

THIS MEMORANDUM OF UNDERSTANDING is made on 2022

BY AND

BETWEEN THE

PARTIES:

- 1 **OXFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP LTD**
of HQ Building, Thomson Avenue, Harwell Campus, Didcot,
Oxfordshire, OX11 0GD (“OxLEP”)
- 2 **VALE OF WHITE HORSE DISTRICT COUNCIL** of Abbey House, Abbey
Close, ABINGDON, OX14 3JE (“Vale”)
- 3 **SOUTH OXFORDSHIRE DISTRICT COUNCIL** of Abbey House, Abbey
Close, ABINGDON, OX14 3JE (“South”)
- 4 **OXFORDSHIRE COUNTY COUNCIL** of County Hall, New Road,
Oxford OX1 1ND (“OCC”)

each a “Party” and together known as the “Parties”.

1 Introduction and Background

- 1.1 This memorandum of understanding (MoU) sets out the arrangements between the Vale of White Horse District Council, South Oxfordshire District Council, Oxfordshire Local Enterprise Partnership (OxLEP) and Oxfordshire County Council (OCC) for the retention and distribution of business rates growth income from designated sites in the Vale of White Horse and South Oxfordshire districts that together constitute the Science Vale Didcot Growth Accelerator Enterprise Zone (EZ2)¹.
- 1.2 This MoU supplements the MoU entered into by the Vale, South Oxfordshire and OxLEP with the Secretary of State for Communities and Local Government in 2016².
- 1.3 OxLEP was established in 2011 with the aim of encouraging enterprise in the Oxfordshire economy, helping to create more sustainable, value adding jobs and removing barriers to growth. It is a primary partnership between the business community and local government. OxLEP was incorporated in March 2015 as a private company limited by guarantee.
- 1.4 The Governance and Working Arrangements of OxLEP are attached as Schedule One hereto.
- 1.5 Science Vale UK includes two enterprise zones amounting to 216 hectares (ha). This was achieved through two successful OxLEP bids to Government in 2012 and 2016. Didcot Growth or Science Vale

¹ The Non-Domestic Rating (Designated Areas etc.) Regulations 2016
<http://www.legislation.gov.uk/uksi/2016/317/schedule/1/made#regulation-5-2>

² Science Vale Growth Accelerator Enterprise Zone MoU
<https://democratic.whitehorsedc.gov.uk/ieDecisionDetails.aspx?ID=1375>

Growth Accelerator Enterprise Zone (EZ2) consists of 7 brown and green field sites around Didcot and a green field site at the A34 Milton Interchange, amounting to 101.4 ha of employment land. A map detailing the EZ site is attached at Annex A.

- 1.6 Enterprise zone status means that business rates growth income earned within each zone over a 25-year period will be retained locally and will be spent on local economic priorities. For EZ2 this retention period runs from 1st April 2016 to 31st March 2041.
- 1.7 The OxLEP Board is responsible for determining how business rates achieved through growth in the Enterprise Zone is spent. It does this by setting an overarching investment strategy for Oxfordshire whilst ensuring that there are clear governance, management, and delivery arrangements in place. The preceding MoU with the Secretary of State for Communities and Local Government (referred to at 1.2), permitted the retention of business rates sums for EZ2, as described at 1.6, provided that such sums are directed towards the further development of the enterprise zone and thereafter towards OxLEP's other identified growth priorities.
- 1.8 The role of "Accountable Body" for management of retained business rates requires a body which must be a legal entity, nominated to act on behalf of OxLEP for the receipt of business rates growth income within the enterprise zones area and correct usage of that growth in line with economic priorities as supported by the OxLEP Board. The Vale of White Horse District Council (the Vale) will undertake this role on behalf of the parties to this MoU for EZ2. All subsequent references to the Vale refer to the Vale acting in that Accountable Body role, unless otherwise stated.
- 1.9 Specific sites within the Enterprise Zone sit within South Oxfordshire District Council district and South Oxfordshire is the business rates billing and collection authority for those specific sites within the Enterprise Zone within its district. South Oxfordshire agrees that the Vale shall undertake the role of "Accountable Body" as set out at 1.8 above and South Oxfordshire agrees to make the retained business rates collected in respect of the specific sites within the Enterprise Zone within its district available to the Vale (as Accountable Body) when funding is required for the further development of the Enterprise Zone and thereafter towards OxLEP's other identified growth priorities.
- 1.10 The purpose of this MoU is to set out the respective roles and responsibilities of the Vale acting as Accountable Body for OxLEP for retained business rates growth income in EZ2, and that of OxLEP itself. Oxfordshire County Council (OCC) is included as a party to this agreement as they are the Accountable Body for OxLEP. South Oxfordshire District Council is included as a party to this agreement as they are a business rates billing and collection authority for specific sites that are part of EZ2. The parties hereby agree the Scheme of Operation as set out in Schedule Two hereto and the Scheme of Roles and Responsibilities set out in Schedule Three hereto.
- 1.11 Under this MoU, the Vale will act as an Accountable Body only for

