

<b>Report to Accountability Board</b>	<b>Forward Plan reference number:</b> N/A
<b>Date of Accountability Board Meeting:</b>	<b>15<sup>th</sup> June 2018</b>
<b>Date of report:</b>	<b>22<sup>nd</sup> May 2018</b>
<b>Title of report:</b> Assurance Framework Implementation Update	
<b>Report by:</b>	Adam Bryan, Managing Director Amy Beckett, Programme Manager
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## 1. Purpose of report

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

1.1.1 The progress which has been made by the South East Local Enterprise Partnership (SELEP) team and the federal areas in implementing the changes necessitated by the refreshed Assurance Framework. *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.*

1.1.2 The progress made against the Governance and Transparency Performance Indicators.

## 2. Recommendations

2.1 The Board is asked to:

2.1.1 **Note** the progress to date in implementing the SELEP 2018/19 Assurance Framework.

2.1.2 **Note** the SELEP team and federated area progress to implement the:

2.1.2.1 Mary Ney recommendations; and

2.1.2.2 Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive recommendations.

2.1.3 **Note** the progress made against the Governance and Transparency Performance Indicators.

### **3. MHCLG Deep Dive Review and Implementation Process**

- 3.1 Further to the initial Deep Dive key findings letter, SELEP received the final report, 2<sup>nd</sup> May 2018. The key areas identified for improvement, as stated in the Deep Dive report include:
  - 3.1.1 Ensuring open funding calls in all federated areas. It was noted by the deep dive assessors that federated areas use existing networks to disseminate information and promote funding opportunities. Alongside this approach, however, efforts should be made to advertise funding including on local authority websites, social media and through press notices. Open advertisement of funding opportunities is a requirement of the National Assurance Framework.
  - 3.1.2 Recruitment to Federated Boards and decisions on representation at Strategic Board level must operate to an open, transparent and consistent process. There should be a much stronger requirement than currently is in place for the Federated Boards to follow such a process, and this should be actively enforced by SELEP.
  - 3.1.3 SELEP should take steps to satisfy themselves that any underspend is reallocated to the most promising and best value for money projects. This should be based on the strongest projects, regardless of the area they are in. As outlined in the Annual Conversation letter, the 'Investment Panel' should prioritise pipeline projects to ensure that underspends are redistributed in the most effective way possible.
  - 3.1.4 A formal process of induction for new board members needs to be introduced.
  - 3.1.5 Declarations of interest of board members should be reviewed every six months.
- 3.2 In addition to the key areas for improvement, a list of actions was identified in the Deep Dive Report. These actions have been included in the Assurance Framework and Deep Dive recommendations implementation plan.
- 3.3 A summary of the outstanding actions for the Assurance Framework and Deep Dive recommendations implementation plan is set out in Appendix 1. Completed actions have been removed from the table.
- 3.4 Following receipt of the Deep Dive report, many of the actions detailed in the report have been completed. This includes the completion of actions, such as:
  - 3.4.1 Identification of SME representative from the Strategic Board on SELEP website
  - 3.4.2 The provision of an updated diversity statement on the SELEP website, covering all boards and working groups for SELEP
  - 3.4.3 Inclusion of complaints policy on the policy page of the SELEP website.
- 3.5 In addition, SELEP has an agreed Register of Interest Policy, which has been agreed by the Strategic Board, which states that members review and update

their interests in advance of each meeting. Outside of this, board members have 28 days to update their form and return to the Secretariat should any changes be identified.

- 3.6 The Cities and Local Growth Unit expect that the timescales for delivery of the recommendations from the Deep Dive are agreed with the SELEP Cities and Local Growth Area Lead; this discussion is due to take place on the 19<sup>th</sup> June 2018.
- 3.7 Agreement to implement the improvements required to be fully compliant with the National Assurance Framework was given at the meeting of the Strategic Board on the 16<sup>th</sup> March 2018. Next steps following this are being brought forward for consideration at the Strategic Board Meeting on the 29<sup>th</sup> June 2018. The implementation plan, presented in Appendix 1 sets out how these recommendations will be put in place.
- 3.8 It is necessary to ensure that all requirements are being fully implemented to ensure receipt of future years core funding and Local Growth Fund (LGF) allocations.

