



# **Loughborough Town Deal Fund Programme**

## **Project Assurance Framework**

**September 2021**

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Approved: 6 October 2021

## 1. Introduction

- 1.1 The aim of this document is to set out how the Loughborough Town Deal Fund Programme will be managed and governed, taking account of the Heads of Terms agreed with Government.
- 1.2 It provides further detail to support the arrangements set out within the Town Deal Investment Plan. It has been drafted with reference to the Local Growth Assurance Framework developed by the Leicestershire LEP for the management of its programmes and the existing policies and protocols which are in place for Charnwood Borough Council (as Accountable Body for the Town Fund Programme).
- 1.3 The document will be updated to take account of any further Government requirements in respect of this Programme. Any changes to the document will be subject to Loughborough Town Deal Board approval.

## 2. Loughborough Town Deal Governance Structure

- 2.1 The development and delivery of the Investment Plan and Town Fund Programme in Loughborough is overseen by the Loughborough Town Deal Board. The Board was established in January 2020, with an initial remit to develop a Town Deal Investment Plan for Loughborough to drive sustainable productivity growth. It is now the role of the Board to oversee the implementation and delivery of this Investment Plan (and any amendments to this Plan, where appropriate).
- 2.2 The Investment Plan was prepared in consultation with local communities and key stakeholders and, as part of the wider governance structure, existing organisations and partnerships will continue to be consulted and engaged to inform priorities and to shape projects.
- 2.3 The **Loughborough Town Deal Board** comprises public, private and community sector representatives, including the Member of Parliament for Loughborough and anchor institutions such as the University of Loughborough, Loughborough College, Leicestershire Local Enterprise Partnership, Charnwood Borough Council, Leicestershire County Council, Charnwood Together Economy & Skills Group, Enterprise Zone Steering Group, Charnwood Tourism Group, Leicestershire Promotions, Love Loughborough, Loughborough Public Realm Group. Sectors which are crucial to Loughborough's economic growth and recovery are also represented through large firms and high growth SMEs operating in manufacturing, digital and tech, development, finance and retail.
- 2.4 The Loughborough Town Deal Board will lead on the overall strategy and maintain an overview of all funding decisions and overall progress in delivering the programme of projects.
- 2.5 The Board's Terms of Reference are included in Appendix 1.
- 2.6 In support of the Loughborough Town Deal Board are three sub groups:

- Member Reference Group
- Community Consultation & Engagement Group
- Delivery Sub Group

2.7 The Terms of Reference for each of the Sub Groups are included in Appendix 2.

2.8 The Loughborough Town Deal Board may establish sub groups as it sees fit and delegate decision making responsibilities to them. Currently only the Delivery Sub Group benefits from delegation from the Board as detailed in the Board's terms of reference.



#### *Loughborough Town Deal Governance Structure*

- 2.9 The **Member Reference Group** (MRG) is a forum for Loughborough Ward Councillors to gain a more detailed understanding of the issues, challenges and opportunities in Loughborough as well as the process and proposed response through the Government's Town Deal initiative. It provides a means to broaden awareness and build consensus and to assist ward councillors in their representative role in the local community. The MRG may also make representations to the Town Deal Board on any issues relating to the Town Deal.
- 2.10 The **Community Consultation and Engagement Group** (CEG) is an advisory body to the Loughborough Town Deal Board on matters of community engagement and consultation. It is a route through which residents, businesses, community groups and others can channel opportunities, issues and concerns, with a view to solving problems together and/or preparing submissions for consideration by the Loughborough Town Deal Board. It seeks to ensure effective communication and engagement on matters related to the Town Deal so that this may help influence the decisions made by the Town Deal Board.
- 2.11 The **Delivery Sub Group** (DSG) oversees the delivery of the overall Town Deal programme, ensuring effective co-ordination of project leads. The Sub Group reviews the detailed project business cases and external advice to determine

whether schemes should be approved, and they monitor project progress, delivery of outputs, outcomes and expenditure.

- 2.12 An important role of the Delivery Sub Group is to consider project business cases and, subject to final approval by the Section 151 officer of the Accountable Body as detailed in Section 4, to authorise their submission to DLUHC.

### **3. Transparency**

- 3.1 All Board Members are required to sign a Code of Conduct and to declare any conflicts of interest at each Board meeting. A register of Board Members' Interest is held by the Charnwood Borough Council Democratic Services Team. The Code of Conduct is set out in Annex 1 of the Loughborough Town Deal Board Terms of Reference.
- 3.2 The Terms of reference and the code of conduct and register of members interests are available to view on the Loughborough Town Deal website. In addition, as part of its transparent decision making, all Board papers, meeting minutes and agendas are published. These papers can all be accessed via the dedicated Town Deal web-portal at: <https://www.loughboroughtowndeal.co.uk>
- 3.3 The importance of openly sharing Board and Sub Group discussions regarding strategy, use of funding, project progress and delivery is recognised. The Board and Sub Group minutes will be published, except where the Board decide to withhold 'confidential information' from being publicly available. In these circumstances the Board will be guided by the provisions of the exemptions listed in Schedule 12 of the Local Government Act 1972 and information will be handled and retained in accordance with the policies and procedures of the Accountable Body.

### **4. Accountable Body**

- 4.1 Charnwood Borough Council was appointed as the Loughborough Town Deal Board's single accountable body in January 2020 as a requirement of the Towns Fund guidance.
- 4.2 The Accountable Body, through the Section 151 Officer, is accountable for the proper use and administration of funding, all of which falls under the annual audit of the Charnwood Borough Council's accounts, and for ensuring that decisions are made in accordance with this Assurance Framework or any other framework which may instead apply.
- 4.3 These responsibilities include:
- Ensuring the decisions and activities of the Board conform with legal requirements regarding equalities, social value, environment, Subsidy Control, procurement etc.
  - Ensuring that funds are used in accordance with the conditions placed on each grant.

- Ensuring (through the Section 151 Officer) that the funds are used appropriately.
- Ensuring that this Assurance Framework (or any other which may instead apply) is implemented and adhered to.
- Maintaining the official record of Board proceedings and holding copies of all relevant Board documents relating to any funding streams the Accountable Body is responsible for.
- Ensuring Board decisions at formal meeting are recorded by way of minutes, and the minutes of each meeting are reported to the subsequent meeting to ensure accuracy. Minutes, agendas, and reports are published on the Charnwood Borough Council website.
- Responsibility for the decisions of the Board in approving projects (for example if subjected to legal challenge).

