

Long Eaton Town Deal

Local Assurance Framework

September 2023

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1 Introduction

Purpose of the document

- 1.1 The aim of this document is to set out the management and governance of the Long Eaton Town Deal in relation to the development of Business Cases for the priority projects identified in the Long Eaton Town Investment Plan (TIP).

The Local Assurance Framework

- 1.2 This Local Assurance Framework (LAF) sets out how Erewash Borough Council (the Accountable Body) will effectively undertake its role to ensure good governance and allocation of public funds for which it is responsible.
- 1.3 It identifies the roles to be assumed by the Accountable Body and the Town Board. This includes the process of the Accountable Body ensuring value for money, prioritisation, appraisal, business case development and risk management.
- 1.4 Erewash Borough Council, as the Accountable Body is fully committed to ensuring highest quality of governance, accountability and transparency across all aspects of its activities and will review the LAF annually.
- 1.5 The Accountable Body has responsibility for ensuring this LAF is in place, meets the standards set out by the Government and that all funding decisions are made in accordance with it. The Section 151 Officer will provide assurance of sound use of Government Funds and Government Procedures within the Accountable Body's activities.
- 1.6 Erewash Borough Council will notify the Department for Levelling Up, Housing and Communities (DLUHC) of any significant changes made to this LAF.

The Long Eaton Town Deal

- 1.7 In September 2019, it was announced that Long Eaton had been chosen as one of the 101 towns in the UK to receive potentially up to £25 million worth of investment, as part of the Government's 'Town Deal' programme.

The Town Board

- 1.8 The Long Eaton Town Deal Board was established in January 2020 to support the development of the Town Investment Plan for Long Eaton and to identify funding priorities. The role of the Town Deal Board is set out in the next section (Governance).

Town Investment Plan

- 1.9 The Long Eaton Town Investment Plan was submitted to (what was then) the Ministry of Housing Communities and Local Government (MHCLG) in January 2021.

- 1.10 The Town Investment Plan sets out a vision for Long Eaton and a schedule of work agreed by the Town Board members, reflecting the needs of local businesses and organisations as well as local residents.
- 1.11 The Town Investment Plan envisions for Long Eaton to become ‘a thriving modern town that makes the most of its historic and natural features, alongside a distinctive manufacturing offer.’
- 1.12 This included seven projects. An eighth potential project (Low Level Railway Line Chord) was identified but is not being progressed through the Towns Fund.
- 1.13 Government Heads of Terms for the delivery of the seven projects in the Town Investment Plan were offered on 8th June 2021.
- 1.14 Through the government’s Project Adjustment Request procedure, the Box Office Cultural Hub project was formally closed in November 2022, and the Derby Road Junctions project in January 2023. Of the remaining five projects, two (Long Eaton Walking and Cycling Network and West Park Leisure Attractions) were disaggregated into their component sub-projects for delivery purposes, though they remain as single projects for reporting purposes. The current projects and their sub-projects are as follows:
 - 1.14.1 Long Eaton High Street (public realm improvements)
 - 1.14.2 Galaxy Row (mixed use redevelopment)
 - 1.14.3 Stable Block Managed Workspace Units
 - 1.14.4 Long Eaton Walking and Cycling Network, including the West Park Lighting, Britannia Mills Bridge and Broad Street Bridge
 - 1.14.5 West Park Leisure Attractions, including the Events Space and Canal Side.

2 Governance

Governance structure

- 2.1 Erewash Borough Council is the project sponsor for the five remaining projects in the Town Investment Plan and subsequent Heads of Terms with Government. This role is executed by the Senior Responsible Officer, who therefore has the lead responsibility to deliver the projects in accordance with the vision of the Town Investment Plan, on time and within budget.
- 2.2 Erewash Borough Council has a separate role as the Accountable Body for all funding received from the Towns Fund under the Heads of Terms. The Section 151 Officer will use this LAF to provide assurance of sound use of Government Funds and Government Procedures within the Accountable Body's activities. Further detail on the role of the Section 151 Officer is set out in Section 5.
- 2.3 The Senior Responsible Officer and Section 151 Officer form the Erewash Borough Council Long Eaton Town Deal Steering Group, along with the Leader of the Council and the Lead Member for Regeneration. The Steering Group provide oversight of the delivery of the five projects within the scope of the authorisations and delegations previously secured from the Council Executive. Project delivery is then undertaken by the Erewash Borough Council Long Eaton Town Deal Officer Delivery Group with input from across the council, including the Regeneration, Property, Accountancy, Procurement, Communication and Legal services of the council.
- 2.4 The Long Eaton Town Deal Board was a co-signatory with Erewash Borough Council on the Town Investment Plan and subsequent Heads of Terms. Consequently, any significant variation to the five remaining Town Deal projects as described in the Heads of Terms requires Town Board approval.
- 2.5 A structure chart of the governance arrangements is depicted below:



3 Policy and Code of Conduct

Erewash Borough Council and Long Eaton Town Deal Board principles

- 3.1 Members and officers of Erewash Borough Council are expected to comply with the Nolan Principles of Public Life.
- 3.2 Members are obliged to maintain a statutory register of pecuniary interests and to declare any relevant interests at the start of all public meetings. Guidance has been provided by the Monitoring Officer at Erewash Borough Council and the Members may be required to abstain from participating in the discussion and voting on affected decisions.

Policies on whistle blowing, conflict of interest, complaints, inclusivity and diversity

- 3.3 Erewash Borough Council maintains the following relevant policies:

- 3.3.1 Members Code of Conduct (Appendix 1)
- 3.3.2 Officers Code of Conduct (Appendix 2)
- 3.3.3 Confidential Reporting Policy (Appendix 3)
- 3.3.4 Customer Feedback Policy (Appendix 4)
- 3.3.5 Information Governance Framework (Appendix 5)
- 3.3.6 Data Protection Policy (Appendix 6)
- 3.3.7 Corporate Equality Policy (Appendix 7)
- 3.3.8 Contract Procedure Rules (Appendix 8)
- 3.3.9 Anti-Fraud, Theft and Corruption Strategy (Appendix 9)
- 3.3.10 Subsidy Control Protocol (Appendix 10)

Long Eaton Town Deal Board

- 3.4 According to the Towns Fund Prospectus, the Government expect that Town Deal Boards align with the governance and policies of the Lead Council (Erewash Borough Council). This includes guiding principles, whistle-blowing, conflicts of interest, complaints, declaration of interests, gifts or hospitality and agreement of the latest Communications and Engagement Statement.

4 Communications and Transparency

Publications of Reports and Information

- 4.1 Details of the following are available on the Long Eaton Town Deal website, or in hard copy on request from Democratic Services:
- The structure of the board and its members
 - Board meeting agendas and minutes
 - The Long Eaton Town Investment Plan
 - Stakeholder Engagement Plan
- 4.2 Please note that this is only a sample of the data published and not an exhaustive list and that some of the information may be subject to being exempt or restricted from publication.

Data protection arrangements

- 4.3 Erewash Borough Council has in place appropriate data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The Council is the Data Controller for the Board in its capacity as Accountable Body.

Government branding

- 4.4 The Long Eaton Town Deal Board will meet any branding requirements set by DLUHC including the HM Government Identity Guidelines. Any additional branding changes or requests by HM Government will automatically be adopted by the Long Eaton Town Deal Board and will apply to all communication produced afterwards.

Public meetings

- 4.5 Meetings will generally be open to the public to observe, unless the agenda includes confidential or exempt items for example relating to commercial sensitivity when the public can be excluded.
- 4.6 Members of the public can observe board meetings but not speak or participate in the meeting itself.
- 4.7 Filming and recording will not normally be allowed.

Public engagement

- 4.8 The key strategic decisions recorded in the Town Investment Plan, including the plan objectives and project selection, were informed by open public consultation. The approach to further engagement with key stakeholders is set out in the Stakeholder Engagement Statement.

5 The Accountable Body and the Section 151 Officer

The role of the council

- 5.1 Erewash Borough Council was appointed as the Long Eaton Town Deal Board's single Accountable Body by Government in their Heads of Terms for the Town Deal.
- 5.2 The Lead Officers for the Accountable Body are:
- Chief Executive
 - Section 151 Officer
- 5.3 The Accountable Body, through the Section 151 Officer, is accountable for the sound use and administration of funding, all of which falls under the annual audit of the Erewash Borough Council's accounts, and for ensuring that decisions are made in accordance with this LAF.
- 5.4 The Accountable Body is responsible for implementation of the Town Deal and decision-making in relation to the programme. In doing this, good governance and transparency will be ensured.
- 5.5 This role of the Section 151 Officer and the Council's Accountable Body role is separate to the role of the Council as a project sponsor (in bringing forward the projects and producing the business cases). The Section 151 Officer will ensure that business cases comply with the LAF, are an effective use of public money and are deliverable. They will maintain independence from the project sponsors and ensure transparency.

