cambridgeshire County Council, led by the Director, Sheryl French, with the opportunity to hot desk and access meeting rooms at the central Cambridge offices.

The financial governance of the fund and delivery programme will be reported via the Cambridgeshire and Peterborough Combined Authority's Section 151 Officer. The employment, pay and rations will be through the Cambridgeshire and Peterborough Combined Authority with support from the Head of Sustainability, Paul Bourgeois. Support and guidance will be provided by the Energy Investment Unit at Cambridgeshire County Council which has the experience of delivering energy projects, including EU funded project, and is a self funding unit. The existing tri-LEP Local Energy East Project Delivery Group will also be utilised to support the Hub team and ensure wider connectivity. The LEE project also has on-going connections with other LEPs and LAs within the Greater South East and further afield.

The Hub staff would be employed on two year contracts and/or seconded from other organisations at the recommendation of the Hub Board. Subcontracting arrangements will be explored for those staff host organisations wishing their local team member to be more integrated into their organisation. This will need to ensure that the salary and benefits are considered equitable to ensure parity across the Local Energy Hub team.

It is anticipated that the four Local Energy Managers would be aligned with small groups of LEPs to ensure geographical spread and connections to local expertise.

SECTION 3: Expertise (max. 500 words)

Please explain:

- ☐ The organisation's track record on local energy matters;

☐ Named individuals within the organisation who have knowledge and skills that can be used to support the Hub team;

☐ Any other relevant details.

GCGP LEP with its LEP neighbours New Anglia and Hertfordshire leads on the Local Energy East project, which covers a 34 local authority area within five counties. The project is creating a deep dive evidence base, stakeholder web-portal interface and will develop a Local Energy Investment and Delivery Strategy with its 300 plus stakeholder group for the tri-LEP area. This group includes public, private, third sector and academic representation. The project work is fundamental for the prioritisation across the wider Greater South East area with the other LEP local energy evidence bases and strategies produced. The Project Delivery Group comprises 24 energy and infrastructure specialists including a Distribution Network Operator. This team of experts can be repurposed for the wider Hub interest and are keen to afford their expertise to it. The LEPs Head of Sustainability, who has over 20 years of energy sector experience including private company and Community Interest Company set up and Directorships, would lead the set-up of the Hub supported by LEP and CCC staff.

The Energy Investment Unit at Cambridgeshire County Council has a strong track record in terms of designing and delivering projects and is acutely aware of the key barriers to delivery. The Unit has delivered 40 school energy retrofits totalling over £8million, retrofits for corporate assets totalling nearly £1million with all the energy efficiency measures, secured Contracts for Difference for a 12 MW solar farm which cost £10 million. It is now operational delivering £1million revenue per annum. The Unit has a loan facility of £30million and has agreed investment criteria with the County Council that apply to project investments. The Unit is now working on a new delivery programme including a Smart Energy Grid on a park and ride with a new commercial model for buying and selling energy locally, a new smart housing scheme, battery storage and new smart lighting. The Energy Investment Unit is self-financing. It has a 5-year business plan, which Cambridgeshire County Council supports through cash flow for the unit whilst income is grown. The intention is to build the team as projects are delivered over time moving to larger projects and scaling up investment. In addition the Unit will grow its support arrangements for local authorities entering the energy market now.

A high level budget plan has been constructed which allows for a Regional Director (£62k), Local Energy Manager – Deputy (£50k), three further Local Energy Managers (£45k), a Technical Data Analyst (£35k), Technical Finance Specialist (£30k) and a Technical Support Administrator (£25k). There is also a £200,000 consultancy budget over the two years to enable a framework of technical engineers to assist with feasibility studies and project design. A modest £10,000 per year contingency budget has also been allocated. The total cost of the proposal will not exceed the budget of £1.29m over two years.

SECTION 4: Connectivity (max. 500 words)

Please detail:

☐ What internal and external communication methods will be employed to ensure the Hub is fully supported by the organisation and its activities promoted across the Hub geography;

□ If there are any specific people within the organisation who will be utilised to support holistic connectivity please explain.

GCGP LEP utilises a wide range of physical and electronic communication methods, which have been utilised to ensure the Local Energy East project has been successful in reaching a wide group of stakeholders and continuously involves them as the project delivery progresses and evolves. The Head of Communications and Connectivity at the LEP is well versed in the LEE project and has been briefed about the Hub lead potential in order to offer advice during its set up as well as operation. The Marketing and Events Executive would also be utilised within the existing overheads cost rate. The LEP is used to managing and supporting home based workers and staff who infrequently visit the office. The LEP currently uses Dropbox Business as a modern work space solution but other project based systems will be considered such as Basecamp to provide holistic support to a geographically spread team.

Both the LEP and Cambridgeshire County Council have teleconferencing facilities such as Skype for business supplied via laptop for online meetings. There are video conferencing facilities available at County Council main offices that can be booked. The LEP also has video and telephone conference facilities. The LEPs IT support contractor is equally au fait with supporting remotely located staff should any update or IT issues arise.

SECTION 5: Post project sustainability (max. 500 words)

Please suggest any opportunities that you or your organisation believe could be created or utilised to ensure that the Hub becomes a viable, self financing team after the BEIS funding period of two years.

GCGP LEP through the Local Energy East project has already instigated succession planning, which before the Hub proposition was offered, was to be initiated to ensure that the investment and delivery of local energy infrastructure could be managed post BEIS funding. Alliances with third sector organisations and academic institutions have been set up allow specific expertise and match funding opportunities to be considered, applied for and secured. There are easily scalable for the Greater South East area and the models used lend themselves to similar organisations becoming involved from the wider area. Ultimately the LEE project's ambition is to set a special purpose vehicle or Multi Utility Service Company which would attract multi-million investment and derive a rate a return with which to financially sustain a Hub.

Cambridgeshire County Council already has experience growing and supporting its own energy investment unit. This experience will be helpful supporting the Local Energy Hub to become viable and there are option including merging the Local Energy Hub with the Energy Investment Unit at Cambridgeshire County Council or setting up arrangements with the Local Carbon Hub in Oxford or other mechanisms across the area. It will be important to ensure that a cohort of knowledgeable and experienced energy professionals can be retained post the two-year grant intervention to achieve the transformational change in delivery required.

The ambition is that a succession strategy for the post-project funding period would be a standing agenda item for the Hub Board so that financial and operational viability are considered from day one. As a succession back up plan both Cambridgeshire and

Peterborough Combined Authority/LEP and CCC would actively identify posts internally should some or all of the Hub staff not be sustainable after the two-year period. This would include all organisations allied to these two offering the maximum opportunity for Hub staff to be employed in this sector of work should they so wish.

b. Mapping local energy & utilities infrastructure for integrated spatial planning

Access to data and information by Local Energy Hubs that is contemporaneous and dynamic is fundamental to local and Hub wide investment and delivery decisions. There are many direct and indirect data sets relevant to the local energy agenda that collectively need to be considered when making strategic and project decisions. Housing growth and transport infrastructure improvements are heavily reliant on sustainable local energy provision. This research project will look at all aspects of infrastructure mapping and analysis employed by a range of organisations including LEPs through their local energy strategy work. In comparing and contrasting what is currently used, the types of data sets available, how frequently it is updated, how accessible it is and easy to feed into a data system a preferred national system for potential use by all Hubs would be formed. One key aspect of mapping is the level of granularity and how this is utilised with the data systems functionality. Strategic planners need detail to provide a robust, auditable reference point when making strategic land use decisions for example, therefore provenance is critical. The focus of this research project is to understand how to create a new, replicable model within one Hub area so that it can be potentially scaled up for national use. Certain elements anticipated to be crucial to a holistic mapping tool cut across Hub and LEP areas, e.g. DNO data. This further supports the need to work at the national level. This premise equally applies to BEIS being to understand and interrogate the national picture across all Hub areas but also to compare and contrast, and zoom in on specific aspects and areas. Consideration of non-data specific information such as local intelligence being fed into and utilised by users of a portal will also be considered.

The research and analysis is likely to comprise:

1. Investigate and collate direct and indirect spatial mapping projects and systems utilised by LEPs, LAs, Universities, Infrastructure Companies (e.g. water and energy distributors and suppliers), third and private sectors – April 2018 to July 2018;
2. Interrogate and contrast individual approaches and examine the interrelatedness of them and the potential to co-design an enhanced iteration of a system which integrates and enables a higher level of intelligence – August 2018 to October 2018;
3. Scope out (including costs and potential partners) and recommend a high-level framework proposal for a new mapping, analysis and modelling system that could be utilised by all five Hubs – November 2018 to December 2018;
4. Consult and engage all five Hub teams and immediate related stakeholders involved in Hub delivery as to the opportunities a national system would offer – January 2019 to February 2019;
5. Link and connect this research projects findings and recommendations with the other four work stream research projects – March 2019.

It is anticipated that the cost will be £31,000 and that the research will be led by an academic institution such as a University in collaboration with the Hub team

Annex 4 – Governance and reporting

Governance

Each region expected to establish a governance process, such as a regional board or steering group, which will enable all LEPs/lead local authorities in the region to oversee the activities of their Hub and be involved in decision-making.

BEIS will attend regional board or steering group meetings, and will also convene a monthly meeting with all of the regional leads, to monitor progress, ensure information sharing across the country, and address issues as they arise.

BEIS will establish a Local Energy project board with senior representatives from within the department and across Whitehall, which will be responsible for overseeing progress and decision-making on the Local Energy programme at the national level.

Reporting

Regular reporting will be undertaken through the following means:

- Project tracker, which will be kept up to date on an ongoing basis and reviewed at monthly meetings between regional leads and BEIS. BEIS will agree a template for this with the regional leads, the emphasis will be on a user-friendly format which is helpful for practical project management purposes and standardises text where possible.
- Risk register and issues log covering progress with hub set up and operation over time (not for individual projects). Standard templates to be provided by BEIS.
- Quarterly progress report: Summary of work completed in the quarter, outcomes in the form of KPIs, progress with implementation of the hub, working arrangements, risks and issues, any changes proposed.
- Annual progress report: Similar to quarterly report, but more comprehensive and outcomes focused.

We will agree templates for each of the above with the regional leads once they are in post.

BEIS Collection

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	Have all LEPs completed and signed off energy strategies funded by BEIS, and have they been shared or published?	% of energy strategies signed off % of energy strategies published or shared		Submission of completed energy strategies to BEIS	Once

Quarterly Progress Update

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	Has a long list of projects been prepared based on the energy strategies?	Yes/No, plus description as free text		Quarterly progress update	Once
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	What process has been used to prioritise and select projects for support by the hub ? Why do these projects need support from the public sector?	Description as free text		Quarterly progress update	Once

Take a collaborative and coordinated approach across multiple LEPs	What, if any, strategic, collaborative projects across multiple LEP/local authorities projects have been identified for the region? Are any being supported by the hub?	Number of multi-LEP or local authority projects supported	Total value (£) of multi-LEP or local authority investments	Summary in progress report	Quarterly and annually
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Annual Progress Update

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify working model for teams to be financially self-sustaining after first two years	<p>Has a model been identified which allows the hub to continue beyond the period funded by BEIS?</p> <p>How will the hub be funded in future, from what sources?</p> <p>How has the case been made to secure this funding? Has it been signed off?</p>	Self-sustainability model identified, funding approved		Progress report	Annual

Take a collaborative and coordinated approach across multiple LEPs	Has a suitable governance approach been established which enables all LEP areas to oversee the activity of the hub and contribute to decision-making?	Yes/No		Summary included in progress reports BEIS attendance at steering group/board meetings Monthly meetings with regional leads	Quarterly and annually
Take a collaborative and coordinated approach across multiple LEPs	What kind of information is being shared between LEP areas and between regions? How has this benefited project delivery?	Number and type of documents and templates shared	Number and value of projects which have been progressed using shared information	Summary in progress report	Quarterly and annually

Project Tracker (Monthly)

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy	What kind of projects have been prioritised and selected for support by the hub, how many, and what is the geographical coverage?	Number, type (eg technology), location (including postcode/spatial reference)		Derived from project tracker for each hub	Monthly

strategies as a starting point					
Undertake initial stages of development for priority projects and programmes, up to the stage where an investment decision can be made.	How many additional projects have received support from the hub, which would otherwise not have been taken forwards? What is their total value ?	Number and value (£) of projects which are being or have been supported by hub	Total value (£) of projects supported	Derived from project tracker Summary in progress reports	Monthly Quarterly and annual
Undertake initial stages of development for priority projects and programmes, up to the stage where an investment decision can be made.	For each additional project supported by the hub: <ul style="list-style-type: none"> - What kind of project is it? (eg what technology, infrastructure or service will be provided?) - Where is the project located? - Who are the project owners and main beneficiaries? - What stage was the project at when first put forwards for hub support? - Which stages have been completed with hub support? - What support has been provided? (eg staff time, technical, procurement or legal advice, stakeholder engagement, document templates) 	Description based on standard fields in the project tracker		Derived from project tracker	Monthly

Increase number and scale of local energy projects being delivered	How many additional projects will be delivered as a result of hub support?		Number of projects where a decision to proceed to procurement has been made as a result of hub support Total value (£) of projects which will proceed as a result of hub support	Project pipeline tracker, updated monthly Summary provided in progress reports	Monthly Quarterly and annually
Increase number and scale of local energy projects being delivered	For each of the projects delivered with direct support from the hub: <ul style="list-style-type: none"> - Is it a new project, or a continuation or extension of previous activity? - What would be happening without direct support from the hub? - What barriers has hub support helped to overcome? - Has support allowed the project to be scaled up or delivered more quickly? - Have any efficiencies been achieved as a result of hub support? Please quantify (e.g. by developing template documents for business cases or other 	Project status at outset and completion of hub support Description, free text		Project tracker Case studies for projects where hub involvement has been completed	Updated monthly Once, for selected project