- 4.4 These matters will be assured through internal audit as instructed by Charnwood Borough Council as the Accountable Body.
- 4.5 Awards of funding will be accompanied by a written agreement between the Accountable Body and the project sponsor/promoter [the project lead], setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mismanagement.
- 4.6 The use of resources is subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending; these are overseen and monitored by the Section 151 Officer.
- 4.7 While it may put in place procedures and promote proper practice, and monitor and report on the effectiveness of these, the Accountable Body is not responsible for any deficiencies in the administration of public monies among funding recipients and partner bodies. In the event of any shortcomings coming to light it will seek to safeguard, and recover where appropriate, the relevant monies through either the Board mechanisms or its own channels as it considers most suitable in the circumstances.
- 4.8 The Accountable Body would only normally refuse a decision of the Delivery Sub Group (or Board) if it were:
- Not procedurally valid, or
  - Illegal, or
  - Would lead to the available budget being exceeded.
- 4.9 If a situation did occur whereby the Accountable Body had significant concerns about a decision the Delivery Sub Group (or Board) had taken, or proposed to take, then an urgent meeting within 5 working days would be convened by the Section 151 Officer of the Accountable Body with key stakeholders from both the Board and

the Accountable Body. The Council's S151 Officer will ensure compliance with all necessary financial regulations.

- 4.10 There will be a clear separation between project leads (i.e., Charnwood Borough Council led schemes) and those advising on decision-making (the Accountable Body role), to ensure the Delivery Sub Group (or Board) is acting on impartial advice on the merits of business cases.
- 4.11 Where Charnwood Borough Council is the project lead and the Accountable Body, an independent advisor will review the project documents and provide an appraisal to the Board on compliance to the Towns Fund programme. This will allow impartiality between different project leads and the Accountable Body.
- 4.12 Awards of funding by the Board will be accompanied by a written offer in a Grant Funding Agreement between the Accountable Body on behalf of the Board and with the project lead setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mismanagement.
- 4.13 An equivalent agreement will be entered into where Charnwood Borough Council are both the project lead and the Accountable Body.
- 4.14 As a minimum, these Grant Funding Agreements will include:
  - Details of the project and outputs to be delivered in a specified timescale
  - Arrangements for payment (up front or in arrears, quarterly or other)
  - Arrangements to suspend or claw back funding in the event of non-delivery or mismanagement
  - Monitoring requirements, including the delivery metrics and frequency of reporting
  - Publicity obligations and arrangements
- 4.15 The agreement will be signed by the Section 151 Officer (or equivalent) of the organisation promoting the project and by the Section 151 Officer of the Accountable Body, on behalf of the Loughborough Town Deal Board. The Section 151 Officer of the Accountable Body has the final sign off on funding decisions.

## **5. Role of the Section 151 Officer**

- 5.1 Charnwood Borough Council is the Accountable Body for the Loughborough Town Deal Board. The Council's Section 151 Officer will ensure compliance with all necessary financial regulations.
- 5.2 The Loughborough Town Deal Board and Accountable Body will ensure they address the five principles of the CIPFA guidance:
  - Embed a corporate position for the Section 151 officer in Board assurance

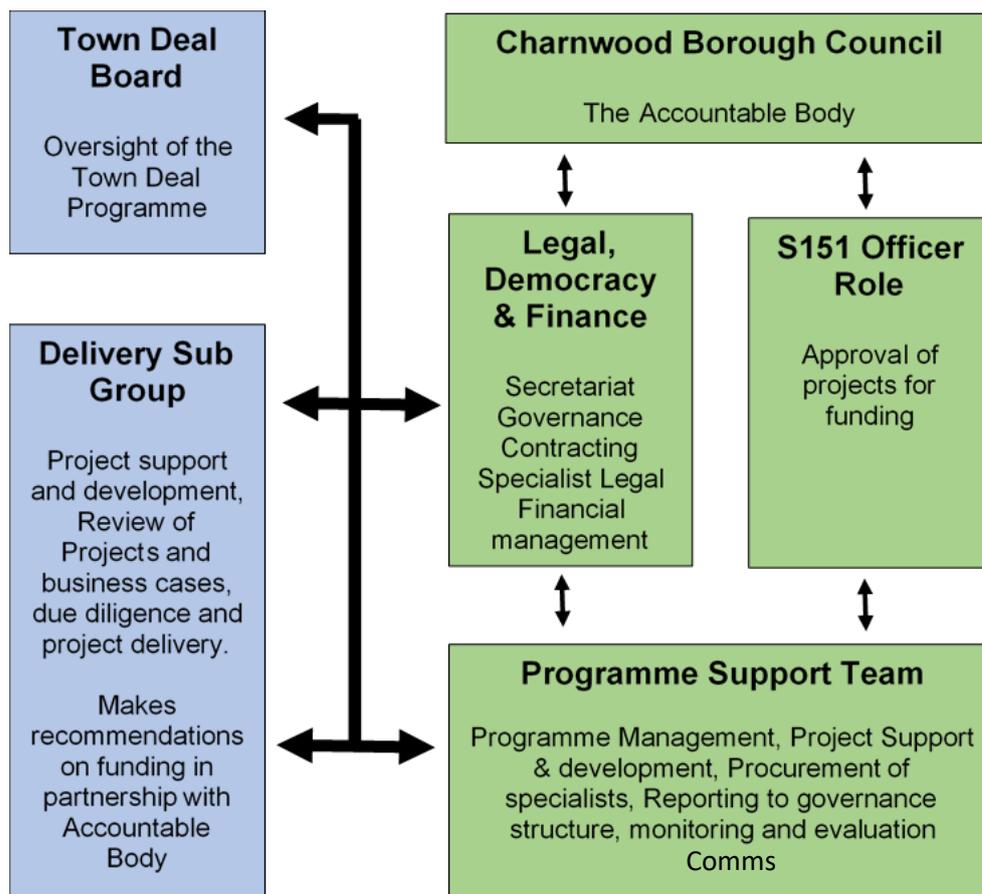
- Create a formal/structured mandate for the Section 151 officer
- Embed good governance onto decision making
- Ensure effective review of governance
- Ensure appropriate skills and resourcing

