

Report to Accountability Board	Forward Plan reference number: N/A
Date of Accountability Board Meeting:	22nd September 2017
Date of report:	5th September 2017
Title of report: Assurance Framework Implementation Update	
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1. Purpose of report

- 1.1 The purpose of this paper is to make the Accountability Board (the Board) aware of:

1.1.1 The progress which has been made by the SELEP team and the federal areas in implementing the changes necessitated by the refreshed Assurance Framework. This is to follow on from the update to the Board on 26th May 2017. *The Board is reminded that it is accountable for assuring that all requirements are implemented; it is a condition of the funding that the Assurance Framework is being implemented.*

2. Recommendations

- 2.1 The Board is asked to:

2.1.1 **Note** the progress to date in implementing the SELEP Assurance Framework.

3. Assurance Framework Implementation Update

- 3.1 It is a requirement of Government that the SELEP agrees and implements an Assurance Framework that meets the revised standards set out in the LEP National Assurance Framework.
- 3.2 The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively. The expectation is that the practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and deliver value for money, are fully implemented.

- 3.3 Whilst a majority of the requirements of the Assurance Framework are fully embedded in the activities of the SELEP team, Strategic Board, Accountability Board, Federated Areas and local partners, an Assurance Framework Implementation Plan has been developed to ensure that any gaps can be addressed. This is a regular item for the Accountability Board.
- 3.4 Appendix 1 provides a summary version of work required to implement the new Assurance Framework for SELEP and charts progress to date.
- 3.5 The summary provided in Appendix 1 sets out the substantial progress which has been made by the SELEP team and local partners in ensuring that the requirements of the Assurance Framework have been fully implemented. During the last quarter, Federated Boards have been working to agree their updated Terms of Reference, to meet the requirement of the SELEP Assurance Framework. Federated Areas have also been working to agree their local priorities for Growing Places Fund (GPF) investment, following the process agreed by the SELEP Strategic Board.
- 3.6 In addition, SELEP has now published its revised Business Case templates to meet with the requirements of the Assurance Framework. This includes a section to consider the Social Value impact of investment award by the Board, such as through conducting the procurement process for Local Growth Fund (LGF) and GPF projects in a way to help improve the economic, social and environmental well-being of the local area and local businesses
- 3.7 The outstanding gaps to fully meeting the requirements of the Assurance Framework relate to the publication of information on the SELEP website and local partners websites for SELEP Board, Federated Board and working group meetings. To date, resource constraints and the capability of the SELEP website have hindered delivery of these actions. To help mitigate this issue specific resource has been allocated within the SELEP team to make the necessary updates and ensure that SELEP is able to act as a leading example of transparency and accountability in its decision making.
- 3.8 To ensure Federated Areas are fully engaged in the Assurance Framework implementation, SELEP's expectations will be discussed at the next SELEP Senior Officer Group meeting to ensure all outstanding actions are addressed through joint working with local partners. Appendix 1 provides further detail of the action which has been taken to date and the task required to be completed to meet each of the Assurance Framework requirements.
- 3.9 The SELEP team will report to all 2017 Accountability Board meetings (inclusive of this one), with the intention that all the required changes will be fully implemented during 2017.
- 3.10 It is understood from Government that a further revised National Assurance Framework may be published in Autumn 2017, which will reflect the outcomes of the LEP review that is being undertaken by Central Government.

- 3.11 As part of the annual review of the SELEP Assurance Framework by SELEP Strategic Board, any additional requirements set out in the expected revised National Assurance Framework will be taken into consideration and reflected in SELEP's governance arrangements.