	<p>analysis which can support similar projects in multiple locations, saving on project development costs)</p> <p>Were any opportunities identified to aggregate individual projects into larger programmes? If so, what efficiencies or improvements in commercial viability were achieved as a result (for example, by reducing unit costs due to economies of scale, saving money on project development costs compared to individual projects, or attracting a broader range of investors?)</p>				
<p>Enable local areas to attract private and/or public finance for energy projects</p>	<p>For each of the additional projects supported by the hub:</p> <ul style="list-style-type: none"> - What is the estimated project cost or procurement value (ie capital and any other implementation costs?) - Has funding been signed off? If so how much? - Of this, what proportion is public funding, private finance or a combination? Please be specific about the type and source of the funding (eg debt 	<p>Value and status including funding decision for each project</p>	<p>Total value of investment (£) facilitated by the hub</p> <p>Total value public funding (£) facilitated by the hub</p> <p>Total value private investment (£) facilitated by the hub</p>	<p>Project tracker</p> <p>Summary in quarterly and annual reporting</p> <p>Copy of business case, as and when completed for each project</p>	

	<p>or equity, grant provider/programme)</p> <ul style="list-style-type: none"> - How do any revenues or savings accrue to the public sector and or private investor and how will the initial investment be justified? - What is the rate of return for the project over what period, or benefit cost ratio if publicly funded? <p>How has hub support contributed to achieving sign-off?</p>				
Take a collaborative and coordinated approach across multiple LEPs	What arrangements are in place to enable team working and information sharing between individuals in hub teams, and between hubs?	Number of multi-LEP or local authority events held		Progress report	Quarterly and annually
Take a collaborative and coordinated approach across multiple LEPs	What kind of information is being shared between LEP areas and between regions? How has this benefited project delivery?	Number and type of documents and templates shared	Number and value of projects which have been progressed using shared information	Project tracker	Monthly
Take a collaborative and coordinated approach across multiple LEPs	What, if any, strategic, collaborative projects across multiple LEP/local authorities projects have been identified for the region? Are any being supported by the hub?	Number of multi-LEP or local authority projects supported	Total value (£) of multi-LEP or local authority investments	Project tracker	Monthly

Provide regional leadership and liaison with BEIS	Is BEIS attendance at steering group/board meetings being encouraged and facilitated by the regional lead? Are regional leads attending monthly meetings with BEIS and other regional leads?	% BEIS attendance at steering group / board meetings % regional lead attendance at monthly meetings		BEIS to assess, based on meeting minutes	Monthly, quarterly and annual
Provide regional leadership and liaison with BEIS	Is the project tracker, quarterly and annual reporting being updated and provided as expected?	Yes/No		BEIS to assess, based on meeting outcomes	Monthly, quarterly and annual

As produced &/or requested

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	Are there any outputs of that activity which could be shared with other areas for use on similar projects?	Number and type of documents and templates shared		Documents produced by hub to support project development	As and when available
Increase number and scale of local energy projects being delivered	What are the anticipated benefits of the additional projects which are being delivered with hub support? - Energy generated/saved - Carbon savings		Quantified benefits of projects being delivered with hub support (eg GVA, jobs, skills, energy bill savings, carbon saved, energy	Copy of business case, as and when completed for each project, which should be developed using HMT Green Book approved methods	As and when produced

	Other benefits including economic, environmental, social		generated, air quality)		
Take a collaborative and coordinated approach across multiple LEPs	Has a suitable governance approach been established which enables all LEP areas to oversee the activity of the hub and contribute to decision-making?	Yes/No		Terms of reference or similar for Hub Boards	Once
Take a collaborative and coordinated approach across multiple LEPs	What arrangements are in place to enable team working and information sharing between individuals in hub teams, and between hubs?	Description, free text		Progress report	Once
Take a collaborative and coordinated approach across multiple LEPs	What kind of information is being shared between LEP areas and between regions? How has this benefited project delivery?	Number and type of documents and templates shared	Number and value of projects which have been progressed using shared information to derive how project has benefited	Documents produced by hub to support project development	As produced and shared
Raise awareness amongst local decision makers and investors of opportunity for and benefits of local energy investment	What activities have been undertaken to raise awareness of the opportunities for and benefits of local energy investment? Who has this targeted?	Number of direct contacts, promotional activities, awareness raising events Description as free text	Increased awareness amongst key stakeholders including senior people like Chief Execs, board	Stakeholder management strategy and evidence of stakeholder engagement activity across the region.	As and when events held Quarterly and annually Annually

	<p>How has the hub reached out to local authority and LEP leaders or officers who are not actively engaged in the energy agenda?</p> <p>How many local authorities and LEPs have been contacted by the hub, attended events, or received direct support for project development from the hub?</p> <p>How has this impacted on awareness of the opportunities and benefits, particularly amongst senior people like Chief Execs, board members and financial directors?</p>		<p>members and financial directors</p> <p>Increase in investment in local energy projects</p>	<p>Event attendance records and evaluation forms.</p> <p>Summary in progress reports.</p> <p>Third party studies like the University of Edinburgh Local Authority Engagement in UK Energy Systems reports and a repeat of LEP and City Region benchmarking</p>	
Provide regional leadership and liaison with BEIS	Has a regional lead been appointed with responsibility for managing the hub and liaising with BEIS and other regions?	Yes/No		Progress report	Once
Provide regional leadership and liaison with BEIS	Has that regional lead successfully established relationships with lead contacts in each of the LEP areas and local authorities in the region?	% relationships established with LEPs and local authorities in region		Stakeholder management strategy and evidence of stakeholder engagement activity across the region (to	Once

				be included in quarterly reports)	
Provide regional leadership and liaison with BEIS	Has the regional lead got an overview of energy activity, priorities and projects across the whole region?	% of energy strategies completed and reviewed by regional lead		Regional energy overview suggested as initial output following review of LEP strategies	Once

ANNEX 5

RISK MANAGEMENT

This annex consists of

- A risk register to be completed by the Authority in relation to the specified risks and any other risks it believes are relevant to the scheme no later than 5 March 2018
- A risk rating matrix to assist with scoring risks; and
- An explanation of the risk rating colours

Risk register



Template - Risk
Register.xlsx

RISK RATING MATRIX

	PROBABILITY				
	≤5%	>5%, ≤20%	>20%, ≤50%	>50%, ≤80%	>80%
IMPACT LEVEL	1 - Very Unlikely: Highly improbable that it will occur during the lifetime of the project or activity	2 - Unlikely: Not probable that it will occur during lifetime of the project or activity	3 - Possible: Doubtful that it will occur during the lifetime of the project or activity	4 - Likely: Probable that it will occur during the lifetime of the project or activity	5 -Very Likely: High expectation that it will occur during the lifetime of the project or activity
5 - Crisis	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH
4 -Critical	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
3 - Significant	LOW	LOW	MEDIUM	HIGH	HIGH

2 – Marginal	VERY LOW	LOW	LOW	MEDIUM	MEDIUM
1 - Negligible	VERY LOW	VERY LOW	LOW	LOW	LOW

EXPLANATION OF RISK RATING COLOURS

	Risk rating is very low with it being extremely unlikely that the risk will occur and minimal consequences for the scheme if it should. Controls in place to mitigate the risk as low as is reasonably practical.
	Risk rating is low . There is either a strong probability of the risk occurring with minimal consequences for the scheme or a low probability of the risk occurring with significant consequences. Controls should be in place to mitigate the risk to this level but further action may be required should our tolerance for the risk be lower.
	Risk rating is medium . There is either a very strong probability of the risk occurring with minimal consequences for the scheme, a moderate probability of the risk occurring with significant consequences or a low probability of the risk occurring with fundamental consequences. Controls should be in place to mitigate the risk to this level but further action may be required should our tolerance for the risk be lower.
	Risk rating is high with either a very strong probability that the risk will occur with significant consequences for scheme or a low to moderate probability of the risk occurring with fundamental consequences. Controls should be in place but further action may be required, as a matter of urgency, to mitigate the risk to a more tolerable level. If the risk is outside our control then a contingency plan should be in place or developed in case the risk materialises.
	Risk rating is very high with a very strong probability that the risk will occur with fundamental consequences for the scheme. There are strong concerns among management that they no longer have the capacity to manage the risk effectively and that is therefore very likely to materialise. The risk needs to be escalated to the next level as a matter of urgency to consider what further action should be taken.

ANNEX 6

Grant claim form

SECTION 1 REQUESTER DETAILS	
AUTHORITY	
PURCHASE ORDER NUMBER	
CONTACT NAME	
TELEPHONE NUMBER	
EMAIL ADDRESS	

SECTION 2 CLAIM DETAILS	
BEIS LOCAL ENERGY SUPPORT TOTAL TO BE CLAIMED (as per table in MOU)	
DATE OF CLAIM	
<p><i>Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim</i></p>	

SECTION 6: SENIOR LOCAL AUTHORITY OFFICER'S DECLARATION
<p>I confirm that I have considered the Authority's proposal (copied as at Annex 3 of the MOU) against which this Grant claim is made, as well as the principles set out in the Memorandum of Understanding, and that:</p> <ul style="list-style-type: none"> a) The information and evidence pertaining to this Grant claim is complete, true and accurate b) We will comply with the principles set out in the Memorandum of Understanding <p>Signed</p> <p>Printed name</p> <p>Position</p> <p>Date</p>

ANNEX B

VARIATION TO MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding (“the MoU”) Title: Local Energy Capacity Support 2017/18

Date of the MoU: 09/03/18

Between:

- (1) The Secretary of State for Business, Energy and Industrial Strategy (hereinafter called “the Secretary of State”); and
- (2) Cambridgeshire and Peterborough Combined Authority (hereinafter called “the Authority”)

Date of this Amendment: 26-03-19

1. The MoU is varied as follows:

Paragraph 7 is amended as follows:

Subject to the Authority meeting the commitments set out in Annex 1 the Secretary of State will grant the following funds to the Authority

	Original funding (from MoU dated 09/03/18)	Additional funding from variation to MoU	Total revenue funding
LOCAL CAPACITY ENERGY SUPPORT GRANT	£1,321,000	£700,000	£2,021,000

Paragraph 13 is amended as follows:

The Authority will be expected to have made commitments by 31st of March 2020 to spend all of the Grant.

Paragraph 51 is amended as follows:

The Authority’s day to day contacts with the Department on any working day by telephone or email between 9am and 5pm are:

NAME	EMAIL	TELEPHONE
Sviatlana Istamianok	Sviatlana.istamianok@beis.gov.uk	020 7215 5401

Paragraph 52 is amended as follows:

The Departments day to day contact for the Authority are:

	NAME	EMAIL	TELEPHONE
Primary contact	Robert Emery	Robert.emery@cambridgeshirepeterborough-ca.gov.uk	01480 277180
Secondary contact	Maxine Narburgh	maxine.narburgh@energyhub.org.uk	07395799475

A new Paragraph part c. to Annex 3 BEIS Objectives and Expected Outputs is inserted as set out in Annex A to this Variation.

2. Words and expressions in this variation shall have the meanings given to them in the MoU.
3. The MoU, including any previous variations, shall remain effective and unaltered except as amended by this variation.
4. The Authority will as soon as possible and by 26th of March 2019 at the latest provide the Secretary of State with two signed copies of this Variation to the MoU.
5. In addition, the Authority will as soon as possible and by 26th of March 2019 at the latest provide the Secretary of State with a signed copy of the section 73 officer declaration in the form set out in Annex 2 of the MoU and the completed grant claim form in the form set out in Annex 6 of the MoU.

SIGNED:

For: the Secretary of State

For: the Authority

By:
Ben Golding
Director, Energy Efficiency and
Local
22/03/2019

By:
Noel O'Neill
Interim S73 Officer
26/03/2019

RURAL COMMUNITY ENERGY FUND SECTION 31 GRANT DETERMINATION (2018/2019): No. 31/3660

The Secretary of State for Business, Energy and Industrial Strategy (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003. Makes the following determination:

Citation

- 1) This determination may be cited as the Rural Community Energy Fund Determination (2018/2019) No. 31/3660.

Purpose of the grant

- 2) The purpose of the grant is to provide support to Cambridgeshire and Peterborough Combined Authority towards expenditure lawfully incurred or to be incurred by them, as outlined in the attached Memorandum of Understanding, attached in Annex B.

Determination

- 3) The Secretary of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Treasury consent

- 4) Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

Acceptance

- 5) To accept this grant the receiving Combined Authority should send a letter to Ben Golding, Director, Energy Efficiency and Local, BEIS, 1 Victoria Street, London SW1H 0ET with wording included in Annex C.

Signed by authority of the Secretary of State for Business, Energy and Industrial Strategy
Ben Golding, Director, Energy Efficiency and Local (Department of Business, Energy and Industrial Strategy)

22nd March 2019

ANNEX A

Authorities to which grant is to be paid	Amount of grant to be paid
Cambridgeshire and Peterborough Combined Authority	£2,900,000

ANNEX B

This Memorandum of Understanding- Rural Community Energy Fund (“RCEF”) dated 26/03/2019 (this “MoU”)

is by and between:

**The Secretary of State for Business, Energy and Industrial Strategy (“BEIS”) and
The Cambridgeshire and Peterborough Combined Authority (the “Combined Authority”)**

each individually a **“Party”** and collectively the **“Parties”**

Background

1. The Department for Food, Agriculture and Rural Affairs (**“Defra”**) and BEIS (formerly the Department of Energy and Climate Change (**DECC**)) jointly established the RCEF on 28 June 2013. This was a £15m fund which aimed to support community energy projects in rural England.
2. Defra previously managed RCEF through its delivery partner, the Waste and Resources Action Programme (**“WRAP”**). However, it was agreed by the BEIS Minister Claire Perry and the BEIS Permanent Secretary in August 2018 that BEIS should take over the delivery of RCEF from Defra.
3. It was further agreed by the BEIS Permanent Secretary in February 2019 that the five (5) Local Energy Hubs, set up as part of the BEIS Local Energy Programme, would use the remainder of RCEF funding to further RCEF objectives.
4. Each Local Energy Hub will receive a proportion of the remaining RCEF funds (total remaining £9m), which will continue to be used to support rural community energy projects in England. Each Local Energy Hub has nominated a local authority to receive the funds on their behalf, this is because they are unable to receive funds under a section 31 agreement in their own right.