retained business rates growth income within EZ2.

- 1.12 These arrangements may be changed by mutual agreement of all parties hereto.

2 Commencement

- 2.1 This MoU shall commence upon the date hereof and shall continue in effect until terminated by any party upon giving three months' notice in writing to the others. In terminating this MoU, the parties shall comply with current UK legislation and the requirements, if any, of central government and any other funding agencies.

3 Principles of Decision Making

- 3.1 The following principles apply to decision making:
- 3.1.1 due regard to all relevant considerations and disregard of all irrelevant factors;
 - 3.1.2 proportionality (i.e. the action must be proportionate to the desired outcome);
 - 3.1.3 lawfulness and financial propriety and prudence;
 - 3.1.4 the ability to explain the options considered and the reasons for decisions;
 - 3.1.5 due consultations;
 - 3.1.6 taking of professional advice, as required;
 - 3.1.7 respect for human rights and application of the Human Rights Act 1998;
 - 3.1.8 a presumption in favour of openness;
 - 3.1.9 clarity of aims and desired outcomes.

4 Termination and Variation

- 4.1 If the Vale ceases to be the Accountable Body, it shall:
- 4.1.1 continue to co-operate with OxLEP and any successor Accountable Body and with all grantors to ensure a smooth transition, and;
 - 4.1.2 provide to OxLEP or the new Accountable Body (where requested to do so by OxLEP) all such invoices, receipts and other relevant records which are in its possession and which it holds in connection with its role of Accountable Body. For the avoidance of doubt, documents will be retained in accordance with Vale's Corporate Retention Schedule Policy.
- 4.2 This MoU shall terminate automatically on 31 March 2041, being the last qualifying date for the EZ2 business rates retention. The allocation and /or distribution of any fund balances remaining at termination will be

decided by the OxLEP Board in advance of the termination date, together with the arrangements for making outstanding and/or future payments due under existing funding agreements.

- 4.3 This MoU shall be varied only by the written mutual agreement of all parties hereto save that this shall not prevent OxLEP from making amendments to its Governance and Working Arrangements. Where a variation of this MoU requires a change to be made to OxLEP's Governance and Working Arrangements, that change shall not come into effect until the Governance and Working arrangements have been duly amended in accordance with its requirements.

