

Introduction

This paper outlines for the Board the content of a submission made to Government in response to feedback on our proposed governance arrangements as submitted in Section 6 of the Strategic Economic Plan (SEP) in March 2014. This additional submission forms part of the Growth Deal and confirms the steps the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) will take to put effective governance and delivery arrangements in place. It was set out to demonstrate our commitment to ensuring that we are able to make difficult, robust, transparent value for money decisions and implement them. The note is structured around the headings in the Government's request for clarification and addresses the questions posed in that request but will be kept under review to ensure best practice is implemented.

Context

The draft Swindon and Wiltshire SEP submitted in December 2013, summarily described the approach to governance and delivery, with a commitment to further development of the proposals. The final version of our submitted SEP in March 2014 did contain more detail, including plans to develop the Joint Strategic Economic Committee and associated scrutiny arrangements and address the resourcing of the LEP.

While this progress was recognised by Central Government, both the formal and informal feedback from BIS has been that we need to further strengthen our arrangements. Our Growth Deal document states that:

“As part of the deal, the LEP will:

- ***Strengthen governance by ensuring appropriate governance structures, ensuring that investment decisions are robust and represent good value for money, ensuring delivery of agreed actions, clarifying how the Local Transport Body (LTB) role will be delivered within the LEP structure, and increasing collaboration and joint work between the Unitary Authorities.***

Clarifying and strengthening our arrangements will also help the Secretariat to take forward the further negotiations with Central Government to which the Board agreed at its July meeting. SWLEP awaits Central Government guidance on the expected role of the LTB and will ensure compliance with required arrangements.

Overview

We are working on arrangements that will provide a robust platform on which to develop, assess and deliver the projects outlined in our Growth Deal and funded by the Local Growth Fund (LGF). Collectively they provide the decision making process with support, scrutiny and partnership development between our two Unitary Authorities, bringing together the knowledge and experience of our democratically elected executive colleagues to carry out the functions of a Joint Strategic Economic Committee (JSEC). In addition, we are also

APPENDIX ONE

developing a Joint Overview and Scrutiny Task Group formed of non-executive Councillors from both of our two Unitary Authorities. This will afford SWLEP the support of the elected Councillors and ensure democratic accountability.

These functions strengthen and support the abilities of the SWLEP Board who will remain the senior decision making body. The Chair, Vice Chair of SWLEP, Chief Executive Swindon Borough Council and Corporate Director Wiltshire Council will form a Commissioning Group supported by the SWLEP Secretariat who will be responsible for overseeing the delivery of the Growth Deal. The Commissioning Group will report directly to the SWLEP Board and the Joint Strategic Economic Committee on progress, issues and risks as well as present progress reports and recommendations to the SWLEP Board members.

In recognition of the advantages of joint working on spatial planning across the two Unitary Authorities, Swindon and Wiltshire Councils will strengthen further an existing Joint Working Party to take forward a collaborative approach to the development of strategic planning in the SWLEP area. This group will provide strategic analysis of spatial requirements to the SWLEP Board, based on the economic strategy of the LEP.

Structures and membership

Swindon and Wiltshire Local Enterprise Partnership Board

The appointment of Barry Dennington to lead the Board of 14 members reflects HM Government's desire to ensure that business leaders are engaged and involved in setting local economic priorities. The SWLEP Board will remain the primary decision making body in taking the Growth Deal programme forward and will be supported by the SWLEP Secretariat and SWLEP staff described in more detail below.

The LEP Board has primary responsibility for:

- The development, review and refreshing of the Strategic Economic Plan;
- The successful and effective delivery of the SEP and the Local Growth Deal.

The Board will also have final responsibility for signing off transport schemes, on the basis of recommendations from the Local Transport Subgroup (please see section below on 'Subgroups and the Local Transport Body' for background detail).

The LEP Secretariat will develop the practical arrangements for this and suggest an amendment to the LEP Board's Terms of Reference as appropriate.

The SWLEP Board is constituted in such a way as to ensure that this process is business-led, with the active involvement of Local Government through the role of the Leaders of the two Unitary Authorities as Board members, the role of the Joint Strategic Economic Committee and the composition of the LEP Secretariat.