Definitions

“Greater South East Energy Hub” (also **“Local Energy Hub”** or **“the Hub”**) is a team who were established by the Combined Authority in 2018 to provide local energy capacity support across the South East region comprised of multiple LEP areas.

“Combined Authority” refers to the Cambridge and Peterborough Combined Authority.

“Hub Board” is the board which governs the work of the Local Energy Hub. The Hub Board comprises of representatives from Local Enterprise Partnerships and lead local authorities from the region, a BEIS official from the Local Energy team also attends.

Objective and Scope

5. The objectives of this MoU are to confirm the following with the Combined Authority:
 - a) How much of the remaining RCEF funds the Combined Authority will receive, via a section 31 agreement;
 - b) How the RCEF funds should be spent;
 - c) The governance process in which the Local Energy Hub will administer RCEF funds, including how applications will be reviewed and approved, and how the Hub will report to BEIS and Defra officials;
 - d) Key performance indicators (KPIs) which BEIS will use to measure the progress and impact of the RCEF funds on rural communities in the Local Energy Hub region; and

- e) Timelines and milestones for the delivery of the remaining RCEF funds.

The Grant

6. The Secretary of State for BEIS will grant the following funds to the Combined Authority in the financial year 2018/2019:

Nominated local authority	Amount of funding
Cambridgeshire and Peterborough Combined Authority	£2.9m

7. These funds have been apportioned based on the Defra Rural Population formula. The purpose of this formula is to provide a higher proportion of funds to Local Energy Hub regions with higher numbers of rural communities.¹

Use of the Grant

8. The Combined Authority are to use the Grant for the purpose of RCEF only. The RCEF scheme will be delivered by the Greater South East Energy Hub.
9. Without prejudice to any other provisions of this MoU, the Grant will not be used by the Combined Authority for the following purposes:
- a) To replace funding for an existing project, including staff costs for an existing project;
 - b) for activities of a political or exclusively religious nature;
 - c) in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector’;
 - d) in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money);
 - e) to cover interest payments (including service charge payments for finance leases);
 - f) for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
 - g) to pay statutory fines, criminal fines or penalties;
 - h) to pay for eligible costs incurred before this MoU has been signed by all Parties; or
 - i) in respect of Value Added Tax that the Combined Authority is able to reclaim from HM Revenue and Customs.

Underspend

10. If the Combined Authority does not use all of the Grant within the stipulated timescales:

¹ DEFRA's Rural Urban Classification defines areas as rural if they fall outside of settlements with more than 10,000 residents- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/389779/RUCLAD2011_Methodology.pdf

- a) Both the Combined Authority and the Local Energy Hub will work with BEIS to agree how to spend any unspent Grant funding in line with the objectives of the Grant; and
- b) If there is no agreement on how to spend unspent Grant money, the funds will be returned to BEIS.

State Aid

- 11. The Combined Authority is to manage the distribution of the Grant to ensure compliance with the state aid rules.

Grant principles

- 12. RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community.
- 13. The Combined Authority confirms that the Local Energy Hub will follow the principles below to deliver the RCEF programme:
 - a) Up to £150,000 of the funds have been allocated on the principle of hiring one member of staff to the Local Energy Hub for a minimum of two (2) years (travel and subsistence, learning and development and management costs are included within);
 - b) The Local Energy Hub will offer funding support to successful applicants to the RCEF fund in either of the following ways:
 - I. Stage 1 feasibility grants- of up to £40,000, allowing for inclusion of multi-technology projects; and
 - II. Stage 2 grants- of up to £100,000 for business development and planning of feasible schemes. Each community receiving funds would need to agree to provide (a) resources to Community Energy England for sharing across all new schemes; and (b) support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

Timelines

- 14. The Combined Authority acknowledges the below milestones for when the Local Energy Hub is expected to deliver key activities for RCEF:
 - a) by June 2019- The Local Energy Hub is to open and publicise the scheme, including a timetable for grant application deadlines, and is to start raising awareness amongst local community networks.
 - b) by July 2019- the Local Energy Hub is to recruit staff to support the delivery and administration of RCEF or demonstrate that this is close to completion.
 - c) by September 2019- The Local Energy Hub is to have had at least one call for applications and made funding awards in line with local criteria.
 - d) March 2021- remaining RCEF funds are to be committed.
- 15. If there is a risk that the Local Energy Hub will not meet the milestones outlined above, the Combined Authority should highlight this risk to BEIS officials in the Local Energy Team, who will discuss with the Local Energy Hub and the Combined Authority the best way forward.

Governance

16. The Combined Authority confirms that the Local Energy Hub will use the Combined Authority's existing governance structures to deliver the RCEF scheme.
17. The existing Hub Board (or a subgroup thereof) will assess applications to the RCEF fund moving forward and will make final decisions for allocations. Membership of the Hub Board includes Local Enterprise Partnerships and lead local authorities from the region, a a BEIS official from the Local Energy team also attends.
18. When RCEF matters or applications are brought to the Hub Board the following stipulations are made:
 - a) A BEIS official should be present on the Hub Board to be able to represent the views of BEIS and ensure the criteria for the fund are being met; however, it is noted that they will not be able to vote, the reason being that this is local funding determined by local governance structures. The Hub Board should provide papers to BEIS officials for scrutiny before meetings;
 - b) Defra, as part financial contributors to the RCEF fund, may maintain oversight over the RCEF process and decisions of the Hub Board. If requested Hub Board papers should be provided to Defra; and
 - c) To guard against any conflicts of interest that could potentially arise through Combined Authority involvement with any application or project, the Hub Board must ensure that there are several local authorities represented on the application assessment panel.
19. The Local Energy Hub currently provides quarterly reports to BEIS on its activities and progress. Moving forward, the Local Energy Hub is to report on RCEF delivery through this process and show its performance against stipulated KPIs. This element of the reports will be made available to Defra for comment if they so wish.
20. BEIS will undertake an annual review of the scheme across the five (5) Local Energy Hubs. BEIS will provide Defra with the opportunity to respond to this review.

Key Performance Indicators (KPIs)

21. The Combined Authority acknowledges the KPIs included in Annex A for the RCEF programme moving forward; the delivery of the scheme by the Local Energy Hub will be reviewed against these. The KPIs aim to increase the outcomes of RCEF as delivered under WRAP. Only the KPIs for the number of Stage 1 and 2 grants awarded have been quantified. However, BEIS will monitor progress against all of the KPIs, to ensure there is sufficient delivery.
22. The KPIs for Stage 1 and Stage 2 grants were formulated by looking at national figures under WRAP delivery. These were then built upon, to ensure that RCEF moving forward is delivering increased outcomes, and apportioned to each Local Energy Hub based on the Defra Rural population formula (in the same way that the RCEF funds were apportioned).
23. The main priorities of the KPIs are to
 - a) increase the up-take of the RCEF scheme as previously delivered by WRAP;
 - b) increase the number of rural communities engaged as a result of funding;
 - c) monitor the impact on communities of projects funded, including but not limited to:
 - i. Jobs created;
 - ii. Volunteers engaged; and
 - iii. Megawatts produced.
24. The Local Energy Hub will report its progress on these KPIs in quarterly reports provided to BEIS. If the Combined Authority believes the Local Energy Hub will not meet the quantified KPIs, this will need to be raised with BEIS officials, who will discuss with the Combined Authority and the Local Energy Hub the best way forward.

Memorandum of Understanding Principles

Variation

25. This MoU may be varied solely by the written agreement of the Parties.

Confidentiality

26. Each Party will at all times respect the need to keep the other Party's confidential information confidential and not disclose it without the other Party's prior written consent, except where necessary for putting this MoU into effect and/or under any arrangements which the Parties have mutually decided or by operation of the law.

27. The Parties will liaise to agree lines to take in the event of enquiries from the media in connection with any joint action taken by them in the context of this MoU.

Legal Status

28. This MoU is not legally binding and therefore does not confer any legal rights on either Party or affect either Party's normal operations in carrying out its statutory, regulatory or other duties.

29. Notwithstanding, the Parties enter into the MoU intending to honour all of their commitments and obligations under it.

Signatures

Signed for and on behalf of the Secretary of State or Business, Energy and Industrial Strategy	Signed for and on behalf of the Cambridgeshire and Peterborough Combined Authority
Name: Ben Golding	Name: Noel O'Neill
Position: Director, Energy Efficiency and Local	Position: Interim S73 Officer
Date: 22/03/2019	Date: 26/03/2019

Annex A: KPIs for new delivery model

Stage 1 grants

- Number of projects funded at Stage 1
 - *The Greater South East Energy Hub is expected to fund at least **49** Stage 1 projects with their proportion of the remaining RCEF funding.*
- List of all Stage 1 projects, including:
 - Project name
 - Organisation type
 - Amount granted
 - Technologies to be used on site
- Number of new rural communities engaged*
- Total amount granted for Stage 1 projects

Stage 2 grants

- Number of projects funded at Stage 2
 - *The Greater South East Energy Hub is expected to fund at least **3** Stage 2 projects with their proportion of the remaining RCEF funding.*
- List of all Stage 2 projects, including:
 - Project name
 - Organisation type
 - Amount granted
 - Technologies to be used on site
 - Megawatts (MW) planned
 - Further investment secured
 - Jobs created
 - Volunteers engaged
- Match funding secured
- Community support provided
- Number of completed case studies
- Total amount granted for Stage 2 projects

Other

- Total MW planned
- Total MW built out

*Rural communities are defined as:

a) settlements below 10,000 residents- as defined in the Defra Rural-Urban Classification for Output Areas in England.²

b) communities within local authority areas which are classified as 'predominantly rural' by the Office of National Statistics.³

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/427114/RUCOA_leaflet_May2015.pdf

³ <https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>

ANNEX C

Letter to Ben Golding on headed paper

Dear Ben

RURAL COMMUNITY ENERGY FUND GRANT

In my position as the Section [151/73- delete as appropriate] Officer for Cambridgeshire and Peterborough Combined Authority I confirm that:

1. Cambridgeshire and Peterborough Combined Authority will accept the grant funding that has been offered via Section 31 Grant Determination Letter No. 31/3660 and that the information and evidence pertaining to this grant claim is complete, true and accurate;
2. Cambridgeshire and Peterborough Combined Authority will ensure the RCEF scheme is delivered as set out in the Memorandum of Understanding in Annex B.

Please accept this letter as confirmation that Cambridgeshire and Peterborough Combined Authority would like to claim the full 2018/2019 grant amount of £2,900,000.

Yours sincerely

Name of Section 151/73 Officer

Cambridgeshire and Peterborough Combined Authority

ANNEX B

VARIATION TO MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding ("the MoU") Title: Rural Community Energy Fund

Date of the MoU: 26/03/2019

Between:

The Secretary of State for Business, Energy and Industrial Strategy ("BEIS") and

Cambridgeshire and Peterborough Combined Authority (the "Combined Authority")

Date of this Amendment: 14th September 2019

1. This MoU is varied as follows:

Paragraph 6 is amended as follows:

2. The Secretary of State for BEIS will grant the following funds to the Combined Authority:

Nominated Local Authority	Original funding (from MoU dated 26/03/2019) – financial year 2018/2019	Additional funding from variation to MoU - financial year 2019/2020	Total revenue funding
Cambridgeshire and Peterborough Combined Authority	£2,900,000.00	£182,938.40	£3,082,938.40

Paragraph 7 is amended as follows:

3. The funds from the original MoU dated 26/03/2019 were apportioned based on the Defra Rural Population formula. The purpose of this formula is to provide a higher proportion of funds to Local Energy Hub regions with higher numbers of rural communities.¹ The funds from the variation to this MoU have been split evenly between the Local Energy Hubs as agreed with them.

Paragraph 13 is amended as follows:

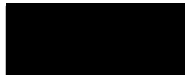
4. The Combined Authority confirms that the Local Energy Hub will follow the principles below to deliver the RCEF programme:
 - a) Up to £230,000 of the funds have been allocated on the principle of providing human resource to the Local Energy Hub for a minimum of two (2) years (learning and development and management costs are also included); travel and

¹ DEFRA's Rural Urban Classification defines areas as rural if they fall outside of settlements with more than 10,000 residents- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/389779/RUCLAD2011_Methodology.pdf

subsistence for RCEF related business; programme delivery and technical support/advice on complex applications.