5 Charges and Liabilities

- 5.1 Except as otherwise provided, the parties shall bear their own costs and expenses in the preparation of this MoU and any variation of the MoU.
- 5.2 Vale and South, as billing authorities, will collect all business rates generated in the enterprise zone areas. As Accountable Body, Vale will forecast and retain business rates growth income in the Enterprise Zone 2 area and, on behalf of OxLEP, will disburse funds in accordance with the funding agreements put in place by OxLEP and OCC. The Vale will advise OxLEP and OCC of sums available for distribution, which will be the amount of retained business rates growth income received less a sum held for contingency purposes. The contingency value will be agreed between the parties and reviewed annually. OxLEP shall not commit to spend more than the sum identified as being available for distribution.
- 5.3 As set out at 1.9 above South Oxfordshire will pay over retained business rates for the specific sites within the Enterprise Zone within its district to Vale as Accountable Body for the Enterprise Zone when requested to do so by Vale on an annual basis at year end.
- 5.4 Where OxLEP agrees to disburse funds to agreed projects/activities, OCC will prepare relevant funding agreements with the participating parties. OCC will pay out funds to the agreed parties in accordance with funding agreements, subject to there being enough retained business rates available to make the agreed payments.
- 5.5 Funding agreements will include enforceable terms to protect the delivery of the project, including recovery of funds if the recipient fails to satisfactorily complete the funded project/activity. In such circumstances OCC will use reasonable endeavours to recover such sums as may be due and to enforce such terms. If full recovery is not possible, the risk of any shortfall will be borne by the retained business rates income fund.
- 5.6 A record of retained business rates income and expenditure funded from those receipts will be prepared by the Vale on an annual basis, with quarterly updates being reported to the Enterprise Zone sub group and twice per year to the OxLEP Board as part of the overarching finance report prepared by Oxfordshire County Council as the Accountable Body for OxLEP.
- 5.7 The Vale will consolidate OxLEP's retained business rates balances with its own cash balances and deposit the aggregate funds in accordance

with the Vale's Treasury Management Strategy.

- 5.8 The Vale will pay interest annually on the average cash balances held for OxLEP in the retained business rates growth fund, based on the average Bank of England base rate for the period in question. Interest will be charged to the retained business rates growth fund on overdrawn balances, at 2 per cent above the Bank of England Base Rate. In the event that the 2 percent above the Bank of England Base Rate would result in negative interest rates being applied then it is agreed that these negative rates will not be applied to funds held for OxLEP unless the Vale interest rates are negative overall.
- 5.9 Vale in its role as Accountable Body will provide internal staff resources for the management and financial administration of the retained business rates growth fund, free of charge.
- 5.10 Vale and South in their operational role will provide internal staff resources for operations to include preparation of accurate business rates growth forecasts, marketing and strategic level work, focusing on assisting existing sites to come forward for development, collaboration with OxLEP officers to prepare proposals for OxLEP Board consideration on retained rates spend criteria and priorities, data gathering and reporting against targets. Costs arising from this arrangement will be funded from the retained business rates, subject to approval determined by OxLEP's governance processes. The detail of these costs will be reviewed annually with OxLEP.
- 5.11 External support will be procured where specialist skills are needed that are not available from the Vale's internal staff resources, for example for any business rates forecasting, due diligence process, evaluation of and assessment of subsidy control status, preparing legal agreements, programme management, if required, and to deal with peak workflows. Where these additional services are required the Vale, acting as the Accountable Body, will ensure value for money in the procurement of these services, compliance with applicable legislation, appropriate procurement policies and with the Vale's constitutional requirements. The cost of the additional services will be agreed with OxLEP and will be met from the retained business rates growth fund.
- 5.12 The Vale will maintain satisfactory insurances to cover the extent of its obligations under this MOU.

6 Data Protection

- 6.1 The Parties hereto shall comply with their obligations under the Data Protection Act 2018 in the performance of their obligations under this agreement.

7 Confidentiality

- 7.1 No Party to this agreement will use or disclose any confidential material provided by the other pursuant to this agreement otherwise than for the performance of their obligations under this agreement, save as may be otherwise agreed or required by law.

- 7.2 For the avoidance of doubt, confidential information shall not include (a) any information obtained from a third party who is free to divulge such information; (b) any information which is already in the public domain otherwise than as a breach of this agreement; or (c) any information which was rightfully in the possession of a Party prior to the disclosure by the other Party and lawfully acquired from sources other than the other Party.

8 Freedom of Information

- 8.1 Each of the parties hereto shall co-operate with the other parties hereto and supply all information properly required in connection with any request received by the Vale, South or OCC under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 and shall supply all such information and documentation at no cost to the requesting party within 5 working days of a request.
- 8.2 Each of the parties hereto acknowledges that in responding to requests received by the Vale, South or OCC under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the requesting party will be entitled to provide information relating to the MoU.