- 5.3 All Board and any sub group documents which have financial implications will be provided to the Section 151 Officer/delegate, and where decisions are being made the Section 151 Officer/delegate will have the opportunity to comment. The Section 151 Officer/delegate will also attend the Loughborough Town Deal Board meeting and Sub Group meetings to provide support on items that have financial implications.
- 5.4 Assurance will be provided by the requirement for Project Leads to submit signed monitoring returns to the Section 151 Officer as required.
- 5.5 The Section 151 officer will provide an assurance statement as part of the Annual Performance Review (see section 13. Monitoring) and attend the review in support of the Board. They will provide a letter to the Accounting Officer at the DLUHC as required each year, which will include:
- Details of the checks that the Section 151 Officer has taken to assure themselves that the Accountable Body has in place the processes that ensure proper administration of financial affairs
  - A statement outlining whether, having considered all the relevant information, the Section 151 Officer is of the opinion that the affairs of the Accountable Body are being properly administered (including consistently with the National Assurance Framework and this LAF)
  - If not, information about the main concerns and recommendations about the arrangements which need to be implemented to get the Towns Fund to be properly administered.
- 5.6 Towns Funding will be separately identified from the Accountable Body's own funds; the Section 151 Officer will ensure that towns funding is used appropriately and not for any purpose other than for that which it is intended.
- 5.7 The Section 151 Officer (or their delegated representative) will be invited to attend all Board and sub group meetings but will not be entitled to vote or make decisions.
- 5.8 A wider support function will be provided by Council officers including expertise provided by Legal Services, Democratic Services and Financial Services. External consultancy services with specialist expertise will also be procured to support the Town Deal Project Team, such as to ensure an independent and robust due diligence process.
- 5.9 The Lead Officers for the Accountable Body are as follows:

- Strategic Director – Community, Planning & Housing
- Strategic Director – Environmental and Corporate Services (S151 Officer)
- Head of Planning and Regeneration
- Head of Leisure and Culture
- Head of Finance
- Head of Strategic Support (Monitoring Officer)
- Communications Manager
- Loughborough Town Deal Project Manager

5.10 In the management and development of the Loughborough Town Deal Programme, officers and the Co-Chairs will seek to collaborate with other Towns Fund areas to share best practice and to explore opportunities for cross-working and the sharing of resource and expertise where this is considered to add value or deliver efficiencies.

5.11 The relationship between the Accountable Body and Loughborough Town Deal Board structure is shown below:



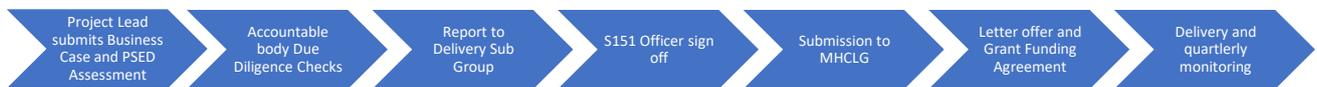
## 6. Business Case Development

- 6.1 The Loughborough Town Deal Investment Plan provides the vision for sustainable growth in Loughborough over the long-term and a blue print for an initial programme of schemes to help achieve this vision.
- 6.2 The Investment Plan has been approved by Government and formal Heads of Terms agreed which dictate the overall level of funding awarded and the conditions which apply. Given that the level of funding is insufficient to support all the schemes in the Investment Plan, the Board has reviewed the overall programme and determined the final selection of projects and 'in principle' allocation of funds for each of the prioritised schemes. These remain to be worked up to full business case stage.
- 6.3 To this end, project leads are required to develop a business case for their projects in line with the Heads of Terms agreed with government and the 'green book'. The Programme Team will work with project leads, through the Delivery Sub Group (or Board) and individually, to support the development of these business cases and to provide access to expert external support where necessary, subject to available funding. However, responsibility for the development and drafting of the final business case will sit with the project leads for the project in each case.
- 6.4 The DLUHC Proportionality Tool can be used to inform a lighter touch business case in circumstances where project leads can confirm:
1. The business case development costs are too high in relation to the size of the project
  2. There is no Regional or National significance
  3. The project is not complex or innovative
  4. There is sufficient experience in completing similar projects
- 6.5 The Accountable Body will procure support from independent experts to undertake due diligence and provide a formal appraisal of each business case to inform the Delivery Sub Group's final decision on whether to approve a project for funding. This decision is subject to the final approval of the Section 151 Officer of the Accountable Body. This will ensure fair, robust and transparent decision making.
- 6.6 For schemes that are being delivered directly by the Accountable Body, approval will also be required by the Council Executive or its delegee in line with the Council's Financial Regulations and governance arrangements.
- 6.7 A formal award to a project lead shall not be approved by the Delivery Sub Group until a business case has been developed, which has been subject to due diligence and has been signed off by the Section 151 Officer.
- 6.8 Once a decision to approve a funding award has been made, the Accountable Body will enter into a Grant Funding Agreement (GFA) with the lead partner for the delivery of this project. Thereafter, the project lead will be responsible for the management and monitoring of this project and will need to complete regular

monitoring returns to enable the Accountable Body to carry out its overall programme management duties including the Annual Performance Review

6.9 Where the Accountable Body is also leading on the delivery of a project, the Council will ensure that there is a separation of duties between those managing the programme and those involved in the delivery of the project. The Council's Project Manager in each case will be accountable for the project and for meeting any conditions set out in the Agreement with government and identified as part of the due diligence check. The Project Manager will complete regular monitoring returns in the same way as an external partner would be required to do, to ensure that the project is being managed in accordance with the requirement of the programme.