#### **4. Assurance Framework requirements**

- 4.1 In addition to the Deep Dive recommendations, SELEP continues to monitor its delivery of the SELEP Assurance Framework, which was agreed by the Strategic Board in February 2018.
- 4.2 Further to the progress being made by the SELEP Secretariat to implement the requirements of the SELEP Assurance Framework, implementation plans are required for each Federated Area to ensure full compliance.
- 4.3 A full list of the outstanding actions for the SELEP Secretariat and Federated Boards to implement is set out in Appendix 1.
- 4.4 Both the secretariat team and federated boards are monitored against their ongoing Key Performance Indicators. These are reported back at each Accountability Board; progress made on these can be found in Appendix 2.
- 4.5 Outstanding actions from Federated areas include:
  - 4.5.1 All Federated Board members to complete a Declaration of Interest and for these to be published on their and the SELEP website respective.
  - 4.5.2 Once agreement on process has been made by Strategic Board, Federated Boards will have responsibility for starting the process of a prioritised single pipeline of projects. Information on the requirements of this will follow the Strategic Board meeting on 28<sup>th</sup> June 2018.
  - 4.5.3 Federated Boards will ensure their Terms of Reference have been updated to include updates from the National Assurance Framework, Mary Ney Recommendations and improvements from

the Deep Dive report. These should be shared with secretariat team and published online.

- 4.5.4 Federated Boards will agree to implement SELEP's policies on: Code of Conduct, Complaints Policy, Register of Interest Policy, Subsistence and Hospitality Policy, Whistleblowing Policy and Gift and Hospitality Policy. Alternatively a Federated Board is able to implement its own policies, provided they sit in line with SELEP's and MHCLG requirements.
- 4.5.5 A Forward Plan of Decisions is to be available on the Federated Boards and SELEPs website at least 28 days in advance of the meeting.
- 4.5.6 All meeting papers to be published on SELEP's website 5 clear working days in advance of a meeting.
- 4.5.7 All draft minutes are to be published on SELEP's website 10 clear working days following a meeting.
- 4.5.8 All final minutes are to be published on SELEP's website 10 clear working days following approval.

## **5. Governance and Transparency Performance Indicators**

- 5.1 As agreed at the March 2018 Board Meeting, Appendix 2, outlines progress made to date on the Governance and Transparency Indicators.
- 5.2 These performance measures focus on ensuring that the specific requirements as set out by Government in their LEP Governance and Transparency Best Practice Guidance continue to be met.
- 5.3 For those indicators that are currently not met, mitigations are to be put in place to ensure that they are met in the future and a further update will be provided on these at the next board meeting.

## **6 Accountable Body comments**

- 6.1 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.
- 6.2 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.
- 6.3 The SELEP Secretariat has been advised by the Accountable Body to identify and prioritise the key actions listed in paragraph 3.1 and to identify mitigations in respect of the key performance indicators which are currently not being met as these are requirements of the Assurance Framework.
- 6.4 It is noted that in order to assist in meeting the identified improvements, SELEP are seeking to recruit additional resource, including a Governance Officer; any delays in progressing this recruitment may increase the risk of

ensuring all requirements can be met in a timely manner.