9 Escalation

- 9.1 If any Party has any issues, concerns or complaints about any matter in this MoU, that Party shall notify the other Parties and the Parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period, the matter shall be escalated to the OxLEP Chief Executive, South and Vale councils' Acting Deputy Chief Executive - Partnership & Planning and OCC's Director of Finance who shall collectively decide on the appropriate course of action to take.
- 9.2 If any Party receives any formal enquiry, complaint, claim or threat of action from a third party they shall notify the other Parties and co-operate with each other to respond, or take such action, as is appropriate and/or necessary

10 Equality

- 10.1 In performing their obligations in pursuance of this MoU, the Parties shall comply with requirements of the Equality Act 2010.

11 The Contracts (Rights of Third Parties) Act 1999

- 11.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this MoU but this does not affect any rights which are available apart from this Act.

12 Status

- 12.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MoU. The Parties enter the MoU intending to honour all their obligations.

13 Governing Law

- 13.1 This MoU shall be governed by and construed in accordance with English law.

This Memorandum of Understanding is agreed and signed by:

Signed for and on behalf
of Oxfordshire County Council by

.....
Signature

.....
Name and Position

Signed for and on behalf of Vale of
White Horse District Council by

.....
Signature

.....
Name and Position

Signed for and on behalf of South Oxfordshire
District Council by

.....
Signature

.....
Name and Position

Signed for and on behalf of Oxfordshire
Local Enterprise Partnership Ltd by

.....
Signature

.....
Name and Position

Schedule One

Oxfordshire Local Enterprise Partnership Ltd (OxLEP)

Governance and Working Arrangements

1 Overview

- 1.1 The Oxfordshire Local Enterprise Partnership was established at the beginning of 2011. Its primary aim is to provide strategic leadership in encouraging enterprise in the Oxfordshire economy, helping to create more sustainable, value adding jobs and removing barriers to growth.
- 1.2 OxLEP Ltd was incorporated as a private company limited by guarantee without share capital on 31 March 2015 (Company number 09519056).
- 1.3 OxLEP's governance and working arrangements are designed to ensure that OxLEP fulfils its primary aim. In so doing it works with existing partnerships or working arrangements that are already operating successfully in support of economic growth. The working relationship between OxLEP and any other partnership and/or working group is typically captured in the form of a Memorandum of Understanding and/or a Service Agreement.

2 OxLEP's Governance arrangements

- 2.1 OxLEP's governance structure is published on its website at <https://www.oxfordshirelep.com/about/our-governance> and is set out in detail in its Assurance Framework, describing the roles of its Board and its Committees and Sub-Groups. As OxLEP is an incorporated entity, its governance is also directed by its Articles of Association and its By-Laws. These documents and others relevant to OxLEP's governance can be found here <https://www.oxfordshirelep.com/z-key-policies-and-documents>, together with our Chair and Chief Executive's assurance statements, updated annually.
- 2.2 OxLEP's Corporate Plan and Delivery Plan set out OxLEP's key objectives, delivery strategy and programme priorities and is reviewed annually. They can be found here <https://www.oxfordshirelep.com/publications>
- 2.3 OxLEP's funding status requires there to be a public sector body identified as the Accountable Body for audit and transparency purposes. OCC is the Accountable Body for OxLEP. OxLEP's relationship with OCC as its Accountable Body is set out in a separate Memorandum of Understanding (MoU). OCC's S151 Officer publishes an Annual Assurance Statement; the latest MoU and assurance statement can be found here <https://www.oxfordshirelep.com/z-key-policies-and-documents>.

Schedule Two

Scheme of Operation

1 Organisational frameworks

- 1.1 OxLEP will operate in accordance with:
 - i) its governance and working arrangements;
 - ii) This MoU;
 - iii) The guidelines provided by central government or any other body whose regulation controls the use of funds provided to OxLEP; and
 - iv) Statutory requirements.

- 1.2 Vale will operate in accordance with:
 - i) their constitutions;
 - ii) This MoU;
 - iii) The guidelines provided by central government or any other body whose regulation controls the use of funds provided to OxLEP; and
 - iv) Statutory requirements.