6.10 The diagram below is a visual outline of this process:



6.11 A business case template has been developed by government to take account of Town Deal specific guidance. Within the business case, projects will be required to meet the criteria set out below, building on the information provided within the Project Proformas set out in the Investment Plan:

- **Strategic case** – must show the rationale, background, policy context and strategic fit of the public expenditure or public intervention, this should include clear objectives with a robust logic of change from inputs to outcomes.
- **Economic case** – with evidence of why a privately provided solution would fall short of what is optimal (market failure) and a list of options to achieve a better outcome. “Do nothing” should always be an option. The case must build on robust verifiable evidence, consider additionality, and displacement of activity, and include a sensitivity analysis and a correction for optimism bias if risk is a factor for success. Value for money is ideally demonstrated in a credible Benefit-Cost Ratio, but where some of the costs and/or benefits cannot be monetised at the present time, the economic case should proportionally capture these impacts and specify a partial value for money measure. Wider benefits and costs should be considered and specified where these are sizeable, compared with the direct impacts. Towns should decide how to treat Covid-19 impacts.
- **Commercial case** – demonstrate commercial viability or contractual structure for the project, including procurement where applicable.
- **Financial case** – standard appraisal of financial implications of the project, where applicable this should include budgets, cash flow, and contingencies.
- **Management case** – how the project will be delivered

## **7. Scope of Due Diligence**

7.1 This process will incorporate verification of outputs and a value for money assessment. Information such as development appraisals, cost plans, valuations, statement to verify state aid compliance and other information will be required to substantiate the information within project business cases as relevant.

7.2 The scope of the due diligence appraisal is as follows:

1. Project summary and planning status
2. Funding sought and status of match funding
3. Key Issues
4. Review of Strategic Case
5. Review of Economic Case, including assessment of outputs and value for money
6. Review of Commercial Case, including market assessment and development appraisal as relevant to the scheme
7. Review of Financial Case, including review of the mechanism for investment, procurement, state aid and legal compliance
8. Review of Management Case, including assessment of deliverability, programme and milestones
9. Overall Risk Assessment
10. Conditions and terms for the funding agreement
11. Conclusions & Recommendations

7.3 The due diligence process will be undertaken by an independent expert, subject to appointment by the Accountable Body.

7.4 Following the due diligence process the independent expert will consult with the Section 151 Officer and projects will be classified as:

- Ready to proceed
- Ready to proceed, pending limited additional information
- Not ready to proceed/require significant additional information

7.5 The independent expert will pull together their findings in a report to be presented to the Delivery Sub Group (or Board) for a decision.

## **8. Decision Making**

8.1 Due diligence reports will be presented to the Delivery Sub-Group (or Board) who will consider whether to approve the business case.

8.2 The Delivery Sub-Group will be convened in accordance with its terms of reference to consider project business cases, due diligence reports and make decisions

whether to submit the business case and summary documents to DLUHC, subject to the Section 151 Officer's approval.

- 8.3 A decision which is made in contravention of this Assurance Framework process will be invalid based on non-compliance unless the Loughborough Town Deal Board has given prior approval for variation in the decision-making process.

## **9. Claims & Grant Funding Agreements**

- 9.1 Once funding has been identified and confirmed, subject to projects fully addressing any compliance issues identified, a Grant Offer Letter will be issued to the Project Lead.
- 9.2 The Grant Offer Letter is not a contract and the Accountable Body reserves the right to withdraw or amend a Grant Offer Letter prior to issuing and finalising a legally binding Funding Agreement. The Grant Offer Letter will address any conditions placed on the funding by the decision-making body.
- 9.3 All Charnwood Borough Council projects will be governed by a Memorandum of Understanding (MoU). Project leads that are non-Borough Council will be subject to a project specific Grant Funding Agreement reflecting the conditions of the funding between the Board and the funding body. The MoU and the funding Agreement provisions will be aligned where possible to ensure equity and consistency. The final Grant Funding Agreement is based on a standardised set of terms and conditions and will contain any specific provisions required by the funding source.
- 9.4 A Grant Funding Agreement will be developed by the Accountable Body to align with its requirements in respect of the management and monitoring of Town deal projects. The Schedule sections of the contract will include bespoke information relating to each project and take into account contractual obligations emerging from the due diligence appraisal process and expectations in terms of monitoring and evaluation of expenditure, outputs and outcomes.
- 9.5 The Grant Funding Agreement is prepared, agreed and signed between the Accountable Body and project lead and forms a legally binding contract between the two parties. It is recognised that projects that have multi-year funding are exposed to the risk that subsequent years' allocations may only be confirmed within the financial year to which they relate. Projects may choose to proceed at risk. The Board will consider options to assist in the management of the financial risk attributed to multi-year projects.
- 9.5 Subject to verification with DLUHC on a date from which spend may be legitimately claimed/any further detailed guidance, there may be occasions where projects incur essential eligible costs in advance of the contractual agreement being in place, for example, project design fees, planning fees, procurement costs, etc. These costs could be included within and considered as part of the due diligence appraisal, and if approved for funding support, would be specifically identified within schedules of the contractual agreement for the project.

## **10. Claw-back**

- 10.1 The Grant Funding Agreement will set out the conditions relating to the project and the responsibilities for all parties.
- 10.2 The funding agreement also includes a mechanism for clawback. This will ensure that that funding is only spent on the specified scheme and linked to the delivery of outputs and outcomes, whilst giving the Accountable Body the option of clawing back funds in the event of poor performance, misuse of funds, where a project is changed from its original purpose or where assets are disposed of within a certain period. Any decision to clawback funds will be made by the Town Deal Board on the recommendation of the Delivery Sub Group.
- 10.3 As a benchmark, it is proposed that if performance in terms of spend and/or outputs is deemed to be very poor (red RAG rated), that performance should be reviewed by the Delivery Sub Group. The Delivery Sub Group could decide to suspend the project and make recommendations to the Loughborough Town Deal Board that funding is halted and any grant issued be recovered.

## **11. Variation Orders**

- 11.1 There may be circumstances where projects need to declare variations to cost headings or changes to forecast levels of outputs or expenditure. Where variations to costs/outputs do not exceed 10% of the original amount allocated to the project within the contractual agreement, a Justification Form will be completed by the relevant project manager, providing a full explanation for the revision/increase, and any additional information which may help clarify the changes being requested.
- 11.2 The Accountable Body will review the justification request and either approve or reject the proposals, highlighting reasons for the decision made. A variation order can then be raised and processed by the Accountable Body. Recommended decisions on variations will be formally submitted for consideration to the Delivery Sub-Group and flagged with the Local Growth Unit (BEIS) as appropriate.

