

Assurance Framework and Deep Dive Implementation Update

Forward Plan reference number: (if applicable)

Report title: Assurance Framework and Deep Dive Implementation Update	
Report to Accountability Board	
Report author: Adam Bryan, SELEP Managing Director	
Date: 14 th September 2018	For: Information
Enquiries to: rhiannon.mort@southeastlep.com	
SELEP Partner Authority affected: All	

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 and Deep Dive

The Board is reminded that it is accountable for assuring that all requirements of the Assurance Framework are 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 SELEP team and federated area progress in implementing the:

2.1.1.1 SELEP Assurance Framework and

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

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

3. Context

- 3.1 In February 2018, the Strategic Board agreed an updated version of its Assurance Framework to meet the requirements of the Mary Ney Review and the Local Enterprise Partnership governance and transparency: best practice guidance, which followed.
- 3.2 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.
- 3.3 Furthermore, a SELEP Deep Dive was orchestrated by the Cities and Local Growth team (CLOG) to further consider SELEPs Governance Arrangements. Following the Deep Dive, a SELEP Deep Dive Report was prepared by the CLOG team setting out a series of recommended actions for SELEP.
- 3.4 To ensure that SELEP fully satisfies the requirements of the SELEP Assurance Framework and the additional recommendations of the SELEP Deep Dive, an implementation plan has been developed to monitor progress. In addition, quarterly update reports are provided to the Board to support the Board's oversight of these governance and transparency arrangements.
- 3.5 The Ministry for Housing, Communities and Local Government has also published its review of LEPs, titled '*Strengthening Local Enterprise Partnerships*'.
- 3.6 Discussions with Government and local partners in relation to the LEP review are ongoing and the LEP review will be discussed at the Strategic Board meeting on the 29th September. It is expected that an updated National Assurance Framework will be published in Autumn 2018, to provide clarity on the development of Local Enterprise Partnership delivery plans.
- 3.7 Until any changes necessitated by the LEP review are more clearly understood, progress will continue in delivering on the requirements of SELEP's existing Assurance Framework and the Deep Dive recommendations.

4. MHCLG Deep Dive Review and Implementation Process

- 4.1 Further to the initial Deep Dive key findings letter, SELEP received the final report, 2nd May 2018. The key areas identified for improvement, as stated in the Deep Dive report include:
 - 4.1.1 **Open Funding Calls** - 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.

- 4.1.2 **Federated Board Recruitment** - 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.
- 4.1.3 **Investment Pipeline** - 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.
- 4.1.4 **Induction Process** - A formal process of induction for new board members needs to be introduced.
- 4.1.5 **Registers of Interest** - Declarations of interest of board members should be reviewed every six months.

- 4.2 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.
- 4.3 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.

5. Progress in delivering on Deep Dive recommendations

- 5.1 Following receipt of the Deep Dive report, substantial progress has been made to meet the recommendations as set out in paragraphs 5.3 to 5.12 below.
- 5.2 A Governance Officer has also been appointed to the SELEP team to lead on work in delivering on the Implementation Plan.

Open Calls for Funding

- 5.3 An approach to ensure open calls for funding was agreed at the Strategic Board in June 2018.

Federated Board recruitment

- 5.4 Federated Boards have been reviewing their approach to Board member recruitment. In East Sussex, a meeting of a Selection Panel has been organised, to review the applications from the business community to join the Team East Sussex Board.

- 5.5 This Board recruitment process has been conducted through an open and transparent process to reach new businesses who wish to be involved with SELEP.
- 5.6 The Selection Panel, comprised on private and public sector partners, has been organised for the 7th September. Information about the process which has been undertaken by Team East Sussex will be shared with other Federated Boards as an exemplar for other areas to consider.

Pipeline development and investment decision making

- 5.7 A process is currently underway to update SELEP's pipeline of investment, should Local Growth Fund (LGF) underspend become available. To date, this has involved an open call for projects, for which there has been substantial interest.
- 5.8 An Investment Panel has also be established, which will meet on the 7th December to agree the pipeline of projects for LGF and to ensure that LGF is invested in the projects which can demonstrate the highest value for money.

Induction Process

- 5.9 The current board member induction process is due to be reviewed and updated by the SELEP Governance Officer once in post.