2 Science Vale Didcot Growth Accelerator Enterprise Zone

- 2.1 OxLEP successfully bid for an enterprise zone (Science Vale Didcot Growth Accelerator Enterprise Zone, also known as EZ2) to be designated within the Vale of White Horse District Council area and South Oxfordshire District Council area. Business rates growth income from EZ2 can be retained and spent in support of the further development of the EZ and other local economic priorities.

- 2.2 For audit and accounting purposes a public sector entity must be identified as the Accountable Body for the retention and distribution of the business rates growth income. Vale of White Horse District Council has agreed to act as the Accountable Body for Science Vale Didcot Growth Accelerator Enterprise Zone.

3 Accountable Body arrangements

- 3.1 The principles of the Accountable Body arrangements in respect of the retention of business rate growth income are set out below:
 - 3.1.1 Business rates growth income from the Science Vale Didcot Growth Accelerator Enterprise Zone will be retained by the billing authority (the Vale), on behalf of OxLEP.

 - 3.1.2 OxLEP, the Vale and OCC will put in place the following local arrangements to ensure this revenue is spent in line with local economic priorities, as supported by the OxLEP Board:
 - i) OxLEP submit 'claim form' to the Vale's Head of Finance confirming that funds will be used in line with 3.1.3 and 3.1.5 and use will be recommended to OxLEP board.

 - ii) Claim form will be signed off by the Vale Head of Finance following

which payment shall be made to OCC as the OxLEP Accountable Body.

iii) All such payments will be reported quarterly to the OxLEP EZ sub-group.

iv) An annual report is given by OxLEP to the EZ sub-group on use of funding paid (e.g. grants awarded and paid to beneficiaries, project progress, outputs and outcomes achieved to be provided).

3.1.3 More specifically, the retained business rates growth income will be used by OxLEP for key economic priorities, prioritising the further development of the enterprise zone

3.1.4 Retained business rates growth income will continue to be viewed by government as public funds. As such a public authority should act as the responsible organisation for audit and accounting purposes;

3.1.5 In line with expectations for the treatment of other public funding, it is expected that OxLEP and its Accountable Bodies (Vale as the Accountable Body for retention of retained business rates growth income and OCC as the Accountable Body for OxLEP.) will oversee distribution of retained business rates received from the Vale and will take collective responsibility for ensuring that there is transparency in the way retained business rate growth income is spent. The billing authorities should retain a degree of oversight of transparency arrangements for the total fund of retained business rates.

3.2 **Forecasting business rates uplift**

3.2.1 The Vale will prepare, and periodically update, a forecast of expected additional business rates income earned within the enterprise zone. The forecasts will be based on anticipated levels of development activity in the enterprise zone area, but independent sensitivity testing will be carried out from time to time, on these forecasts. Forecasts should be approved by OxLEP as robust.

3.2.2 As development is delivered the amount of available retained business rates growth income available to distribute increases. Conversely, should development fail to materialise in line with projections, distribution at desired levels may not be achievable and may even fall should properties be demolished prior to new development or occupancy levels change.

3.3 **Retaining and accounting for additional business rates**

3.3.1 The Vale and South as *billing authorities* are responsible for collecting the business rates growth income generated in the enterprise zone area. South as set out above have agreed to pay over the retained business rates for the specific sites in its district to Vale as Accountable Body As *Accountable Body*, the Vale will act on behalf of OxLEP in retaining the growth income and disbursing the funds as per the agreed OxLEP priorities.

3.4 **Disbursement of funds**

3.4.1 The retained business rates growth income generated in the

enterprise zone will be used by OxLEP to support its economic priorities, prioritising the further development of the enterprise zone.