Joint Strategic Economic Committee

The formal Joint Strategic Economic Committee (JSEC) is set up under sections 101(5), 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and

APPENDIX ONE

Regulation 11 of the Local Authorities (Arrangements for the Discharge of Functions (England) Regulations 2012. We submitted to Government that this work would be completed by the end of June and thereafter, each Unitary Authority would take a formal decision to establish the JSEC. Government had noted that prior to these formal decisions, the JSEC had hoped to meet for the first time in shadow form in June 2014.

The membership of the JSEC will comprise six voting members, including the Elected Leader, Deputy Leader and the Cabinet Member holding the Economic Development Portfolio of each Unitary Authority. In addition, the Chair of the SWLEP and two other SWLEP Board members shall attend as non-voting members. In the event of any circumstance where the JSEC cannot reach agreement on an issue pertaining to the SEP, the issue in hand will be referred back to the SWLEP Board for review.

The JSEC will be Chaired by the Elected Leader of one of the Unitary Authorities and will rotate annually between Swindon Borough Council and Wiltshire Council. The first Chair role will be held by Wiltshire Council.

The SWLEP Board were asked to formally welcome the establishment of the JSEC at its July meeting.

The primary tasks of the Joint Strategic Economic Committee will be to:

- Act as a single voice for Local Government in Swindon and Wiltshire in relation to the delivery of the SEP and local Growth Deals;
- Facilitate and enable collaboration between the two Unitary Authorities on economic development and related matters;
- Provide local democratic accountability for the delivery of the SEP and the use of public resources to fund the implementation of the Strategic Economic Plan and Local Growth Deals (including supporting Wiltshire Council's role as the accountable body);
- Provide political oversight of the marshalling and co-ordination of Local Government's contribution to the delivery of the SEP and Local Growth Deals;
- Act as formal link between Local Government and the LEP.

The draft Terms of Reference agreed by the shadow JSEC are set out in Appendix 1.

The JSEC will operate as an open and transparent body and will be serviced by [Wiltshire Council's Democratic Services department] alongside Wiltshire Council as the delegated Accountable Body for the SWLEP. A key role of the JSEC will be to formally agree and sign off key decisions and actions within the agreed terms of reference in an open, transparent and publically accessible environment, subject to the statutory provisions on access to information in relation to confidential or exempt items of business. The JSEC will operate alongside the SWLEP Board. The papers of the JSEC will be made public in the same way as many other Council Committee. This will again strengthen the public accountability element of the Growth Deal governance arrangements.

Wiltshire Council will consult Swindon Council and the SWLEP on any proposed changes to its constitution that may materially affect the JSEC.

SWLEP Commissioning Group

We are creating a new Commissioning Group which will be tasked to ensure the effective delivery of the Growth Deal projects supported by the Local Growth Fund. The Commissioning Group will have a strategic oversight in ensuring the efficient delivery of the projects funded by the LGF and will be comprised of SWLEP Chair, Vice Chair, Chief Executive Swindon Borough Council and Corporate Director Wiltshire Council supported by the SWLEP Secretariat.

From time to time the Commissioning Group may co-opt other subject specialists into the Group to support and advise on specific areas of work.

This Commissioning Group will be accountable to both the JSEC and the SWLEP Board and will have responsibility for advising the SWLEP Board on future Local Growth Deal propositions supported by material provided through the officer support functions described below. We will further explore how this Commissioning Group aligns with governance arrangements being developed for the European Structural and Investment Fund (ESIF) requirements.

The Commissioning Group will receive bi-monthly reports on the status of each project from the relevant Programme Managers. This mechanism will provide both timely updates to the governing structures of the Growth Deal whilst also ensuring information is distributed between the Commissioning Group, the JSEC and the SWLEP Board where relevant. The Commissioning Group will report to the SWLEP Board and JSEC, whose papers will be available to the public, providing a vehicle for transparency and wider public accountability. The Commissioning Group will ensure that:

- The arrangements put in place conform to legal requirements with regard to freedom of information, equalities, the environment and other matters;
- Public funds are used appropriately;
- There is independence between scheme promoter and the decision making body in order to avoid conflict of interest;
- Official records of proceedings relating to the investment decisions are maintained;
- Regular progress reports and updates are scheduled with appropriate Government teams.

Joint Overview and Scrutiny Task Group

We have recently established a Joint Overview and Scrutiny Task Group comprised of elected members from the two Unitary Authority overview and scrutiny functions. The Task Group will act as a critical friend, developing an overview of strategies and plans and providing independent scrutiny of the work of the SWLEP Board and JSEC, evaluating their activities from the perspectives of effectiveness, efficiency and efficacy.

