



# London Economic Action Partnership

## Assurance Framework

Supporting accountability, transparency and value for money.

Version 6

27 July 2020

First published in March 2015

Revised and republished in April 2016, February 2017, February 2018, March 2019  
and July 2020

Published on the LEAP website at <https://lep.london/about>

Published by

The London Economic Action Partnership (LEAP)

City Hall, The Queen's Walk, London SE1 2AA

<https://lep.london/>

Telephone: 020 7983 4628

# Contents

<b>Introduction.....</b>	<b>5</b>
Compliance with the Assurance Framework.....	5
Delegation of the Adult Education Budget to the Mayor of London .....	5
<b>1. Governance and decision making .....</b>	<b>7</b>
Board status .....	7
Board Membership .....	7
Deputy Chairs.....	8
Member Induction .....	8
Roles and responsibilities .....	8
Succession Planning .....	9
Co-option.....	9
Third Parties .....	9
Officer support to LEAP .....	9
Scheme of Delegation .....	9
LEAP’s subordinate bodies.....	10
Local Authority Partnership Arrangements .....	12
Arrangements for project delivery .....	12
Relationship with other local enterprise partnerships.....	12
Code of Conduct.....	13
Equality and Diversity .....	13
<b>2. Transparent Decision Making .....</b>	<b>14</b>
LEAP website .....	14
Marketing and branding .....	14
Transparency.....	14
Freedom of Information and Environmental Information Regulations requests ....	15
In taking forward LEAP advice.....	15
Managing conflicts of interest, gifts and hospitality and complaints .....	16
Complaints and Whistleblowing .....	16
Local Engagement.....	16
Developing, prioritising, appraising and approving projects.....	17
Priorities and mechanisms for maximising the social value .....	18
Recovery of Funds.....	18
<b>3. Accountable Decision Making.....</b>	<b>19</b>
Accountable Body.....	19

The Mayor’s role in decision making and democratic accountability.....	19
Use of resources.....	19
Arrangements for the proper use of funding .....	20
Publication of Annual Report .....	20
Annual General Meeting .....	21
Non-compliance with LEAP advice .....	21
Use of independent scrutiny .....	21
GLA timescales and operating practices .....	22
<b>4. Ensuring value for money .....</b>	<b>23</b>
Ensuring funding decisions are based on impartial advice .....	23
Risk management.....	23
Investment Appraisal .....	23
Corporate Investment Board (CIB) .....	24
Value for money and business cases .....	24
Monitoring and Evaluation .....	25

## Introduction

In December 2014, HM Government requested that each local enterprise partnership (LEP) developed a local assurance framework to cover HM Government funding received via its Accountable Body.

This Framework meets the requirement for London's LEP, the London Economic Action Partnership (LEAP). It provides assurance that LEAP has the necessary systems and processes in place to manage delegated funding from HM Government budgets effectively.

Any decision made in contravention of this Assurance Framework will be invalid.

## Compliance with the Assurance Framework

Under HM Government requirements, the LEAP Board is required to review and approve its Local Assurance Framework each year to ensure continuous compliance with Government guidelines. This document was updated on 1 April 2020 to incorporate the requirements of the new [National Local Growth Assurance Framework](#).

By 28 February each year, the Section 127 Officer<sup>1</sup> of LEAP's Accountable Body, the Greater London Authority (GLA), must sign off the revised Local Assurance Framework and write to the Ministry of Housing, Communities and Local Government's (MHCLG) Accounting Officer. The letter shall include the following information:

- a) Details of checks that the Section 127 Officer (or their deputy) has taken to assure themselves that LEAP has processes in place to ensure proper administration of its financial affairs;
- b) A statement outlining whether, having considered all the relevant information, the Section 127 Officer is of the opinion that LEAP's affairs are being properly administered in compliance with the National and Local Assurance Frameworks; and
- c) If the Section 127 Officer is not satisfied of LEAP's compliance, information about the main concerns and recommendations to make LEAP properly administered.

By 28 February each year, the Business Deputy Chair and Senior Responsible Owner shall publish an Annual Assurance Statement on the LEAP website.

## Delegation of the Adult Education Budget to the Mayor of London

Due to unique governance arrangements, London does not have a 'single pot' devolution deal with HM Government; instead funding is received through a variety of funding channels. As part of a separate arrangement, certain functions and funding relating to the Adult Education Budget (AEB) have been devolved to the Mayor of London.

The AEB funds the delivery of education and training for learners aged 19+. Qualifications funded through the AEB include basic English and maths skills, basic

---

<sup>1</sup> The Section 127 Officer is required under the Greater London Authority (GLA) Act 1999. It is the GLA's equivalent of the Section 151 Officer under the Local Government Act 1972, which requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a Chief Finance Officer to have responsibility for those arrangements.

digital skills and adult community learning. Details of how the c.£311m annual AEB is administered and LEAP's involvement will be set out in a dedicated [Adult Education Budget Assurance Framework](#) from April 2019.

# 1. Governance and decision making

This section sets out how LEAP operates, how and when decisions are taken, and by whom.

## Board status

- 1.1 LEAP operates through the Greater London Authority (GLA), which acts as its Accountable Body for funding provided by Government.
- 1.2 LEAP is a non-incorporated consultative and advisory body established by the Mayor of London under sections 30 and 34 of the GLA Act 1999. It has no separate, independent or corporate legal status to its Accountable Body, the GLA.
- 1.3 All LEAP endorsements are subject to approval by the Mayor of London (or GLA officers as delegated) and, as such, must comply with the GLA's corporate governance, financial, legal and procurement frameworks and processes. The implementation of Board recommendations is undertaken by the GLA through its [Financial Regulations](#) and the [Mayoral Decision-Making framework](#).