- 3.4.2 The Parties to this agreement recognize that they have the above arrangements set out at 3.1.2 above to manage payments to OxLEP and that OxLEP and OCC have arrangements in place for the disbursement of funds. This process will recognise that recipients of these funds may use them for the repayment of loan arrangements. Except for interest on fund balances, the funds will stop accruing after 31st March 2041 for EZ2. However, such borrowing arrangements may continue beyond this date and sums drawn down in line with the respective repayment agreements. Recipients under OxLEP Board approved funding agreements are free to determine over what period they wish to borrow, as these funding agreements will stipulate that the recipients carry the repayment risk of that borrowing.
- 3.4.3 Under these arrangements, the Vale will undertake the following tasks:
- i. In conjunction with OCC as OxLEP's overall Accountable Body, when determining expenditure commitments will agree a prudent proportion of retained funds that will not be distributed in order to provide a safety margin or contingency - which is needed due to the uncertainty surrounding future income levels.
 - ii. Consideration will also be given to the funding of OxLEP's borrowing and operating costs - should the OxLEP Board agree that these should be funded from the retained business rate growth income.
 - iii. Note that OCC as OxLEP's overall Accountable Body will prepare agree and enter into payment/funding agreements, including any cost recovery, on behalf of OxLEP for organisations undertaking projects that OxLEP has agreed can be funded from retained business rates growth income.
- 3.4.4 The Vale as accountable body will not bear risks relating to undertaking any funded project. The organisation undertaking the project will be responsible for the following:
- i. Undertaking any necessary borrowing.
 - ii. Cost control for the project.
 - iii. Owning the financial risk and acting as guarantor should borrowing costs exceed those projected.
- 3.4.5 If a project has cost overruns, the organisation undertaking the development will report to OxLEP on the circumstances, should they wish to seek additional funding they will be obliged to follow the terms of their funding agreement in that regard. It is for the OxLEP Board to decide on this matter and the Vale will act on OxLEP's instructions.
- 3.4.6 If retained business rate funds are paid out in respect of a project that ultimately does not deliver the outcomes as determined by OxLEP, OCC as OxLEP's overall Accountable Body will make all reasonable endeavours to recover those funds on behalf of OxLEP.

3.5 *Monitoring and reporting*

- 3.5.1 The Vale will report the following to OxLEP and OxLEP's Accountable Body on a quarterly basis:
 - i. The amount of retained business rates growth income received against latest forecasts.
 - ii. Commitments made against retained business rates and contingency amounts available.
- 3.5.2 OxLEP will monitor progress of projects funded from retained business rates against the relevant project plans

Schedule Three

Scheme of Roles & Responsibilities

1 General

1.1 OxLEP shall:

- 1.1.1 undertake all decisions in respect of the policy necessary for allocating business rates growth income funding, the payment of funding and monitoring the delivery of projects;
- 1.1.2 ensure that all such decisions are fully documented and recorded in writing;
- 1.1.3 agree robust and transparent assessment criteria against which funding will be allocated;
- 1.1.4 agree the robust and objective assessment methodology based on the assessment criteria to support the prioritisation of projects and to facilitate independent assessment in accordance with the appropriate use of public funds;
- 1.1.5 ensure that projects are approved only after an appraisal has been carried out;
- 1.1.6 invite applications for funding;
- 1.1.7 agree applications for funding following assessment on behalf of OxLEP;
- 1.1.8 commit to allocate no more than the sum identified by the Accountable Body as being available for investment.

1.2 Vale and South, as *billing authorities*, shall

- 1.2.1 Collect and account for all business rates generated in the enterprise zone area.

1.3 Vale, as *Accountable Body*, shall

- 1.3.1 prepare and bi-annually update forecasts of the amount of growth in business rates in the enterprise zone area that will be available for retention;
- 1.3.2 on a timely basis, prepare such data as required by government for completion by OxLEP of regular returns on Enterprise Zone performance, outputs and outcomes;
- 1.3.3 advise OxLEP of sums available for investment, which will be the amount of business rates growth income retained less approved commitments and a sum held for contingency purposes;
- 1.3.4 retain and hold the business rates growth income generated in the enterprise zone and all interest or income earned on it for and on behalf of OxLEP and ensure that the income is not moved or spent,

without specific instruction from OxLEP;