APPENDIX ONE

The Task Group comprises four elected Councillors from each of the two Unitary Authorities, giving a full membership of eight. Terms of Reference for the group are currently being developed and are due to be finalised at the Group's still to be scheduled first meeting (likely to be September 2014). In order to maintain appropriate separation of responsibilities, [Swindon Borough Council] will assume the management of the joint scrutiny process, whilst Wiltshire Council acts as the accountable body for the SWLEP.

SWLEP Joint Planning Working Party

Swindon and Wiltshire Councils are committed to further collaboration where it can add value to the businesses and residents of the area. This is particularly relevant to the joint approach to spatial planning between the two Unitary Authorities. The existing Joint Planning Working Party will be strengthened and will develop a collaborative approach to spatial planning for the two Councils, and address in particular, planning for the longer term growth of Swindon and its hinterland. In addition, the two Unitary Authorities will adopt a joint approach to the duty to cooperate with neighbouring councils in order to provide greater certainty for businesses and, as a consequence, confidence in the businesses to invest in the area.

The SWLEP Joint Planning Working Party will consider and advise the JSEC on cross-boundary issues related to the development and implementation of planning policy matters. It will undertake a joint study to inform the long term planning of West Swindon/North Wiltshire in the context of cross boundary issues, both within SWLEP and with adjacent LEPs Further opportunities for collaboration will also be explored.

Subgroups and the Local Transport Body

The SWLEP Board has developed a number of functioning Subgroups that advise on specific areas of the business and plan to continue to utilise this resource where we can to develop further our existing programmes and to support any future programmes.

Subject to guidance and agreement from Department for Transport (DfT), we are proposing that the Local Transport Body should become a Local Transport Subgroup of the SWLEP Board. Its role would be to advise the SWLEP Board on transport issues, including proposed schemes and relative priority and progress with the delivery of approved/funded schemes. Responsibility for the final sign off of transport schemes would sit with the SWLEP Board on the basis of recommendations from the Subgroup. Public transparency of these projects would be through the JSEC. We are happy to confirm that:

- We are currently consulting DfT on this proposal;
- We are committed to using the existing LTB assurance framework.

SWLEP Secretariat

The key source of advice to the SWLEP will continue to be the SWLEP Secretariat which comprises the SWLEP Director and the two Directors responsible for economic development in each of the two Unitary Authorities. Recognising the importance of this role, we previously commissioned a short development programme to enhance the effectiveness of the Secretariat and build capacity to support the SWLEP Board. Building on the process

APPENDIX ONE

adopted during the SEP development, we will continue to convene a wider Officer Group comprising staff from the two Unitary Authorities responsible for leading on different elements of the SEP.

Shared Intelligence, the consultants appointed to support the development and implementation of the Growth Deal, are providing support to the Secretariat and strengthening their joint working.