4. Accountable Body Comments

- 4.1 It is a requirement of Government that the SELEP agrees and implements an assurance framework that meets the revised standards set out in the LEP National Assurance Framework.
- 4.2 The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.
- 4.3 The SELEP Secretariat have been advised by the Accountable to identify and prioritise the key actions required to ensure that the Assurance Framework is fully implemented and embedded into the day to day operation of the SELEP.
- 4.4 In particular, key areas to be addressed include:
- 4.4.1 Ensuring transparency and accountability in decision making through making all relevant information available on the SELEP website and, where appropriate, partner websites in a timely and accessible manner.
 - 4.4.2 Demonstrating clear processes are in place for accessing funding and prioritisation of investment and making these available on the SELEP website.
 - 4.4.3 Ensuring that the delivery of the Growth Deal can be actively monitored and evaluated by the Strategic Board and other key stakeholders, including the public through the provision of regular updates to the Board and on the SELEP website.
 - 4.4.4 Timely provision of all board reports to the Accountable Body for review in advance of publishing.
- 4.5 It is noted from the implementation plan included in Appendix 1 that plans are in place to address the outstanding actions by the end of 2017.
- 4.6 The SELEP Secretariat also have a role in supporting the Accountable Body to meet its responsibilities that have been identified and agreed within the Assurance Framework. In particular, these responsibilities include ensuring appropriate governance, transparency and value for money with regard to the use of funding allocated to SELEP and ensuring implementation of the Assurance Framework by SELEP.

5. Financial Implications (Accountable Body Comments)

- 5.1 Government has advised in its Grant Offer Letter (Appendix 2) that the use of all Local Growth Funding will need to fulfil the following requirements:

- 5.1.1 It will be used to support the Growth Deal agreed between the Government and the LEP and will be used to secure the outcomes set out in the Growth Deal. Within that we expect you and your accountable body to use the freedom and flexibilities that you have to manage your capital budgets between programmes.
 - 5.1.2 It will be deployed solely in accordance with decisions made through the local assurance framework agreed between the LEP and the accountable body. This must be compliant with the standards outlined in the national LEP assurance framework.
 - 5.1.3 That you will track progress against agreed core metrics and outcomes, in line with the national monitoring and evaluation framework.
 - 5.1.4 You will continue to improve governance through the strengthened Assurance Framework to ensure high levels of transparency and accountability.
- 5.2 The implementation plan set out in Appendix 1 is intended to demonstrate that the requirements of the SELEP Assurance Framework are being fully implemented as certified by the S151 Officer of the Accountable Body to the DCLG. The 2017/18 LGF grant payment has been made on this basis and it is therefore essential that the plan is delivered in full by 28th February 2018 when the S151 Officer is expected to update the certification of implementation.

6. Legal Implications (Accountable Body Comments)

- 6.1 There are no legal implications arising from the recommendations in this report.

7. Staffing and other resource implications

- 7.1 None at present.

8. Equality and Diversity implications

- 8.1 None at present.

9. List of Appendices

- 9.1 Appendix 1 – SELEP Assurance Framework Implementation Plan progress update
- 9.2 Appendix 2 - Local Growth Fund Grant Offer Letter 2017/18

10 List of Background Papers

- 10.1 SELEP Assurance Framework

(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 Lorna Norris (On behalf of Margaret Lee)	 14/09/2017

Appendix 1 SELEP Assurance Framework Implementation Plan progress update

Assurance Framework Ref.	Requirement	Responsibility	Priority	Timescales for Completion	Status/ Action Required
5.7.11	SELEP will identify a named individual with overall responsibility for ensuring value for money for all projects and programmes.	SELEP	Medium	Complete The SELEP Accountability board is responsible for ensuring value for money for all projects and programmes.	In advance of each Accountability Board the Chair is provided with a briefing which sets out the Chair's responsibilities to ensure decisions taken by the SELEP Accountability Board present high value for money. This includes the scrutiny of decisions coming forward at the Board meeting, with a particular focus on those decisions to award funding
5.7.11	SELEP will identify a named individual (which may be a different person) responsible for scrutiny of and recommendations relating to each business case	SELEP	Medium	Complete SELEP Accountability Board Chair is responsible for the scrutiny of recommendations relation to each	As above