## **12. Pipeline Projects**

- 12.1 Subject to verification with DLUHC or any further Towns Fund detailed guidance, it may be important to have a pipeline of schemes should funding be withdrawn from the initial shortlisted schemes due to projects failing to pass the due diligence check or contractual obligations.
- 12.2 Where previously committed funds are removed from a project, subject to the terms of any agreement with Government, the Delivery Sub Group may consider alternative schemes within the Investment Plan (or fitting with this plan) deemed most deliverable and invite them to submit a full business case for assessment.
- 12.3 Selection of alternative schemes will be carried out as per the Project Prioritisation Methodology agreed by the Board 16 August 2021, in summary the process is as follows:

- a. The project details will include: project name, description, location, alignment with the intervention framework, how it will address the need / capitalises on the opportunity, funding required, match funding, financial profiles, outputs, outcomes, alignment with theory of change, delivery plan, project status, alignment with national programmes strategies.
- b. The projects are scored by Members selected by the Board and by the Officer Team, the criteria and weightings to be used are:

<b>Criteria</b>	<b>Weighting</b>
1. Robustness of the business case (high level assessment)	x 2
2. Match funding	x 1.5
3. Readiness to go (started or ready to start)	x 2
4. Deliverability (ability of sponsor to commit to delivery over the project life)	x 2
5. Economic improvement	x 1
6. Visible impact for the town / residents of TD funding)	x 1.5

- c. The Board Members' scores to be recorded individually with the Officer Group providing a composite score. This is then to be used as control group to identify any outlying scores to provide and indication of the range to be expected from the group scores
- d. The Board Members and Officer Group scores to be grouped together to provide and overall score for the project(s).
- e. To then rank the projects based on the group scores
- f. The Board to review and approve the highest ranked project(s)

### **13. Monitoring**

- 13.1 Projects Leads will be required to provide baseline data for monitoring purposes as requested by DLUHC.
- 13.2 The Accountable Body will meet with project sponsors once they are contracted to explain how project funds can be drawn down and the procedures required to report performance.
- 13.3 The Accountable Body will monitor performance of all projects every quarter and will organise site visits to assist the monitoring of each project at least once a year as a minimum. If a project is not performing as expected, more frequent visits and progress meetings will be held with the funding recipients.
- 13.4 Funding recipients will provide 6-monthly monitoring claims to the Accountable Body, completing progress report information and spend/output updates on each claim. These will be required by 31<sup>st</sup> October for the preceding 6-month period April-

September and by 30<sup>th</sup> April for the preceding 6-month period from October – March. More frequent monitoring may be required by the Accountable Body for certain schemes. Where a project is unable to financially cover its costs in the first 6-month period, an advance payment may be authorised, subject to approval by the Sub-Committee.

- 13.5 Monitoring claims will require requests for, inter alia: financial information, monitoring data, delivery progress, details of procurement.
- 13.6 The member of the Accountable Body who checks the claim and passes this will then trigger an approval, to be signed in accordance with scheme of delegation contained within the Charnwood Borough Council's Financial Procedures.
- 13.7 The Accountable Body will ensure from the outset that robust and suitable systems and processes are in place locally to maintain adequate audit trails and manage information effectively and efficiently.
- 13.8 The Accountable Body will review progress against outputs and outcomes quarterly until all outputs have been achieved.
- 13.9 Subject to government monitoring requirements, a quarterly reporting dashboard will provide the Delivery Sub Group and the Board with regular, detailed RAG rated information on how the project and overall programme is performing.
- 13.10 Where a project is Red RAG rated, it will be subject to monthly monitoring by the Accountable Body. If improvement is not demonstrated, this could result in suspension of the funding and potentially or claw-back of funds.
- 13.11 It is expected that the Accountable Body will commission an independent evaluation of the overall programme.
- 13.12 The Accountable Body will undertake an Annual Performance Review of the programme and present this to the Loughborough Town Deal Board, including:
  - S151 Officer's assurance statement (as detailed in section 5)
  - Statement of funds held on account and committed
  - Performance data for each project including: financial information, monitoring data, delivery progress, details of procurement etc.

## **Appendix 1: Loughborough Town Deal Board: Terms of Reference**

## Loughborough Town Deal Board

### Terms of Reference

#### Membership

Co -Chair - Cllr Jonathan Morgan, Leader of the Council  
Co- Chair – Nik Kotecha, Business Community

#### Executive Board Members

Jane Hunt MP  
Cllr Deborah Taylor LCC  
Lez Cope Newman, Loughborough BID (or other Loughborough BID representative)  
Andy Reed LLEP representative  
Martin Traynor, Chair, Economy and Skills Group, Charnwood Together  
Prof Chris Rielly Loughborough University  
Jo Maher, Loughborough College

#### Non-Executive Board Members

Chair – Cllr Jenny Bokor, Member Reference group  
Chair – David Pagett-Wright, Community Engagement and Consultation group

#### Officer attendees

Rob Mitchell - CBC  
Eileen Mallon - CBC  
Tom Purnell - LCC  
Mandip Rai – LLEP  
Finance Officer - CBC  
Others as invited for specific agenda items

#### Co-Chairs

Having Co-Chairs shows the strength of partnership between the public and private sector representatives. Their role is to combine their individual strengths and experience to maximise the support to the Board. The Co-Chairs will also lead the Board in achieving its objectives, maintaining an overview of activity, and championing and supporting partnership working ensuring that decisions are made by the Board in accordance with good governance principles.

The Co-Chairs will remain in office for two years from election unless re-elected by majority vote of the Board. Should either step down during their tenure a new representative will be elected at the next available Board meeting.

The Co-Chairs will have delegated authority to:

- Amend the Town Investment Plan prior to its submission to the government.
- Take decisions in urgent circumstances to ensure programme delivery subject to a delegated authority report being made to the Board to confirm the decision.