SWLEP Delivery and Performance Team

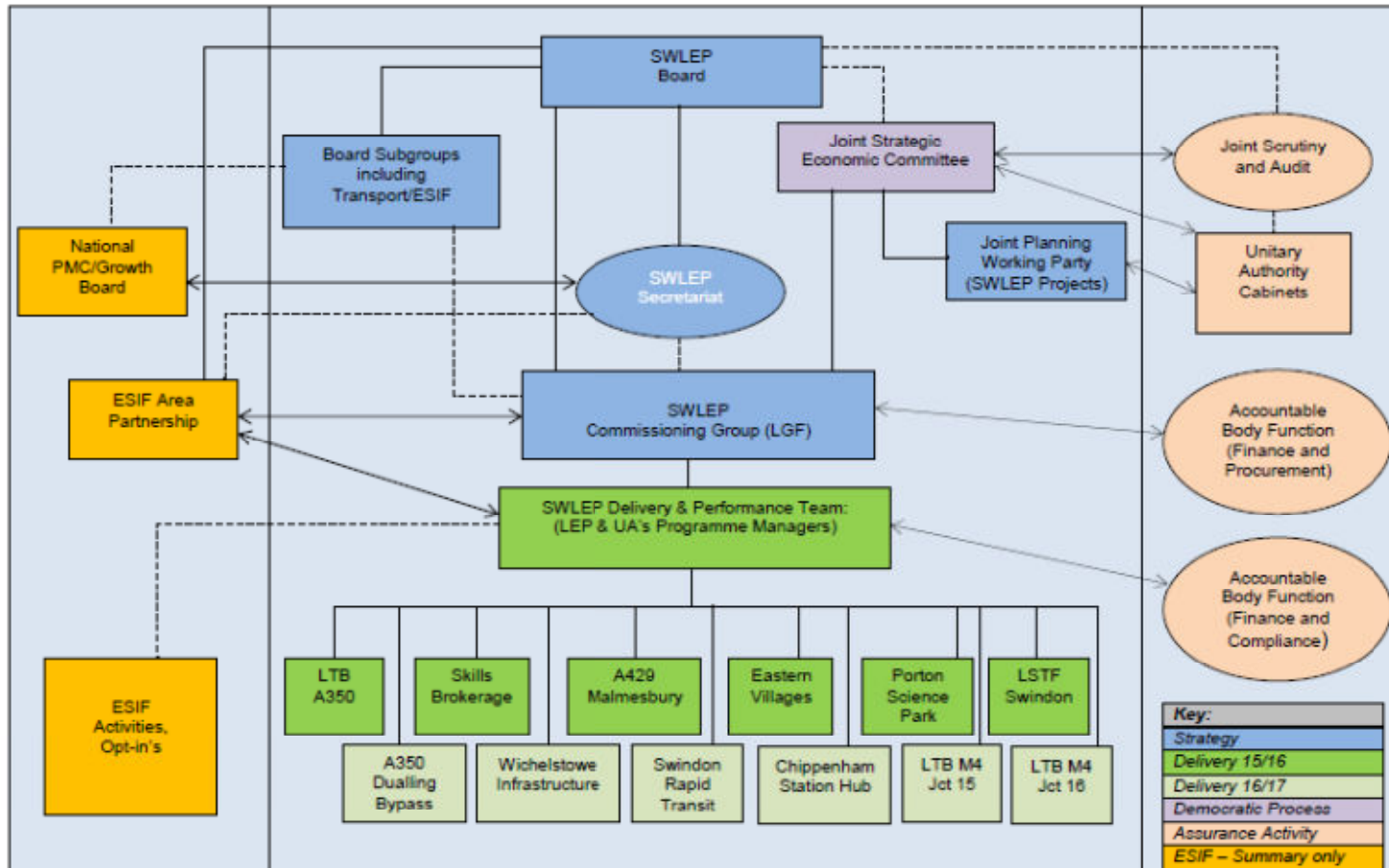
A Delivery and Performance Team has now been established to lead the Programme Management activities of the Growth Deal. It will be chaired by the SWLEP Director and will comprise a delegated Growth Deal Programme Manager from each of the Unitary Authorities and the SWLEP Programme Manager. In addition, relevant transport and economic development service leads or their nominees will attend the Team meetings held monthly. This Team forms the key reporting mechanism on progress, risks, issues and benefits realisation and will provide bi-monthly highlight reports to the Commissioning Group. The Team will also provide the SWLEP Board with information and detail relating to future schemes and negotiations.

The Commissioning Group will use best practice to establish a common performance management framework for the Local Growth Fund projects and ensure it operates across both Unitary Authorities.

Growth Deal and Local Growth Fund Governance and Delivery Arrangements



NB. Fig.1 below shows the full governance structure in diagrammatic form.



Ensuring value for money

Our Growth Deal sets out a clear framework for investment which is necessary in order to enable economic growth in Swindon and Wiltshire. We are putting in place arrangements to ensure that investment decisions are robust, evidence-based and transparent and represent good value for money.

In developing propositions brought forward to the SWLEP Board for review, an annual cycle of project development and benefits assessment will be carried out to ensure value for money is achieved. This process will be carried out in line with the processes and methodology for appraising and evaluating projects as set out in HM Treasury's 'The Green Book'. This will ensure that decisions taken by the SWLEP Board members are made in the knowledge of a well researched and developed evidence base and alongside robust quantified benefits appraisal, including benefit cost ratios.

For appraisal of future projects being brought forward through the Local Growth Deal process, the relevant Unitary Authority Growth Deal Programme Manager will oversee the development of a Strategic Outline Case (SOC) for each proposed project in the autumn prior to renewed negotiation the following spring. Each SOC will contain detail on each of the five cases proposed by the Green Book method, including:

- Overview and description of the project;
- Alignment to national, local and SWLEP policy, strategy and objectives;
- Thorough options analysis and development of the 'prioritised list';
- Economic assessment of benefits of each option;
- Development of a benefit cost ratio for the preferred option;
- Detail regarding procurement, partner commitment and thorough risk assessment;
- Breakdown of costs, committed funds (both private and public) and funding timescales;
- Detail regarding Project Management, communications strategy, project tolerances and governance recommendations.