- b) Spend on the above will be monitored by BEIS, any spend allocated for these purposes which isn't used must be put back into grant funding for that Local Energy Hub region.
- c) The Local Energy Hub will offer funding support to successful applicants to the RCEF fund in either of the following ways:
 - I. Stage 1 feasibility grants- of up to £40,000, allowing for inclusion of multi-technology projects; and
 - II. Stage 2 grants- of up to £100,000 for business development and planning of feasible schemes. Each community receiving funds would need to agree to provide (a) resources to Community Energy England for sharing across all new schemes; and (b) support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

Signatures:

Signed for and on behalf of the Secretary of State or Business, Energy and Industrial Strategy	Signed for and on behalf of the Cambridgeshire and Peterborough Combined Authority
Name:	Name: 
Position: Director, Energy Efficiency and Local	Position: Head of Finance (S73)
Date: 02 September 2019	Date: 17/09/2019

SCHEDULE 6

CPCA ASSURANCE FRAMEWORK



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY



THE BUSINESS BOARD

Cambridgeshire and Peterborough Combined Authority Assurance Framework

September 2019

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Document verification:

Created:	Reviewed by:	Approved by:
March 2019	Chief Executive, S73 Officer and Directors	Business Board Combined Authority Board Audit and Governance Committee
May 2019	Chief Executive, S73 Officer and Directors	Business Board Combined Authority Board

September 2019	Chief Executive, S73 Officer and Directors	Business Board Combined Authority Board
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Version number:	3
File location:	Internal folder

1. Purpose of the Assurance Framework

1.1 Purpose

1.1.1. The Assurance Framework sets out:

- (a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures.
- (b) The respective roles and responsibilities of the Combined Authority, the Local Enterprise Partnership and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and forms part of the Combined Authority and the Local Enterprise Partnership constitutions.
- (c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.1.2. The Assurance Framework sits alongside a number of other Cambridgeshire and Peterborough Combined Authority documents including:

- the Constitution of the Mayoral Combined Authority;
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Final-Constitution-Sept18.pdf>
- the Constitution of the Business Board (Local Enterprise Partnership);
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Business-Board-Constitution-24-09-18-final.pdf>
- Cambridgeshire and Peterborough Devolution Deal
<http://cambridgeshirepeterborough-ca.gov.uk/home/devolution/>
- the Cambridgeshire and Peterborough Independent Economic Review (CPIER); www.cpier.org.uk
- Local Industrial Strategy;
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>
- the Mayor's growth ambition statement;
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/GROWTH-AMBITION-STATEMENT-.pdf>
- the Cambridgeshire and Peterborough Business Plan 2019-2020;

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Business-Plan-2019-20-dps.pdf>

- the Monitoring and Evaluation Framework;
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/ME-Framework-Mar-2019.pdf>
- the Combined Authority Medium-Term Financial Plan 2019-2023.
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/2019-20-Budget-and-Medium-Term-Financial-Plan-2019-2023-FINAL.pdf>

1.1.3. All these documents can be found on the Combined Authority and Business Board websites under

<http://cambridgeshirepeterborough-ca.gov.uk/about-us>

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/governance/>

- 1.1.4. This Assurance Framework replaces the last published Assurance Framework and takes on board the national guidance published by the Ministry of Housing, Communities and Local Government for National Local Growth Assurance Framework (January 2019).
- 1.1.5. The Assurance Framework covers all funds within the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot under the Cambridgeshire and Peterborough Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.
- 1.1.6. The Assurance Framework will be reviewed on an annual basis with any revisions in place for April of the following year. Any agreed changes that require amendments to the Combined Authority Constitution will be agreed at the Combined Authority AGM in May each year. The next annual review of this document will take place in December 2019. **Where potential changes result in significant divergence from the approved local assurance frameworks, adjustments must be agreed by Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) as set out in the National Local Growth Assurance Framework guidance.**
- 1.1.7. The review will examine whether the assurance processes are operating effectively and identify any areas of improvement. Any changes to legal, funding, or other contextual changes that might require a change of assurance process will be taken into account, along with the impact on any other Combined Authority key strategies, policies or processes.
- 1.1.8. The remainder of this document is structured around the following sections:
- **Section 2** describes the Cambridgeshire and Peterborough CPIER and the Mayor's growth ambition statement, our One Year Business Plan 2019-2020 and clarifies the content of Cambridgeshire and Peterborough Medium Term Financial Plan and the role of the Assurance Framework.
 - **Section 3** describes the accountability and transparent decision-making processes and practices that we operate and the roles and responsibilities within it.
 - **Section 4** describes the supporting policies and procedures.

- **Section 5** describes how we make robust and evidenced decisions.
- **Section 6** explains the processes once programmes and projects are in the delivery phase.
- **Section 7** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the investment planning, and strategy and policy development processes.

2. Cambridgeshire and Peterborough Independent Economic Review, Mayor's Growth Ambition Statement and Business Plan 2019-2020

2.1 Cambridgeshire and Peterborough Growth Ambition Statement and Local Industrial Strategy

- 2.1.1. The Cambridgeshire and Peterborough Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. The Statement has been adopted by the Combined Authority Board (November 2018) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.1.2. The CPIER was commissioned by the Combined Authority and other local partners to provide a world-class evidence base, alongside independent and expert analysis, to inform future strategies and investment. It was also informed by two rounds of open public consultation. The CPIER is publicly available at www.cpier.org.uk.
- 2.1.3. The [Local Industrial Strategy](#) sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Growth Ambition Statement as set out below:



- 2.1.4. The Local Industrial Strategy is focussed around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:
- People
 - Ideas
 - Business Environment
 - Infrastructure
 - Place
- 2.1.5. It is a core principle of the Local Industrial Strategy that the fifth foundation of place reflects the findings of the CPIER. In this area there will be economic

strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

2.1.6. Investments will only be made if they can demonstrate that they will support the delivery of the Growth Ambition Statement and the Local Industrial Strategy, and the more detailed place and sector strategies (where they are in place).

2.2 Cambridgeshire and Peterborough Business Plan 2019-2020

2.2.1. With the creation of the Combined Authority in 2017 and the Mayoral election in May 2017, the Devolution Deal with Government provides for the transfer of significant powers for transport, housing, skills and investment. Through the deal, the Combined Authority has the power to create investment, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £20m a year funding allocation over 30 years. The initial Cambridgeshire and Peterborough Combined Authority Business Plan was agreed in March 2018 and set out the investment priorities for the period to 2020.

2.2.2. The Combined Authority has been developing its detailed strategies for key areas of activity including:

- Housing Strategy
- Local Industrial Strategy
- Local Transport Plan
- Non-statutory spatial plan

2.2.3. The Combined Authority has 12 priority programmes based upon the CPIER objectives and the strategies highlighted above. These 12 priority programmes are reflected in the Business Plan. On 30th January 2019 the Cambridgeshire and Peterborough Combined Authority Board approved a four-year Medium-Term Financial Plan that forms the investment plan for the Combined Authority. This allocates resources to deliver the next stages of these priority programmes.

2.2.4. This Business Plan and the Medium-Term Financial Plan sets out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are project ideas at an early stage and might not be feasible, others are further advanced. The Business Plan and the Medium-Term Financial Plan are not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that are transformational and will need investment during the plan period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on growing the whole Cambridgeshire and Peterborough economy.

- 2.2.5. The Combined Authority has a Programme Management regime that reviews the status and performance of projects within the Business Plan. This is reported to the Directors once a month, and to the Cambridgeshire and Peterborough Combined Authority Board quarterly.

2.3 Cambridgeshire and Peterborough Financial Strategy

- 2.3.1. As part of the devolution deal, the Combined Authority has responsibility for a 'Single Pot' of funding, including:
- Gainshare (the devolution deal £20m pa for 30 years).
 - Housing Capital Grant (£170m over five years).
 - Local Growth Fund (LGF).
 - Transforming Cities Fund (TCF) (£94.5m over six years).
 - Adult Education Budget (AEB).
- 2.3.2. However, the Combined Authority also has other sources of income, including Enterprise Zone business rates and investment income. The long-term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that it is able to borrow against future funds, to enable us to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation. This area of activity is incorporated into a Treasury Management Strategy that is overseen by Audit and Governance Committee. Borrowing is not factored into the current four-year plan, but this may change as the feasibility work identified firms up project delivery programmes.
- 2.3.3. The Combined Authority does not distinguish between the different sources of funding for the purpose of investment planning, other than recognising that some sources of funding are restricted in what they can be used for. All funds are within the Cambridgeshire and Peterborough Medium Term Financial Plan not just the funds provided through the devolution deal and are covered within this Assurance Framework.
- 2.3.4. The Combined Authority recognises that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. However, the Combined Authority applies the Assurance Framework consistently across all funds within the Plan. The Assurance Framework clearly identifies the processes for securing funds for investment in Cambridgeshire and Peterborough and the requirements placed on delivery partners once their projects have been approved.
- 2.3.5. This means that any organisation seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement/contract with the delivery partner.

3. Accountability and Transparent Decision Making

3.1 Roles and Responsibilities

- 3.1.1. Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area, as a whole, when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias or perception of bias. Further details are provided in the following sections.

3.2 Cambridgeshire and Peterborough Combined Authority

- 3.2.1. The Combined Authority was established to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. As a statutory local authority our governance, decision-making and financial arrangements are in line with local authority requirements and standard checks and balances. **The Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate.**
- 3.2.2. The Combined Authority was established in 2017 with the Mayoral election held in May 2017.
- 3.2.3. For the purposes of this document all references to the Combined Authority apply to the Cambridgeshire and Peterborough Local Enterprise Partnership (known as the Business Board) unless explicitly referred to separately.
- 3.2.4. The Combined Authority therefore incorporates the role and responsibilities of the Business Board and the roles defined in the devolution deal and the administration of the Adult Education Budget.
- 3.2.5. The Combined Authority is its own accountable body for funding received from Government through the devolution deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

Combined Authority Membership

- 3.2.6. The Combined Authority membership is as follows:

Mayor (Chair) - voting

Leaders of the seven constituent local authorities:

- Cambridge City Council - voting
- Cambridgeshire County Council - voting
- East Cambridgeshire District Council - voting
- Fenland District Council - voting
- Huntingdonshire District Council - voting
- Peterborough City Council - voting
- South Cambridgeshire District Council - voting
- Local Enterprise Partnership Chair - voting
- The Police and Crime Commissioner for Cambridgeshire - non-voting
- Cambridgeshire and Peterborough Fire Authority representative - non-voting

- Clinical Commissioning Group representative - non-voting

Role of the Mayor

- 3.2.7. The Constitution provides for a directly elected Mayor of Cambridgeshire and Peterborough, required by government as a precondition for meaningful devolution, and who is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances.
- 3.2.8. The Mayor chairs the Combined Authority Board which is made up of the leaders of the seven constituent authorities and the Chair of the Business Board, who together form the Combined Authority's decision-making body (voting members of Board), together with other non-voting partners set out above.
- 3.2.9. The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus, taking decisions through agreement.
- 3.2.10. The Mayor has a lead role in allocating gain share funding. Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. These priorities also form the basis of the Business Plan and the Medium Term Financial Plan. The Mayor also produces his own budget each year which ensures he has appropriate support and advice on delivering the Devolution Deal commitments.**
- 3.2.11. The Mayor has general powers as set out in Chapter 3 of the Constitution, including the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities**
- 3.2.12. The Mayor's term of office is for four years with the next election in May 2021.

Role of the Local Authority Leaders

- 3.2.13. Leadership of the Combined Authority is driven by the Mayor and the local authority leaders. The local authority leaders represent the views of their constituent authorities at the Combined Authority Board whilst putting the needs and opportunities of Cambridgeshire and Peterborough at the forefront of all decisions. In addition, they may take a portfolio lead covering the growth themes within the CPIER and the Mayor's growth ambition statement and the Cambridgeshire and Peterborough Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined Authority AGM.

3.3 Business Board (LEP)

- 3.3.1. Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

- 3.3.2. The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 3.3.3. The Business Board is committed to transparent and accountable decision-making processes. By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.
- 3.3.4. Cambridgeshire and Peterborough has three functioning economic areas. The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.
- 3.3.5. The Business Board currently covers 15 local authorities; however, the current geographical area is under review. The Department for Business Enterprise and Industry are considering proposals for a coterminous boundary with the Cambridgeshire and Peterborough Combined Authority. The authorities that are current members are as below:

District	Areas	Council
Cambridgeshire		Cambridgeshire County Council
Cambridge		Cambridge City Council
East Cambridgeshire	Ely, Littleport and Soham	East Cambs District Council
Fenland	Wisbech, March, Whittlesey & Chatteris	Fenland District Council
Huntingdonshire	Huntingdon, St Ives & St Neots	Huntingdonshire District Council
South Cambridgeshire	Cambourne	South Cambs District Council
Peterborough		Peterborough City Council
North Hertfordshire	Royston	North Hertfordshire District Council
South Kesteven (Lincs)	Grantham, Stamford, Bourne and Market Deeping	South Kesteven District Council
Rutland	Oakham	Rutland County Council
West Suffolk	Bury St Edmunds, Haverhill, Newmarket and Mildenhall	West Suffolk Council
Uttlesford (Essex)	Saffron Walden, Great Dunmow, Stansted, Mountfitchet and Thaxted	Uttlesford District Council
West Norfolk & King's	King's Lynn, Downham	BC of King's Lynn and West

Lynn	Market and Hunstanton	Norfolk
South Holland (Lincs)	Spalding, Crowland, Donington, Holbeach, Long Sutton and Sutton Bridge	South Holland District Council

- 3.3.6. The Business Board's current area is set out below. The red line denotes the area covered by the Cambridgeshire and Peterborough Combined Authority:



- 3.3.7. The Business Board is the principal forum for collaboration between the public and private sectors, for improving the economy of Cambridgeshire and Peterborough. In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund. To date, the Business Board (via the former Local Enterprise Partnership) has been awarded £146m via three rounds of Growth Deal funding allocations.
- 3.3.8. In April 2016, the Government reviewed Growth Deal Assurance Frameworks in the context of new Devolution Deals and issued Single Pot Assurance Framework Guidance for devolved areas. In July 2016, Cambridgeshire and Peterborough secured a Devolution Deal and began work to set up a new Combined Authority. Therefore, this new Guidance came into effect for the Business Board area from that date. In November 2016, the Government issued revised national guidance for Local Enterprise Partnership Assurance Frameworks. The Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017.
- 3.3.9. The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.
- 3.3.10. The Business Board provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and leads the development of the Industrial Strategy.

- 3.3.11. The Business Board is building on the strength of its existing partnership with neighbouring Local Enterprise Partners by collaborating on common issues and is currently leading on multi Local Enterprise Partnership programmes on Energy and Agri-Tech. It will continue to work collaboratively across the wider region and also envisages working more closely with other Local Enterprise Partners that are outside the current Local Enterprise Partnership area potentially through new collaborations and funding agreements.
- 3.3.12. The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.
- 3.3.13. The Chair and Vice Chair of the Business Board are private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and chairs Business Board meetings. The Chair is also a voting member of the Cambridgeshire and Peterborough Combined Authority Board. The Vice Chair will be available to deputise for the Chair as required.
- 3.3.14. The Business Board has a designated a small business (SME) representative, who will lead the engagement with small businesses across the area and represents their views at Board level. Given the makeup of the local business community, this is a vital role on the Board.
- 3.3.15. All of the Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life' otherwise known as the Nolan Principles, and the Business Board's Code of Conduct.
- 3.3.16. The Business Board is committed to diversity and has a Diversity Statement in place to help guide Board appointment decisions.
- 3.3.17. The Business Board's Executive Team is provided via the Cambridgeshire and Peterborough Combined Authority officer structure, who operate as a single team for the Combined Authority and the Business Board. This includes an experienced Chief Executive, S73 Officer, Monitoring Officer, Directors, Programmes Managers, Assurance Manager and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.
- 3.3.18. The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:
- Supporting and offering advice to the Combined Authority on their responsibilities.
 - Championing and promoting specific initiatives from the perspective of business.
 - Influencing the development of the Combined Authority's strategies and policies, including as lead organisation for the development of the Local Industrial Strategy at the invitation of the Combined Authority.