## Board Membership

- 1.4 The LEAP Board comprises no more than 20 Members, to include:
  - a) Mayor of London (Chair);
  - b) Deputy Mayor for Business;
  - c) Deputy Mayor for Planning, Regeneration & Skills;
  - d) Mayor of Newham<sup>2</sup>;
  - e) Three representatives of London Boroughs;
  - f) One trades union representative; and
  - g) Up to 12 Business Members<sup>3</sup>, at least one of whom must be from an SME background.
- 1.5 As agreed with HM Government, the LEAP is chaired by the Mayor of London.
- 1.6 In accordance with HM Government requirements set out in its National Local Growth Assurance Framework, LEAP shall appoint two-thirds of its Membership from the private sector. In line with HM Government recommendations on best practice, LEAP shall seek to ensure that its Membership includes representation from the voluntary and community sector.

---

<sup>2</sup> Subject to a legal agreement with the London Borough of Newham (LBN) in relation to the collection and use of the Royal Docks Enterprise Zone income which is wholly located within LBN.

<sup>3</sup> Business Members are appointed from the private sector as defined by the National Accounts Sector Classification; not a body within [Public Sector Classifications](#).

- 1.7 The remaining Membership shall be drawn from the Mayoral team, London Boroughs (as nominated by London Councils) and representation from trades unions (as nominated by SERTUC, the Southern and Eastern Region of the Trades Union Congress).
- 1.8 Business Members are recruited through a HR-led competitive, transparent and non-discriminatory process which assesses each candidate on merit. Vacancies shall be focussed on any skill, experience and/or diversity gaps as agreed by the Board and advertised across a range of media. Appointments shall be in accordance with the [GLA's Protocol on Mayoral Appointments](#).
- 1.9 The LEAP website ([lep.london](http://lep.london)) has a record of current Membership, including the Board Members who act as Diversity Champion and Small Business Champion.

### **Deputy Chairs**

- 1.10 The Mayor must appoint one or more Deputy Chairs, one of whom must be a Business Member. The appointment of the Business Deputy Chair shall be determined on merit through an open and transparent process.

### **Member Induction**

- 1.11 LEAP shall work with HM Government to develop and implement an induction and training programme for new Board Members and officers to attend in their first quarter in post.

### **Roles and responsibilities**

- 1.12 The LEAP Board acts in an advisory capacity to the Mayor, which gives it a different role from that of most local enterprise partnerships.
- 1.13 The purpose of the LEAP Board is to:
  - a) Support the development of a long-term vision for economic development in London, including support for delivering the Mayor's statutory Economic Development Strategy;
  - b) Identify and lead on specific priorities for economic development in London, as identified by the Partnership including, but not limited to, the London Growth Hub - the Partnership's business support initiative;
  - c) Advise the Mayor of London on funding allocations as made available to the Partnership and oversee delivery on key work-streams including, but not limited to, the Local Growth Fund;
  - d) Set and deliver the Royal Docks Enterprise Zone economic priorities and allocate funding received through retained business rates growth;
  - e) Provide ongoing strategic oversight of the 2014-2020 European Structural and Investment Funds; and
  - f) Provide a powerful advocacy and lobbying voice as a business-led body supported by London's boroughs and the Mayorality.



- 1.14 The [LEAP Constitution](#) sets out further details on the way the LEAP Board operates, including its Terms of Reference. A clear description of roles, responsibilities and requirements is set out at Appendix A of this document.

### **Succession Planning**

- 1.15 Public sector Board Members either hold their position ex-officio or are nominated to their position by an organisation. In the case of a resignation, the Member will be replaced ex-officio or LEAP shall seek a new nomination.
- 1.16 In the case of a Business Member submitting their resignation, LEAP shall recruit to the position through the process outlined at 1.8.

### **Co-option**

- 1.17 The LEAP Board has the option to co-opt up to five additional Members with specialist knowledge, each on a one-year basis. Co-opted Members must adhere to the standards that permanent Members are required to adopt.

### **Third Parties**

- 1.18 LEAP shall ensure that third parties who are involved with LEAP are aware that they are expected to act within its governance system and that their conduct must be consistent with the standards applicable to LEAP Members.

### **Officer support to LEAP**

- 1.19 LEAP is supported by staff within the GLA's existing structures. As outlined elsewhere within this Framework, the GLA's Executive Director of Good Growth is the Senior Responsible Owner (SRO) and the GLA's Executive Director of Resources is the Section 127 Officer.
- 1.20 The SRO or their nominee will act as the Lead Officer for LEAP and will represent LEAP at CEO/Director level. A member of staff from the GLA's Secretariat directorate will be nominated to act as Secretary to the Board to ensure that the function sits independently from the delivery function; the Secretary will report under a separate line management structure but maintain regular dialogue with the SRO. Programme and project support will be provided from across relevant strategy and delivery teams and GLA corporate support services (such as finance and Human Resources) will be provided from within the GLA's existing support arrangements.
- 1.21 All officers supporting LEAP may delegate their responsibilities to an appropriate alternate GLA officer as and when required.

### **Scheme of Delegation**

- 1.22 LEAP was established to advise the Mayor on economic growth priorities for London. HM Government has also asked LEAP to lead on the allocation of Growth Deal funds (Local Growth Fund) and other funding to support growth.

Any advice on deployment of these resources is subject to the [Mayoral Decision-Making framework](#) and implemented by the GLA.

- 1.23 The LEAP Board may delegate any of its responsibilities, including to a LEAP Member, an officer-level programme board or an individual GLA officer<sup>4</sup>. It may also delegate its responsibilities to a subordinate body it establishes on such terms and conditions as it thinks fit, provided that it may not purport to delegate any statutory function of the Mayor and/or GLA.
- 1.24 The LEAP Board may at any time revoke any delegation in whole or part or alter the terms and conditions of any such delegation or dissolve any subordinate body established.
- 1.25 Subordinate bodies or officer-level boards to which LEAP has delegated any of its powers and responsibilities must abide by this Local Assurance Framework and follow procedures which are based, as far as they are applicable, on the provisions set out in the [LEAP Constitution](#). LEAP may agree rules of procedure for any subordinate body or officer-level boards with delegated powers.

