

Report title: SELEP Operations Update	
Report to Accountability Board	
Report author: Keri Lawrence – Governance Officer	
Meeting Date: 16 February 2024	For: Information
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SELEP Partner Authority affected: Pan-LEP	

1. Purpose of Report

- 1.1. The purpose of this report is for the Accountability Board (the Board) to be updated on the operational activities carried out by the Secretariat to support both this Board and the Strategic Board. The report includes an update on the SELEP transition arrangements, risk management, compliance with the Assurance Framework and performance against governance KPIs.

2. Recommendations

- 2.1. The Board is asked to:
- 2.1.1. **Note** the update on the transition of the LEP and the integration of its activities into Local Authorities at Section 4;
 - 2.1.2. **Note** the Risk Register at Section 6 and Appendix A;
 - 2.1.3. **Note** the update on Assurance Framework compliance monitoring at Section 7 and Appendix B;
 - 2.1.4. **Note** the update on Governance KPIs at Appendix C.

3. General Operations Update

- 3.1. SELEP continues to deliver against its 2023/24 Delivery Plan, including the Growth Hub service, various activity on skills, maximising the benefits of our major projects, production of comprehensive economic data and supporting our partnerships to deliver. Increasingly business as usual activities are becoming more focused on their transition, SELEP is in a transitional period and therefore the work of the SELEP Secretariat is focused on ensuring the effective integration of SELEP functions into Upper Tier Local Authorities (UTLAs) by March 2024, as outlined in Section 4.
- 3.2. As part of the legacy and lessons learnt activities, SELEP held a very successful interactive event on the 7th of February - 'What makes successful public private partnerships' - with over 60 attendees.

- 3.3. The final event - Future of Local Growth - will be held following the Strategic Board meeting on 22nd March, in London, and will bring together stakeholders to present and debate the future growth agenda across the South East.
- 3.4. Regarding the Deep Dive into East Sussex projects where the delivery partner is Sea Change Sussex, we are still waiting for an update from the Assurance Team from the Cities and Local Growth Unit, with respect to the outcome of the review.

4. SELEP Transition Update

- 4.1. The SELEP Strategic Board approved the final SELEP Integration Plan on the 8 December 2023.
- 4.2. As highlighted in the January Operations Update to this Board, the Final Integration Plan outlines key dependencies for a successful integration. These are:
 - 4.2.1. Confirmation from Government of the geographical coverage of new Accountable Body arrangements for ongoing management of the existing capital programme.
 - 4.2.2. Clarification from Government in relation to the accountable body arrangements for the new functional economic area and the applicable Assurance Framework.
 - 4.2.3. All required Local Authority formal decision making concluded by March 2024, ahead of the March SELEP Strategic Board meeting.
 - 4.2.4. Completion of the Transition Agreement that will transfer LEP responsibilities and accountabilities to the respective upper tier local authority partners – see agenda item 13 for further information.
- 4.3. Overall the risks and dependencies are mostly associated with timescales and capacity, however there are some clarifications needed from Government that could, albeit unlikely, require a change of approach, particularly in relation to the management of the current capital programme, Accountable Body status, and ongoing monitoring and evaluation requirements. Associated risks are outlined further in section 6 below.
- 4.4. The SELEP Senior Officers Group¹ continues to meet monthly to review the SELEP Integration Plan and track progress against its decisions, milestones, and deliverables.
- 4.5. The staff consultation, run by ECC People Services, commenced on the 15th of January, and will conclude on the 28th of February. There were nine roles

¹ Consisting of Senior Officers of the 6 UTLAs, the SELEP Secretariat and the Accountable Body.

identified and submitted from across the UTLAs and whilst these roles do not fully align to the roles within the existing secretariat and the take up of them is subject to the outcomes of this consultation, and within that choice of individuals, it is expected that some members of the existing SELEP team will redeploy into appropriate posts. Changes during the consultation has reduced the number of available posts to seven.