## **Board Responsibilities**

- To provide support and advice to the accountable body (Charnwood Borough Council) in developing a Town Deal bid in line with the Government prospectus.
- To maintain strategic oversight of the Town Deal Bid and set the direction of the investment plan.
- To approve the annual delivery plan and monitor the delivery of targets in the plan.
- To oversee the establishment of the programme (officer) team and other Sub-Groups as the Board sees fit.
- To ensure that the programme team and the Sub-Group have sufficient resources, knowledge and capacity available to deliver the objectives.
- To make representation to government departments for advice and assistance as necessary.
- To ensure the necessary liaison arrangements are in place to maximise resources across the range of partners, and to work collaboratively to deliver the shared objectives.
- To receive representation from the Member Reference Group, and consider the views of Members, ensuring adequate liaison with the group.
- To ensure the views of the community are represented and considered through the Community Engagement and Consultation Group, and the communications strategy
- To ensure all the necessary governance matters within the remit of Charnwood Borough Council are identified and progressed effectively.
- To delegate decisions to the Sub-Group, as set out in the Scheme of Delegations

## **Scheme of Delegation**

On behalf of the Board the Sub-Group may:

- Approve projects for submission to DLUHC and for contracting and delivery, subject to final approval by the Accountable Body's S151 Officer..
- To approve amendments to projects that affect their cost up to a maximum of £500K of the individual Town Deal Projects.
- That any proposed project amendments that affect cost above £500K is decided by the Board unless an urgent decision is required, in which case the proposal to be circulated to all Board members for their views and that on receiving all responses the Co-chairs to make the final decision if a Board meeting is not convened.
- Approve allocation of DLUHC Programme support funding.
- Approve the submission of monitoring reports to DLUHC.
- Suspend projects where there are Red rated issues such as potential for significant overspend and or project delay leading to late completion.
- Where a project is suspended, to report to the Board for it to consider halting the project unless urgent action is required, in which case to circulate to all Board Members for their views and that on receiving all responses the Co-chairs make the final decision if the Board is not convened.

## **Professional and Administrative Support**

Charnwood Borough Council shall act as the accountable body for the Town Deal Board in respect of financial matters, and its financial procedure rules will apply in this context.

Committee management and administrative support to the Board will be provided by Charnwood Borough Council.

### **Quorum**

The quorum for meetings of the Board will be five voting members, including the Chair. Or the person presiding the meeting. If there is no quorum at the published start time for the meeting, a period of ten minutes will be allowed, or longer, at the Chair's discretion. If there remains no quorum at the expiry of this period, the meeting will be declared null and void.

If there is no quorum at any stage during a meeting, the Chair will adjourn the meeting for a period of ten minutes, or longer, at their discretion. If there remains no quorum at the expiry of this period, the meeting will be closed, and the remaining items will be declared null and void.

### **Frequency of Meetings**

Meetings will be held every two months in the first instance. The frequency of meetings can be varied following a discussion and vote of the Board, at the discretion of the Chair.

### **Conduct**

The Loughborough Town Deal Board will be based on collaboration and business will be conducted in the spirit of partnership working and abide by the Nolan principles. All Board Members are required to sign up to the Code of Conduct set out at Annex 1 and to declare any personal or pecuniary interests. These records will be maintained by the Lead Council and published on the Loughborough Town Deal website. All decisions will be made in accordance with the following principles:

- Due consultation will be carried out where appropriate (including taking relevant professional advice from officers);
- There will be a presumption in favour of open and transparent decision making;
- There will be a clarity of aims and desired outcomes;
- All decisions will be taken as members of the Loughborough Town Deal Board and not on behalf of specific organisations or areas;
- If a board member persistently disregards the ruling of the Chair, or person presiding the meeting, by behaving improperly or offensively or deliberately obstructs business, the Chair, or person presiding the meeting, may move that the board member be not heard further. If seconded, a vote will be taken without discussion.
- If a board member continues to behave improperly after such a motion is carried, the Chair, or person presiding the meeting, may move that either the board member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, a vote will be taken without discussion. Board members representing public authorities shall be bound by the Code of Conduct of their nominating body.

### **Notice of and invitations to meetings**

At least five clear working days before a meeting, a copy of the agenda and associated papers will be sent to every member of the Board. The agenda will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such details as are available.

## **Voting**

Board members commit to seek, where possible, to operate on the basis of consensus. Should it not be possible in a specific instance to find a consensus, the decision will be made on the basis of a simple majority. Only Executive board members are able to vote. The Chair will have the casting vote.

Matters which are the responsibility of the Accountable Body, will be reserved to Charnwood Borough Council.

## **Minutes**

The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record.

The minutes will be published as draft minutes on the Town Deal website 10 working days after the meeting. Once the minutes have been confirmed by the Board they will be published on the Town Deal website within 10 working days of confirmation.

The minutes will be accompanied by a list of agreed action points, which may be discussed in considering the minutes of the previous meeting should they not be specifically listed as items on the agenda for the meeting.

Minutes will be made available to the public.

## Annex 1

### Loughborough Town Deal Board - Code of Conduct

As per the Towns Fund Prospectus, the Government expect that Town Deal Boards align with governance and policies of the Lead Council (Charnwood Borough Council). This includes the Members' Code of Conduct (incorporating conflicts of interest), Officers Code of Conduct, Whistle Blowing policy, and Protocol on Member/Officer relations (incorporating complaints).

Charnwood Borough Council expects employees and its members to adhere to the Nolan Principles of public life. Therefore, members of the Loughborough Town Deal Board, the Community Engagement Consultation Group, the Town Deal Member Reference Group and Town Deal Programme team are expected to adhere to those same principles of:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

Although the Government expects that The Boards' Code of Conduct must align with that of the Lead Council, there may be elements of the Lead Council's Code of Conduct and associated protocols that are not applicable to board members, in relation to the Loughborough Town Deal Board and its function.

Members of the Loughborough Town Deal Board are required to declare any interests, gifts or hospitality which they have or receive which could influence any decisions they may make as Board members.

If a complaint is received by The Board, the matter will be referred to the Lead Council and dealt with under the Lead Council's complaints policy.

Copies of the Lead Council's applicable policies, within its own Code of Conduct can be obtained via the website:

[https://www.charnwood.gov.uk/files/documents/part\\_5\\_codes\\_and\\_protocols/Part%205%20Codes%20and%20protocols.pdf](https://www.charnwood.gov.uk/files/documents/part_5_codes_and_protocols/Part%205%20Codes%20and%20protocols.pdf)

Failure to adhere to the Loughborough Town Deal Board Code of Conduct could result in removal from the Board.

I agree to abide by the principles as detailed above

Signed:

Date:

Name:

Organisation:

**Appendix 2: Draft Terms of Reference, Town Deal Delivery Sub Group  
Terms of Reference, Town Deal Member Development Group  
Terms of Reference, Town Deal Community Engagement and  
Consultation Group**

## Draft Terms of Reference

### Loughborough Town Deal Delivery Sub-Group

#### 1. Membership

The members of the Sub-Group shall be appointed by the Board and may be removed at any time by the Board.

The Sub-Group shall comprise of a total of 4 Board Members and be supported by Officers as required.