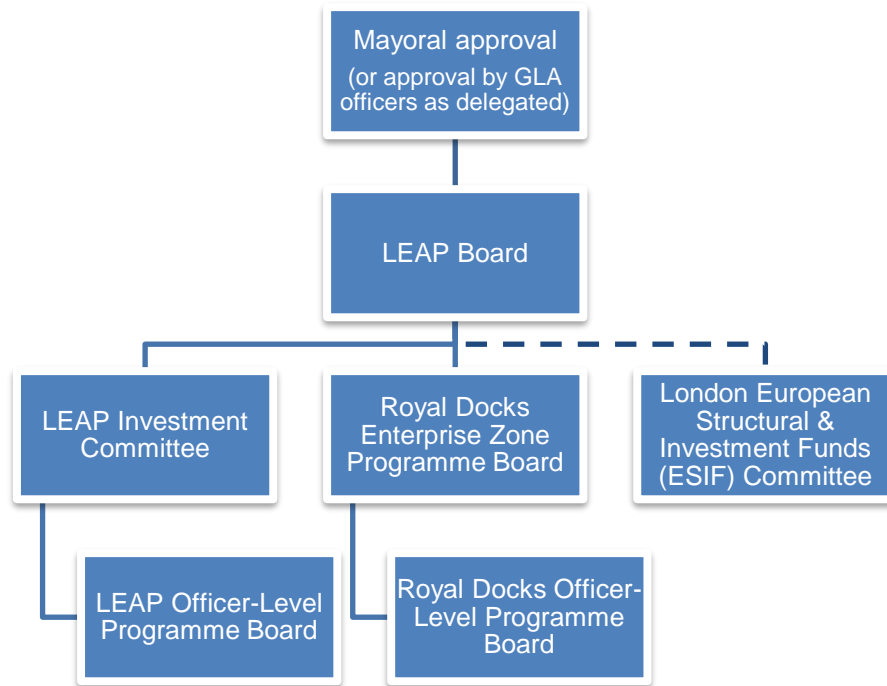
### **LEAP's subordinate bodies**

- 1.26 The LEAP Board has created subordinate bodies to oversee key growth priorities for London. The diagram below shows the relationship between LEAP, its subordinate bodies, officer-level programme boards<sup>5</sup> and the Mayor and GLA.

---

<sup>4</sup> Subject to compliance with the [GLA's procedures](#).

<sup>5</sup> In line with the Mary Ney review guidance, officer-level programme boards are not LEAP subordinate bodies, but they are outlined here for transparency.



**Note:** The London European Structural & Investment Funds (ESIF) Committee is a sub-committee of HM Government’s Growth Programme Board for the 2014-20 ESIF programme. LEAP has responsibility for providing ongoing strategic oversight of the Funds.

- 1.27 The Investment Committee is responsible for overseeing and managing LEAP’s programmes and projects that fall within the limits set out in LEAP’s Schedule of Funding Responsibilities<sup>6</sup>.
- 1.28 The Royal Docks Enterprise Zone Programme Board is responsible for delivering and monitoring the implementation of the Enterprise Zone Delivery Plan, as approved by the LEAP Board. It is also makes recommendations on the allocation of funding generated by the uplift in business rates receipts through HM Government’s Enterprise Zone business rates retention scheme, within the limits set out in LEAP’s Schedule of Funding Responsibilities.
- 1.29 The London European Structural & Investment Funds (ESIF) Committee is a sub-committee of HM Government’s Growth Programme Board for 2014-2020. To date, LEAP has been responsible for providing ongoing strategic oversight of the 2014-2020 European Structural & Investment Funds.
- 1.30 Under LEAP’s Schedule of Funding Responsibilities, officer-level programme boards are delegated approval to consider projects up to a certain financial threshold. The LEAP Programme Board and Royal Docks Officer-Level Programme Board have been established to undertake these functions, excluding areas where programme-specific arrangements have been put in place. In line with the Mary Ney review guidance, these are not subordinate bodies of LEAP but, in the interest of openness and transparency, all papers are published to the LEAP website.
- 1.31 The [LEAP Constitution](#) has a record of all subordinate bodies, LEAP’s Schedule of Funding Responsibilities and associated terms of reference.

<sup>6</sup> The Schedule of Funding Responsibilities is set out at Appendix B of the [LEAP Constitution](#).

## **Local Authority Partnership Arrangements**

- 1.32 LEAP is committed to working closely with Local Authorities to enable collective engagement in decision-making on growth priorities.
- 1.33 London Councils (the umbrella organisation for London boroughs and City of London Corporation) nominates three borough representatives to the LEAP Board. With the exception of the Royal Docks Enterprise Zone Programme Board, London Councils may nominate at least one Member to LEAP subordinate bodies. The Royal Docks Enterprise Zone Programme Board is co-chaired by the elected Mayor of the London Borough of Newham, as the Enterprise Zone is wholly located within the borough.
- 1.34 In addition to borough representation on LEAP and its subordinate bodies, LEAP and the GLA work closely with London Councils and individual boroughs to determine regional and sub-regional growth priorities. Activities include events and consultation of borough councils and London Councils as their umbrella organisation. A Congress meeting enables the Leader of London Councils to meet the Mayor to discuss areas including economic growth.

## **Arrangements for project delivery**

- 1.35 All projects recommended by LEAP are subject to the GLA's project appraisal, approval and procurement processes. The GLA takes responsibility for ensuring effective delivery, including where sub-contractor delivery bodies have been appointed. The GLA uses its Project Management Toolkit to support officers in ensuring effective arrangements are in place.
- 1.36 The LEAP Board will be informed of programme delivery progress through quarterly performance reports considered at Board meetings.

## **Relationship with other local enterprise partnerships**

- 1.37 The Business Deputy Chair is a member of the national LEP Network's Management Board, meets regularly with Chairs of other LEPs and undertakes visits to other LEPs. At officer and/or member-level LEAP is represented at regular events organised by the LEP Network, and the Business Deputy Chair and LEAP Lead Officer regularly meet with other LEPs through informal mechanisms. More formalised arrangements include the Greater Thames Valley (GTV) network of LEPs, which comes together as a strategic alliance in order to make the strongest possible case on issues of common importance to the GTV economy and to achieve consistency across boundaries.