The SOC will establish a sound platform on which strategic decisions can be made by the SWLEP Board members as recommended by the Commissioning Group, based on value for money, deliverability, strategic fit and benefits realisation. Once a decision has been made by SWLEP Board members each SOC will then be further developed into an Outline Business Case prepared for submission to HM Government as part of renewed negotiations.

We will continue to benefit from external assessment before submitting projects for funding from the Local Growth Fund in 2016-17 and beyond. In developing our SEP we convened a Star Chamber to review our draft set of projects. It included an independent appraisal expert, a transport adviser and colleagues from the HCA and SFA. We will convene a similar group at least once a year to act as an independent appraisal panel which will assess projects proposed for inclusion in our programme for future years.

All SWLEP programmes will be subject to the audit procedures of the two Unitary Authorities.

Resourcing the SWLEP

A key feature of our approach is the deployment of Council resources to support the delivery of the SEP and Local Growth Deal. We are also exploring the scope for private sector contributions but recognise the need to consolidate and extend the dedicated support available to the SWLEP in order to ensure the business of the SWLEP is well managed, that it receives appropriate advice and guidance, has the capacity to engage with business and is supported in its role as promoter of the Growth Deal and other economic development programmes.

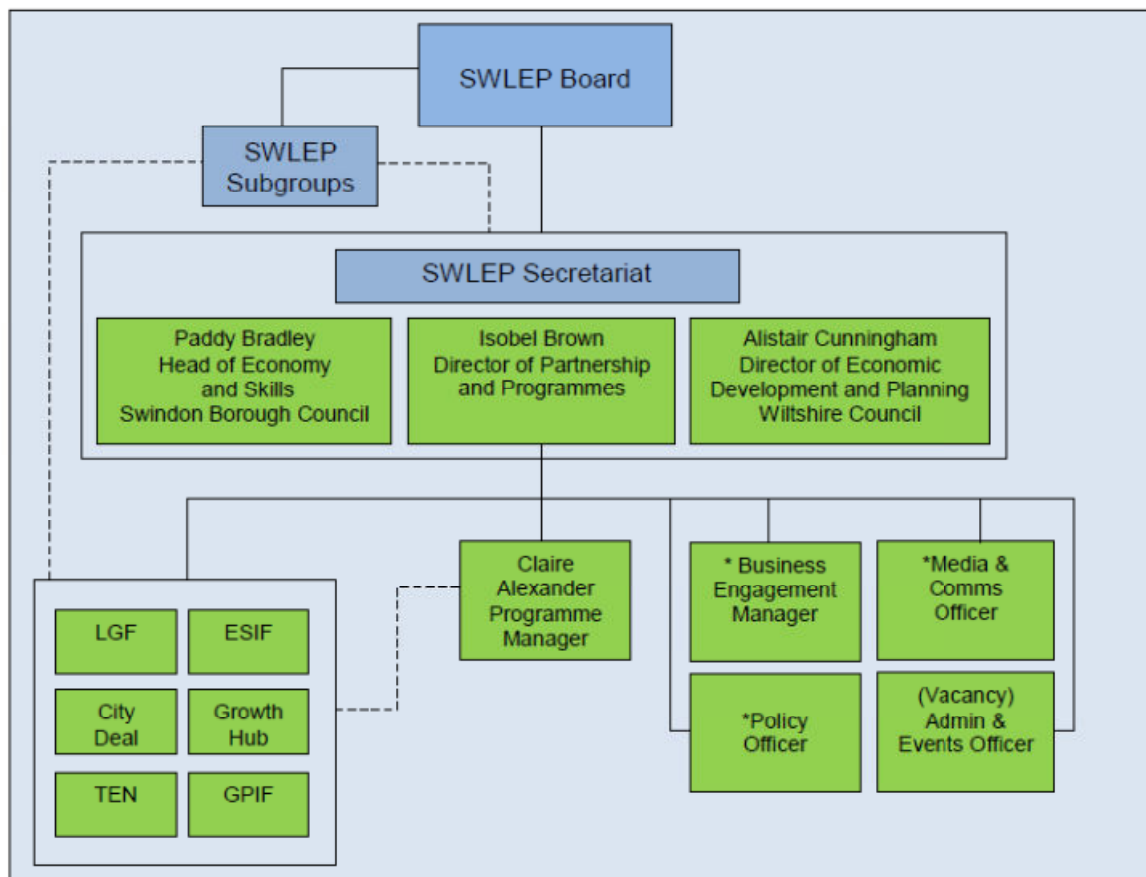
Currently the LEP has three approved and funded posts but in order to deliver the full extent of the Growth Deal, the SWLEP Board will be asked at its September meeting to approve a structure which includes:

- A SWLEP Director;
- A Programme Manager (to be responsible for the delivery of the work programme as a whole and any projects which are not the responsibility of the two Unitary Authorities). Projects such as City Deal and BD-Net will have dedicated Project Managers appointed;
- A Business Engagement Officer (new post);
- A Communications Officer (new post);
- A Policy Officer (new post);
- An Executive Administrator/Events Officer.

Further information, including job descriptions and options for funding the additional three posts will be an addendum to this paper ahead of a subset of the Board meeting on 1st August.

NB. Fig.2 below shows the proposed LEP structure

Growth Deal and Local Growth Fund Governance and Delivery Arrangements



Delivery, risk and accountability arrangements

The primary responsibility for ensuring effective delivery of the projects funded by the Local Growth Fund will lie with the two Unitary Authorities. Each project will have an identified Project Manager and each Council will appoint a Programme Manager with overall responsibility for the delivery of the projects for which the Council is responsible. The SWLEP's Programme Manager will have overall reporting responsibility for the Growth Deal and be responsible for projects where a particular Local Authority has not taken responsibility and agreement has been established by the Secretariat. A Project Manager will be identified for each of these projects.

A programme of project and programme management is currently being established and will be modelled on the robust programme management processes in place at the Unitary Authorities, using PRINCE2 programme management methodology.

Growth Deal and Local Growth Fund Governance and Delivery Arrangements



Included within this structure are the following programme management functions:

- An overall project planner will be maintained by the SWLEP Programme Manager and this will cover the key reporting dates to the SWLEP Board and JSEC, as well as recording all major milestones relating to overall and specific project mobilisation.
- Regular programme meetings – carried out through the functions of the SWLEP Delivery and Performance Team. Monthly meeting.
- Highlight reports – highlight reports will be forwarded by each Programme Manager for the projects and programmes that they are responsible for. These will be made available bi-monthly and will be distributed to the SWLEP Commissioning Group. The Highlight reports will include updated risk register, issues register, budget performance, period progress and next period workload.
- Risk Register – each Programme Manager will maintain a weekly risk and issues register for ongoing monitoring of process and progress. A traffic light system reporting mechanism will be aligned to this register to identify serious issues and risks early.
- Each Project Manager will develop a project initiation document available to all stakeholders with a clearly articulated brief, outline business case, communications strategy and agreed project tolerances.
- Each Programme Manager will keep a monthly record of expenditure on each project and will report to the SWLEP Commissioning Group when tolerances are breached.
- The SWLEP Programme Manager will be responsible for collating bi-monthly performance information to provide assurance to the SWLEP Board using a series of consistent templates and records that will underpin the overall risk register.

APPENDIX 1: JOINT STRATEGIC ECONOMIC COMMITTEE

Swindon and Wiltshire Joint Strategic Economic Committee - Constitution: *revised terms of reference, membership and procedure rules.*

1. Purpose

To provide local democratic and financial accountability for the Swindon and Wiltshire Strategic Economic Plan (SEP), the use of the Local Growth Fund (LGF) and other related funding streams.

2. Governance

2.1 The Swindon and Wiltshire Joint Strategic Economic Committee (JSEC) is established as a joint committee under sections 101(5), 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and Regulation 11 of the Local Authorities (Arrangements for the Discharge of Functions (England) Regulations 2012.

2.2 The JSEC comprises Swindon Borough Council and Wiltshire Council as the two Unitary Authorities in the area covered by the Swindon and Wiltshire SEP.

