

Subject:	BHCC Accountable Body for Coast to Capital Local Enterprise Partnership		
Date of Meeting:	21 January 2021		
Report of:	Chief Executive		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report sets out proposals for the City Council to become the Accountable Body for the Coast to Capital Local Enterprise Partnership.

2. RECOMMENDATIONS:

That the committee:

- 2.1 Agree in principle that the City Council becomes the Accountable Body for Coast to Capital Local Enterprise Partnership (C2C LEP) for the period April 2021-March 2024;
- 2.2 Delegates authority to the Chief Executive following consultation with the council's Chief Finance Officer, Monitoring Officer and Head of Legal Service to conclude final agreement with the C2C LEP;
- 2.3 Agree that the Chief Executive implements the necessary staffing commitments to ensure that the Strategy Governance & Law and the Finance & Resources directorates are resourced to provide the service;
- 2.4 Agree that an annual update is made available to the Committee.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 C2C LEP has a strong reputation with government and its existing Accountable Body arrangement with London Borough of Croydon expire in March 2021. Following a competitive bidding process, C2C LEP has identified the City Council as its preferred supplier to be its new 'Accountable Body' for the period April 2021-March 2024. This is subject to approval of the C2C Board at its meeting in January 2021. This is a chargeable service and is comparable with similar financial and legal services currently provided by officers for the South Downs National Park and East Sussex Fire and Rescue Service.

- 3.2 LEPs are required by government to appoint an Accountable Body to oversee the proper administration of financial affairs in relation to the use and allocation of public funding. This forms part of the LEP's Assurance Framework which is referenced in the Background Documents section of this report. The Accountable Body must be an eligible organisation within the LEP boundary and should ensure that the usual Local Authority checks, and balances apply to the awards of public funding directed by the LEP Board. Accountable Bodies cannot use funding for their own purposes, or without any clear mandate from the LEP.
- 3.3 There are 3 primary functions for the Accountable Body:
- a. **A finance function:** involving holding public funds paid by Government on behalf of the LEP.
 - b. **An oversight function:** ensuring public funds are handled in line with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money. This includes a S151 Chief Financial Officer and Monitoring Officer services.
 - c. **A support function** (if agreed with the LEP): providing technical advice on the relevant law discussing risks associated with pursuing a particular course of action for the LEP Board to consider, drafting funding agreements and contracts) if the LEP Board chooses to proceed. The Accountable Body may have a role in managing risks on behalf of the LEP.
- 3.4 A draft Service Level Agreement is in the process of being completed addressing ways of working and key risks for both organisations,
- 3.5 Providing this service supports the C2C LEP Board in investing public funds to the benefit of local communities across the Surrey and Sussex region. Over the last decade, C2C LEP has been instrumental in securing millions of pounds of public investment and provides significant public funding streams for place based economic development. They are a key partner to the City Council and city-region and are a Member of the Greater Brighton Economic Board.
- 3.6 Local Enterprise Partnerships (LEPs) are private sector-led partnerships between businesses and local public sector bodies. They were established in 2011 to drive economic growth in local areas. There are 38 LEPs in England, each operating across more than one local authority. The government has committed £12 billion to local areas in England between 2015-16 and 2020-21. Of this, £9.1 billion has already been allocated through Growth Deals negotiated between central government and individual LEPs. The Ministry of Housing, Communities & Local Government (the Department) is accountable overall for the Local Growth Fund and the delivery system within which LEPs invest this funding

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The City Council previously unsuccessfully bid to be the Accountable Body and is the third eligible local authority body after West Sussex County Council and London Borough of Croydon to undertake this role. It would have been an option

not to apply to undertake the Accountable Body role, but this was not considered the preferred option for the reasons outlined in the report.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Community consultation is not considered necessary for this report.

6. CONCLUSION

6.1 Providing the Accountable Body service will support the C2C LEP Board in securing and investing public funds to the benefit of local communities across the Surrey and Sussex region. This is at a time when the competition for national funding will be challenging, economic need is likely to be profound in the wake of the Covid 19 Pandemic, infrastructure change to address Climate Change pressing and the economic uncertainty arising from departing the EU to be addressed.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The City Council has placed a bid to provide services on a sustainable financial basis for both C2C LEP and the council. The additional work this entails will require the council to sustain its overall revenue funding to the F&R and SG&L directorates. The charges to the LEP will be calculated to recover the council's costs and contribute to all applicable overheads.

Lead Finance Officer: Nigel Manvell Date: 10 January 2021

Legal Implications:

7.2 As described in the report, Government funding arrangements are such that a lead local authority (Accountable Body) needs to be nominated to receive and take responsibility for grant monies on behalf of the LEP.

7.3 The responsibilities on the Accountable Body for proper use of Government grant monies are significant and can include Government clawback of funding. It is therefore important to ensure that the respective responsibilities and accountabilities of the LEP and the Council are clear and agreed. There will need to be put in a place an agreement which will set out the roles, responsibilities and accountabilities of both the LEP and the Council.

Lawyer Consulted: Elizabeth Culbert Date: 10 December 2020

Equalities Implications:

7.4 As part of C2C LEP's selection criteria, the council's set out a strong commitment to supporting C2C LEP's diversity objectives. As the Accountable Body the City Council will be supporting C2C LEP's supporting equality, diversity and inclusion objectives.

Sustainability Implications:

7.5 C2C LEP is committed to regional economic recovery in a way that is stronger, smarter and greener and as the Accountable Body the council will be providing services supporting the delivery of these objectives.

SUPPORTING DOCUMENTATION

Appendices:

None.

Documents in Members' Rooms

None

Background Documents

MHCLG National Local Growth Assurance Framework Jan 2019 (Vers 3) [National local growth assurance framework \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/404447/nlg-2019-01-15-1580471994.pdf)

Coast to Capital Assurance Framework January 2020 (Vers 7) [assurance framework - 2020-1580471994.pdf \(coast2capital.org.uk\)](https://coast2capital.org.uk/wp-content/uploads/2020/01/assurance-framework-2020-1580471994.pdf)