## **Code of Conduct**

- 1.38 Before being appointed, all LEAP Members<sup>7</sup> (and Members of any subordinate bodies) are required to sign terms of appointment which include a requirement to observe the seven principles of public life ('the Nolan Principles').
- 1.39 LEAP Members commit and sign up to the LEAP Code of Conduct through their terms of appointment. Officers are made aware of the Code of Conduct through their induction process and regular reminders thereafter are committed to its principles.

## **Equality and Diversity**

- 1.40 LEAP pays due regard to the public sector equality duty in all its decision-making. All reports presented to the LEAP Board and its subordinate bodies include details of how equality issues have been considered in the process of arriving at the recommendations.
- 1.41 London's diversity is its biggest asset and the Mayor of London strives to reflect London's diversity in all Board appointments. This is demonstrated by the diversity of the LEAP Board, in terms of gender, ethnicity and business sizes.
- 1.42 Board Members are required, through their role specifications, to "ensure that the diversity of London's communities and economy is reflected in the work of LEAP".
- 1.43 The Board appoints a Diversity Champion from within its Membership, publishes a [Diversity Statement](#) explaining how it ensures diverse representation at Board and subordinate level which is reflective of London (including protected characteristics and geography), and reports on diversity in its Annual Report.

---

<sup>7</sup> With the exception of Members who hold public office, as they are automatically bound by these principles.

## 2. Transparent Decision Making

Local Enterprise Partnerships are required to operate transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.

This section details LEAP's commitment to transparent decision making.

### LEAP website

- 2.1 The primary source of information relating to LEAP is its dedicated website ([lep.london](http://lep.london)), which outlines the following key documents and information:
- a) National Local Growth Assurance Framework;
  - b) Local Assurance Framework (this document);
  - c) Annual Report (to include the annual financial statement);
  - d) Delivery Plan;
  - e) A statement on the publication of meeting papers, minutes and agenda items;
  - f) Copies of LEAP Board and subordinate body meeting agendas, papers and minutes;
  - g) Annual Assurance statement from LEAP leadership;
  - h) Code of Conduct;
  - i) Conflict of Interest policy;
  - j) Registers of Interest of Board Members, Section 127 Officer and Senior Responsible Owner;
  - k) The LEAP hospitality and expenses register;
  - l) Complaints policy;
  - m) Whistleblowing policy;
  - n) A rolling schedule of projects, outlining a brief description of each project, names of key recipients of funds/contracts and amounts of funds designated by year, to be updated quarterly or more frequently as required;
  - o) Information on funding opportunities and the process for applying for funding;
  - p) Key strategies endorsed by LEAP, including the Economic Development Strategy and Local Industrial Strategy;
  - q) The SME Champion and Diversity Champion.

### Marketing and branding

- 2.2 All marketing and branding materials, including the LEAP website, shall conform with HM Government branding guidelines as issued by MHCLG.

### Transparency

- 2.3 The Mayor of London is [committed to openness and transparency](#) in his administration and is committed to making LEAP's work transparent in line with Mayoral policy and stakeholder expectations.

- 2.4 Agendas and reports for LEAP, its subordinate bodies and the officer-level programme boards are published on the LEAP website at least five clear working days before the meeting to which they relate.
- 2.5 Only in exceptional circumstances, and with the agreement of the Chair (or in the absence of the Chair by one of the Deputy Chairs in consultation with the other), will an agenda and/or reports be tabled at the meeting or circulated within the five-clear working day period.
- 2.6 Reports are released with the agenda except in those cases where the Secretary reasonably considers that information may be exempt from disclosure under an applicable exemption under the Freedom of Information Act 2000 (FOIA). These reports will be classed as 'reserved from publication'.
- 2.7 The main exemptions that are likely to make information reserved relate to the following (although others may be available under the FOIA):
- commercial sensitivity;
  - information provided in confidence;
  - personal data;
  - legal professional privilege;
  - information intended for publication at a future date;
  - prejudice to the free and frank provision of advice and exchange of views.
- 2.8 LEAP meetings are not public, which reflects the accountability arrangements Parliament has put in place for the GLA, in that the Mayor is answerable to the Assembly through Mayor's Question Time only after he has taken decisions.
- 2.9 Summary minutes of the meetings of LEAP, its subordinate bodies and the officer-level programme boards are published on LEAP's website within ten clear working days of the meeting to which they relate.

### **Freedom of Information and Environmental Information Regulations requests**

- 2.10 The Mayor of London is committed to ensuring compliance with the Freedom of Information Act 2000 and Environmental Information Regulations 2004.
- 2.11 Reserved reports can be requested under the relevant legislation, at which stage the GLA will consider these requests on a case by case basis (taking into consideration such factors as timing, any applicable exemptions and the public interest test).
- 2.12 The LEAP website includes a link on every page of the website to a dedicated [Freedom of Information](#) page, which outlines how to make requests and complaints in line with GLA policy.

### **In taking forward LEAP advice**

- 2.13 LEAP decision-making is recorded in formal minutes and reported to the Accountable Body through the minutes, via the Senior Responsible Owner. When LEAP makes a recommendation to the Mayor it is subject to GLA officers conducting due diligence of that decision, including financial appraisal.

Transparency in taking this forward is assured through the GLA's decision making processes and through publication of LEAP reports and GLA decision forms. LEAP is informed of LEAP funding decisions taken by the Mayor (or officers as delegated) through a LEAP Funding Decisions report presented to each meeting.

### **Managing conflicts of interest, gifts and hospitality and complaints**

- 2.14 LEAP has adopted the LEP-wide Register of Interests form, which includes a requirement to disclose the receipt of gifts and hospitality.
- 2.15 Individual registers of interest for all Board Members, subordinate body Members, Co-opted Members, the Section 127 Officer and the Chief Executive (or equivalent) shall be completed and signed within 28 days of taking up post, and before advising or participating in any decision making. These registers will be published on the LEAP website.
- 2.16 When undertaking work in connection with LEAP, Members are required to agree to comply with the standards and processes relating to conduct as detailed in their terms of appointment, the Code of Conduct and any relevant applicable provisions of the [GLA Group's Corporate Governance Framework Agreement](#). The Code of Conduct includes provisions in relation to adhering to the Nolan principles and the disclosure of personal interests; it acts to ensure the probity of those appointed to LEAP.