Registers of Interest

- 5.10 SELEP has a Register of Interest Policy, which has been agreed by the Strategic Board; this states that members are required to 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.
- 5.11 CLG has dictated that LEPs must use the Register of Interest template which they have provided. Concerns raised by Board members about the suitability of the template have been fed in to Government officers on a number of occasions.
- 5.12 To support Board members in completing comprehensive Registers of Interest, a guidance note is due to be circulated to the Strategic Board.

6. Assurance Framework requirements

- 6.1 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 via electronic procedure.
- 6.2 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.

- 6.3 A full list of the outstanding actions for the SELEP Secretariat and Federated Boards to implement is set out in Appendix 1. Actions have been removed from this list where they have been achieved or are fully embedded within SELEP's working practice.
- 6.4 Both the secretariat team and federated boards are monitored against their ongoing Key Performance Indicators. These are reported back at each Accountability Board and progress made on these can be found in Appendix 2.
- 6.5 Outstanding actions from Federated areas include:
- 6.5.1 Registers of Interest - All Federated Board members to complete a Declaration of Interest and for these to be published on their and the SELEP website respectively.
 - 6.5.2 Terms of Reference - 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.
 - 6.5.3 Policies - 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.
 - 6.5.4 Forward Plan - A Forward Plan of Decisions is to be available on the Federated Boards and SELEP's website at least 28 days in advance of the meeting.
 - 6.5.5 All meeting papers to be published on SELEP's website 5 clear working days in advance of a meeting.
 - 6.5.6 All draft minutes are to be published on SELEP's website 10 clear working days following a meeting.
 - 6.5.7 All final minutes are to be published on SELEP's website 10 clear working days following approval.

7. Governance and Transparency Performance Indicators

- 7.1 As agreed at the March 2018 Board Meeting, Appendix 2, outlines progress made to date on the Governance and Transparency Indicators.
- 7.2 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.
- 7.3 The key measures currently not being achieved are as follows:
- 7.3.1 Publication of registers of interest by Federated Boards – not all of the boards are currently meeting this requirement;

- 7.3.2 Publication of agendas for meetings 5 days in advance of meetings – partially not met;
- 7.3.3 Publication of draft meeting minutes 10 days following meetings – not met in some Federated areas.
- 7.4 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.

8 Accountable Body comments

- 8.1 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.
- 8.2 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.
- 8.3 The SELEP Secretariat has been advised by the Accountable Body to identify and prioritise the key actions listed in paragraph 4.1 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.
- 8.4 It is recognised that a number of actions within the implementation plan and the performance indicators have been subject to delay in meeting the requirements and that this has largely been a result of resourcing constraints within the Secretariat.
- 8.5 It is noted that in order to assist in meeting the identified improvements, SELEP have recruited additional resource, including a Governance Officer who is due to start at the end of September. A priority for this role is expected to be in supporting the Secretariat and the Federated areas in ensuring all requirements are implemented to meet agreed timelines.
- 8.6 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.
- 8.7 CIPFA consultation on the role of LEP Accountable Body section 151 officers
 - 8.7.1 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 which was published in August 2018.

- 8.7.2 The Accountable Body is reviewing the implications of the guidance and will ensure that the recommendations are addressed, in full, as appropriate; an update on the position will be provided to the SELEP Strategic Board.

9 Financial Implications (Accountable Body Comments)

- 9.1 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.

- 9.2 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.

10 Legal Implications (Accountable Body Comments)

- 10.1 There are no legal implications arising from this report

11 Equality and Diversity implications

- 11.1 None at present.

12 List of Appendices

- 12.1 Appendix 1 – SELEP Assurance Framework Implementation Plan progress update
- 12.2 Appendix 2 – Governance and Transparency Performance Indicators

13 List of Background Papers

13.1 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 Stephanie Mitchener (On behalf of Margaret Lee)	 05/09/18

Assurance Framework and Deep Dive Implementation Update

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 was agreed by the Strategic Board in June 2018.</p> <p>An open call for projects has been undertaken. This has included publicising the LGF3B process through, local authority websites, social media and press releases.</p> <p>The deadline for Expressions of Interests has now closed, as per the scheduled dates.</p> <p>It is intended that the SELEP single pipeline will be agreed by the Strategic Board/ Investment Panel in December 2018.</p>	Dec-18	G