- Representing the Cambridgeshire and Peterborough nationally and internationally.
- Ensuring a strong business influence over decision-making.
- Supporting the development and delivery of the CPIER and the Mayor's growth ambition statement.

3.3.19. Cambridgeshire and Peterborough are an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in both Local Enterprise Partnership Chair and officer level meetings.

3.3.20. **Enterprise Zones:** The Business Board retains strategic oversight and governance of the Enterprise Zones, and delegates programme delivery to the Alconbury Weald Enterprise Zone Programme Board and Project Boards for Cambridge Compass Enterprise Zones. These Boards will drive forward the regeneration and economic growth opportunities of Enterprise Zone sites and will be responsible for reporting to both the Business Board and Combined Authority Board as the accountable body.

3.3.20 These Enterprise Zone Boards comprise of Combined Authority officers, Local Authority representatives and key stakeholders. Each is responsible for delivering the programmes and projects associated with the regeneration and development of the Enterprise Zone site.

3.3.21 **The Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board:** The Eastern Agri-Tech Growth Initiative is overseen by the Eastern Agri-Tech Programme Board. Membership of the Programme Board includes experts with experience and knowledge of agriculture and the food industry, including research, farming and food processing.

3.3.22 The Programme Board's main task is to consider and make decisions on applications for grant support. All applications are initially appraised by external independent assessors and follow the process that was previously agreed. Copies of the Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire (the simple eligibility form) can be found on the Combined Authority and Business Board website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>

The Eastern Agri-Tech Growth Initiative has its own monitoring and evaluation arrangements but these do link to the Combined Authority monitoring and evaluation framework.

3.3.23 Agri-Tech is one of our strategic growth sectors identified by the CPIER; our ambition is to use the Local Industrial Strategy to step up our programme to ensure we are the "go to" UK centre for Agri-Tech. Agri-Tech also features within our Skills Strategy.

3.3.24 It was recommended by the Business Board and agreed by the Combined Authority Board at their respective meetings in November 2018 that the Eastern Agri-Tech Programme Board should continue to take decisions about applications for grant funding on behalf of both the Combined Authority and NALEP (both

organisations are represented on the Programme Board); that the Programme Board became a sub-Board of the Business Board and that a member of the Business Board (nominated by the Business Board) became the Chair of the Programme Board. This would strengthen existing governance arrangements and provide continuity between the two Boards. The agenda and decisions of the Programme Board would be published on the Combined Authority/Business Board web site (with names of individuals redacted) in accordance with the transparency arrangements set out in the Business Board constitution. This will ensure that the operation of the Agri-Tech programme is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority is the Accountable Body for the Eastern Agri-Tech Growth Initiative.

The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Agri-Tech Project Officer, who is a very experienced programme manager and ensures that the Programme Board operates effectively, that its decisions are sound and that the Eastern Agri-Tech Growth Initiative is successful and delivers meaningful outcomes.

- 3.3.25 The Terms of Reference (TOR) for the Eastern Agri-Tech Programme Board have been agreed and appear on the Combined Authority/Business Board web site. The TOR can be seen CA/Business Board website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>

- 3.3.26 **The Greater South East Energy Hub & Energy Hub Board:** The Energy Hub is funded by the Department for Business, Energy & Industrial Strategy (BEIS) and overseen by the Hub Board. Membership of the Hub Board includes an officer representative from each of the eleven Local Enterprise Partnerships served by the Hub.

- 3.3.27 The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board's main task is to approve the allocation and leverage of funds for the Local Energy Capacity Support Programme. The Hub Board are responsible for oversight of the Rural Community Energy Fund (RCEF) Funding Panel, a Hub Board subordinate body that makes decisions on grant applications. All applications are initially appraised by external independent assessors and follow the process agreed with BEIS. Copies of the RCEF guidance notes and Expression of Interest form can be found on the RCEF website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/energy-hub/>

The Energy Hub has its own project assessment frameworks, monitoring and evaluation arrangements but these do link to the Combined Authority monitoring and evaluation framework.

- 3.3.28 Clean growth is one of the Grand Challenges in the Industrial Strategy. The transition to local low carbon energy is set out in the Local Energy East Strategy and the CPIER recognises the need for a roadmap to decentralised smart energy systems.

- 3.3.29 The Business Board and the Cambridgeshire and Peterborough Combined

Authority Board have agreed that the Combined Authority would be the Accountable Body for the Energy Hub and that the Energy Hub would assume the RCEF management role and administer the Fund. They also agreed the Hub Board terms of reference recognising it as a decision-making body for the Hub.

- 3.3.30 The agenda and decisions of the Hub Board will be published on the Combined Authority/Hub Board web site (with names of individuals redacted). This will ensure that the operation of the Energy Hub is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority Board is the Accountable Body for the Energy Hub Initiative.
- 3.3.31 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Regional Energy Hub Manager, who ensures that the Hub Board operates effectively, that its decisions are sound and that the Greater South East Energy Hub is successful and delivers meaningful outcomes.
- 3.3.32 The Terms of Reference (TOR) for the Hub Board have been agreed and appear on the Combined Authority/Energy Hub web site. The TOR can be seen Combined Authority/Energy Hub website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/energy-hub/>

Membership of the Business Board

- 3.3.33 The Business Board has been reviewing its membership in response to the national Local Enterprise Partnership review (Mary Nay, 2017) and government's response "Strengthened Local Enterprise Partnerships" (July 2018). The current membership (September 2018) comprises of nine members, which includes two public sector members and up to seven business representatives as follows:
- The Mayor and the Portfolio for Economic Growth of the Cambridgeshire and Peterborough Combined Authority shall be non-voting members of the Business Board by virtue of their office. Thus ensuring close working relationship between the Combined Authority and the Business Board.
 - Seven private sector members appointed from amongst the key sectors across the Cambridgeshire and Peterborough area.
 - One of the seven private sector members is appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member represents the education sector and one member is appointed as an international business representative.
- 3.3.34 The Business Board membership meets the requirements for two thirds of the members to be private sector representatives and does not exceed the maximum of 20 members.¹
- 3.3.35 Whilst all appointments to the Business Board have been made on merit, in accordance with Government requirements the Business Board will aim to improve the gender balance and representation of those with protected

¹ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

characteristics on its board with the following aims:

- That women make up at least one third of Business Board by 2020.
- With an expectation for equal representation by 2023.
- Ensure its Board is representative of the businesses and communities they serve.²

3.3.36 The Business Board will regularly review its agenda balance on the Business Board and any committees.

3.3.37 The Business Board Constitution sets out its role, the principles of membership and the terms of office.

- The term of office for **private sector representatives** will normally be a maximum of three years, and subject to a maximum of one consecutive term.
- The term of office of **public sector** members appointed by the Combined Authority is at their discretion; the Mayor is a member by virtue of his office.

3.3.38 The Business Board may appoint **up to five** co-opted members as necessary to complement the skills and expertise on the Board or to meet gender balance and protected characteristic requirements. Membership may not exceed 20 members and up to five co-opted members.

3.3.39 Private sector members all have expertise and knowledge of our key sectors. These details together with their biographies are published on the Business Board website. This will include a designated SME representative.

Chair and Vice-Chair of Business Board

3.3.40 The Constitution requires that the Chair and Vice-Chair must be the private sector representatives of the Board.

3.3.41 The terms of office of the Chair will be for two (2) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.

3.3.42 The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board.

3.3.43 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3rds from the private sector and to aim to have a 50/50 gender balance by 2023. The Business Board aims to have a 50/50 gender balance by 2020 through the advertisement and appointment of new private sector members to sit on the Board and the appointment of co-opted membership. A recruitment campaign will be undertaken in 2019 for three new members to ensure gender balance and to ensure all members’ term of office does not end at the same time thus ensuring succession planning.

3.3.44 Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Local

² Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

Enterprise Partnership.

- 3.3.45 The Business Board Constitution states that private sector members including the Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with its diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by the Business Board's appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair. When vacancies become available for private sector Local Enterprise Partnership members, they will be advertised on the Combined Authority website. In addition, social media will be used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Cambridgeshire and Peterborough Mayor and Local Enterprise Partnership Chair) assesses applications received and makes a recommendation to the Combined Authority Board for approval of appointments.
- 3.3.46 All Local Enterprise Partnership members (public and private) are expected to conduct themselves in accordance with the seven principles of public life. This is set out under the Code of Conduct detailed in the Combined Authority Constitution and provided to all new Local Enterprise Partnership members in their induction information. All members sign up to the code of conduct and the Nolan principles. As stated in its constitution, all Business Board and sub-committee and sub-group members will make decisions on merit having taken into account all the relevant information available at the time.
- 3.3.47 New members receive an initial induction, and this is being enhanced during 2019.

Wider Business and Public Engagement

- 3.3.48 The Combined Authority and Business Board recognise that the private sector members cannot represent the views of all business in the Cambridgeshire and Peterborough area. Therefore, a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes, through the business networks and groupings that officers of the executive engage with, as a part of their activity, as well as specific engagement sessions – such as business roundtables to inform strategy and policy development.
- 3.3.49 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet any statutory requirements. However, drafts are formally considered in public at the Combined Authority Board with papers published in advance of the meeting.
- 3.3.50 Evidence of effective public engagement includes the work on the CPIER and Local Industrial Strategy referred to in section 2. A review of engagement activity and impact will be undertaken annually as part of the annual delivery plan from 2020. The annual delivery plan will be published on the website

Secretariat Arrangements

- 3.3.51 In accordance with Government requirement to have an independent secretariat to support the Chair and Board, the Director of Business and Skills is the chief officer appointed to support the Business Board. The Director is supported by a S73 Chief Finance Officer and Monitoring Officer appointed separately to those officers who support the Combined Authority Board.

Local Area Agreement

- 3.3.52 In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Cambridgeshire and Peterborough Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. The Accountable Body agreement is embedded in the Business Board's terms of reference and constitution.

3.4 Decision Making for the Cambridgeshire and Peterborough Investment

- 3.4.1. Cambridgeshire and Peterborough Combined Authority is its own Accountable Body for all funds received by Government and is the Accountable Body for the Business Board.
- 3.4.2. The Cambridgeshire and Peterborough Combined Authority and the Business Board Constitution sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution takes on board the changes relating to the Business Board, as a result of the national Local Enterprise Partnership review.
- 3.4.3. In summary, the decision-making process and governance for Cambridgeshire and Peterborough as set out in the Cambridgeshire and Peterborough Business Plan is as follows:
- 3.4.4. Investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement. The Monitoring Officer and S73 review all proposed funding decision and their comments are included in all public or delegated power reports.

CPIER and the Mayor's growth ambition statementing and Investment Planning

- 3.4.5. The Combined Authority Board provides the overall strategic direction for economic growth in Cambridgeshire and Peterborough, approving the CPIER and the Mayor's growth ambition statement and associated thematic strategies and plans.
- 3.4.6. The Combined Authority Board sets out the investment priorities for Cambridgeshire and Peterborough through the Medium-Term Financial Plan and the Business Plan. This includes named prioritised projects which are allocated against either revenue or capital funds. All projects, revenue or capital, are identified in the current year of the Business Plan and the Medium-Term Financial Plan.

Decision process for Business Board and Combined Authority Board projects

- 3.4.7. For new programmes/projects, the detailed consideration of whether the programme/project represents value for money, has realistic delivery timescales and processes, will deliver the outputs and outcomes that we require etc is undertaken through the development of a Project Initiation Document and Business Case.
- 3.4.8. Work from the Department for Transport Early Assessment and Sifting Tool ('EAST') has created a benchmark and guidance that has been built into the Project initiation Document and Business Case templates, to which all projects must adhere to. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.
- 3.4.9. A Project Initiation Document is used to identify the expected expenditure, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager
- 3.4.10. This document provides a first view of how, what and when the project will deliver against the Mayor's Growth Ambition Statement, the Local Industrial Strategy and the 2019/20 Business Plan. This Project Initiation Document will include detail such as:
- The identified Project Manager.
 - Project description including objectives and overview.
 - Timescales (high level).
 - Project outputs and outcomes against the CPIER and the Mayor's growth ambition statement.
 - Cost of project (high level), and initial funding required.
- 3.4.11. Project Initiation Documents are appraised and approved during the Combined Authority weekly Director meetings. Following approval, the Project Manager can then arrange for the Business Case to be developed, adapting HM Treasury's Five Case Model.
- 3.4.12. Business cases should be initially appraised and approved at the weekly Combined Authority Director Meetings. In considering the appraisal recommendations (including any conditions) on business cases the following supporting information will be provided to the Directors meeting:
- The business case.
 - The completed appraisal documents.
- 3.4.13. Once approved at the Director meetings, the Business Case will then require final approval to commence to project delivery. This may be via the monthly Combined Authority Board cycle or by Combined Authority Officers. Approval requirements are set out in the Scheme of Delegations.
- 3.4.14. In addition, projects with political sensitivities or a variation to an original Board approval are required to go to Combined Authority Board for approval, even

when the Chief Executive has delegated authority to sign off.