### **Complaints and Whistleblowing**

- 2.17 The GLA, as the Accountable Body, is responsible for complaints raised in relation to LEAP. The LEAP website provides information on how a member of the public may make a complaint about LEAP via the GLA complaints procedure. This includes a link to a secure form through which confidential complaints can be made, and a clear reference to the Section 127 Officer and Board Secretary, who are the two LEAP contacts responsible for dealing with confidential complaints. Any failure to adequately resolve a complaint shall be referred to MHCLG by the Section 127 Officer.
- 2.18 Any person who wishes to report perceived wrongdoing perpetrated by LEAP under the whistleblowing procedure is advised to follow the GLA procedure, which is clearly signposted on the LEAP website. The Section 127 Officer and Board Secretary are responsible for dealing with whistleblowing and, as responsible officer, the Section 127 Officer must inform MHCLG of any complaints received under the whistleblowing procedure.

### **Local Engagement**

- 2.19 LEAP ensures there is appropriate local stakeholder engagement to inform key decisions, future LEAP strategy development and progress against delivery of the Mayor's priorities. This includes market warming events, workshops, sub-regional engagement events, summits for specific stakeholder groups (such as Business Improvement Districts and Higher Education Institutions), informal stakeholder advisory groups and consultations with the



public and stakeholders. LEAP also engages with stakeholders through digital communication, including e-newsletters and social media.

- 2.20 To measure the effectiveness of local engagement, LEAP undertakes qualitative and quantitative measurements including post-event feedback, stakeholder surveys and targeted consultation. Its business support initiative, the London Growth Hub, regularly surveys users and analyses user engagement with available resources and services.
- 2.21 LEAP has a focus on improving engagement with sectors traditionally underrepresented in business and entrepreneurship, including women and people from culturally diverse backgrounds, LGBT+ and disabled communities. Insights from a series of consultation roundtables in 2018/19 will form a baseline for measuring future engagement by entrepreneurs from these backgrounds with LEAP programmes and support.

### **Developing, prioritising, appraising and approving projects**

- 2.22 LEAP takes a proactive approach in developing, prioritising, appraising and approving projects, ensuring that a wide range of delivery partners can be involved. This usually includes openly advertising the funding opportunity, assessing applications, making the award through a formal agreement, monitoring progress for the lifetime of the project and maintaining a robust audit trail to demonstrate compliance.
- 2.23 Investment decisions not covered by openly advertised bidding rounds will be developed by officers and supported by a business case at a level of detail proportionate to the amount of investment proposed, approved in line with LEAP and GLA approval delegations and subsequently delivered in-house or awarded to a delivery partner in line with relevant procurement law. Funding may also be awarded by direct grant to a third party where the overall value is low, there are exceptional circumstances, and/or the direct award of a grant represents best value.
- 2.24 All LEAP investment decisions will be underpinned by a full business case assessment (at a level of detail proportionate to the amount of investment proposed) prior to endorsement by LEAP at meetings which are quorate and decision by the Mayor (or GLA officers as delegated). The information shall, at a minimum, include a risk assessment and officer recommendations on whether to fund the proposal. This information should, in the first instance, be presented to the relevant officer-level programme board.
- 2.25 LEAP and its subordinate bodies endorse investment decisions on merit, having considered all information presented in the application form (or summary), officer appraisal and/or the business case. LEAP endorsements are recorded within meeting minutes, which are shared with the Accountable Body and published within 10 clear working days of each meeting.
- 2.26 Wherever possible, LEAP endorsements are taken at formal LEAP Board and subordinate body meetings with reports published in advance. In exceptional circumstances the Chair or Deputy Chair may decide to use the urgency procedure.

## **Priorities and mechanisms for maximising the social value**

- 2.27 LEAP shall clearly set out its priorities and mechanisms for maximising the social value of its investment funding and activities so that our partners and beneficiaries can play an active role in the programme. Under Section 30 of the GLA Act 1999 the GLA uses its power to promote economic, social and environmental development, and wealth creation to implement advice to the Mayor from the LEAP. The GLA also uses its [Contracts and Funding Code](#) to maximise social value including weighting scoring matrices within tender specifications and influencing its supply chain and those of the GLA Group and partners.

## **Recovery of Funds**

- 2.28 Contract terms between the GLA and delivery partners/suppliers include a breach of conditions clause which sets out the terms under which the GLA can retain, suspend, withhold or recover LEAP funding.
- 2.29 In circumstances where funding has been granted and there has been a non-compliance, misrepresentation or under-performance, the LEAP Board or subordinate body shall receive a report including a description of the project and the funding awarded, the funds at risk and, where recovery of funds is considered, a legal opinion setting out the legal basis for recovery and likelihood of success.
- 2.30 Following the LEAP endorsement, a formal debt recovery process shall be instigated in line with Transport for London<sup>8</sup> processes.

---

<sup>8</sup> Transport for London provide a shared legal service for the GLA Group.

### **3. Accountable Decision Making**

LEAP is required to operate transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised. This section details LEAP's commitment to accountable decision making.

#### **Accountable Body**

- 3.1 As indicated above, the GLA is LEAP's Accountable Body and is responsible for:
- a) Ensuring LEAP decisions and activities conform with all relevant law (including State Aid and public procurement) and ensuring that records are maintained so this can be evidenced;
  - b) Ensuring that the funds are used in accordance with the conditions placed on each grant;
  - c) Ensuring that LEAP's Local Assurance Framework is adhered to;
  - d) Maintaining the official record of LEAP proceedings and holding copies of all relevant documents relating to Local Growth Fund and other funding sources received from HM Government funding;
  - e) The decisions of the LEAP in approving projects (for example if subjected to legal challenge); and
  - f) Ensuring that there are arrangements for local audit of funding allocated by LEAP at least equivalent to those in place for local authority spend.

