

Delivery of the Local Growth Deal

Moving from the award to delivery

July 2014

<p>Purpose:</p> <p>1) To provide the Board with a update on the delivery arrangements for the Growth Deal Award and the implications for Buckinghamshire Advantage</p>
<p>Recommendations:</p> <p>1) That the Board note these proposals and highlight any issues which give them cause for concern;</p>

Background

Over the next couple of months, government is going to be pressing individual LEPs to agree;

- A Growth Deal Implementation Plan; and
- An Assurance Framework to sit across local governance arrangements

In addition, we will need to understand some of the governments key contractual terms and conditions before we will be able to contract with any projects.

Work is going on nationally to try and encourage the government to release this material ASAP and avoid a repeat of a recent situation where 39 separate assurance frameworks were developed for government.

Whilst we await guidance, we are going to have to make some assumptions about what we might expect will be included in any guidance issued and develop some thinking about what might be required/what our preferred position is.

This paper is intended to start to socialise some of our early thinking on delivery arrangements (which might change) to understand partners views/aspirations and help the BTVLEP Board, the Accountable Body (Buckinghamshire County Council) and the Implementation Board (Buckinghamshire Advantage) to start to shape these arrangements.

Why this is important?

A number of different organisations will want to be confident appropriate delivery arrangements are being established for delivering the growth deal;

- As the Accountable Body for the BTVLEP Local Growth Deal, Buckinghamshire County Council will need to consult with their members on some of these proposals, to satisfy themselves that they are discharging their fiduciary responsibilities.
- As the partnership that is responsible for overall strategic oversight of the Local Growth Deal, the BTVLEP Board (and its constituent member organisations) will want to satisfy themselves that Buckinghamshire Advantage has structured the arrangements for implementing the Growth Deal appropriately;
- As the organisation responsible for monitoring the delivery arrangements to ensure all the projects are on track, Buckinghamshire Advantage will want to ensure the appropriate resources, staff and systems are in place to deliver the projects

Progress to date

Preparation work on our implementation plan/assurance framework/contracting suite

In our Strategic Economic Plan submission, we included a 25 page implementation plan and a 22 page delivery plan. Through our work in GPF, we have also developed some experience of contracting capital projects. Whilst some of this experience/information might provide us with some content/experience we can use in developing our implementation plan, assurance framework and contract suite, we will need

further guidance from government about what is expected of us before we can be confident that we have a complete picture. As the national picture evolves, we may also need to flex and adapt our thinking to reflect any proposed changes/developments.

Government work on providing further guidance

To date, BIS has announced one workshop for LEPs, on monitoring and reporting, although it is clear that they are very much in the early stages of developing their thinking. This is disappointing, as a number of the projects are suggesting they would be willing to cash-flow early feasibility work

Our work post award

Having been notified of our Local Growth Deal award, and recognising BCC is the Accountable Body for LGD funding, BTVLEP Officers have been working quite closely with BCC Officers to explore how the contracting process might actually work in practice.

BCC Officers have indicated whatever arrangements are agreed, they will need to take various papers to their Business Investment Group (BIG) and Full Cabinet over the coming weeks to set out how the governance, assurance and contracting arrangements will work in practice.

To date, our early discussions have focussed on exploring the pro's and con's of two alternative scenarios;

1. BCC as the 'contracting authority'; or
2. Buckinghamshire Advantage as the 'contracting authority'.

An exploration of these two alternative models has concluded the relative strengths of these two alternative scenarios are as follows;

	BCC as the 'contracting authority'	BA as the 'contracting authority'
Strengths	<ul style="list-style-type: none"> • Cleaner contracting model 	<ul style="list-style-type: none"> • Demonstrates clear Chinese Walls between development company and local authorities • Could enable greater flexibility in later years • BTVLEP staff will need to develop contracting suite anyway, as that is where knowledge of schemes exists • Has a strong strategic fit with the role of a Development Company like Bucks Advantage • Multi agency governance model
Weaknesses	<ul style="list-style-type: none"> • May limit flexibility or result • May result in potential conflicts of interest • Why have an Development Company if you are not going too use it? 	<ul style="list-style-type: none"> • BCC, as the Accountable Body need to feel comfortable with any risk exposure

These early discussions have identified there may be some advantages to utilising Buckinghamshire Advantage as the contracting authority, and that these may increase in later years in the programme. Given the above, we have discussed the potential governance/delivery arrangements and concluded the core elements of it could be based on the following model;

Organisation	Role
BTVLEP Board	LGD Strategic Oversight
Buckinghamshire County Council	Accountable Body
Buckinghamshire Advantage Board	LGD Implementation Oversight
Buckinghamshire Advantage Executive	Programme Manager
External Advisers to Buckinghamshire Advantage	Due Diligence and Scheme Cost Analysis
Project Sponsor (BCC, Amersham and Wycombe College etc.)	Project Management

As far as the assurance and contracting is concerned, we think it is likely that individual government departments are quite likely to want to maintain their traditional ‘departmental frameworks’ – for example DfT are unlikely to relinquish their traditional strict adherence to Web-TAG and their ‘gated’ business case approach. Given this scenario, it would seem to suggest the Project Management/Contracting Model is quite likely to be based on the following model;

Assurance Framework	Approach
Project Management Model	Likely to need to comply with overseeing government department
Scheme Paperwork/Contracting Model	Likely to be based on departmental approach

Further work required

Over the next few weeks, in preparation for the September BTVLEP Board, we envisage we will need to;

- **Develop a detailed financial plan for the BTVLEP Board** - setting out how the various local funding streams (LEP Core Funding, LEP Capacity Funds, Local Growth Deal Funds, Growing Places Funds, PWLB, Allocated Local Transport Major Funding and EU Structural Investment Funds) could combine to deliver the greatest returns (beyond the projects set out in the Local Growth Deal);
- **Develop our Local Growth Deal Implementation Plan; Assurance Framework; and contracting documentation** - to enable us to agree the contracting arrangements with the LEP Board, BCC as (Accountable Body) and get to contracts with our LGD projects soonest;
- **Review the BTVLEP/BA resource base** - to consider what, if any, additional resource might be needed to oversee the delivery of these various projects;

Given the above, we suggest the September BA Board be focussed on the above issues.