



**Lancashire Enterprise Partnership Limited**

**Private & Confidential: NO**

**Date: 16 June 2015**

**LEP Assurance Framework**

(Appendices 'A', 'B', 'C' and 'D' refer)

**Report Authors: Martin Kelly, Director of Economic Development, and Beckie Joyce, Head of Strategic Development, Lancashire County Council**

**Executive Summary**

The purpose of this report is to set out amendments to the Lancashire Enterprise Partnership's (LEP) Assurance Framework for the Board to consider and approve.

In 2014, as part of its Local Growth Deal negotiation with Government, the LEP secured over £250M to enable the delivery, between 2015 and 2021, of strategic transport, skills and economic development initiatives across the LEP foot-print area.

The LEP prepared an Assurance Framework in spring, which was approved by the LEP's accountable body, Lancashire County Council, in April 2015. The Assurance Framework has been submitted to Government and is published on the LEP's website.

At its meeting in April 2015 the Board approved the establishment of a Performance Committee and a Growth Deal Management Board. The Board has also been made aware of the need to formalise arrangements in relation the LEP's role and responsibility with regard to business support measures, including the establishment of a Business Support Management Board. The proposed Terms of Reference for these three new committees are attached to this report.

This report also proposes a number of appointments to other LEP Board and Committee positions.



## Recommendations

The Board is asked to:

- (i) Consider and approve the Terms of Reference for the Performance Committee, attached at Appendix A;
- (ii) Consider and approve the Terms of Reference for the Growth Deal Management Board, attached at Appendix B;
- (iii) To note that a special meeting of the LEP Board (or of the Executive) may need to be convened in order to meet Government's emerging timescales for Growth Deal reporting;
- (iii) Consider and approve the Terms of Reference for the Business Support Management Board and its core membership, attached at Appendix C; and delegate responsibility to the Chair of the LEP in consultation with the Chair of the Business Support Management Board to fill the remaining vacancies on the Board;
- (iv) Consider and approve the proposed appointments to LEP Board and Committee positions;
- (v) Request that the Company Secretary, in consultation with the LEP Chair, prepare, as a standing item for future meetings, a single report summarising the key activities and recommendations of each LEP Committee for consideration by the Board; and
- (vii) To note that the LEP's Assurance Framework will be amended to reflect the changes set out in this report.

### 1. Background

- 1.1 The Lancashire Enterprise Partnership (LEP) secured one of the country's most significant Growth Deals with over £250M competitively secured from the Government's Local Growth Fund (LGF). Our Growth Deal programme has an investment value of over £500m, with the capacity to generate nearly 8,000 jobs and create over 3,300 new homes. The Growth Deal will enable the delivery of strategic transport, skill and economic development initiatives across the LEP footprint area.
- 1.2 As part of the negotiation to secure their Growth Deals all LEPs (and their accountable bodies) were required to commit to prepare and publish an Assurance Framework (AF).
- 1.3 The Board received and considered a number of reports in 2014 and early in 2015 updating on the progress in preparing the AF and in March 2015 the Board agreed a near final draft of the AF. The AF was approved by the accountable body and submitted to Government in April 2015.



- 1.4 As part of the development of the AF the Board agreed to establish three new Boards and section 2 of this report provides further detail on these committees.
- 1.5 The increase in quantum and scale of the financial resources and strategic growth initiatives overseen by the LEP has also resulted in the need to consider and review Director's roles and responsibilities on the main Board and existing sub committees. Section 3 of this report provides further information.

## 2. LEP Committee Update

### *Performance Committee*

- 2.1 The LEP oversees the implementation of number of strategic economic growth and development initiative across the Lancashire footprint. Key initiatives include: the Lancashire Enterprise Zone; the Preston, South Ribble and Lancashire City Deal; Boost Business Lancashire; the Growing Places Fund; and now the Growth Deal Programme. It is important that the LEP Board is able to assess and review the performance of these initiatives and, therefore of the LEP itself.
- 2.2 In light of the substantial progress being made by the LEP, the Board, at its meeting in March 2015, agreed to establish a Performance Committee to provide oversight on four key areas of performance:
  - i) Resources - Assessing the performance of the LEP in getting resources into Lancashire
  - ii) Decision Making - Assessing the broader decision making processes of the LEP with regard to resource allocation.
  - iii) Implementation - Assessing the performance of the LEP's key initiatives, are they on track? On budget? Hitting agreed milestones?
  - iv) Monitoring and Evaluation - Assessing monitoring and evaluation data and processes. On an on-going and post project completion basis this will include: Are outputs as anticipated? Based on performance are the outcomes deliverable and will the impacts be achieved? On a longer term basis: Were LEP resources invested in the right projects in the right places? How would the LEP invest resources in the future?
- 2.3 The LEP Chair has secured the agreement of LEP Director Mr. Richard Evans to chair the Performance Committee. Given the legal, finance and audit responsibility the accountable body has towards the LEP, the Performance Committee will be supported by key officers from the accountable body, primarily the Director of Governance, Finance and Public Services (and LEP Company Secretary), the Section 151 Officer and Head of Internal Audit. Mr Evans has met informally with both the LEP Chair and with key accountable body officers to discuss the role and remit of the Performance Committee and draft Terms of Reference are attached at **Appendix 'A'**.
- 2.4 Subject to Board approval to the draft Terms of Reference the Performance Committee will meet in the summer and autumn to develop an understanding of



key performance and risk issues and to prepare a programme of activity for the coming year. The Performance Committee will report to the LEP Board in October 2015.