#### **The Mayor's role in decision making and democratic accountability**

- 3.2 With regards to LEAP, decision making rests with the Mayor of London, as the GLA's executive. The [Mayoral Decision-Making framework](#) sets the detailed framework within which Mayoral decisions are taken and Mayoral powers are delegated.
- 3.3 Democratic accountability for the decisions made by LEAP is provided through the Mayorality, local authority membership via London Councils nominations and other engagement activities (see paragraphs 2.19 – 2.21 above).

#### **Use of resources**

- 3.4 Resources are managed in line with the relevant grant determination and subject to the usual GLA checks and balances. Compliance is ensured by GLA officers seeking legal and financial opinions as a part of implementing the Mayor's decisions following advice by LEAP and appropriate appraisal by the GLA's decision making processes.
- 3.5 The GLA's Financial Framework is contained within the [GLA's Financial Regulations](#) and applies to all LEAP funding provided to the GLA as LEAP's Accountable Body.
- 3.6 Under the Financial Regulations, the GLA's Executive Director of Resources acts as the GLA's Chief Finance Officer and LEAP's Section 127 Officer and

has statutory duties in relation to the financial administration and stewardship of the GLA. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 127 of the GLA Act 1999;
- The Local Government Finance Act 1988;
- The Local Government and Housing Act 1989;
- The Local Government Act 2003; and
- Accounts and Audit (Amendment) (England) Regulations 2006.

### **Arrangements for the proper use of funding**

3.7 The GLA as Accountable Body implements its processes for the proper use and administration of funding and ensuring timely decision making by LEAP. This includes use of existing and improved systems including:

- Ensuring transparent funding decisions through the GLA's decision making process;
- Implementing a proportionate approach to project appraisal and business casing in line with Green Book guidance<sup>9</sup>;
- GLA Project management systems, including:
  - A comprehensive suite of documents ('the Project Management Toolkit') to support project managers in making the most out of LEAP funds and protect the GLA as Accountable Body from risk when making small grants to external organisations;
  - Access to a dedicated Procurement Team that provides strategic direction, support and advice on the sourcing of all goods and services;
  - Performance reporting in line with individual programme governance and GLA-wide reporting systems.
- Application of the GLA's internal and external audit system to the examination of funding used by the GLA including LEAP funds, as detailed in the [GLA's Risk Management Framework](#).

### **Publication of Annual Report**

3.8 LEAP shall publish an Annual Report to present its performance during each financial year. The Report shall contain a financial statement including:

- a) The total amount within LEAP's direction or control at the start of the year;
- b) The total amount committed by LEAP to external organisations through grants and risk finance;
- c) The total amount committed to suppliers to purchase goods, works or services; and
- d) The total amount incurred in the running of LEAP.

- 3.9 The narrative shall include GLA confirmation that use of resources to date has been subject to GLA checks and balances as overseen by the Section 127 Officer, including publication of the Authority's annual accounts.
- 3.10 LEAP has published details of the spending allocations and commitments it has made from all the sources of funding it has received from HM Government for 2016/17 on its website and from 2017/18 will publish a full annual report.

### **Annual General Meeting**

- 3.11 LEAP will hold an Annual General Meeting which will be made open to the public and advertised in advance.

### **Non-compliance with LEAP advice**

- 3.12 The Mayor (or GLA officers as delegated), when making decisions on LEAP funding following the advice of LEAP, would ordinarily act upon the advice received. However, in the event that LEAP either proposes to take or takes a decision that the Mayor reasonably considers to be in conflict with any significant policy, strategy or framework published by the Mayor or the GLA, or which is likely to place the GLA in breach of any legal obligation it owes the Government in its role as accountable body, the Mayor may issue a direction to LEAP that either:
- a) Prevents the decision from being implemented; or
  - b) Prevents the decision from being implemented and directs LEAP to implement a revised decision that is in proper accordance with Mayoral policy (as interpreted by the Mayor).
- 3.13 The Mayor must confirm any decision to direct LEAP in writing within ten working days of that decision being taken or proposed, outlining the rationale for the decision.

### **Use of independent scrutiny**

- 3.14 The GLA operates several structures to ensure that LEAP decision-making and project implementation is subject to independent scrutiny. Arrangements include scrutiny by the London Assembly in line with its role described in the GLA Act 1999, specifically its Economy Committee and Budget and Performance Committee.
- 3.15 In addition, the process for confirming that the Mayor is accepting LEAP advice offers independent scrutiny. Officers seeking a Mayoral Decision or Director Decision must enter a process of seeking senior officer buy-in (including sign-off from the GLA's Executive Director for Resources and the GLA's legal and finance teams) and make the case for spending and seeking delegated authority to act.

## **GLA timescales and operating practices**

### Timescales

- 3.16 The GLA has agreed timescales and operating practices to support effective decision making. These vary according to the type of decision and the funds involved. The grant agreement making process is used to implement decisions.
- 3.17 The grant agreement process includes arrangements for monitoring and evaluating delivery and providing clarity about what information the GLA expects to receive from delivery partners.

### Arrangements for receiving money

- 3.18 The GLA operates the following systems for administering HM Government funding:
- Decision making by the Mayor (and officers as delegated);
  - Financial systems;
  - Governance arrangements;
  - Equalities impact assessments;
  - Corporate Investment Board;
  - Grant agreement process;
  - Legal and finance officer sign off; and
  - Project management system.

## 4. Ensuring value for money

It is important that LEAP has robust arrangements in place to ensure value for money and effective delivery.

This section outlines LEAP's approach to investment appraisal and what it considers when deciding how to allocate funding to projects and prioritise between proposals.

The approach outlined below reflects the GLA's existing processes. Whilst much of the processes detailed with regard to project management are not mandatory and are applied on a proportionate basis, this document mandates business casing to ensure compliance with HM Government's National Local Growth Assurance Framework.

### Ensuring funding decisions are based on impartial advice

- 4.1 The GLA operates robust processes for ensuring separation of all funding decisions ensuring they are based on financial advice and that project sponsors are not involved in taking funding decisions.