				business case,	
5.11.4	A copy of the Change Request Template is available on the SELEP website	SELEP	Medium	Complete	<p>A copy of the Template is available on the 'How we Award Funding' section of the SELEP website.</p> <p>In addition, a report was presented to SELEP Accountability Board on the 26th May which set out the Change Request process.</p> <p>Local partners are implementing the practice of bringing forward a Change Request using the SELEP template.</p> <p>These Change Requests are also shared with Central Government, for their record.</p>
5.2.7	All Strategic Outline Business Cases will use the Business Case Template	Federated Area	High	Complete	<p>On the 16th August the new SELEP Business Case template was issued to all partners.</p> <p>Local partners are implementing the practice of using the SELEP Business Case template for the</p>

					<p>development of Business Cases.</p> <p>The new template is being used to develop Strategic Outline Business Cases for GPF submissions.</p>
3.7.3	Declaration of interest to be noted from outset of each meeting	Board Members	High	<p>Complete</p> <p>This is an ongoing requirement which is met at the quarterly strategic board meetings.</p>	<p>At the start of each Strategic board, Accountability Board and Federated Board meeting Board members are required to state any Declarations of Interest in relation to decisions to be taken at that meeting. Declarations are included in the meeting minutes and held as part of the record of the meeting.</p>
2.7	The standard business case template includes space for promoters to explain how work is within Equality Act 2010.	SELEP	Medium	Complete	<p>A copy of the new SELEP Business Case template is available on the SELEP website in the 'How we Award Funding' section. The Business Case seeks confirmation that an Equality Impact Assessment will be completed as part of the project and how the findings of this assessment will be considered as part of the</p>

					<p>projects development.</p> <p>In addition, the S151 officer letter which is required from the lead County Council / Unitary Authority provides confirmation that the project will be delivered in accordance with the Equality Act 2010.</p>
3.9	A section is to be included in the standard business case template for promoters to set out how they will maximise social value.	SELEP	Medium	Complete	As above, the new SELEP Business Case template asks scheme promoters to provide details on how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses);
5.2.2	Each Federal Board shall ensure that they apply the prioritisation process as approved by Strategic Board	SELEP / Federated Areas	High	<p>Complete</p> <p>Each Federated Area has followed the</p>	On the 9 th June 2017, the Strategic Board agreed the approach to the prioritisation of projects for Growing Places Fund (GPF). This approach has now been

				prioritisation process agreed by Strategic Board for the prioritisation of GPF Projects, during July and August 2017	<p>followed by each of the Federated Areas, with each Board having met to discuss and each Federated Board has agreed their priority projects to be put forward for GPF, in accordance with the prioritisation process.</p> <p>This sets a clear expectation of the process for future rounds of allocating funding.</p>
5.2.9	The business case template to include confirmation of approval by the Federal Board.	SELEP	High	Complete	Each Business Case put forward for funding allocation is required to demonstrate endorsement of the project by the Federated Board.
4.1.1	A process for implementing the prioritisation methodology will be agreed by the Strategic Board	SELEP	Very High	<p>Part Complete</p> <p>Process has been agreed for GPF.</p>	<p>On the 9th June 2017, the Strategic Board agreed the approach to the prioritisation of projects for Growing Places Fund (GPF). This approach has now been followed by each of the Federated Areas</p> <p>Process will be agreed with Strategic Board, based on the requirements for awarding funding set out in the SELEP Assurance</p>

					Framework for other streams of funding.
2.4.4	Federated Boards will publish their meeting details and minutes on either their own or SELEP's website	Federated Board / SELEP	Medium	Part complete All Federated Board meeting papers to be made available on the SELEP website by November 2017.	All meeting dates for Federated Boards are available on the SELEP website. Further work is now required to ensure that all meeting papers are available on the website.
4.1.1	Accountability Board reports where funding is sought or changes are to be agreed will include a reporting table to confirm requirements are met.	SELEP	Medium	Complete - Ongoing	A table is included in each report to SELEP Accountability Board for the award of funding which sets out the SELEP team's assessment of the projects eligibility for funding against the requirements of the Assurance Framework.
4.1.1	The phasing of investments will be reflected in report templates for funding requests to Accountability Board.	SELEP	Medium	Complete - Ongoing	A table is included in each report to SELEP Accountability Board for the award of funding which sets out the profile over which the funding is sought and the phasing of match funding contributions to the project.