Responsibilities

- 5.6 The responsibilities of the Accountable Body include:
- Ensuring the activities funded by the Town Deal conform with legal requirements with regard to equalities, social value, environment, Subsidy Control, procurement etc.
 - Ensuring that funds are used in accordance with the conditions placed on each grant or loan.
 - 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 decisions and holding copies of all relevant documents relating to the Towns Fund.
 - Ensuring that decisions at formal meetings are recorded and the minutes of each meeting are reported to the subsequent meeting to ensure accuracy.
 - Responsibility for the decisions in approving Town Deal projects (for example if subjected to legal challenge).

- Ensuring arrangements are in place for independent audit of Towns Fund money. This will also include monitoring processes and specification of required information from the project sponsors.

5.7 The Accountable Body will ensure they address the five principles of the CIPFA guidance:

- Embed a corporate position for the Section 151 Officer in Town Deal project assurance
- Create a formal/structured mandate for the Section 151 Officer
- Embed good governance into decision making
- Ensure effective review of governance
- Ensure appropriate skills and resourcing

Role of the Section 151 Officer

5.8 The Section 151 Officer will ensure the oversight of sound administration of the financial matters within the Long Eaton Town Deal programme and compliance with all financial regulation. This will include attendance of the Board meetings where possible, or delegation of other experts to attend.

5.9 The Section 151 Officer will, as appropriate, instruct the council's Internal Audit service to provide assurance on compliance of the Town Deal with this Local Assurance Framework.

5.10 The Section 151 Officer will provide the required level of assurance that is requested from DLUHC.

5.11 The role of the Section 151 Officer will be separate to the council's role as project sponsor.

6 Contracts

- 6.1 Erewash Borough Council defines a 'contract' as a legally binding promise by one party to fulfil an obligation to another party in return for consideration. A basic binding contract must comprise four key elements: offer, acceptance, consideration and intent to create legal relations.
- 6.2 As a public sector body, Erewash Borough Council employs rigorous procurement processes which fully comply with the HM Treasury regulation on tendering and procurement and is a 'contracting authority' under the Public Contracts Regulations.
- 6.3 Any procurement carried out as part of the Towns Fund programme will follow the Council's Contract Procedure Rules which are appended to this LAF (Appendix 8). This includes the procedures for making direct awards to contractors, where it is in the wider interests of best value to do so.
- 6.4 This includes the need to fulfil the Public Sector Equality Duty (PSED) with regard to council spending and decision making; this must be fulfilled throughout the procurement and business case assurance process.
- 6.5 The thresholds of contract values by which different procurement procedures are triggered are set out in the table below.

Total contract value	Process
£0 - £2,000	One quotation
£2,001 to £9,999	Minimum of three written quotes
£10,000 to procurement threshold	Open tender process or further competition
Above procurement threshold	Tender process in line with Public Procurement Directives 2015

7 Town Investment Projects and Assurance Process

Overview of the priority Town Investment Projects

- 7.1 The Long Eaton Town Investment Plan includes five remaining projects.
- 7.2 The projects are varied in nature, and taken together will bring about positive economic, social and environmental change in the town. All the projects combined deliver more than the sum of their parts.
- 7.3 The priority projects are:
- Improvements to Long Eaton High Street
 - The Galaxy Row Redevelopment
 - The Stable Block Managed Workspace Units
 - Long Eaton Walking and Cycling Network
 - West Park Leisure Attractions

Business Cases

- 7.4 Erewash Borough Council is required to approve Business Cases for each project identified in the Town Investment Plan. It is the responsibility of the Regeneration Service to develop and submit the Business Cases for assessment.
- 7.5 Business Cases for each project should be developed to be compliant with the HM Treasury Green Book principles.
- 7.6 Any Business Case must cover all elements of the HM Treasury's 5-case model and be proportionate in its approach.
- 7.7 The Strategic Case:
- Must show the rationale, background, policy context and strategic fit of the public expenditure or public intervention.
- 7.8 The Economic Case:
- Must identify key benefits (including non-monetary benefits such as social value) based on the theory of change, ways of modelling and monetarising benefits and considering the risk of double counting
 - Must determine the costs, setting out clearly what they include and apply relevant adjustment factors
 - Must include the Value for Money assessment over the appraisal period, including sensitivity tests.

7.9 The Commercial Case:

- Must demonstrate commercial viability or contractual structure for the project, including procurement and subsidy control compliance where applicable.

7.10 The Financial Case:

- Must include the standard appraisal of financial implications of the project, including, where applicable, budgets, cash flow and contingencies.