- 4.6. At the December 2023 Strategic Board, Directors endorsed that the uncommitted residual revenue LEP funding should be utilised to resource the continued delivery of LEP functions within UTLAs from April 2024 onwards. At the January meeting of this Board, the decision was taken that this allocation of the residual revenue funding should be made on a per capita² basis.
- 4.7. Please see the SELEP Finance Update paper with reference to the updated position on the allocation of SELEP unallocated residual funds that could be applied to support the funding of these posts and as such the potential for continued employment of members of the LEP secretariat who are able and wish to secure these positions.
- 4.8. This is in alignment with the guiding principle of the Strategic Board's decision in July that it is the intention by all parties to retain the expertise, knowledge, networks, and experience of the SELEP team.

5. Update on Government Guidance

- 5.1. As outlined in the January 2024 Operations Update to this Board, SELEP and the UTLAs sought clarifications from Government on the 16th of August, regarding several points contained in their technical guidance, issued on the 4 August, to further inform the development of the Integration Plan and on the 3rd of November, SELEP received some responses to these clarifications.
- 5.2. The clarification provided regarding Accountable Body arrangements for the legacy SELEP activity, namely the existing capital programme, provides a positive indication that DLUHC will release Essex County Council from its obligations as accountable body for SELEP and that the six UTLAs will take on this role for their own geographies from April 2024.
- 5.3. A letter was issued to DLUHC formally setting out this request with proposals for how it could be achieved. We await a response, however given the timescales, preparation work has commenced on this basis by way of a Transition Agreement that would exist between all UTLAs, inc. ECC as Accountable Body and potentially DLUHC.
- 5.4. This agreement will cover all aspects of LEP function and funding that will transfer over to UTLAs, including but not limited to, the agreements for Local Growth Fund (LGF), Getting Building Fund (GBF) and Growing Places Fund

² Based on 2021 census population figures per area.

(GPF) and residual funding disaggregation for the reserves and GPF. A draft of this agreement is planned to be shared with all UTLAs and with DLUHC and we will collectively work at pace to finalise this (see Agenda item 13).

- 5.5. The release of the Assurance Framework that will apply to UTLAs post April 2024 is still anticipated from DLUHC; this will inform governance expectations for any new arrangements introduced by UTLAs to support the delivery of LEP functions.
- 5.6. Following announcement of funding to deliver LEP functions in 2024/25 on 19th December 2023, as yet, DLUHC has not launched the application process for UTLAs to apply for that funding.

6. Risk Register

- 6.1. Integration: Overall, the most critical risks to timely integration are:

- 6.1.1. Capacity with the SELEP Secretariat, Accountable Body and within UTLAs to action tasks at the required pace. (Risk 9)
- 6.1.2. Lack of formal and/or timely response from Government regarding future accountable body arrangements for the existing capital programme and, as importantly, how they need to be implemented. (Risk 48)
- 6.1.3. Breaks in continuity because of late confirmation of UTLA funding allocations, particularly in relation to Growth Hubs. (Risk 22)

- 6.2. Capital Programme:

- 6.2.1. The risk of non-achievement of Outcomes/Outputs of the Capital Programme (Risk 19) continues to be classified as high risk, particularly in light of integration and the absence of the LEP post April 2024.
- 6.2.2. Risk 46, rated as medium, is a reputational risk related to the number of requests for information about projects and questions raised about the delivery of outputs and outcomes of some projects. SELEP and the Accountable Body will take steps to share best practice developed over the lifetime of SELEP with local partners to help support their ongoing management of the Capital Programme and the future presentation of project information to the public.

7. Assurance Framework Monitoring

- 7.1. The National Local Growth Assurance Framework will remain in force and will continue to apply up to integration of services into the UTLAs from April 2024. In line with government guidance, it may be necessary for some decisions to be taken outside of the Assurance Framework, where this is required to support the close of SELEP. SELEP continues to regularly manage its

compliance with the National Assurance Framework and ensure that it is governed, and decisions are made, in line with the framework's requirements.