Decision process for Business Board

- 3.4.15. The Business Board will review the Business Case for Business Board funded projects and make recommendations to the Combined Authority Board, as Accountable Body, to approve the funding.
- 3.4.16. In order to ensure that the Business Board is able to progress its business in an efficient manner, the Business Board has an urgency decision making procedure which is set out in its constitution. Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board
- 3.4.17. In addition to the delegations in the Combined Authority Constitution, the Business Board and Combined Authority Board has delegated limited authority to the Director of Business and Skills to approve small grants to SMEs between £2,000 and £20,000 subject to Section 73 Officer approval, and regular reporting to the Business Board;
- 3.4.18. Business cases approved at the Business Board and Combined Authority Board are published on the Combined Authority website, as part of the monthly Board papers.
- 3.4.19. Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.
- 3.4.20. All reports to the Business Board and any committees, include the application for funding, appraisal of application, legal and finance expert' view and recommendations. The S73 Officer signs off all Business Board expenditure

Summary of Scheme of Delegations for Business Board

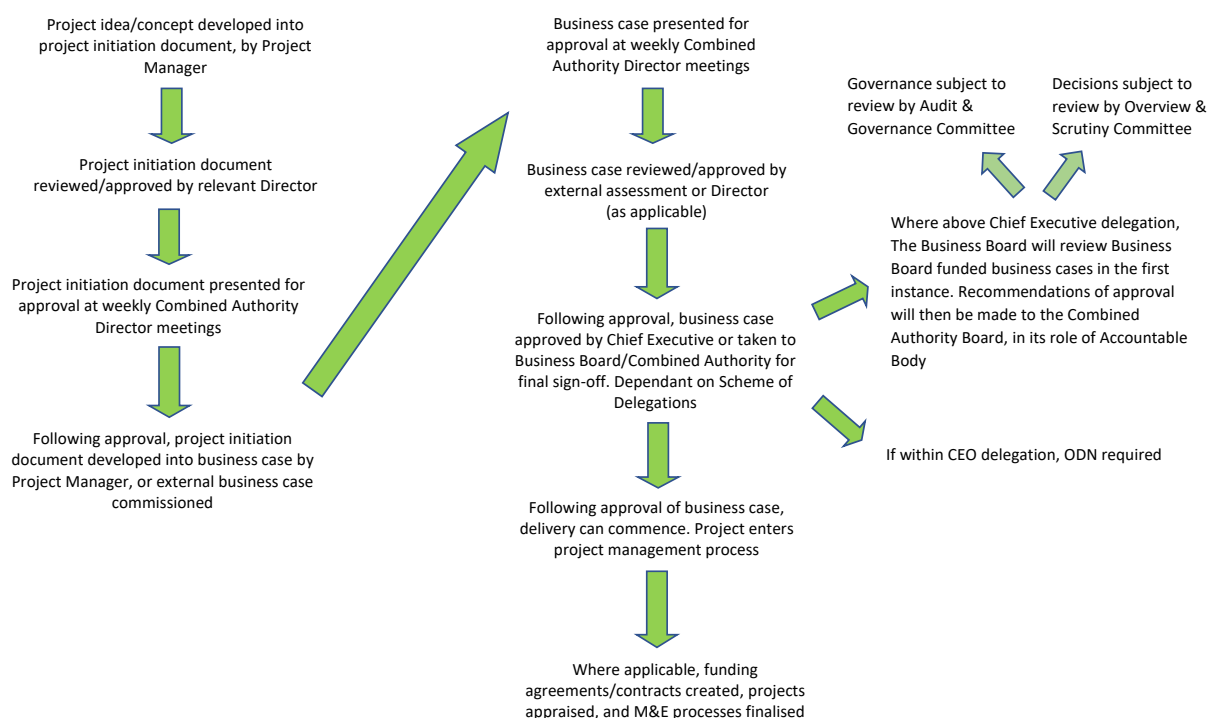
The scheme of delegation specific to local enterprise funding is set out in Part 3 and 4 of the Business Board's constitution and is summarised in Appendix 2. The Combined Authority Constitution also applies to all Business Board and officer decisions.

Decision process for Combined Authority Board

- 3.4.21. The Combined Authority Board will approve the Business Cases for Combined Authority funded projects and will approve the Business Case recommended by the Business Board.
- 3.4.22. Business cases and appraisal documentation submitted to the Combined Authority Board will be published on the Combined Authority website with Board papers, subject to any exemptions applied as set out in the transparency rules within the Constitution.
- 3.4.23. Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.

3.4.24. The decision-making process and governance arrangements are illustrated in the diagram below:

Decision Making Process



Decision process for new programmes/projects not in the Business Plan and not within a named budget allocation

3.4.25. New opportunities or challenges will arise and programmes/projects that are not currently in the business plan will need to be considered to address them. If these new programmes/projects cannot be accommodated within the current Medium-Term Financial Plan, they will need to be considered by the Combined Authority Board for entry to the Budget and Business Plan and reflected in the six-monthly refreshment cycle for those documents.

3.4.26. The Business Plan and Medium-Term Financial Plan will be reviewed every six months, together with any prioritisation of new projects.

3.4.27. Those that are accepted into the Business Plan would then proceed to follow the Project Initiation Document through to Business Case development and be taken to the Combined Authority Board for decision.

Role of the Cambridgeshire and Peterborough Management Team

3.4.28. The Cambridgeshire and Peterborough Directors Team is made up of members of the Combined Authority's senior officers: Chief Executive and Directors. The Management Team meets weekly and has an oversight role of the work of the Combined Authority.

3.5 Decision Making for the Adult Education Budget

3.5.1. Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:

- English and Maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or.
- First full qualification at Level 2 for individuals aged 19 to 23, and/or.
- First full qualification at level 3 for individuals aged 19 to 23.

3.5.2. The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education. Further iterations have been shared with the Department for Education and form a chapter in the new Skills Strategy 2019.

3.5.3. Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular communications via our website, hosting three strategic events for all local and national providers, and participating in provider network meetings that met regularly during 2018. The Provider Networks comprised local Further Education and local authority providers, the Education and Skills Funding Agency, the Association of Colleges and Independent Training Providers.

3.5.4. The Combined Authority Board is the final decision-making body for funding awards. A grant commissioning process was launched on 1st December 2018 and closed in March 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority officers. A moderation panel of internal senior managers consider recommendations and make final recommendations for approval. The Director of Business & Skills in consultation with the Portfolio Holder for Skills to approve funding awards.

3.5.5. During the funding award process a web enabled portal has included the ability for all potential providers to submit questions. These have been developed into a Q+A section on the portal so that the same information is available to all potential providers.

3.6 Statutory Committees

3.6.1. As a Mayoral Combined Authority, we are constitutionally required to have the following Committees within our Governance structures:

- **Overview & Scrutiny Committee:** Reviews decisions made, to ensure they meet the needs of the people of the Cambridgeshire and Peterborough and

are made in line with our agreed policies, making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by Board. The membership of the Committee comprises 14 members, two nominated from each of the Constituent Authorities. Members of the Committee appointed reflect the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively. It also has the power to scrutinise the Business Board.

- **Audit & Governance Committee:** Ensures we are spending public money properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively. The Committee will also oversee the audit and governance arrangements of the Business Board.

3.6.2. The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.

3.7 Role of the Statutory Officers

3.7.1. The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise:

- **Head of Paid Service:** The Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the Business Board.
- **Section 73 Officer:** The Chief Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds under the Cambridgeshire and Peterborough Investment.
- **Monitoring Officer:** The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- **Scrutiny Officer:** To promote the role of and provide support to the Overview and Scrutiny Committee.

3.7.2. In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are:

- **Senior Information Risk Officer (SIRO)** - The Monitoring Officer is the SIRO for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority's Annual Governance Statement.
- **Data Protection Officer** – Deputy Monitoring Officer is the Data Protection Officer responsible for providing advice and guidance on the Data Protection Act 2018.

4. Accountability and Transparent - Supporting Policies and Procedures

4.1 Working Arrangements, Meeting Frequency and Transparency

- 4.1.1. The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.
- 4.1.2. The Combined Authority Board:
- Is subject to the Transparency Code applied to local authorities.
 - Will ensure all meetings of the Combined Authority Board and other statutory committees are open to the public and appropriately accessible.
 - Will make sure all meeting agendas, papers (when not exempt or confidential as set out in the transparency rules within the Constitution), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. A decision notice will be published no later than the third clear working day following the day of the decision was made and any key decisions are subject to call in. Draft minutes will be published within **12** clear working days of the meeting taking place and final minutes within two clear days of approval where changes are made.
 - Will make clear the approach to making investment decisions in the Combined Authority Constitution.
 - Will publish (online) all funding decisions, including funding levels through Business Board and Combined Authority agendas and minutes and through the mayoral and officer decision notice register where decisions are taken under delegated powers.
 - Growth fund updates are submitted to the Business Board at each meeting. The Combined Authority has a performance management system which includes quarterly reports to the Combined Authority Board on delivery of key priority projects in the Business Plan by exception and monthly budget monitoring updates.
 - As the accountable body for the Business Board funding the Combined Authority Board will ratify funding decisions made by the Business Board and will hold a record of all relevant documentation relating to government funding allocated to the area.
- 4.1.3. For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Board Forward Plan.
- 4.1.4. The Combined Authority Board meets every month. The Combined Authority publishes a Forward Plan on the Combined Authority website, which is legally-required with a statement of all key decisions together with all non-key decisions we plan to take over the next four months. Confirmed items are published 28

days in advance of a decision being made.

- 4.1.5. In addition to the Combined Authority Board, the Business Board meets bi-monthly. The Business Board shall have at least one meeting a year that will be open to the public to ensure the communities that they represent can understand and influence the economic plans for the area.
- 4.1.6. No business may be transacted at a meeting of the Business Board unless there is a quorum. The quorum requires a majority of the total number of Members of the Board to be present which should include the majority of private sector members and at least one public sector member.
- 4.1.7. All other meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements.
- 4.1.8. Agendas and reports will be published five clear days prior to the meeting and minutes of these meetings will be published on the its website within **10** clear working days of the meeting and the agreed minutes will be published within two clear working days after approval at the subsequent meeting.
- 4.1.9. Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the CPIER and the Mayor's growth ambition statement, the Cambridgeshire and Peterborough Business Plan 2019-2020, and the Combined Authority Local Assurance Framework, as well as details of a regular programme of events to provide ongoing engagement with public and private partners across the Cambridgeshire and Peterborough area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including LinkedIn, Twitter and Facebook. Additionally, when investment decisions are taken they are published through the use of press releases and social media.

4.2 Publication of Financial Information

- 4.2.1. The Combined Authority is subject to the same financial arrangements as a Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The draft statement of accounts is signed by the S73 Officer and published (on the Cambridgeshire and Peterborough Combined Authority website) by 31st May. The final set of financial statements are signed by the S73 Officer and the Chair of the Audit and Governance Committee and published by the 31st July.
- 4.2.2. The Annual Governance Statement will be published in draft by 31st May, and the final version to be signed by the Mayor, the Business Board Chair and the Chief Executive and published by 31st July. The Audit and Governance Committee approves the statement of accounts and reviews the Annual Governance Statement prior to approval, in accordance with their terms of reference.
- 4.2.3. It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.
- 4.2.4. All payments made on behalf of the Business Board are published in the monthly

transparency report by Cambridgeshire and Peterborough Combined Authority.

- 4.2.5. All approvals for new funding are now published and monitored. The quarterly return to BEIS on Growth Fund projects, spend and performance is reported to Business Board and published in the reports, as part of the Business Board agenda. These have now also been uploaded on the Business Board section of the website and will continue to be published going forward to increase transparency.

4.3 Remuneration and Expenses

- 4.3.1. Allowances or expenses may be payable to the Mayor and any of the Business Board members, in accordance with a scheme approved from time to time by the Cambridgeshire and Peterborough Combined Authority Board upon the recommendations of an Independent Remuneration Panel.
- 4.3.2. The Combined Authority publishes the following information on its website: [Transparency](#)
- Confirmation of the allowance payable to the Mayor and Business Board members.
 - Confirmation of any allowances and expenses paid to the Mayor, Business Board Members and independent Chairs of Committees or Panels (published annually).
 - Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands.
- 4.3.3. Any scheme of allowances approved for Business Board members and payments made will also be published.

4.4 Freedom of Information

- 4.4.1. The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Impact Regulations 2004. As Accountable Body for the Local Enterprise Partnership the Combined Authority will also fulfil these functions on behalf of the Business Board. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are published on the website. [CPCA Freedom of Information Policy](#)

4.5 Conflicts of Interest

- 4.5.1. The Combined Authority has a Code of Conduct which applies to all members of the Combined Authority, the Business Board, all committee members and the officers who form part of any decision-making body eg the Chief Executive. The Code of Conduct requires all those identified to avoid any conflicts of interest.
- 4.5.2. Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual

declarations of interest forms are completed annually following members' appointment at the Combined Authority annual meeting. Declarations of interest are requested at the start of each meeting and declared and recorded within the minutes. The registers of interests are updated, as appropriate, following each Combined Authority meeting.

[Combined Authority Board Membership](#)

[Business Board Membership](#)

4.6 Gifts and Hospitality

- 4.6.1. Any gifts and hospitality received by members and officers will be declared under the relevant members name and any declarations declared by members will be published on the website, For example [Mayor Palmer: Declared Gifts and Hospitality](#). The [register of gifts and hospitality](#) declared by Business Board members is published under the governance page of the Business Board section of the website. All offers of gifts and hospitality of £50.00 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority. A six monthly reminder will be send to all members and officers.

4.7 Complaints and Whistleblowing

- 4.7.1. If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) are to be directed to the Combined Authority's Chief Executive or Internal Auditor.
- 4.7.2. The Business Board and the Combined Authority have adopted a confidential complaints procedure and whistleblowing procedure, which are both published on its website Any complaints will be dealt with in accordance with its approved complaints process.
- 4.7.3. Where the Combined Authority cannot resolve the issue locally to the complainant's satisfaction, and the matter relates to the Cambridgeshire and Peterborough's Single Pot funding, the issue may be passed to the Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response, they can raise it with the Local Government Ombudsman.