### Risk management

- 4.2 The GLA has a [Risk Management Framework](#) that all LEAP funding is subject to. The SRO is responsible for overseeing officers in identifying and managing risk for LEAP funds, for reporting on risk to Board level and for escalating areas of high risk.
- 4.3 The GLA project management system has provision for project and programme risk assessment rating as well as for contingency planning and escalating and closing risks through robust project reporting of management information. These are held in risk registers used by project officers and reported to project governance.
- 4.4 Reports to the Mayor for sign-off include a set of identified risks that act as the starting position for risk management for projects approved to proceed.

### Investment Appraisal

- 4.5 The GLA has a clear and transparent basis against which projects and programmes are initially identified, commissioned, appraised and prioritised.
- 4.6 The [Mayoral Decision-Making framework](#) confirms that the GLA's mandatory decision-making process:
- a) Clarifies what is being proposed and precisely what the required decision is (or what the related decisions are);
  - b) Describes the background to and important considerations for the taking of the decision;
  - c) Allows for the setting out of options for different approaches;

- d) Links decisions to Mayoral strategies and priorities, including priority outcomes;
- e) Helps ensure financial and legal implications are identified and there is corresponding advice;
- f) Similarly helps ensure the GLA meets its duties under the Public Sector Equality Duty and generally to further equality for all Londoners;
- g) Ensures decisions receive the appropriate authorisation and relevant others have been consulted and agreed the proposal; and
- h) Records the decision that has been taken and so also aids accountability and transparency.

### **Corporate Investment Board (CIB)**

- 4.7 CIB is an informal advisory board that reviews all GLA decision forms (including those covering LEAP expenditure) before they are approved by the Mayor (or officers as delegated). It also reviews, among other things, matters of significance or potential significance that may involve the exercise of a Mayoral Power. CIB is chaired by the Chief of Staff and attended by the Mayor's Appointees and Executive Directors. It helps coordinate GLA decisions and ensure there is appropriate review before decisions are taken and executed.

### **Value for money and business cases**

- 4.8 GLA officers undertake a proportionate approach to business case development and economic appraisal (including cost benefit analysis) as outlined in the GLA's Project Management Toolkit. This includes guidance and templates to support:
- a) The project initiation process, including the consideration of scalability, risk feasibility and scoping;
  - b) Effective decision making;
  - c) Project implementation and set-up, including project plans, impact assessments, project governance, objectives, stakeholder assessment and business planning;
  - d) Performance monitoring and delivery; and
  - e) Evaluation and project close-down.
- 4.9 Whilst this framework is non-mandatory and applied on a proportionate basis, all LEAP funding decisions will be supplemented by a business case which supports evidence based decisions and reflects the principles set out in [Green Book Guidance on using the Five Case Business Model](#). This business case will supplement the strategic case considered by the LEAP, and the final investment decision made by the Mayor (or GLA officers as delegated), the Change Control process outlined in the LEAP's Schedule of Funding Responsibilities, and appropriate and proportionate arrangements for monitoring and evaluating delivery.



- 4.10 The SRO holds responsibility for ensuring value for money and scrutiny of any recommendation relating to each business case.

### **Monitoring and Evaluation**

- 4.11 The GLA will ensure appropriate and proportionate arrangements are in place for monitoring and evaluating delivery in line with the GLA's Project Management Toolkit. Performance and spend will be monitored on a regular basis for expenditure, output and outcome performance, and risks and issues as a minimum.
- 4.12 The GLA enters into agreements with its delivery partners to ensure effective implementation of decisions and to ensure that expectations relating to monitoring and evaluation are clear. This will normally include:
- a) Details of the project and nature of the funding provided;
  - b) Scheme costs and agreed milestones;
  - c) Agreed outputs and outcomes to be delivered by the intervention within an agreed timeframe;
  - d) Clear expectation of evidence to be provided to demonstrate delivery of outputs and outcomes; and
  - e) A requirement of the delivery partner to undertake a self-evaluation as a minimum, to assess performance against the original business case.
- 4.13 The specific outcomes that will be monitored and measured will differ depending on the type of intervention. Monitoring and evaluation focuses on those outcomes that are most relevant to the impact of the project's objectives.
- 4.14 Programme level evaluations are undertaken as appropriate.
- 4.15 GLA officer-level programme boards are established to oversee and monitor investment performance and programme level performance is reported to LEAP.

## Appendix A – LEAP Roles, Responsibilities and Requirements

The following table sets out roles, responsibilities and requirements for the Accountable Body, the LEAP Board and its subordinates, and key LEAP role holders. The LEAP Constitution sets out terms of reference for the Board and its subordinate bodies.

Body	Role	Responsibilities	Reporting line
Accountable Body (Greater London Authority, GLA)	To be responsible for all LEAP funding.	<p>All funding allocated to LEAP is transferred to the GLA as its Accountable Body. The GLA is responsible for the proper use and administration of the funding, in line with any requirements set out in the respective grant determination letter.</p> <p>LEAP makes recommendations to the Mayor on the allocation of LEAP funding, which are then decided on by the Mayor (or GLA officers as delegated) under the Mayoral Decision-Making Scheme.</p> <p>GLA officers provide the staffing of the LEAP, including the Executive Director of Resources (the Section 127 Officer) and the Executive Director of Good Growth (LEAP's Senior Responsible Owner). Secretariat support is provided by an officer in the Secretariat directorate, which sits separately to the strategy and delivery teams.</p> <p>The Section 127 Officer and Senior Responsible Owner attend every meeting of the LEAP Board.</p>	To HM Government
LEAP Board	To advise the Mayor of London on action to support and promote London's economic development	<p>The LEAP Board makes recommendations to the Mayor on the allocation of LEAP funding, in line with the Schedule of Funding Responsibilities.</p> <p>It decides on if and how the Board's responsibilities should be delegated and provides oversight of any Board delegation to ensure subordinate bodies deliver effectively and in line with LEAP governance requirements.</p> <p>It endorses LEAP's Annual Report and Delivery Plan and its Members champion LEAP priorities at stakeholder events.</p> <p>Terms of Reference:</p> <p>a) To support the development of a long-term vision for economic development in London, including support for delivering the Mayor's statutory Economic Development Strategy;</p>	To the Accountable Body via Senior Responsible Owner and Section 127 Officer, who are both employees of the Accountable Body