- 7.2. LEPs are expected to continue to maintain a Local Assurance Framework and have this publicly accessible. It is the role of the Board to oversee the implementation of the requirements of the SELEP Local Assurance Framework.
- 7.3. An Internal Audit for 2023/24 is being undertaken by Essex County Council (as the Accountable Body) from January 2024 to assess the robustness of governance over decision making, project delivery and financial / risk management processes, in order to provide assurance to the S151 Officer and SELEP that appropriate controls are in place. The audit outcome of 2022/23 recognised that SELEP continues to have adequate controls in place to help manage emerging risks. However, it is important that these are proactively monitored throughout the transition period.
- 7.4. DLUHC wrote to LEP Chief Executives on 18 May 2023 setting out its position on LEP assurance and associated requirements for 2023/24. As per that letter, a light-touch Annual Performance Review (APR) assurance cycle will take place in 2023/24 where LEPs are still operational. The approach will continue the tiered structure implemented in the 2022/23 assurance cycle. Assurance activities will consider any residual LGF and GBF spend, via freedoms and flexibilities, brought forward into 2023/24 by LEPs.
- 7.5. We have received notification of the final APR process, which is expected to conclude by the 29th of February. This requires the LEP and the Accountable Body to action and submit the following:
 - 7.5.1. Officer Assurance Statement
 - 7.5.2. Governance Assurance Statement
 - 7.5.3. Compliance Letter
- 7.6. As reported in January, DLUHC held an assurance conversation with the SELEP Secretariat and the Accountable Body on the 11 December 2023 as part of a light touch Mid-Year Review. No new issues were raised at the meeting and SELEP was thanked for its proactive response to LEP integration.

8. Key Performance Indicators

- 8.1. A number of KPIs are being tracked to ensure there is compliance with the governance requirements in the SELEP Assurance Framework. These can be found at Appendix C.
- 8.2. All KPIs are delivering in line with targets except for those related to Federated Board publication of minutes and papers as Success Essex has not met for some time. The Secretariat will continue to communicate with

officers to improve and maintain compliance to try and ensure that this stays on track as integration progresses over the coming weeks. The Assurance Framework for 2024/25, which has not yet been published, could state that the publication of minutes and papers for Board meetings is expected and if not, partners may wish to so anyway as best practice.

9. Accountable Body Comments

- 9.1. It remains a requirement for SELEP to have an Assurance Framework in place that complies with the requirements of the National Local Growth Assurance Framework and there remains an expectation for the s151 Officer of the Accountable Body to continue to provide assurances of compliance. The only exceptions to this would be expected to be in respect of decisions required to enable the transition of LEP functions to the UTLAs, in line with the Government guidance for the transition of LEPs issued in August 2023.
- 9.2. A key role of the Accountable Body through LEP transition will be to ensure consideration and transference, as appropriate, of any residual accountabilities in respect of funding being held and managed by Essex County Council on behalf of the SELEP. This is proposed to be managed through a transition agreement between the six UTLAs and DLUHC (see Agenda item 13).
- 9.3. It is anticipated that a number of close down activities will need to continue to be managed post closure of SELEP which will need to be funded through the funding set aside in Future Commitments Reserve (see Agenda item 13).
- 9.4. Through the life of SELEP, the purpose of the Assurance Framework has been to ensure that the necessary systems and processes are in place to manage delegated funding from Central Government budgets effectively.
- 9.5. The S151 Officer of the Accountable Body is required to provide the following confirmation to Government on an annual basis:
 - 9.5.1. That all the necessary checks have been undertaken to ensure that SELEP has in place the processes to ensure the proper administration of their financial affairs and that they are being properly administered; and
 - 9.5.2. That SELEP's Local Assurance Framework is compliant with the minimum standards as outlined in the *National Local Growth Assurance Framework* (2021).
- 9.6. This confirmation was provided by the S151 Officer on the 28 February 2023; Government have advised that a similar confirmation statement is expected to be required through the Annual Performance Review process for 2023/24.
- 9.7. The S151 Officer of the Accountable Body is required to ensure that oversight of the proper administration of financial affairs within SELEP continues throughout the year.