The Sub-Group Members must be independent of any of the Town Deal Projects and have no conflicts of interest

The Board shall appoint the Chair of the Sub-Group.

The membership, Terms of Reference and structure of the Sub-Group shall be reviewed on an annual basis by the Board. The Board reserves the right to amend the Terms of Reference at any time.

#### 2. Purpose

- To support the Loughborough Town Deal Board and project team in administering the preparation, submission, delivery and monitoring of Town Deal Projects.
- To advise the Loughborough Town Deal Board that projects satisfy the Local Assurance Framework.
- To support the project team and project leads in the submission of projects to government and in their delivery.
- To monitor and review the performance and delivery of projects.

#### 3. Sub-Group responsibilities

To assess and support projects to progress to full business case stage, in accordance with the Heads of Terms Agreement with Government.

To approve the allocation of DLUHC programme support funding.

To secure confirmation from the accountable body and Section 151 Officer that projects meet the Assurance Framework.

To undertake a final strategic assessment of projects through to contracting stage, based on the recommendations of an independent due diligence process.

To approve projects for submission to DLUHC and for contracting and delivery, subject to final approval by the Accountable Body's S151 Officer.

To monitor the performance of approved projects on a quarterly basis during the delivery stage and in accordance with the terms set out within the Grant Funding Agreements for each project and to make recommendations to the Loughborough Town Deal Board on interventions that may be necessary

To suspend projects where there are red rated issues, such as potential for significant overspends and/or project delays leading to late completion

Where a project is suspended, to make a report to the Board for it to consider halting the project unless urgent action is required in which case the report is to be circulated to all Board member for their views and, that on receiving all responses, the Co-chairs make the final decision if the Board is not convened.

To approve the submission of monitoring reports to DLUHC.

To support Programme delivery through regular project review, particularly in respect of:

- Project stage and Planning status
- Funding sources and status of match funding
- Key Issues
- Continued Strategic need
- Economic Case, including assessment of outputs and value for money.
- Commercial Case, including market assessment and development appraisal as relevant to the scheme.
- Financial Case, including review of the mechanism for investment, procurement, state aid and legal compliance.
- Management Case, including assessment of deliverability, programme, and milestones.
- Overall Delivery Risk Assessment

To support Business case development through Partnership working and use of specialist working groups (making use of existing governance structures wherever possible):

- To prepare progress reports on business case development to enable assessment, prioritisation, and approval of projects.
- To receive reports from project leads in respect of programme projects.
- To support the Board in promoting the Town Deal Programme and Investment Plan and advocating for support from partners.
- To maintain a pipeline of projects for consideration in the event of additional funding becoming available or the non-delivery of selected projects.
- To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Sub-Committee and make recommendations to the main Board (hereby referred to as the 'Board') with regard to any changes.
- To work and liaise as necessary with the Board and to consider any other matters as may be requested by the Board.

To approve amendments to projects that affect their cost up to a maximum of £500k of the individual project.

Any amendments above £500k are to be decided by the Loughborough Town Deal Board unless an urgent decision is required, in which case the proposal is to be circulated to all Board members for their views and, on receiving all responses, the Co-chairs make the final decision if a Board meeting is not convened

#### **4. Professional and Administrative Support**

Committee management and administrative support to the Sub-Group will be provided by Charnwood Borough Council.

#### **5. Quorum**

A quorum shall be 2 members present, including at least one independent representative and the Sub-Group Chair. If there is no quorum the meeting can continue for discussion purposes only but no decisions can be made.

#### **6. Frequency of meetings**

The Sub-Group will meet at least four times a year. The Sub-Group may meet at other times during the year as agreed between the members of the Sub-Group or as otherwise requested by the Board and may approve recommendations via written procedure, including via electronic communication.

Only members of the Sub-Group have the right to attend Sub-Group meetings but other non-voting representatives and external advisers may be invited to attend all or part of any meeting as and when appropriate, provided that such parties agree to be bound by the Code of Conduct, and shall be entitled to speak at the meeting with the prior permission of the Chair.

#### **7. Conduct**

Members of the Sub-Group shall abide by the agreed Board Code of Conduct and return Declaration of Interests on an annual basis.

The Sub-Group shall give due consideration to all laws and regulations as appropriate.

The Sub-Group will, from time to time, consider projects and proposals of a “commercial in confidence” or sensitive nature. All Board Members and Observers will observe the need for confidentiality in this respect.

If a Sub-Group member has a pecuniary or personal interest in a matter to be discussed at a meeting the member shall immediately declare the nature of the conflict or potential conflict and withdraw from all or part of any meeting where the conflict would be relevant.

#### **8. Notice of Meetings**

Meetings of the Sub-Group shall be called by the secretary of the Sub-Group at the request of the Chair of the Sub-Group or the Board.

Unless otherwise agreed, a copy of the agenda and associated papers will be sent to every member of the Sub-Group five clear working days before the meeting. The agenda will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such details as are available.

Any supporting papers shall be sent to each member of the Sub-Group and other attendees (as appropriate) at the same time.

## 9. Decisions

Each member of the Sub-Group shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee. If the number of members attending the meeting does not allow for a decision to be reached due to the reduced numbers, absent members may be called upon to cast their vote by email. This will be recorded in the minutes of the meeting.

Other representatives and external advisors invited to a meeting of the Sub-Group will not be able to vote on decisions made by the Sub-Group.

Any decision of the Sub-Group must be a majority decision.

If a matter that is considered by the Sub-Group is one where a Sub-Group member, either directly or indirectly has a personal interest, that member shall not be permitted to vote on that matter and may not take part in discussions relating to that matter. In this instance, the Sub-Group member shall be required to leave the meeting until such time as the matter has been dealt with and any vote has taken place.

Save where he or she has a personal interest, the Chair will have a casting vote.

A resolution in writing, sent to all members entitled to receive notice of a meeting of the Sub-Group and agreed in writing by a majority of the members shall be valid and effectual as if it has been passed at a meeting duly convened and held and may consist of several documents in materially the same form each agreed in writing by one or more members. This includes via the use of electronic mail.

Decisions identified by the Sub-Group that require urgent agreement that does not allow for a Board meeting to be convened can be made by the full approval of the Co-Chairs of the Board.

## 10. Reporting

The proceedings and resolutions of meetings of the Sub-Group, including the names of those present and in attendance, shall be minuted by the secretary of the Sub-Group.