5.6.14	The Gate 2 Outline Business Case for the project will be published on the SELEP website at least one month in advance of the Accountability Board meeting.	SELEP / Federated Areas	High	Complete - Ongoing	Business Cases are uploaded alongside the meeting date and meeting Forward Plan at least one month in advance of the funding decision being taken.
5.6.14	Projects completing a Gate 4 and 5 review, the full business case will be published at least one month in advance of the Accountability Board meeting	SELEP / Federated Areas	High	Complete -Ongoing	Business Cases are uploaded alongside the meeting date and meeting Forward Plan at least one month in advance of the funding decision being taken.
5.7.7	Value for money section to be reflected in the standard reporting template for Accountability Report funding approvals and changes.	SELEP	High	Complete - Ongoing	A section is included in each report to SELEP Accountability Board for the award of funding, which sets out details of the projects value for money assessment and the ITE's recommendation on the projects Value for Money.
3.2.3	A link to Accountability Board papers to be available for all upper tier authorities	SELEP	High	To be completed by November 2017	A copy of the SELEP Accountability Board Agenda Pack is circulated once it has been published by Essex County Council, as SELEP Accountable

					<p>Body.</p> <p>Action is now required to ensure that this Agenda Pack is being published locally. This will be brought to the attention of officers through SELEP's next Senior Officer Group and Programme Consideration Meeting.</p>
5.2	Any pan-LEP priority projects will be reviewed by the Strategic Board	SELEP	Medium	Part Complete	<p>A process was detailed within the GPF prioritisation process (agreed at the last Strategic Board meeting on the 9th June 2017) for both the GPF revenue and GPF capital funding for the consideration of pan – LEP projects.</p> <p>Process will be agreed with Strategic Board, based on the requirements for awarding funding set out in the SELEP Assurance Framework for other streams of funding.</p>
	The business case template to be amended to include confirmation of assurances from the	SELEP	High	Complete	The Business Case template contains an Appendix which sets out a S151 officer letter to be

5.7.12	Section 151 officer of the promoting authority that Value for Money is true and accurate.				submitted alongside the Business Case to provide assurance that the information contained within the Business Case is true and accurate.
2.1.2	Federated Boards to determine and evidence own recruitment process for membership.	Federated Board	Medium	Part complete, To be fully completed by December 2017	<p>The process has been agreed with the Kent and Medway Economic Partnership (KMEP) and Team East Sussex (TES) Terms of Reference for the recruitment of new board members.</p> <p>A process is also due to be agreed at the next meeting of Opportunity South Essex (OSE) and Greater Essex Business Board. (GEBB).</p>
2.5.1	Each group requested to ensure that the terms of reference has been updated to reflect the requirements of the Assurance Framework.	Federated Board / Working Groups	Medium	Part complete To be fully completed by December 2017	Updated Term of Reference have been agreed by KMEP, TES and OSE, and have been drafted for GEBB to reflect the revised SELEP Terms of Reference and Assurance Framework requirements. These Terms of Reference are being reviewed to ensure compliance with the SELEP