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- 9.8. In addition, the S151 Officer is required to provide an assurance statement to Government as part of the Annual Performance Review; this must include information about the main concerns and recommendations about the arrangements which need to be implemented for SELEP to be properly administered.
- 9.9. The outcome of the Annual Performance Review 2022/23 identified that challenges were being experienced with regards to Delivery and risks across the LGF and GBF capital programmes (as is regularly reported to this Board through the wider agenda items). Due to GBF slippage from 2021/22 and 2022/23, quarterly reporting of spend to Government will continue to be a requirement in 2023/24. Monitoring of all GBF projects will be required on-going and any reporting requirements complied with by Partners in line with the agreed arrangements.
- 9.10. A number of LGF projects are continuing to be identified as high risk, with significant delays to delivery highlighted. Following the closure of SELEP, on-going monitoring requirements will no longer have oversight by the Board and be subject to local management arrangements.
- 9.11. Government are expected to continue to request reporting on the LGF and GBF programmes following closure of the LEP for at least 12 months; as such, compliance with any such requests by DLUHC will form part of the proposed transition agreement with the UTLAs (see agenda item 13).

10. Financial Implications (Accountable Body comments)

- 10.1. Government have allocated Core funding to SELEP for 2023/24 at a reduced allocation of £250,000. Government have also confirmed that this will be the final year in which LEPs will be allocated core funding due to the expectation that their functions will transfer to Local Authorities from 2024/25 – Government have indicated that there may be some funding (up to £240,000 per Functional Economic Area) to support the Local Authorities in 2024/25, although this remains subject to an application process that has yet to be advised by DLUHC. On-going funding, beyond 2024/25 also remains subject to confirmation through future spending reviews.
- 10.2. The finance update in agenda item 6 provides an updated forecast of the revenue spend for 2023/24. The current level of reserves continue to be monitored, but are considered sufficient to support the SELEP budget for 2023/24, with some reserves remaining to meet known commitments into future years.
- 10.3. The recent announcement by Government in their Budget statement that no further Core Funding will be available post 2023/24 to existing LEPs, means that options with respect to the future position of the Essex County Council employees that support the SELEP Secretariat, the existing funding agreements and other contractual arrangements in respect of SELEP being managed by the Accountable Body, are to be sought to be managed through

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a Transition Agreement to be implemented across the six UTLAs and potentially also with DLUHC.

11. Legal Implications (Accountable Body comments)

11.1. There are no significant legal implications arising out of this update report.

12. List of Appendices

12.1. Appendix A - Extract from Risk Register -TO FOLLOW

12.2. Appendix B – Assurance Framework Compliance Monitoring

12.3. Appendix C – Governance and Transparency KPIs

13. List of Background Papers

13.1. [Strategic Board 8 December 2023 – Final Integration Plan](#)

13.2. [Accountability Board 12 January 2024 -Operations Update](#)

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off Michael Neumann (On behalf of Nicole Wood, S151 Officer, Essex County Council)	08/02/2024



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ASSURANCE FRAMEWORK MONITORING

Updated February 2024



ONGOING ACTIONS

INCORPORATION

Requirement	Status
Maintain the records at Companies House and fulfil all legal requirements	COMPLETE/ONGOING (supported by the Accountable Body)

BOARD COMPOSITION

Requirement	Status
To improve the gender balance and representation of those with protected characteristics on the Board.	ONGOING

DECLARING INTERESTS

Requirement	Status
To publish all Registers of Interest on the SELEP website for all Strategic Board, Accountability Board and Federated Board members, with signatures redacted.	ONGOING, continually updated annually and Board members change
Declarations of interest must be noted at the outset of each meeting.	COMPLETE/ONGOING
All members of the Strategic Board, Accountability Board and Federated Boards are required to complete a Register of Interests form.	COMPLETE/ONGOING
All senior members of staff or staff involved in advising on decisions must also have a valid register of interests, reviewed the same as for board members.	COMPLETE/ONGOING