- 6.5 An additional requirement of funding from Government is ensuring that the delivery of the Growth Deal is being 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. It is noted that arrangements are being addressed by the SELEP Secretariat to progress meeting this requirement.
- 6.6 CIPFA consultation on the role of LEP Accountable Body section 151 officers
- 6.6.1 A recommendation of the Mary Ney review was for guidance to be issued to Accountable Body section 151 officers to clarify their role in support of LEPs. The Chartered Institute of Public Finance & Accountancy (CIPFA) were requested to develop this guidance by the Cities and Local Growth Unit and this has been subject to consultation during May 2018.
- 6.6.2 The Accountable Body submitted a response to the consultation with support from SELEP which generally welcomed the proposed guidance, but indicated where additional clarity with regard to the expectations would be helpful.
- 6.6.3 The final guidance is due to be issued during summer 2018; it is anticipated that this may incorporate additional requirements for the SELEP Assurance framework that will need to be addressed. Once issued, an update on the implications of the guidance will be provided to the Board.

## **7 Financial Implications (Accountable Body Comments)**

- 7.1 Following the Annual Conversation and Deep Dive processes required by the Government, SELEP received its full LGF allocation for 2018/19 of £91.7m. In the Grant Offer Letter, the Government reiterated that the use of all LGF must fulfil the following requirements:
- It must 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 the Government expects SELEP and the Accountable Body to use the freedoms and flexibilities that are in place to manage the capital budgets between programmes.
  - It must 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 LEP National Assurance Framework.
  - That progress is tracked against the agreed core metrics and outcomes, in line with the national monitoring and evaluation framework.
  - That the LEP and Accountable Body follow the branding guidance and communicate the on-going outcomes and outputs of the growth deal.
- 7.2 The implementation plan set out in Appendix 1 is intended to demonstrate that the requirements of the SELEP Assurance Framework are being implemented as

certified by the S151 Officer of the Accountable Body to the MHCLG in February 2018. The 2018/19 LGF grant payment has been made on this basis and it is therefore essential that efforts continue to be made to ensure appropriate consideration and prioritisation is given to implementing the Assurance Framework in full – this will support the certification that is required by the S151 Officer of the Accountable Body to the MHCLG for 2019/20.

## **8 Legal Implications (Accountable Body Comments)**

8.1 There are no legal implications arising from this report

## **9 Staffing and other resource implications**

9.1 The SELEP Managing Director is seeking to recruit a Governance Officer to oversee the full implementation of the Assurance Framework; it is currently anticipated that this post will be advertised in June 2018.

## **10 Equality and Diversity implications**

10.1 None at present.

## **11 List of Appendices**

11.1 Appendix 1 – SELEP Assurance Framework Implementation Plan progress update

11.2 Appendix 2 – Governance and Transparency Performance Indicators

## **12 List of Background Papers**

12.1 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)**

<b>Role</b>	<b>Date</b>
<b>Accountable Body sign off</b>	
<b>Stephanie Mitchener</b> (On behalf of Margaret Lee)	6/6/18

## Appendix 1 SELEP Assurance Framework and Deep Dive Recommendations Implementation Plan progress update

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Prioritisation of projects and development of a single pipeline							
Prioritisation Process	<p>Each Federal Board shall ensure that they apply the prioritisation process as approved by Strategic Board</p> <p>SELEP to ensure all its federated areas operate open calls for funding. This should include on local authority websites, social media and through press notices.</p>	SELEP and Federated Areas	H	<p>Each Federated Area has followed the prioritisation process agreed by Strategic Board for the prioritisation of GPF Projects, during July and August 2017. An approach needs to be developed for the prioritisation of LGF.</p>	<p>An approach to the development of a SELEP LGF single pipeline will be taken to the June 2018 Strategic Board with the intention of Federated Areas then applying the approach to the development of a project pipeline over the Summer to enable a SELEP single pipeline to be agreed by the Strategic Board/ Investment Panel in December 2018.</p> <p>This will include a requirement for all open calls for projects through, local authority websites, social media and press releases.</p>	Dec-18	A