### ***Growth Deal Management Board***

- 2.5 The Board will recall that a Shadow Growth Deal Implementation Board, chaired by Mr Graham Cowley, was established in 2014 to oversee the preparation of a Growth Deal Implementation Plan and a Growth Deal Monitoring and Evaluation Framework. The Board received regular reports in 2014 and early 2015 which updated the Board on the progress in preparing these two key Growth Deal documents, which were submitted to Government in April 2015.
- 2.6 The role and remit of the Growth Deal Management Board has been discussed by the Chair and by the Shadow Board and draft Terms of Reference are attached at **Appendix 'B'**.
- 2.7 Subject to Board approval to the draft Terms of Reference the Growth Deal Management Board, an operational Board, will meet on a number of occasions in the summer and autumn to develop its work programme in alignment with Government's emerging quarterly reporting arrangements. At the present time these arrangements are not fully understood and a special meeting of the LEP Board (or the LEP Executive) may be required to authorise the submission of the first quarterly return.

### ***Business Support Management Board***

- 2.8 The Board have previously been made aware of the need to formalise arrangements in relation the LEP's role and responsibility with regard to business support measures, including the establishment of a Business Support Management Board. The primary purpose of this Board will be to oversee the strategic planning of the Lancashire Business Support offer, reflecting on commercial provision as well as publicly funded local and national provision. The new ESIF programme is key to the resourcing of this area of work and this Board will need to work closely with Lancashire's ESIF Partnership in this regard.
- 2.9 The Business Support Management Board will work with the already established SME Stakeholders group, formalising links from this network of networks into the Business Support Management Board and through to the LEP.
- 2.10 The draft Terms of Reference for this new group are attached at **Appendix 'C'** with the suggested core membership for approval by the LEP. It is recommended that the LEP Board delegate responsibility to the Chair of the LEP, in consultation with the proposed Chair of the Business Support Management Board to complete this recruitment process. A schedule of



meetings for the Board will be developed with the meetings commencing in September 2015.

### **3. Existing LEP Arrangements**

- 3.1 Since its inception four years ago the LEP has secured a significant investment package to deliver a range of strategic growth initiatives across Lancashire. In order to ensure that LEP can continue to provide adequate oversight of these initiatives a number of changes are proposed to address Board and Committee vacancies.
- 3.2 The position of Vice Chair has been vacant since the resignation of Owen McLaughlin at the end of January 2015. Given the clear focus on delivery of the LEP's portfolio of key growth initiatives it is now increasingly important that the Chair is supported by a Vice Chair with a strong track record in the delivery of economic development and growth initiatives. It is therefore proposed that Mr. David Taylor, is appointed as the Vice Chair of the LEP Board, given his expertise and skills set in these fields.
- 3.3 The Board has also been advised by Blackburn with Darwen Council that Ms. Maureen Bateson has been replaced as LEP Director by Mr. Paul Riley.
- 3.4 The Board will also be aware that Mr Owen McLaughlin was one of three LEP Directors, along with the LEP Chair and Mr. Jim Carter on the City Deal Executive and Stewardship Board arrangements. The LEP Chair stood down as a Director on the City Deal arrangements in February 2015 and the City Deal Executive and Stewardship Board now meets as a combined meeting. It is therefore timely to consider how LEP directors are able to best use their expertise to support the City Deal initiative. It is therefore proposed that Mr. Jim Carter continues to Chair the City Deal Executive and that Mr. Malcolm McVicar joins the Executive and Stewardship Board.
- 3.5 Transport for Lancashire, (TfL) the longest established LEP Committee, continues to play a central role in identifying and developing strategic transport initiatives capable of delivering major growth opportunities in Lancashire. The LEP Chair and Mr. Graham Cowley are the current representatives on TfL is proposed that the LEP Chair is replaced by Mr. Mike Damms.
- 3.6 An updated Governance Structure diagram, showing all the LEP's Boards and Committees is set out at **Appendix 'D'**

### **4. Proposed Future Reporting Arrangements**

- 4.1 The Board will be aware that, in addition to the LEP Board and the LEP Executive there are now seven LEP Committees providing strategic oversight, and in some cases, operational guidance, to the LEP's strategic growth initiatives.
- 4.2 In order to ensure that the Board is kept apprised of key recommendations of each Committee, as well as the activity and emerging issues being considered by each Committee it is proposed that a LEP Committee Summary Report is



prepared and presented for consideration by the Board to all future Board meetings.

- 4.3 The report will be prepared by the LEP Company Secretary, in consultation with the LEP Chair, and Committee Chairs, and will be a standing item on future LEP Board agendas.
- 4.4 The Board will be aware that six of the LEP's seven Committees are chaired by LEP Directors. The Skills Board is chaired by Ms Amanda Melton and, notwithstanding the proposal set out in 4.2 above, it is also recommended that the Chair of the Skills Board is invited to attend a minimum of two LEP Board meetings per annum to report on the progress of the Skills Board.
- 4.5 In addition to the seven Committees of the LEP, the Board will also be aware of the strategic alignment between the LEP and Marketing Lancashire. While not a formal Committee of the LEP, Marketing Lancashire will continue to provide a range of important strategic marketing functions to support the LEP and its key stakeholders. (For example, Marketing Lancashire is currently leading on the appointment of marketing advisors to the LEP and a separate report on this item appears elsewhere on this Agenda.)
- 4.6 Marketing Lancashire is currently reviewing its strategic Board make up and membership and a report setting out proposals to further strengthen relationships between the LEP and Marketing Lancashire will be brought to a future LEP Board.

## **5. Conclusion and Recommendations**

- 5.1 The LEP Board has worked hard to secure a significant investment package to enable a range of key growth initiatives to be delivered across Lancashire and the Board is recommended to approve the recommendations set out in this report to ensure that the LEP's ongoing oversight and governance of this activity is maintained.