- 1.3.5 administer the retained business rates growth income under its own accounting policies and financial procedures to ensure that funds are applied and accounted for appropriately. This will be carried out under the direction of the Section 151 Officer;
 - 1.3.6 provide support and assistance to OxLEP to ensure both legal and financial probity in relation to the receipt of retained business rates growth income;
 - 1.3.7 advise OxLEP on the procedures necessary to ensure formal compliance with any requirements for administering the retention of business rates growth income;
 - 1.3.8 provide proper and effective governance for the allocation of retained business rates growth income;
- 1.4 OCC as overall Accountable Body for OxLEP shall:
- 1.4.1 enter into appropriate contracts or agreements on behalf of OxLEP for projects to be funded from retained business rates growth income, once the projects have been approved by OxLEP;
 - 1.4.2 undertake any necessary action to seek recovery of retained business rates funding where projects do not deliver outcomes determined by OxLEP;
 - 1.4.3 ensure that the funding is passed on to the project delivery organisation, in line with the conditions of the funding agreement(s) and in accordance with agreed project payment profiles, providing there is sufficient retained business rates growth income available.
- 1.5 For the avoidance of doubt, any reference in this schedule to financial information being provided to OxLEP should also be provided to Oxfordshire County Council, as OxLEP's Accountable Body.

2 Financial/Audit

- 2.1 OxLEP shall
- 2.1.1 co-operate with and assist the Vale acting in its role as Accountable Body in undertaking the day to day responsibility for financial matters;
 - 2.1.2 direct the Vale to make funding available to persons and organisations who it has resolved shall receive these;
 - 2.1.3 co-operate with and assist Vale in regular audit examinations of all operating systems;
 - 2.1.4 act upon all recommendations contained within the Vale's internal audit reports where the Vale's chief financial officer so requires;
 - 2.1.5 shall not reverse funding instructions once the Vale as Accountable Body has entered into binding legal agreements to advance funding.

2.2 Vale as *Accountable Body* shall

- 2.2.1 establish and maintain a financial system to account for all monies received and paid to OCC on OxLEP's behalf;
- 2.2.2 pay over to OCC, subject to evidence of due diligence, having been carried out by OxLEP funding for projects identified by OxLEP;

OCC as accountable body for OxLEP shall

- 2.2.3 receive income and make payments for and on behalf of OxLEP;
- 2.2.4 maintain proper records, in accordance with its Constitution, of all monies received and disbursed for OxLEP and make such records available for inspection by both internal and external regulators;
- 2.2.5 prepare and supply a record of retained business rates growth income and the expenditure funded from those receipts, on an annual basis to OxLEP, and provide quarterly updates to OxLEP;
- 2.2.6 prepare and supply, as necessary, completed statements of income, expenditure and disbursements to other organisations as required by law.

3 Recovery of retained business rates growth income used to fund projects

- 3.1 The conditions where funds will be recovered will be laid out in each project funding agreement. OCC will take the step to recover funds only from those parties with whom it has a direct agreement. If the project concerned employs a third party such as a subcontractor, it would be up to the funding recipient to take any action they require to recover their losses from such third parties.
- 3.2 The general phasing of fund recovery will be as follows:
 - Stage 1: Notice sent containing the reason for concern, outlining the potential fund recovery situation and giving time where appropriate for corrective action;
 - Stage 2: If no corrective action is taken or is deemed insufficient to avoid fund recovery a further notice will be sent asking for the return of funds with a specified return deadline. In cases of particular difficulty, OCC, in consultation with the OxLEP Board, may accommodate a funding return payment plan, specifying payment instalments over an agreed period of time. This payment plan approach must be agreed in writing and cannot be assumed;
 - Stage 3: If funds are not returned within the set deadline the OCC may then instigate debt recovery procedures, which may result in legal action being taken.
- 3.3 OCC will undertake these steps only if unavoidable, to protect the public purse and to ensure that public funding is being used appropriately.

Annex A – Science Vale Didcot Growth Accelerator (EZ2)

Didcot or Science Vale Growth Accelerator Enterprise zone sites