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>Following the approval of a single prioritised list of LGF projects, as set out above, this will be published on the SELEP website.</p>	Dec-18	G
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	The Communication Plan is being developed alongside the SEP. A draft of the strategy will be prepared in Autumn ready for endorsement by the Strategic Board.	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/ Federated Boards	H	Completed and Ongoing	<p>Guidance to be made available by SELEP on the preparation of Registers of Interest to ensure that they are comprehensive.</p> <p>Federated Board member Registers of Interest to be made available on SELEP website.</p>	Jun-18	R

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 Interest's have been completed. The Senior Officer group will be sought following the next Senior Officer Group meeting on the 8 th June 2018.	Senior Officer Group to complete a Register of Interests forms.	Jun-18	R
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	R
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.	Now that the new SELEP website has gone live, action is required to provide updates on individual project pages.	July 2018	R
Specific to local areas							

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Recruitment	SELEP Board and Federated Board recruitment process	Federated Areas	M	This is to be agreed at the June 2018 Strategic Board Meeting and implemented with immediate effect.	A Federated Board recruitment process was agreed by the Strategic Board in June 2018 Strategic Board. This recruitment process will be implemented with immediate effect.	Jun-18	A
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. However, this will be lead, in part, by discussions in relation to the LEP review.	Jul-18	A
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 Terms of Reference is outstanding.	Jun-18	R
Secretariat							

Summary	Requirement	Responsibility	Priority	Status	Action Required	Deadline for Completion	RAG
Recruitment of Governance Officer	SELEPs should appoint a Governance Officer	SELEP	H	Within next quarter	A SELEP Governance Officer has been appointed and is due to start in September 2018.	September	G
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	<p>The SELEP Strategic Board have agreed to establish an Investment Panel (the Panel). A Terms of Reference for the Panel was agreed at the last Strategic Board meeting in September.</p> <p>The Panel will meet in December 2018 to review the LGF pipeline.</p>	Jun-18	G
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		G

Assurance Framework and Deep Dive Implementation Update

Appendix 2 – Governance and Transparency Performance Measures

Indicator	Target	Met (Y/N)	Comments
Is the Forward Plan of Decisions, including any associated business cases, published at least 28 days in advance of the meeting?	28 days		
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 December 2018
Federated Boards		N	
Are all papers published on the SELEP website 5 clear working days in advance of the meeting	5 days		
Accountability Board		N	The Agenda Pack was published as per the agreed schedule, however, a number of items were published after this date due to late submissions from partners.
Strategic Board		N	The Agenda Pack for the June 2018 Strategic Board were published one day behind schedule.

Federated Boards		N	<p>All papers are published on the SELEP website, but not all were received within the required schedule.</p> <p>Federated Board leads should send Federated Board Agenda Packs to SELEP on hello@southeastlep.com at least 5 working days in advance of the Board meeting.</p>
Are all draft minutes published within 10 clear working days, following the meeting?	10 days		
Accountability Board		Y	
Strategic Board		Y	
Federated Boards		N	<p>All draft minutes are published on the SELEP website, but not all were received within the required schedule.</p> <p>Federated Board leads should send Federated Board Agenda Packs to SELEP on hello@southeastlep.com at least 10 working days following the Board meeting.</p>
Are final minutes published within 10 clear working days following approval?	10 days		

Accountability Board		Y	
Strategic Board		Y	
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
Are declarations of interest in place for all board members?	100%		
Accountability Board		Y	
Strategic Board		Y	A reminder will be circulate in advance of each Board meeting to update Declarations of Interest.
Federated Boards		N	Latest position to be confirmed by local areas
Are declarations of interest in place for relevant staff?	100%	N	SELEP Secretariat have completed their DOI's. The Senior Officer Group will be asked to complete DOI's by end of September 2018.
Are all interests declared and recorded in the meeting minutes with a note of actions taken?	100%	Y	Spot checks are completed on the Federated Board minutes to ensure these

			are completed and noted.
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?	100%	Y	The project changes which have come forward to the March 2018 have received Federated Board endorsement prior to consideration by the Accountability Board.
Publication of Business Cases 1 month in advance of funding decision	100%	Y	This has been achieved for projects seeking a funding award.