Body	Role	Responsibilities	Reporting line
		<ul style="list-style-type: none"> <li>b) To identify and lead on specific priorities for economic development in London, as identified by LEAP including, but not limited to, the London Growth Hub, LEAP's business support initiative;</li> <li>c) To advise the Mayor on funding allocations as made available to LEAP and oversee delivery on key work-streams including, but not limited to, the Local Growth Fund;</li> <li>d) To set and deliver the Royal Docks Enterprise Zone economic priorities and allocate funding received through retained business rates growth;</li> <li>e) To provide ongoing strategic oversight of the 2014-2020 European Structural &amp; Investment Funds; and</li> <li>f) To provide a powerful advocacy and lobbying voice as a business-led body supported by London's boroughs and the Mayoralty.</li> </ul>	To HM Government regarding governance, delivery and strategy matters
LEAP Investment Committee	To undertake strategic oversight and management of LEAP programmes and projects, except for the Royal Docks Enterprise Zone	<p>The Investment Committee provides strategic advice and makes recommendations to LEAP and the GLA in relation to LEAP programmes and projects as outlined in LEAP's Schedule of Funding Responsibilities.</p> <p>Terms of Reference:</p> <ul style="list-style-type: none"> <li>a) To support the development of programmes for approval by LEAP;</li> <li>b) To consider investment proposals for all LEAP projects that fall within LEAP's Schedule of Funding Responsibilities;</li> <li>c) To monitor performance and delivery of London Local Enterprise Partnership funded programmes and projects, reporting to the Board as necessary;</li> <li>d) To ensure that the London Local Enterprise Partnership achieves value for money in all its activities; and</li> <li>e) To refer any investment proposal it considers to be novel, contentious or repercussive to the London Local Enterprise Partnership Board.</li> </ul>	To LEAP Board via the Committee Chair
Royal Docks Enterprise Zone Programme Board	To drive forward regeneration and economic growth opportunities within the Royal	<p>The Programme Board provides strategic advice and makes recommendations to LEAP, the GLA and the London Borough of Newham in relation to the Royal Docks Enterprise Zone.</p> <p>It is responsible for monitoring the implementation and delivery of the Enterprise Zone Delivery Plan, as endorsed by the LEAP Board.</p>	To LEAP Board via the Committee Co-Chairs

Body	Role	Responsibilities	Reporting line
	Docks Enterprise Zone.	<p>It is responsible for making recommendations on the allocation of funding generated by the uplift in business rates receipts through HM Government's Enterprise Zone business rates retention scheme, at levels outlined in LEAP's Schedule of Funding Responsibilities.</p> <p>Terms of Reference:</p> <ul style="list-style-type: none"> <li>a) To ensure alignment of programme objectives and senior level support for the regeneration of the Royal Docks Enterprise Zone;</li> <li>b) To consider investment proposals for all projects that fall within LEAP's Schedule of Funding Responsibilities;</li> <li>c) To monitor the implementation, delivery and performance of the Royal Docks Enterprise Zone Delivery Plan as endorsed by the LEAP Board, reporting to the Board as necessary;</li> <li>d) To ensure that LEAP achieves value for money in all its activities;</li> <li>e) To monitor the effective implementation of the Royal Docks Enterprise Zone Delivery Plan by the Royal Docks delivery team;</li> <li>f) To receive and approve progress and budget reports from the Royal Docks delivery team;</li> <li>g) To resolve, mitigate or escalate high level risks and conflicts that cannot be addressed by the Royal Docks delivery team;</li> <li>h) To work closely with the LEAP Board and any of its relevant subordinate bodies to ensure the delivery of LEAP's priorities;</li> <li>i) To report delivery progress and business rate income to the LEAP Board on a quarterly basis;</li> <li>j) To receive and approve briefing reports where required; and</li> <li>k) To refer any investment proposal it considers to be novel, contentious or repercussive to the LEAP Board.</li> </ul>	
Deputy Chair for Business	To provide business leadership to LEAP	<ul style="list-style-type: none"> <li>a) To play a significant role in LEAP's governance and dialogue with HM Government;</li> <li>b) To participate in the national Local Enterprise Partnership (LEP) Network;</li> <li>c) To provide an annual Assurance Statement on LEAP governance alongside the Senior Responsible Owner.</li> </ul>	To the Mayor of London as LEAP Chair

<b>Body</b>	<b>Role</b>	<b>Responsibilities</b>	<b>Reporting line</b>
Section 127 Officer	To provide governance and financial oversight of LEAP	<ul style="list-style-type: none"> <li>a) To ensure that grant income is received, properly used and administrated of the funding, in line with any requirements set out in the respective grant determination letter;</li> <li>b) To ensure that all reports placed before the LEAP Board and its subordinates include finance comments made on the behalf of the Section 127 Officer;</li> <li>c) To ensure that the LEAP Local Assurance Framework is adhered to;</li> <li>d) To ensure that all LEAP income and expenditure is accounted for and that LEAP provides accurate and timely reports to HM Government on financial performance and programme delivery;</li> <li>e) To ensure that all necessary LEAP legal agreements are in place, including grant agreements with required conditions;</li> <li>f) To provide an Assurance Statement and letter to HM Government each year outlining checks undertaken and opinion on LEAP's financial management.</li> </ul>	To the Accountable Body
Senior Responsible Owner	To provide day-to-day management and oversight of LEAP	<ul style="list-style-type: none"> <li>a) To take on the role of Chief Executive Officer of LEAP;</li> <li>b) To act on behalf of the LEAP Board to ensure that the LEAP Assurance Framework is embedded in LEAP programme delivery;</li> <li>c) To ensure that the LEAP Board is appropriately appraised on performance, risk and any other matters of importance.</li> </ul>	To the LEAP Board and Accountable Body