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Single list	A single LEP project list will be published on the SELEP website as part of the Infrastructure and Investment Plan	SELEP	H	Planned	<p>A single list of priorities was identified as part of the GPF bidding process. This is now published on the SELEP website.</p> <p>The SELEP Strategic Board have agreed to develop a single list of prioritised LGF projects, following a common assessment approach.</p> <p>Following the approval of a single prioritised list of LGF projects, this will be published on the SELEP website.</p>	Dec-18	A
SELEP collateral							
Comms strategy	Communications Strategy to be refreshed and taken to Strategic Board for approval and implementation	SELEP	M	Planned in line with SEP launch	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.	Sept-18	A
Transparency and Declarations of Interest							
Registers of Interest	All members of Strategic Board, Accountability Board and Federated Boards are required to complete a Register of Interest form	SELEP/Board members	H	Completed and Ongoing	Following on from the Mary Ney recommendations the declaration of interest template has been sent to all board members for completion. Feedback from the Deep Dive suggests Registers of Interests should be recompleted by Board members as Government feels they are not adequately completed.	Jun-18	A



Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Register of Interests	LEPs should ensure senior members of staff or those staff involved in advising on decisions should also complete this form and report interests. Unless there is a relevant or new interest that pertains to a meeting or decision, LEP staff should review their interests every six months.	Officers	H	SELEP Secretariat Register of Interests's have been completed. The Senior Officer group will be sought following the next Senior Officer Group meeting on the 8 <sup>th</sup> June 2018.	Senior Officer Group to complete a Register of Interests forms.	Jun-18	R
Register of Interests	Policies on conflict of interest to be recirculated amongst board and staff members from time to time, to ensure knowledge is regularly refreshed	SELEP	H	The Register of Interest Policy was agreed in the Board in February 2018 by electronic procedure.	An updated version of the Register of Interest Policy will be considered by the Strategic Board on the 29 <sup>th</sup> June 2018.	June 2018	A
Registers of Interests	All Registers of Interests to include a member, Chief Executive and Section 151 Officer signature.	SELEP	H	S151 sign off of Registers of Interests considered inappropriate	All registers of interests to be signed off by SELEP Secretariat to confirm receipt.	Quarterly	H

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Project information on websites	We recommend that where projects have been completed, or significant milestones have been met, that SELEP makes efforts to update this on individual project pages.	SELEP	M	A summary of project progress is currently provided on the website.	This action will be completed as part of the new website refresh, which is due to be completed by July 2018, to provide updated on individual project pages.	July 2018	
Specific to local areas							
Recruitment	Federated Boards to determine and evidence own recruitment process for membership. The process needs to meet the requirements of the SELEP Assurance Framework.	Federated Areas	M	This is to be agreed at the June 2018 Strategic Board Meeting and implemented with immediate effect.	This is to be agreed at the June 2018 Strategic Board Meeting and implemented with immediate effect.	Jun-18	A
	Succession planning for board members	Federated Areas / Secretariat	H	This is to be agreed at the June 2018 Strategic Board Meeting and implemented with immediate effect.	Recruitment process to be specified from the LEP secretariat, identifying an appropriate recruitment process for all board members with an agreed limitation of terms for: board members, vice-chairs and federated board members.  The process for this will be brought forward to the June Board meeting, following initial approval of the proposal at March's Board meeting	Jun-18	A

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Monitoring local implementation of the AF	SELEP secretariat to work with Federated Boards to set out their plans to implement and monitor the Assurance Framework.	SELEP	H	Meetings to be scheduled	SELEP Secretariat and the Accountable Body are currently planning to attend Federated Board Meetings in the coming months to discuss compliance with the Assurance Framework and Mary Ney report.	Jul-18	A
Declaration of Interest		Federated Areas / SELEP	H	June Board Meeting	All federated board members to complete the updated declaration of interest form and to be uploaded to the SELEP website for full transparency.	Jun-18	R
Working Groups	Working Groups will publish their Terms of Reference, calendar of dates and papers produced on SELEP's website	Working Groups / SELEP	M	Ongoing	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. Terms of Reference are currently being approved by the following groups, once approval has been given they will be uploaded to the SELEP website: § U9 (University 9) Working Group	Jun-18	R
Secretariat							