7.11 The Management Case:

- Must show how the project is going to be delivered, referring to the HM Treasury Green Book to verify if mandatory methodologies applicable to the investment are included.

Requirements of an Outline Business Case

7.12 The TIP included Strategic Outline Business Cases for each project. Each project was required to produce an Outline Business Case which informed/formed the basis of the Summary Documents that were submitted to Government. The Outline Business Cases were assured against this Framework.

7.13 An Outline Business Case must demonstrate the following:

- Strategic case and economic case are reasonably advanced – with objectives set out and value for money demonstrated
- Land required to deliver the Project is demonstrably secured or there is a process to bring all the land required under the control of the relevant parties, including any letters of intent with relevant landowner(s)
- Planning permissions are in place – or process and timeframes for planning and associated risks are clearly identified
- Any other sources of funding, other than the Towns Fund, required to deliver the project have been identified and evidenced.
- Confirmation that the project remains in accordance with the Town Investment Plan with respect to overall grant and match contribution
- Key milestones and outputs for the project have been identified.
- The project has a detailed risk register which includes:
 - Risk scoring
 - Mitigations to address the risk
 - Residual risks
- Confirmation that the project is Subsidy Control compliant.

7.14 The Outline Business Cases were developed and assured, before being approved by Erewash Borough Council Executive. The approved outline business case allowed the Accountable Body to submit a Town Deal Summary Document to the Government setting out:

- Summary of Business Cases
- Details of Business Case assurance process

- An update on actions taken in relation to the Heads of Terms key conditions and requirements
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Confirmation of approval of planning application (where relevant)
- Letters of approval from the Town Deal Board (as co-signatory to the Project Summary documents) and Erewash Borough Council

Requirements of a Full Business Case

7.1 Each Project Summary submitted to government confirmed the completion of a compliant Outline Business Case and that this has been externally assured. Full Business Cases will be developed for each project. It is expected that these business cases should be produced, and taken into consideration, prior to the confirmation of the principal construction contract for each project. There may be instances where prioritisation, appraisal or risk management lead to managed risks to be taken in advance of a Full Business Case in order to balance the competing risks of costs, time and value for money, this would be subject to the Section 151 Officer being satisfied that doing so represented best value. It would be important to record the basis for any such decisions which may refer to any information used to inform the course of action (for instance previous Outline Business Cases, partially completed/draft Full Business Cases, partial external assurance).

7.2 A Full Business Case must demonstrate the following:

- All five cases of the business case are complete in accordance with Towns Fund Guidance and the LAF
- Confirmation that all landownership is already secured and/or legal agreements are prepared and agreed in principle for execution
- Relevant planning permissions are in place – or at least submitted with any risk / impediments to planning clearly identified and mitigated
- Confirmation that all other sources of funding, other than Towns funding, are in place
- Confirmation that the project remains in accordance with the Town Investment Plan with respect to overall grant and match contribution
- A project plan is provided for procurement of a contractor/ developer / Management Company
- The project has a detailed programme and phasing plan which identifies the start and completion elements of the project along with costs associated with each phase
- The project has a detailed risk register which includes:
 - Risk scoring
 - Mitigations to address the risk
 - Residual risks

- Confirmation that the project is Subsidy Control compliant (including legal advice where relevant)
- 7.3 Once assured, Full Business Cases will be submitted to Erewash Borough Council Corporate Management Team for approval. If a Full Business Case has significantly departed from the relevant previously approved Outline Business Case, Corporate Management Team will refer it to Erewash Borough Council Executive for approval.

Key tests - deliverability and Value for Money

- 7.4 The Long Eaton Town Deal Board and the Accountable Body will need to assure themselves that projects are deliverable and represent good value for money.
- 7.5 It is the project sponsor's responsibility to provide sufficient independent evidence that the project delivers the required value for money in line with the HM Treasury Green Book principles.

The Assurance Process

- 7.6 Independent Assurers will be appointed to assure, appraise and evaluate the business cases to ensure they comply with HM Treasury Green Book principles.
- 7.7 The appointed Assurer is expected to meet the deadlines outlined and led by Erewash Borough Council and show commitment and integrity in delivering to a fast pace, changeable agenda.
- 7.8 Any changes to deadlines and timescales must be agreed with and approved in writing.
- 7.9 All information included in the Business Cases should be kept private and confidential by the appointed Assurer and must not be shared with third parties, unless agreed with Erewash Borough Council as the Accountable Body.

8 Risk Management

- 8.1 The Accountable Body will need to assure themselves that projects are deliverable and represent good value for money.