					<p>Assurance Framework.</p> <p>Terms of reference for GEBB are due to be agreed at the next Board meeting.</p>
2.2.3	Appoint an additional strategic board member from the Social Enterprise group that is to be established.	SELEP	Medium	To be completed by February 2018.	<p>A Social Enterprise group has been established, with an inception meeting being held in September 2017.</p> <p>A Terms of Reference is being developed for the group, to comply with the SELEP Assurance Framework and Terms of Reference.</p> <p>The role of the group will include identifying a Board member to attend the SELEP Strategic Group to represent Social Enterprise.</p>
2.4.1	SELEP secretariat to work with Federated Boards to set out their plans to implement and monitor the Assurance Framework.	SELEP	High	<p>Ongoing, review dates are to be planned with each area lead.</p> <p>To be completed by December 2017</p>	<p>A meeting will be organised with each Federated Board lead officer to discuss the implementation of the Assurance Framework by each Federated Board.</p> <p>Any risks or issues identified through this meeting will be brought to the attention of</p>

					the Accountability board in the next Assurance Framework implementation update report.
2.4.1	Working Groups will publish their Terms of Reference, calendar of dates and papers produced on SELEP's website	Working Groups / SELEP	Medium	Ongoing To be completed by December 2017.	A member of the SELEP team will be attending each of the Working Groups to help identify any gaps in the publication of information on the website.
3.2.1	A section to be added to the website to address issues of governance, for example: the policy for public questions; conflicts of interest; communications and complaints to the LEP	SELEP	High	Ongoing To be completed by October 2017	A majority of the policies are now available on the SELEP website, including the Policy for Public Questions. Where this information is outstanding, it will be uploaded by the end of October 2017.
3.2.4	All key decisions are published on the Forward Plan and available on the SELEP and upper tier authorities websites	SELEP	High	Ongoing To be completed by October 2017	All key decisions taken by the Accountability Board are included within the Forward Plan. Action is now required to ensure that the Forward Plan is also published by County Council and Unitary Authorities. This will be brought to the attention of officers in County Council's

					and Unitary Authorities at the next SELEP Senior Officer Group and Programme Consideration Meeting.
3.2.5	Draft minutes of all meetings are publicly available on SELEP website no more than 10 days after the meeting	SELEP	Medium	Ongoing To be completed by September 2017	Draft meeting minutes are made available on the SELEP website from the each Accountability Board meeting within 10 days of the meeting being held. This will now also be implemented for SELEP Strategic Board.
3.3.1	Communications Strategy to be refreshed and taken to Strategic Board for approval and implementation	SELEP	Medium	To be completed by December 2017	An interim role (to cover maternity leave) has been appointed to in order to lead work on the SELEP website and develop a SELEP Communication Strategy, in partnership with Federated Areas.
3.7.1	All members of Strategic or Accountability Board are required to complete a Declaration of Interest form	SELEP / Board Members	High	Ongoing To be completed by October 2017	Whilst a majority of Board members have made available their Declaration of Interest Form (which have been published on the SELEP website), the Strategic Board meeting on the 22 nd September will be

					used to remind Board members of this requirement.
3.7.2	Declaration of Interest forms to be published on website	SELEP	High	Ongoing To be completed by October 2017	As above.
5,2,3	A single LEP project list will be published on the SELEP website as part of the Infrastructure and Investment Plan	SELEP	Very High	Planned	<p>A single list of priorities will be identified as part of the GPF bidding process. This list will be published on the SELEP website once it has been agreed at the Investment Panel meeting on the 17th November 2017.</p> <p>In addition, the LGF Round 3 single list of priorities (and available on the SELEP website), sets out a list of SELEP priority projects for investment, in advance of the new Strategic Economic Plan and Infrastructure and Investment Plan being agreed by the Strategic Board.</p>
3.7.2	All declarations of interest reviewed annually	SELEP	High	Planned	Dec 2017

1.10	Refresh of Assurance Framework to be a standing item to the last Strategic Board meeting of each calendar year.	SELEP	Low	Planned	Dec 2017
2.1.3	A best practice review undertaken annually as part of the review of the Assurance Framework.	SELEP	Low	Planned	Dec 2017