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Recruitment of Governance Officer		SELEP	H	Within next quarter	Recruiting a governance officer will enable SELEP to better govern the information made available on the website and working with the federated areas to ensure full compliance of the Assurance Framework	Advert live in May 2018	A
Implementation of Investment Panel	SELEP should take steps to satisfy themselves that any underspend at a federated level is reallocated to the most promising and best value for money projects. This should be based on the strongest projects, regardless of the area they are in. As outlined in the Annual Conversation letter, the 'Investment Panel' should prioritise pipeline projects to ensure that underspends are redistributed in the most effective way possible.	SELEP / Strategic Board	H	Within next quarter	Further to Boards approval to re-affirm the Investment Panel at the March 2018 board, the SELEP secretariat will bring the Terms of Reference to the June 2018 for approval. Once agreed this will satisfy requirements from the Mary Ney review to include a higher level business voice in confirmation of funding prioritisation.	Jun-18	A
S151 attendance at SELEP meetings.	The Government recommend the S151 considers occasional attendance at key meetings throughout the year. This could include an open invitation to attend Strategic or Accountability Board meetings, or attendance at the Annual Conversation.	SELEP	M	Ongoing	S151 to consider attendance at SELEP Strategic / Accountability Board meetings as considered appropriate		

## Appendix 2 – Governance and Transparency Performance Measures

Indicator	Target	Met (Y/N)	Comments
<b>Is the Forward Plan of Decisions, including any associated business cases, published at least 28 days in advance of the meeting?</b>	<b>28 days</b>		
Accountability Board - this is needed to ensure appropriate publication of funding decisions		Y	
Strategic Board		N	Forwards plan being populated and to be in place for September 2018
Federated Boards		N	All Federated boards will need to ensure
<b>Are all papers published on the SELEP website 5 clear working days in advance of the meeting</b>	<b>5 days</b>		
Accountability Board		N	Papers were published, these were on the website 1 day later
Strategic Board		N	Papers were published, these were on the website 1 day later
Federated Boards		N	All papers are published on the SELEP website, however no Federated area sent these to SELEP within the required timeframe. These are to be sent to SELEP on

			hello@southeastlep.com
<b>Are all draft minutes published withing 10 clear working days, following the meeting?</b>	<b>10 days</b>		
Accountability Board		Y	
Strategic Board		Y	
Federated Boards		N	All draft minutes are published on the SELEP website, however no Federated area sent these to SELEP within the required timeframe. These are to be sent to SELEP on hello@southeastlep.com
<b>Are final minutes published within 10 clear working days following approval?</b>	<b>10 days</b>		
Accountability Board		Y	
Strategic Board		N/A	Minutes have not yet been approved to be uploaded as final minutes
Federated Boards		N/A	Minutes have not yet been approved to be uploaded as final minutes. All approved minutes are to be sent to hello@southeastlep.com
<b>Are declarations of interest in place for all board members?</b>	<b>100%</b>		

Accountability Board		N	A new board member, representing Higher Education, has joined the Accountability Board and a DOI is not yet complete.
Strategic Board		Y	
Federated Boards		N	Federated Board members have until Friday 22nd June to complete their DOI's
<b>Are declarations of interest in place for relevant staff?</b>	<b>100%</b>	N	SELEP Secretariat have completed their DOI's. The Senior Officer Group will be asked to complete DOI's by Friday 8th June.
<b>Are all interests declared and recorded in the meeting minutes with a note of actions taken?</b>	<b>100%</b>	Y	Spot checks are completed on the Federated Board minutes to ensure these are completed and noted.
<b>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?</b>	<b>100%</b>	Y	The project changes which have come forward to the March 2018 have received Federated Board endorsement prior to consideration by the Accountability Board.
<b>Publication of Business Cases 1 month in advance of funding decision</b>	<b>100%</b>	Y	This has been achieved for projects seeking a

			funding award.
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