Risk Management Strategy

- 8.2 Erewash Borough Council has a Risk Management Strategy which includes:

8.2.1 Risk management policy

8.2.2 Risk management approach (including definitions, approach, roles and responsibility, and demonstrating an embedded culture of risk management)

8.2.3 Tools to assess and manage risk, including risk template, a checklist for risk identification and a risk grading toolkit.

- 8.3 The Risk Management Strategy is used to manage a range of risks effectively and in an integrated manner in order to achieve its corporate and scheme objectives.

Risk register

- 8.4 The risks associated with the Towns Fund projects will be identified and managed in accordance with the Erewash Borough Council's Risk Management Strategy.

- 8.5 A risk register will be maintained for all projects and updated on a regular basis, recording any significant risks to delivery and achievement of the priorities, outputs and outcomes of the projects. It will include the financial, strategic and operational risks.

- 8.6 The risk register will identify mitigation measures and will monitor risks continually for an audit trail.

Approach to managing High Risk projects

- 8.7 Where a project is seen as High Risk, the Section 151 Officer will contact the project sponsors (which may be an Erewash Borough Council Officer), requesting a written response outlining how risks will be mitigated. If the S151 Officer is not satisfied with the response, the project can be removed from the programme.

9 Monitoring and Evaluation

- 9.1 Government is the funding body for Town Deals. Government has agreed to the scope of projects in the Long Eaton Town Deal through the Heads of Terms. Any variation from that agreed scope is subject to Government approval via the Project Adjustment Request mechanism. Government has released some unconditional development funding as S31 grant. Further funding for the delivery of individual projects is subject to the submission of Project Summaries to Government.
- 9.2 The Long Eaton Town Deal Board has agreed the scope of the Heads of Terms. Any significant variation from that agreed range and scope will require the approval of the Board, and subsequent approval from Government via the Government's Project Adjustment Request mechanism. Long Eaton Town Deal Board approved the submission of Project Summaries to Government.
- 9.3 Erewash Borough Council Executive is the main decision making body for Erewash Borough Council in its role as the Responsible Body for the Town Deal Funds. Council Executive approved Outline Business Cases authorising submission of Project Summaries to the Long Eaton Town Deal Board and subsequently to Government.
- 9.4 Erewash Borough Council Long Eaton Town Deal Steering Group will manage delivery of the project. The Group will be chaired by the Section 151 Officer, and will meet monthly to monitor:
- The programme risk register
 - The progress of each project
 - The forward delivery programme for each project
 - The risk register for each project
 - The capital and revenue expenditure of each project
 - The level of expenditure at risk of clawback
 - The forward expenditure profile for each project
 - The critical decision log
- 9.5 The Steering Group will instruct the Officer Delivery Group as necessary to address project delivery and financial control issues, and to ensure appropriate risk management. The Group will also provide the Town Deal Board with progress updates. Where necessary, the Officer Delivery Group will seek appropriate authorisation from the Council Executive or Town Deal Board as appropriate to further its activities.
- 9.6 All projects will be expected to produce an annual monitoring report to ensure overall progress on the Town Investment Plan. This will include consideration of outputs, outcomes, and

interrelationships to the wider programme. Projects will also be expected to produce a post-project evaluation completion report.

Monitoring and Evaluation Reporting to DLUHC

- 9.7 A condition of receiving Towns Fund funding is to provide mid and end year reports to DLUHC on the progress of the projects, to allow for project specific and programme wide monitoring and evaluation.
- 9.8 Erewash Borough Council will provide DLUHC with a comprehensive set of data relating to each Project, including both total and forecast spend, and output metrics as specified in the Monitoring and Evaluation Plan. These returns will be scrutinised and signed off by the Accountable Body's Section 151 Officer.
- 9.9 The specific data requirements have been set out in the Long Eaton Town Deal Monitoring and Evaluation Plan submitted to DLUHC at Project Confirmation. This includes both the mandatory indicators and the project specific indicators. Updated Monitoring and Evaluation Plans (including any variations) for each project were produced alongside outline business cases at the Project Summary stage.

10 Appendices

Members Code of Conduct (Appendix 1)

Officers Code of Conduct (Appendix 2)

Confidential Reporting Policy (Appendix 3)

Customer Feedback Policy (Appendix 4)

Information Governance Framework (Appendix 5)

Data Protection Policy (Appendix 6)

Corporate Equality Policy (Appendix 7)

Contract Procedure Rules (Appendix 8)

Anti Fraud, Theft and Corruption Strategy (Appendix 9)

Subsidy Control Protocol (Appendix 10)