CAPITAL PROJECTS

Requirement	Status
To use the SELEP Business Case Template for all strategic outline business cases.	COMPLETE/ONGOING
To inform the Accountability Board where there are concerns around a project, including presenting the Board with legal options around recovering funding	COMPLETE/ONGOING
Implementing the monitoring and evaluation of projects including reporting on delivery of outputs and outcomes against the delivery of the Recovery and Renewal Strategy	ONGOING

POLICIES AND PROCEDURES

Requirement	Status
For each Federated Board to apply the prioritisation process as approved by the Strategic Board.	COMPLETE/ONGOING
To have a delivery plan in place for the year.	COMPLETE/ONGOING
To create and maintain a log of SELEP engagement activities.	OUTSTANDING
To hold Annual General Meetings open to the public to attend	COMPLETE
To collaborate across boundaries, with other LEPs and the LEP network, and be open to peer review	COMPLETE/ONGOING
Review of Assurance Framework to be a standing item on the last Strategic Board meeting of each calendar year.	COMPLETE/ONGOING
To ensure that all policies are refreshed annually according to the requirements in the Assurance Framework.	Since the SELEP is transitioning, policies have been reviewed based on business need.

ACCOUNTABLE BODY

Requirement	Status
The Secretariat to extend invitations to the Section 151 Officer or representative for all board meetings.	COMPLETE/ONGOING
The Secretariat should ensure that Business Case Templates include a section for assurance from the Section 151 Officer of the promoting authority that the value for money statement is true and accurate.	COMPLETE/ONGOING
For the Section 151 officer or their representative to review and comment on all board papers in advance of publication	COMPLETE/ONGOING

PUBLISHING INFORMATION

Requirement	Status
To publish Strategic and Accountability Board papers to agreed timescales	COMPLETE/ONGOING
To publish the Local Assurance Framework on the website	COMPLETE
To create, maintain and publish a register of all board member expenses and hospitality costs.	COMPLETE/ONGOING
To publish the Gate 2 outline business case at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish the Gate 4 and 5 full business cases for relevant projects at least one month in advance of Accountability Board meetings.	COMPLETE/ONGOING
To publish information around the process for applying for funding on the SELEP website, as agreed by the Strategic Board.	COMPLETE/ONGOING
To publish on the SELEP website a rolling schedule of projects, outlining a brief description of the project, names of key recipients of funds/contracts and amounts of funding designated by year.	COMPLETE/ONGOING
To publish on the SELEP website the Terms of Reference, calendar of dates and papers of the Working Groups.	COMPLETE/ONGOING
To use Government and SELEP branding on all marketing.	COMPLETE/ONGOING
To publish all key decisions of the Strategic and Accountability Boards on the Forward Plan, SELEP website and upper tier authority websites.	COMPLETE/ONGOING

Appendix C - Governance Key Performance Indicators

Forward Plan of Decisions

Is the Forward Plan of Decisions, including any associated business cases, published at least 28 days in advance of the Accountability Board meeting?

Meeting date	Met (Y/N)?
27/05/22	Y
15/07/22	Y
23/09/22	Y
25/11/22	Y
27/01/23	Y
13/04/23	Y
16/06/23	Y
22/09/23	Y
17/11/23	Y
12/01/24	Y
16/02/24	Y

Publication of Papers

Are all papers published 5 clear working days in advance of the meeting?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)	Meeting date	Met (Y/N)?
Accountability Board	23/09/22	Y	25/11/22	Y	27/01/23	Y	13/04/23	Y	16/06/23	Y	22/09/23	Y	12/01/24	N
Strategic Board	24/06/22	Y	21/10/22	Y	09/12/22	Y	10/02/23	Y	07/07/23	Y	13/10/23	Y	08/12/23	Y
SE	06/06/22	Y												
KMEP	22/11/22	Y	21/03/23	Y	20/06/23	Y	19/07/23	Y	06/09/23	Y	03/10/23	Y	05/12/23	Y
OSE														
TES	05/12/22	Y	06/02/23	Y	15/05/2023	Y	03/07/23	Y	09/10/23	Y	04/12/23	Y		

