**Lancashire Enterprise Partnership Limited**

**Private and Confidential: NO**

**Date:** Tuesday, 22 March 2022

**Annual Review - Local Assurance Framework**

(Appendix 'A' refers)

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| **Executive Summary** The National Local Growth Assurance Framework sets out the Government's Guidance for LEPs required to develop their own Local Assurance Framework and was last updated in September 2021.  LEPs are required to review their Local Assurance Framework on an annual basis and publish the Local Assurance Framework on its website.  This Framework provides the Department, Government, stakeholders, and the public, the necessary assurances that MCAs and LEPs have the policies and processes in place to ensure the robust stewardship of public funds. **Recommendation** The Lancashire Enterprise Partnership Board are requested to:   1. Approve the Annual Revision for 2022/23 to the Lancashire LEP Local Growth Assurance Framework as set out at Appendix 'A'; and 2. Approve a new Board Champion for Innovation position be created, and recommend to the Company Members the appointment of the Chair of the LEP Innovation Board, Graham Baldwin, as a LEP Director and subsequently appoint Mr Baldwin as the Board Champion for Innovation. |

**Background and Advice**

1. **National Local Growth Assurance Framework**

The National Local Growth Assurance Framework sets out HM Government’s guidance for places that are required to develop their own Local Assurance Framework. This applies to Mayoral Combined Authorities (MCAs) with a Single Pot and Local Enterprise Partnerships.

It replaces the previous [Local Enterprise Partnership national assurance framework](https://www.gov.uk/government/publications/local-enterprise-partnership-national-assurance-framework) and the [Single Pot assurance framework](https://www.gov.uk/government/publications/single-pot-assurance-framework-national-guidance) and seeks to provide a common framework of understanding of the assurance required for local growth funding. It was last updated on 2 September 2021 against the previous version of the document (January 2019). It recognises the close working in places and seeks to streamline processes whilst providing a framework to govern the appropriate use of public money.

This National Framework reflects the feedback that Government has received from MCAs and LEPs. It also builds on previous work to strengthen Government's assurance of LEPs and addresses the recommendations of the *Non-Executive Director Review into Local Enterprise Partnership Governance and Transparency* (October 2017), the National Review into LEPs, *Strengthened Local Enterprise Partnerships* (July 2018), and the updated *Green Book* (2020).

This National Local Growth Assurance Framework ensures that places are equipped to develop and maintain their own Local Assurance Frameworks to meet their local growth priorities and it provides guidance as to what LEPs should build into their own Local Assurance Frameworks. It explains how places should appraise, monitor, and evaluate schemes to achieve value for money and local objectives, as appropriate. This Framework provides the Department, Government, stakeholders, and the public, the necessary assurances that MCAs and LEPs have the policies and processes in place to ensure the robust stewardship of public funds.

For LEPs this document contains mandatory governance, accountability and transparency requirements, as well as non-mandatory best practice.

1. **Local Assurance Framework**

LEPs are responsible for a significant amount of public funding to increase prosperity and improve productivity. As such, LEPs are required to fulfil their role as business led public-private partnerships whilst ensuring robust stewardship of public resources. LEPs are required to adopt a corporate model, and the principles outlined in the National Framework should align with any corporate governance arrangements the LEPs may have in place and as such, have due regard for the relevant legislation governing companies when implementing this Framework and should seek to reflect the Framework through their corporate governance.

A Local Assurance Framework should set out in one document, all the policies, rules and processes needed to provide the Department, Government and the public with the necessary assurances around the use of public money. LEPs should set out their arrangements to ensure transparency in LEP operations and decisions. This includes transparency for recruiting Board members, decision making, projects which receive LEP funding, registering and declaring interests, complaints procedures, whistleblowing procedures and publishing financial information. LEPs should also outline the following in their Local Assurance Framework:

a. A clear description of roles and responsibilities;

b. Arrangements for taking and accounting for all decisions and ways of working – ensuring effective public engagement, with key documents, decisions etc. made public in line with the requirements placed on Local Authorities, and an agreed means to manage conflicts of interest;

c. Responsibilities of the Accountable Body (Lancashire County Council) with regards to governance and financial oversight, Section 151 Officer; and

d. Arrangements to ensure value for money, providing a clear and transparent basis against which projects, programmes and portfolios are identified, appraised, and prioritised. It should include appropriate methodology to assess value for money with business cases developed in line with government guidance.

Transparent decision making is supported by the publication of information and LEPs should ensure that information published on their websites and in their Local Assurance Framework is updated frequently.

LEPs should ensure that they review their Local Assurance Framework annually and in line with Government updates and notify the Department if any they are considering any significant changes to their Local Assurance Frameworks.

There are no major changes to the existing Local Assurance Framework, but revisions include:

* Updates to local situational changes
* The addition of Blackpool Council and Blackburn with Darwen Council as Company Members
* Updates to membership of the LEP Board and its committees
* The proposal of a new Board Champion for Innovation

##### **List of Background Papers**

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| Paper | Date | Contact/Tel |
| None |  |  |
| Reason for inclusion in Part II, if appropriate  N/A | | |