The above complaints and whistleblowing procedures are set out in detail at:

[CPCA Complaints Policy](#)

[CPCA Whistleblowing Policy](#)

[CPCA Business Board Complaints Procedure](#)

[CPCA Business Board Whistleblowing Procedure](#)

4.8 Diversity Statement

- 4.8.1. As detailed previously the Combined Authority is fully committed to diversity and equality. The Business Board has a published Diversity Statement which explains how it looks to ensure diverse representation at Board.

[CPCA Business Board Diversity Statement](#)

4.9. Government Branding

- 4.9.1. The Combined Authority is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The correct branding and wording is used on the Business Board and subsidiary websites. Guidance will be produced for signage, social media, press notices and other marketing materials for every Government funded project.
- 4.9.2. **A summary of the Governance framework and checklist is set out in Appendix 3.**

5. Robust Decision Making

5.1 Principles

This section details the processes and procedures that are in place to ensure we make robust investment decisions. These are in addition to those identified within the Accountability, Openness and Transparency sections above. **The processes and procedures will:**

- **Achieve best value in spending public money through the following -**
 - **proposed investments will offer as a minimum ‘high’ value for money;**
 - **a Benefit Cost Ratio (BCR) is at least 2.0 for transport schemes (accounting for significant non-monetised impacts and key uncertainties;**
 - **for non-transport schemes, the appropriate public sector cost per job / Gross Value Added will be reviewed, and in all schemes the benefits will exceed the cost of intervention over the projected timeframe;**
 - **in exceptional circumstances, where the strategic value directly contributes to the ambition of the Devolution Deal ambition as set out in para 6.2.5 of this document; and**
 - **whereby sensitivity testing is undertaken in addition to Transport Analysis Guidance (TAG) standard procedures, schemes do not need to offer ‘high’ value for money as a minimum.**
- **Ensure an appropriate separation between project development and project appraisal, with Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m by our contracted business case assurance contractor.**
- Appraise projects in a way which is consistent with the Green Book ‘five cases’ model and proportionate to the funding ask in terms of processes required.
- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the investment to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc).
- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the decision-making process.
- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit accounting and scrutiny requirements.

5.2 Separation of Development and Appraisal Functions

- 5.2.1. The Combined Authority ensure all funding decisions are based on impartial advice. Project Initiation Documents and Business Cases created by project managers require approval from Combined Authority Board and Directors before commencing to project delivery.

5.3 Expressions of Interest/Open Calls

- 5.3.1. In relation to the Local Growth Fund, expressions of interest are received for potential funding under the Growth Prospectus, which is published on the Combined Authority website. The first call has now closed and the potential projects are going through the Business Board and Combined Authority Board cycle. A new call for funding will be issued in 2019/20, following the publication of the Local Industrial Strategy. The **initial** appraisals **from** these funding calls will be appraised by an internal panel, that evaluates expressions of interest, with inputs from the appropriate policy lead, legal, procurement and financial officers. When **full** applications are received, external appraisers will carry out detailed appraisals.

5.4 Project Initiation Documents

- 5.4.1. Project Initiation Documents are required for all new programmes and projects and are used to identify the expected expenditure, outputs and outcomes of project delivery.
- 5.4.2. Once approved during the weekly Director meetings, the Project Manager is required to develop the Project Initiation Document into the business case.

5.5 Business Cases

- 5.5.1. All programmes and projects with approved allocations within the Business Plan and that have been approved through the Project Initiation Document process are required to complete a detailed Business Case.
- 5.5.2. Business case templates are a continuation of the Project Initiation Documents, but require more detail evidenced on the delivery and outcomes of the project, along with value for money information, project risks and governance arrangements.
- 5.5.3. Business cases would normally use the Combined Authority's template; however, some categories of projects may have specific business case templates (**such as Transport schemes using Transport Analysis Guidance (TAG): <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>**). These should still comply with the Combined Authority requirements.
- 5.5.4. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

Five Cases	Detail
Strategic Case	The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.

Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.
Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.

- 5.5.5. Reputational due diligence assessment will also be carried out to enable the combine authority to gain a comprehensive assessment of possible reputational risk attached to business partner.
- 5.5.6. External business cases are submitted to the Combined Authority, who review the funding source and provide an initial check as to which element of funding within the single pot would be most appropriate. The purpose of this is to ensure that the funding requirements of the component elements of the Single Pot are being met, and to enable the effects and outcomes of the component elements of funding within the Single Pot to be tracked.
- 5.5.7. Appraisals will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:
- HM Treasury Green Book.
 - MHCLG Appraisal Guide.
 - HM Treasury Magenta Book.
- 5.5.8. Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision-making process.
- 5.5.9. In cases where the investment is to match central government funding, and that government department has undertaken due diligence, the Combined Authority would not need to undertake its own due diligence.
- 5.5.10. The Combined Authority will include reputational checks on organisations (and their group structure including parent organisations), when considering making

loans and grants.

- 5.5.11. The 10-point guide on Project Management (**Appendix 4**) provides detail on this decision-making process.

5.6 Relationship with Project Managers – Development to Decision

- 5.6.1. Throughout the development of Project Initiation Documents and Business Cases through the appraisal process, the Combined Authority will keep in regular contact with external project managers.
- 5.6.2. An internally named project manager will be assigned to each programme/project where the Combined Authority are not the delivery body. The internal project manager will establish close working relationships with external contacts.

5.7 Ensuring Value for Money

- 5.7.1. As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the tax payer, and therefore all investment opportunities and business cases must include an assessment of their Value for Money. The Assurance Framework has been developed in line with HM Treasury Green and Magenta Book Guidelines, which require project managers to build in Value for Money processes throughout the approval stages. In addition, the Combined Authority requires all business cases be developed in line with HM Treasury's Five Case Model.
- 5.7.2. The delivery, and costs, of outputs must be quantified within all applications for funding. Where there are clear guidelines set out by Government for assessing Value for Money these will be taken into account; for example, for all Transport and Infrastructure schemes, the use of the benefit cost ratio (BRC) indicator is implemented in line with DfT guidance.
- 5.7.3. The Director responsible for project delivery should document they are satisfied with Value for Money requirements.
- 5.7.4. The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance documents developed by the Combined Authority to inform decision making. The following table sets out the relevant assessments for all complementary strategic guidance:

Document Name	Function	Date Published
CPIER and the Mayor's growth ambition statement 2016-2026. The Industrial Strategy for Cambridgeshire and Peterborough	<ul style="list-style-type: none">• Key strategy document for the region.• Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six themes and seven priority sectors)	November 2018

Local Industrial Strategy	<ul style="list-style-type: none"> With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Cambridgeshire and Peterborough. 	May 2019 (pending)
Business Plan	<ul style="list-style-type: none"> Sets output targets both in terms of spend 	January 2019
Monitoring and Evaluation Plan	<ul style="list-style-type: none"> Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the SEP. 	March 2019 (updated annually)

5.8 Value for Money for Transport Schemes

- 5.8.1. **For transport infrastructure schemes, the Cambridgeshire & Peterborough Combined Authority 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 TAG.**
- 5.8.2. **Furthermore, the Cambridgeshire & Peterborough Combined Authority will ensure value for money and transparency of transport scheme through the following:**
- Transport Projects Business case assessments [Strategic Outline Business Cases (SOBC), Outline Business Cases (OBC) and Full Business Cases (FBC)] will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions as sensitivity tests in coming to a decision about whether to approve a scheme.**
 - The appraisal and modelling will be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor.**
 - A value for money statement for each Transport scheme in line with published DfT TAG guidance and DfT advice on assessing value for money will be presented as part of the five-case business case for consideration at the Business or Combined Authority Board at each approval stage. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor, who will sign off the Vfm assessment as true and accurate.**
 - Business case publication is notified up to 3 months in advance within the Forward Plan, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is**

made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board and Business Board.

5.9 Project Approval – Funding Agreement

- 5.9.1. For projects being delivered by an external organisation, funding agreements or formal legal contracts will need to be put in place before delivery commences. These are important in setting out project monitoring and evaluation requirements, claims/invoice profile and key conditions of the funding. Agreements/contracts also set out the clawback arrangements in the event of underperformance. Any variations to these funding agreements/contracts must be signed off and approved by the Combined Authority.
- 5.9.2. All Growth Fund schemes will have a funding agreement that sets out the outputs that are required and the schedule of payments that are to be paid. These are examined at each point in the claim.
- 5.9.3. Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is ready to start. For example, planning permission or a Compulsory Purchase Orders. It may also be necessary to satisfy a number of conditions agreed as part of the Business Case. Due diligence of such processes/conditions will then be carried out as required prior to the Combined Authority issuing a formal legal contract.

6. DELIVERY PHASE

6.1 Release of Funding, Cost Control and Contract Management

- 6.1.1. Once a formal funding agreement/contract is in place the programme/project enters the delivery phase.
- 6.1.2. The Combined Authority's Section 73 Officer must certify that funding can be released under the appropriate conditions.
- 6.1.3. Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.4. A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is only to be spent on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

6.2 Performance Reporting

- 6.2.1. Projects funded by the Combined Authority (regardless of size) will incorporate the Monitoring and Evaluation Framework and will have a basic monitoring plan in place as part of the business case. Further information on this can be found in the 10-point guide on Project Management. (**Appendix 4**)
- 6.2.2. A monthly highlight report cycle has been created and embedded across the organisation. Projects which fall under the Business Board and Combined Authority Board are required to have monthly reports completed, updating on budget spend and performance against key milestones and outputs/outcomes.
- 6.2.3. Highlight reports also contain risk registers for each project, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).
- 6.2.4. Using information from these monthly highlight reports, a monthly dashboard report is created, pulling together the key information from all projects across the Combined Authority Directorates. This is scrutinised on a monthly basis by the Directors and the PMO team.
- 6.2.5. Once a quarter, an exception report is created and includes information on the amber and red rated projects. This report is shared with Combined Authority Board Members, along with a Quarterly Performance Update on how the Combined Authority is performing against the following key metrics and targets:
 - Doubling GVA over the next 25 years
 - 72,000 homes to be built by 2032
 - 2,500 affordable homes to be built
 - Jobs growth

- Apprenticeships
 - Good job within 30minute commute of home
 - RAG status of key projects
- 6.2.6. Growth fund and investment update reports are also submitted to every meeting of the Business Board and will be published on the Business Board section of the website.
- 6.2.7. Aligning with the quarterly updates to Combined Authority Board, 'Critical Friend' clinic sessions are arranged by the PMO team, where project managers and Directors are invited along to review the status and performance of projects.
- 6.2.8. All funding agreements/contracts with external bodies will include reporting guidelines as specified in the Monitoring and Evaluation Framework.

6.3 Risk Management

- 6.3.1. The Combined Authority has developed a risk management approach to corporate and project in our strategy, with risk identification, mitigation, escalation and reporting templates guidance.
- 6.3.2. It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests
- 6.3.3. The corporate risk register which incorporates the risks will be reviewed monthly by the Combined Authority Director team and will be considered by the Audit and Governance Committee quarterly. We corporate risk register and a project register, and a risk strategy
- 6.3.4. Senior Officers of the Combined Authority (Chief Executive and S73 Officer) are responsible for the identification and management of risk. The Combined Authority has an Assurance Manager, to support this activity.
- 6.3.5. At the project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight reports.

6.4 Change requests

- 6.4.1. All project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the performance highlight reports.
- 6.4.2. Project change request forms should be used when approval is higher than that of a Director and for changes which include the following:
- Changes to timescales (ie delay to completion date)
 - Amendments to budget
 - Variations to outputs delivered
 - Withdrawal of project
 - Agreed mitigation/action arising from RAG
- 6.4.3. Directors are responsible for agreeing change requests within delegation and

promoting change requests outside their delegation. Where there is a project board on which the Director sits, the Project Board also agree change requests within delegations.

- 6.4.4. Clawback and recovery processes for projects need are addressed in the funding agreement/contract. Agreements are being reviewed to make it clearer what the recovery action will be.
- 6.4.5. The Business Board's role in recovering funding where there has been non-compliance, misrepresentation or underperformance is being developed.

7. Measuring Success – Realising the Benefits

7.1 The Importance of Monitoring and Evaluation

7.1.1. The Combined Authority and the Business Board (LEP) is committed to implementing effective monitoring and evaluation so that it is able to:

- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
- **Comply with external scrutiny requirements** ie to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
- **Understand the effectiveness of policies or investments** and to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders.
- **Develop an evidence base for input into future business cases** and for developing future funding submissions. The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work.

7.1.2. The Combined Authority Monitoring and Evaluation Framework was initially prepared in relation to the Combined Authority's devolution deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Cambridgeshire and Peterborough Business Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.

7.1.3. The Business Board will be asked to co-adopt this Monitoring and Evaluation framework, as the Governments published guidance requires the Business Board to reference their monitoring and evaluation arrangements as well.

7.1.4. The overall responsibility for monitoring and evaluation (the Monitoring and Evaluation framework) and execution of the activity associated with it is held at director level at the Combined Authority, within the post of Strategy & Assurance Director. The Combined Authority has agreed a contract with Cambridgeshire County Council (part of the wider Cambridgeshire Insight partnership) to provide an appropriate level of officer support on Monitoring and Evaluation, including local knowledge, expertise and supporting capacity.

7.1.5. The Combined Authority's approach uses the Magenta Book definition of monitoring and evaluation and makes use of the wider guidance within this document as complementary guidance to the HM Treasury Green Book.

7.1.6. The Combined Authority major projects will have logic models.

7.1.7. Lessons learnt from evaluations will be reported to the Business Board and Combined Authority Board as appropriate.

7.2 Programme and Project Monitoring

- 7.2.1. Funding agreement/contracts set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk).
- 7.2.2. Monthly highlight reports are completed by project managers on all live projects and provide updates on the performance of projects. These reports are reviewed by directors at their monthly Director meetings and quarterly, during the 'Critical Friend' clinic sessions.
- 7.2.3. Any changes or variances to the spend profiles or key milestones will need to be reported by the Project Manager and approved by the Combined Authority. On approval a variation letter to the Funding Agreement/contract will be issued.