Draft Minutes

Are all draft minutes published within 10 clear working days following the meeting?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	27/05/22	Y	15/07/22	Y	23/09/22	Y	25/11/22	Y	13/04/23	Y	16/06/23	Y	22/09/23	Y	12/01/24	Y
Strategic Board			24/06/22	Y	21/10/22	Y	09/12/22	Y	10/02/23	Y	07/07/23	N	13/10/23	Y	08/12/23	Y
SE			06/06/22	Y												
KMEP	22/11/22	Y	21/03/23	Y	20/06/23	Y	19/07/23	Y	06/09/23	Y	03/10/23	Y	05/12/23	Y		
OSE																
TES	03/05/22	Y	20/06/22	Y	17/10/22	Y	05/12/22	Y	15/05/23	Y	03/07/23	Y	09/10/23		04/12/23	Y

Final Minutes

Are final minutes published within 10 clear working days following approval?

Board	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?	Meeting date	Met (Y/N)?
Accountability Board	27/05/22	Y	15/07/22	Y	23/09/22	Y	13/04/23	Y	16/06/23	Y	22/09/23	Y	12/01/24	Y		
Strategic Board	18/03/22	Y	24/06/22	Y	21/10/22	Y	10/02/23	Y	07/07/23	Y	13/10/23	Y	08/12/23	Y		
SE					06/06/22	Y										
KMEP	20/09/22	N	22/11/22	Y	21/03/23	N	19/07/23	Y	06/09/23	Y	03/10/23	Y	05/12/23	Y		
OSE	09/03/22	N														
TES	20/06/22	Y	17/10/22	Y	15/05/23	Y	03/07/23	Y	09/10/23	Y	04/12/23	Y	29/01/24	Y		

Registers of Interest- Board Members

Are registers of interests in place for all board members?

Board	Comments
Accountability Board	All complete, ongoing updates where appropriate
Strategic Board	All complete, ongoing updates where appropriate
SE	All complete, ongoing updates where appropriate
KMEP	All complete, ongoing updates where appropriate
OSE	All complete, ongoing updates where appropriate
TES	All complete, ongoing updates where appropriate

Registers of Interest - Officers

Are registers of interest in place for all officers?

Category	Percentage completed
SELEP Secretariat	100%
Accountable Body	100%
Federated Board Lead Officers	100%

Declarations of interests in meetings

Are all interests declared and recorded in the meetings as a standing item with a note of any actions taken?

Board	Met (Y/N)?
Accountability Board	Y
Strategic Board	Y
Investment Panel	Y
SE	Y
KMEP	Y
OSE	Y
TES	Y

Business Case Endorsement

Have all new and amended projects/business cases been endorsed by the respective Federated Board in advance of submission to any of the SELEP boards?

Board	Met (Y/N)?	Comments
LGF	Y	Through prioritisation process for LGF3b
GPF	Y	Through prioritisation process
SSF	Y	Applications are considered by Federated Boards in advance of being brought forward for Strategic Board endorsement.

Publication of Business Cases

Are all business cases published 1 month in advance of funding decisions at Accountability Board meetings?

Meeting date	Met (Y/N)?
15/07/22	Y
23/09/22	Y
25/11/22	Y
27/01/23	Y
13/04/23	Y
16/06/23	Y
22/09/23	Y
12/01/23	Y
13/04/23	Y
16/06/23	Y
22/09/23	Y
12/01/24	Y
16/02/24	Y

Date	Percentage of female board members (excluding co-opted)
05/08/19	21%
28/01/20	25%
16/04/20	35%
01/02/21	35%
10/06/21	35%
22/10/21	35%
18/05/22	35%
04/11/22	32% (vacancy)
22/02/23	35% (2 vacancies)
31/01/24	36% (1 vacancy)