Draft minutes of each meeting will be circulated to all members of the Sub-Group. Once approved, the minutes of each meeting will be submitted to the Board as a formal record of the decisions of the Sub-Group on behalf of the Board unless it would be inappropriate to do so. If information discussed at the Sub-Group meeting is of a business sensitive or confidential nature this information will be shared as a confidential note to the Board and not published on the Loughborough Town Deal Website.

The Sub-Group shall produce an annual report, summarizing project progress and spend and any other matters pertinent to the delivery of the programme. This report will be presented to the Board.

## **Loughborough Town Deal**

### **Member Reference Group (MRG)**

#### **Terms of Reference**

##### **Membership**

- One councillor from each ward within Loughborough as nominated by the relevant party groups.
- Constitution sets out the Chair of Member reference Group will be the lead cabinet portfolio holder.
- Chair of the MRG will be a non-voting member of the Town Deal Board

##### **Substitution**

There will no right of substitution on this group. Where a member is unable to attend a meeting the Democratic Services Team should be notified.

##### **Officer attendees**

Town Deal Project Manager  
Others as invited for specific items

##### **Overview**

The Governance structure for the Town Deal Board provides for a Town Deal Member Reference Group (MRG) to engage Loughborough ward councillors and to support the Board in its agenda for preparing a Town Deal Investment Plan and in overseeing the delivery of projects.

##### **Scope and responsibilities**

The MRG is not a decision-making body but a forum for Loughborough councillors to gain a more detailed understanding of the issues and challenges and opportunities in Loughborough as well as the process and proposed response through the Government's Town Deal initiative. It provides a means to broaden awareness and build consensus and to assist ward councillors in their representative role in the local community. The MRG may also make representations to the Town Deal Board on any issues relating to the Town Deal.

Responsibility for preparing the Town Deal falls to the Town Deal Board. However, approval of some decisions will remain with participating organisations and individuals including the Council and its executive. In these circumstances, members of the MRG should consider their position in the wider context of the Nolan principles, the Council's constitution and approved standards.

##### **Professional Administrative Support**

To be provided by Charnwood Borough Council

##### **Frequency of Meetings**

The MRG will meet every two months in the first instance. The frequency of meetings can be varied at the discretion of the Chair of the Town Deal Board.

### **Notice of and invitations to meetings**

At least five clear working days before a meeting, a copy of the agenda and associated papers will be sent to every member of the MRG. The agenda will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such details as are available.

### **Sharing of Information**

Some of the information provided to the member reference group may be confidential and this should not be shared with those outside of the Council. Officers will ensure members are aware that documentation is confidential by marking it as such and will make it clear at the meetings if anything being discussed is of a confidential nature. Members are reminded that to disclose information given to them in confidence is a potential breach of the Members' Code of Conduct. If members are in any doubt about the nature of information provided through the Member Reference Group, advice should be sought from Democratic Services.

## **Loughborough Town Deal Community Engagement and Consultation Group Terms of Reference**

### **TERMS OF REFERENCE**

The Loughborough Town Deal Community Engagement and Consultation Group is part of the Loughborough Town Deal Board (LTDB) governance structure and will be governed by the Loughborough Town Deal Board Terms of Reference.

### **OBJECTIVE:**

To ensure there the community is engaged with the work and projects associated with the Loughborough Town Deal.

### **PURPOSE:**

The purpose of the group is:

- to represent communities, organisations, businesses, and different sectors of the Loughborough community in relation to proposals put forward as part of the Loughborough Town Deal and in order to deliver the vision of the Loughborough Town Deal Board.
- to comment on ideas and proposals and generate ideas for consideration of the Board

As a reminder, the overarching vision of the Loughborough Town Deal is:

*Loughborough will be a place for all ages with a vibrant town centre that provides opportunities for urban living, leisure and entertainment, as well as culture, employment and learning. Our diverse resident population and student community will enjoy urban spaces which are well connected and enhance the offer of the town making it inclusive and accessible for all*

### **ROLES AND RESPONSIBILITIES:**

The primary roles and responsibilities of the group are to:

- act as an advisory body to the Loughborough Town Deal Board on matters of community engagement and consultation
- be a route through which residents, businesses, community groups and others can channel opportunities, issues and concerns, with a view to solving problems together and/or preparing submissions for consideration by the Loughborough Town Deal Board
- work with residents, businesses, community groups, and others to ensure effective communication and engagement on matters related to the Loughborough Town Deal

- help influence decisions by making considered recommendations to the Loughborough Town Deal Board
- encourage good communication between partners and stakeholders to ensure there is openness and unity to help give projects the best chance of success

#### **MEMBERSHIP:**

The membership of the Loughborough Town Deal Community Engagement and Consultation Group will be representative of local communities and will not replicate the organisational representation on the Board.

The Loughborough Town Deal Community Engagement and Consultation Group will comprise representatives from a range of community stakeholders.

The Chair of the group will sit on the Loughborough Town Deal Board and will be responsible for ensuring that the work of the Board and community engagement group is co-ordinated.

Membership will be reviewed annually.

The group may invite additional people with specialist knowledge or expertise when appropriate.

The group will be supported by Charnwood Borough Council officers at relevant times as appropriate

#### **MEETINGS:**

Scheduled meetings to tie in with the programme of Loughborough Town Deal Board meetings, however extraordinary meetings can be called at any time if deemed appropriate.

Notes will be taken at each meeting and circulated no later than two weeks after the meeting has been held.

The Council will provide administrative support to the meetings.

Group members should be respectful and appreciative of the contribution that others make

If a group member persistently disregards the ruling of the Chair, or person presiding the meeting, by behaving improperly or offensively or deliberately obstructs business, the Chair, or person presiding the meeting, may move that the group member be not heard further. If seconded, a vote will be taken without discussion.

If a group member continues to behave improperly after such a motion is carried, the Chair, or person presiding the meeting, may move that either the group member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, a vote will be taken without discussion.

#### **DECISION MAKING:**

As it is not formally constituted, the Community Engagement and Consultation Group will not have delegated powers therefore all recommendations from the group will require endorsement by the Board.

**DECLARATIONS OF INTEREST:**

Group members must inform the Chair if they have a financial or personal interest in any matter being considered by the group. The Chair will decide whether the interest disqualifies the member from the relevant discussion.