7.3 Project Evaluation

- 7.3.1. The business case clearly defines those outputs which may be captured through routine monitoring.
- 7.3.2. The Monitoring and Evaluation framework sets out when and how programmes and projects are reported.
- 7.3.3. Evaluation forms are a requirement of the project closure process, and project managers are responsible for identifying what their project has delivered. Detailed evaluation requirements are also a requirement of the project closure form.
- 7.3.4. Evaluation plans will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes.
- 7.3.5. All monitoring and evaluation arrangements (which will form part of the final business case) and interim and final monitoring and evolution reports, will be published on the CP Combined Authority website.
- 7.3.6. The Combined Authority will identify the projects that will be subject to a more detailed evaluation. The level of evaluation will depend on the following:
 - Project funded through *growth funding* (in the Combined Authority's case the core agreement with central government to devolve £20m per year over 30 years). Therefore, subject to the agreed national evaluation framework, independent evaluation led by SQW Ltd.
 - Projects funded through other streams and identified as being '*major*' in terms of the relative size of the funding and/or the expected benefits to be achieved. Therefore, subject to full independent evaluation commissioned by the Combined Authority (an example would be evaluating the effectiveness of projects commissioned under the £100m affordable housing fund).

- Project identified locally as one where *significant learning* could be available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered ‘pilots’. Evaluation work in this case would be either be commissioned independently or carried out locally by the Research Team for Cambridgeshire County Council.
- 7.3.7. Other projects not included above subject to proportionate ‘*self-evaluation*’ based on submitted business cases.

7.4 Adult Education Budget Monitoring and Evaluation

- 7.4.1. The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process. They will continue to be updated and will be published more broadly during the academic year 2019/20.
- 7.4.2. The Combined Authority’s Monitoring and Evaluation Framework (detailed above) will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation will be undertaken after year 1 academic year 2019/20 delivery and completed by December 2020. It will meet the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.
- 7.4.3. The Combined Authority has agreed with the Education & Skills Funding Agency a formalised approach for Audit, Assurance, Fraud and Investigations for 2019/20. This agreement provides support for both parties in ensuring AEB service provision post devolution.

8. Appendix 1 - Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement

Advisory and challenge function:

The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.

The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board ensuring that the business view is at the centre of regional decision making.

The role of the Business Board as stated within its terms of reference is:

Strategy:

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority, develop and deliver an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- (b) Set strategy and commission interventions to drive growth, jobs and private sector investment to deliver the strategy.

Allocation of funds

- (c) Identify and develop investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- (d) ensure that bids for public funding made available by government for LEPs support economic growth.
- (e) ensure any decisions which are made in contravention of the process will be invalid.

Co-ordination

- (f) Use its Business convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- (g) ensure Business Board and Combined Authority policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community
- (h) engage with local businesses to understand the needs of different sectors and markets

Advocacy

- (i) Collaborate with a wide-range of local partners to act as an informed and independent voice for business across their area.
- (j) engage business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

(Business Board constitution)

By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

Alignment of decision-making across a clear geography:

The Mayoral Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017 (with Mayoral election held in May 2017) to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. Its geographical boundary covers seven constituent local authorities in the Cambridgeshire and Peterborough area.

The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. The Business Board currently covers 15 local authorities;

As part of a full regional governance review, the Department for Business Enterprise and Industry are considering proposals to align the Business Board boundaries with the Cambridgeshire and Peterborough Combined Authority to ensure close working and delivery of economic growth projects across Cambridgeshire and Peterborough.

The integrated officer structure ensures that the relationship between the Combined Authority and Business Board is strong and effective. All governance policies and procedures are aligned ensuring transparency and open and accountable decision making.

Accountability:

The accountable body for all Local Enterprise Partnership funding is the Cambridgeshire and Peterborough Combined Authority. It provides the accountable body role for the both Business Board, the multi LEP Agri-Tech programme and the Greater South East Local Energy Hub and employs the officers that support them. The Combined Authority will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure, and must also review and approve the financial framework.

The Combined Authority Board approves funding decisions upon the recommendation of the Business Board except where delegations have been approved. The S73 Officer signs off all funding decisions.

Efficiency and corporate identity:

The Combined Authority and Business Board operate under a single officer team. In order to ensure the independence of each Board, the senior management team has separate duties assigned to officers within that team. The senior management team is headed up by the joint Chief Executives.

The Combined Authority Board and Business Board are supported by a Chief Officer who is the Director for Business & Skills, and further supported by key statutory officers within the single team and through a dedicated S151 Officer and Monitoring Officer to provide an independent secretariat to each Board.

In addition to the above, the Boards also benefit from specialist support within the wider structure. This includes experienced Directors, Programmes Managers, Assurance Manager and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

The Combined Authority and the Business Board have their own branding and identity recognising that some work of the Business Board is separate from and extends beyond the Combined Authority.

Overview and Scrutiny:

The role of the Cambridgeshire and Peterborough Combined Authority's Overview and Scrutiny Committee is primarily to scrutinise the work and decisions made by the Cambridgeshire and Peterborough Combined Authority. In so far as the business of the Business Board, the Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure this includes appropriate scrutiny of the Business Board decision making and achievements. Any Business Board member may be asked to attend, or otherwise contribute to a meeting of the Combined Authority's Overview and Scrutiny Committee.

The Cambridgeshire and Peterborough Combined Authority's Audit and Governance Committee shall also oversee the audit and governance arrangements of the Business Board.

9. Appendix 2 – Summary of Scheme of Delegation for Business Board funding

The schemes of delegations are set out in the Business Board and Combined Authority Constitutions and summarised below

Function	Approved by	Recommendation by	Supported by
Strategy			
CPIER and the Mayor's growth ambition statement and associated thematic strategies	Combined Authority Board		Chief Executive, Monitoring Officer and S73 Officer
Business Plan and the Medium-Term Financial Plan	Combined Authority Board	Overseen by Audit and Governance Committee	Chief Executive, Monitoring Officer and S73 Officer
Business Board to lead on development and deliver an evidence-based Local Industrial Strategy	Combined Authority Board	Business Board	Chief Executive, Director of Business and Skills, Monitoring Officer and S73 Officer
Digital Sector Strategy	Combined Authority Board	Business Board	Chief Executive, Directors, Monitoring Officer and S73 Officer
OxCam Arc	Combined Authority Board	Business Board	Director of Business and Skills Monitoring Officer and S73 Officer
Influencing the development of the other Combined Authority's strategies and policies	Combined Authority Board	Business Board	Chief Executive, Monitoring Officer and S73 Officer
Allocation of LEP funding			
Budget approval	Combined Authority Board		Chief Executive, Monitoring Officer and S73 Officer
Sign off all funding decisions relating to funding allocated to the Business Board and sub-committee expenditure	S73 Officer		
Business Board funded project approvals	Combined Authority Board as accountable	Business Board review the Business Case	S73 Officer signs off all Business Board expenditure

Function	Approved by	Recommendation by	Supported by
	body	for Business Board funded projects and make recommendations to the Combined Authority Board	
Allocation of Small Grants between £2,000 and £20,000	Director of Business & Skill		Delegation subject to Section 73 Officer approval and report all approvals to the next schedule meeting of the Business Board. Decision recorded through the Officer Decision Notice process
Wisbech Access Strategy at key gateway stages to deliver the agreed Wisbech Access Strategy Package works	Head of Transport in consultation with the Chair of the Transport Committee Section 73 Officer		Decision recorded through the Officer Decision Notice process
Eastern Agri-Tech Programme (Multi-LEP Programme) to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP (New Anglia Local Enterprise Partnership).	Eastern Agri-Tech Programme Board		Agri-Tech Project Officer, Director of Business and Skills, Monitoring Officer and S73 Officer
Energy Hub funding (Multi-LEP Programme) (a) to assume the Rural Community Energy Fund management role (b) oversight of the Rural Community Energy Fund (RCEF) Funding Panel	Greater South East Energy Hub		Regional Energy Hub Manager, Director of Business and Skills, Monitoring Officer and S73 Officer
Makes decisions on Energy Hub grant	Community Energy Fund		Regional Energy Hub Manager, Director of

Function	Approved by	Recommendation by	Supported by
applications.	(RCEF) Funding Panel		Business and Skills, Monitoring Officer and S73 Officer
Strategic oversight and governance of the Enterprise Zones	Business Board		Director of Business and Skills, Monitoring Officer and S73 Officer
Programme delivery of Enterprise Zone projects	Enterprise Zone Alconbury Weald Programme Board and Cambridge Compass Enterprise Zone Project Boards S73 Officer Chief Executive	Director of Business and Skills	Individual Enterprise Zone Project Boards for each site, set-up at officer level and responsible for delivering the programmes and projects associated with the regeneration and development of each Enterprise Zone site.
Governance			
Accountable Body Business Board and the Greater South East Local Energy Hub	Combined Authority Board S73 Officer	Director of Business and Skills	
Assurance Framework	Joint approval by Combined Authority Board and Business Board	Monitoring Officer and S73 Officer	Director of Business and Skills responsible for the delivery of Business Board functions within the assurance framework
Submission of Growth Deal monitoring report to Government	Combined Authority Board	Business Board	Director of Business and Skills S73 Officer
Annual Delivery Plan	Business Board		Director of Business and Skills responsible for the delivery of annual delivery plan within agreed budgets
Business Board Constitution and delegations to other bodies or Officers	Combined Authority Board	Business Board	Director of Business and Skills. Monitoring Officer and S73 Officer
Membership of the Business Board – Private Sector members	Board's appointments panel		Director of Business and Skills
Diversity Statement	Business Board		Director of

Function	Approved by	Recommendation by	Supported by
			Business and Skills
Contract Standing orders and financial regulations	Combined Authority Board		Monitoring Officer and S73 Officer
Urgent Decisions	Business Board urgency procedure and reported to next Meeting of Business Board		Director of Business and Skills Monitoring Officer and S73 Officer
Risk Management for Business Board Projects	Business Board		Director of Business and Skills Senior Information Risk Officer (SIRO) - The Monitoring Officer is the SIRO for Information Governance
Final accounts	S73 Officer and Audit and Governance Committee		
Annual Governance Statement	Mayor, the Business Board Chair and the Chief Executive	Audit and Governance Committee	
Growth Company	Combined Authority Board	Business Board	Director of Business and Skills. Monitoring Officer and S73 Officer

10. Appendix 3 – Governance Framework and Publication Checklist

	Chapter	Link to scheme	Documents that must be published under National Framework
1	Assurance framework		
		National Assurance Framework	✓
		Cambridgeshire and Peterborough Assurance Framework	✓
2	Strategic Documents		
		Cambridgeshire and Peterborough Devolution Deal	✓
		Cambridgeshire and Peterborough Independent Economic Review	✓
		Local Industrial Strategy	✓
2.1		Mayor's growth ambition statement	✓
2.2		Cambridgeshire and Peterborough Business Plan 2019-2020	✓
2.3		Combined Authority Medium-Term Financial Plan 2019-2023	✓
3	Accountability and Transparent Decision making		
3.2	Combined Authority	Constitution of the Mayoral Combined Authority	✓
		Combined Authority Members	✓
3.3	Business Board	Constitution of the Business Board	✓
		Business Board Members	✓
		Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement (See Appendix 1)	✓
		Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board	✓
		Eastern Agri-Tech Growth Initiative Guidance Notes and	✓

		Pre-Qualification Questionnaire	
		Enterprise Zones Alconbury Weald and Cambridge Compass Enterprise Zones	✓
		Greater South East Energy Hub & Energy Hub Board	✓
		RCEF guidance notes and Expression of Interest form (to be published)	✓
3.4			
		Officer Decision Notices	
3.6	Statutory Committees		
	Overview & Scrutiny Committee	Terms of reference (Constitution)	
	Audit & Governance Committee	Terms of reference (Constitution)	
		Audit Reports 2019 - Business Board - Internal Audit annual internal Audit letter	✓
3.7	Data Protection	Data Protection Policy	✓
4	Accountability and Transparency – Supporting Policies and Procedures		
		Combined Authority Agendas and minutes	✓
		Business Board Agendas and minutes	✓
		Annual report and delivery plan	✓
4.2	Financial information	Annual accounts, external audit letter and annual governance statement 2017/18	✓
		Quarterly return to BEIS on Growth Fund projects, spend and performance	✓
		Funding programme with description of the scheme, promoter and funding award	✓
4.3	Remuneration and Expenses	Interim Business Board Expenses Scheme	✓
		Allowances and Expenses paid 2018/19	✓
		Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands	
4.4	Freedom of Information	CACP Freedom of Information Policy, publication scheme and published FOI requests and responses	✓
4.5	Conflicts of Interest	Code of Conduct for Business Board Members	✓
		Code of Conduct for staff	✓

		Declarations of Interest forms	✓
		Register of interest for Chief Executives	✓
4.6	Gifts and Hospitality	The register of gifts and hospitality declared by Business Board	✓
4.7	Complaints and Whistleblowing	CACP Complaints Policy	✓
		CACP Whistleblowing Policy	✓
		CA Business Board Complaints Policy	✓
		CA Business Board Whistleblowing Policy	✓
		CA Business Board Confidential reporting of complaints	✓
		Making a complaint	✓
		Fraud and Corruption Policy	
4.8	Diversity Statement	CA Business Board Diversity Statement	✓
4.9	Government Branding	Guidance for signage, social media, press notices and other marketing materials for every Government funded project (to be published)	
5	Robust Decision making		
5.3	Expressions of Interest/Open Calls	Local Growth Fund, expressions of interest under the Growth Prospectus	✓
5.5	Business Cases	10-point guide on Project Management – See Appendix 3	✓
5.7	Ensuring Value for Money	Monitoring and Evaluation Framework	
6	Delivery Phase		
		Growth fund and investment update reports	✓
		Risk Management	

11. Appendix 4 - 10 Point Guide to Project Management