2.3 Political proportionality rules do not apply to the JSEC as so constituted.

3. Functions

3.1 The functions delegated to the JSEC by the Unitary Authorities are as follows:

- To act as a single voice for local government in Swindon and Wiltshire in relation to the delivery of the SEP and local Growth Deals;
- To facilitate and enable collaboration between the two Authorities on economic development and related matters;
- Provide local democratic accountability for the delivery of the SEP and the use of public resources to fund the implementation of the Strategic Economic Plan and Local Growth Deals (including supporting Wiltshire's Council's role as the accountable body);
- Provide political oversight of the marshalling and co-ordination of Local Government's contribution to the delivery of the SEP and Local Growth Deals;
- Act as formal link between Local Government and the LEP.

4. Membership

4.1 Membership of the JSEC shall comprise:

Voting:

a. 3 Executive members of each council to include;

- i. The Leader
- ii. Deputy Leader
- iii. Cabinet Member holding the portfolio which includes Economic Development

Non-voting

b. Chairman of the SWLEP plus two other SWLEP Board Members who are from the Business community.

4.2 Each Unitary Authority shall appoint up to three named substitutes for their voting members. The substitute member shall be a Cabinet Member of the Authority and shall have the same rights of speaking and voting at meetings as the member for whom the substitution is made.

4.3 Each member of the JSEC shall remain in office until removed or replaced by their appointing local Authority, the Leader of their Council or the SWLEP Board, as the case may be.

5. Voting

5.1 One member one vote for each Unitary Authority member.

5.2 Except as otherwise provided, any matter shall be decided by a majority of the votes of the voting members present.

However, In the event of any circumstance where the JSEC cannot reach agreement on an issue pertaining to the SEP, the issue in hand will be referred back to the SWLEP Board for review.

6. Quorum

6.1 The quorum for a meeting shall be four voting members, including at least one member from each council. No business shall be transacted unless a quorum is

present. If a quorum ceases to be present during a meeting the meeting shall be adjourned to a date to be agreed or determined by the Chair.

7. Chair and Vice-Chair

7.1 The Chairmanship and Vice Chairmanship of the JSEC shall rotate annually between the Elected Leaders of each Council. If the Chair is not present at any meeting the Vice Chair will preside. If neither Leader is present the JSEC will elect a Chair for that meeting from those present.

8. Meetings

8.1 The JSEC shall meet quarterly and at such other times as may be agreed.

8.2 A meeting of the JSEC shall be convened by the Chair within twenty-eight days of the receipt of a written request of any two voting members addressed to the secretary to the JSEC. No business other than that specified in the request shall be transacted at that meeting.

8.3 The agenda and supporting papers shall be circulated electronically to the members of the JSEC at least 5 clear days before the meeting.

8.4 The agenda for any meeting shall be settled by the secretary in consultation with the Leaders of both Councils.

8.5 Where a member of the JSEC is unable to attend any meeting they shall arrange for their substitute to attend and inform the secretary of this as soon as possible before the meeting.

8.6 Except as otherwise provided, meetings shall be conducted in accordance with the rules of procedure in Part 4 of Wiltshire Council's Constitution.

9. Access to Meetings and Information

9.1 The Access to information rules in Part 5 of Wiltshire Council's Constitution shall apply to proceedings of the JSEC.

9.2 Any Freedom of Information requests received by the JSEC shall be directed to the relevant Council to deal with in accordance with the relevant legislation. Where the request relates to both Councils they shall liaise with each other before responding to the request.

10. Hosting and Administration

- 10.1 Hosting of the JSEC shall be rotated between Swindon Borough Council and Wiltshire Council. The secretary to the JSEC shall be from Wiltshire Council who will also provide support through the services of the Council's Director of Finance / Section 151 Officer and the monitoring officer/director of legal and governance.
- 10.2 The secretary shall keep a proper account of money received and expended on the administration of the JSEC and the costs incurred shall be shared equally between the two Councils.
- 10.2 Wiltshire Council shall be the Accountable Body for the purposes of the Growth Fund and other funding relating to the Swindon and Wiltshire SEP.

11. Code of Conduct and Declaration of Interests

- 11.1 Members of the JSEC shall be subject to their own Council's Code of Conduct, including the rules on declaration of interests.

12. Overview and Scrutiny Arrangements

- 12.1 The decisions and business of the JSEC shall be subject to the overview and scrutiny functions of each Council and any joint overview and scrutiny arrangements agreed between the Councils.

13. Variation and Dissolution

- 13.1 The constitution of the JSEC may be varied or dissolved by the unanimous agreement of the voting members.