



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

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LEP Assurance Framework Review (Appendix 'A' Refers)

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Executive Summary

At the meeting of the LEP on the 14 June 2016, the Board approved a number of revisions and additions to the LEP's Assurance Framework following a review of the document by County Council officers.

The Board also agreed that a review of the LEP's Assurance Framework would be undertaken at least annually in June of each year and in response to changing local governance structures in Lancashire, including the intention to establish a Combined Authority.

In October 2016, Government issued a revised National Assurance Framework (attached at Appendix 'A') which supersedes the 2014 Local Enterprise Partnership National Assurance Framework. The purpose of this new framework is to ensure that Local Enterprise Partnerships (LEPs) have in place the necessary systems and processes to manage delegated funding from Government budgets effectively.

County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new framework. The LEP's Assurance Framework is found to be fully compliant.

However, it is recommended that following the announcement of Growth Deal 3 funding to LEPs, the Chair of the Growth Deal Management Board, with the support of County Council officers, undertakes a rapid review of the LEP's Local Growth Fund (LGF) procedures to identify any areas for further improvement, in line with the revised National Assurance Framework. Any proposed changes will be reported to the Board at its next meeting.

The Board is reminded that the LEP's LGF procedures are considered robust and rigorous and cited as an exemplar by Government officials. This view was confirmed again by Government officials to the Chair and fellow Directors at the LEP's 'Annual Conversation' on the 11 January.

The revised National Assurance Framework requests that the main LEP Board must



include an identified Board member to represent and engage with the SME business community. In relation to Lancashire, Mike Damms is already recognised as the LEP's SME champion. However, given the new guidance, it is proposed the Board re-confirms this nomination.

The document also identifies that the LEP must ensure that there is meaningful local public engagement about the LEP's future strategy development and progress against the delivery of the Strategic Economic Plan (SEP), including key projects. It is recommended that consideration be given to this when the Board is refreshing its SEP over the coming months.

In addition to the publication of the revised National Assurance Framework, the LEP Network, with Government support, has instigated an officer-led LEP Buddy Peer Review. The Review is in response to a series of articles published in December by the Daily Mail which suggested the misuse of public funding by a few LEPs.

The Lancashire Enterprise Partnership has been asked to review the Stoke-on-Trent & Staffordshire LEP. The Greater Lincolnshire LEP will review Lancashire. The Peer Review will take place through face-to-face meetings of LEP pairs which will begin in mid-February.

Recommendation

The LEP Board is asked to:

- (i) Note the contents of this report, specifically that County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new National Assessment Framework and it is found to be fully compliant;
- (ii) Authorise Lancashire County Council's Section 151 Officer to submit a letter, on behalf of the Accountable Body for the LEP, to DCLG's Accounting Officer by 28 February certifying that the LEP's local assurance framework has been agreed, is being implemented, and meets the revised standards set out in the National Assurance Framework;
- (iii) Authorise the Chair of the Growth Deal Management Board, with the support of County Council officers, to undertake a rapid review of the LEP's LGF procedures to identify any areas for further improvement, in line with the revised National Assurance Framework, and report any proposed changes to the Board at its next meeting;
- (iv) Reconfirm that Mike Damms is the nominated Board member to represent and engage with the SME business community as the LEP's SME Champion;
- (v) Consider appropriate mechanisms to ensure meaningful local public engagement in the refresh of the LEP's SEP and in reporting progress



- (vi) against the delivery of the SEP, including key projects; and Authorise the County Council's Director of Economic Development, with the support of County Council officers, to fully participate in the LEP Network's LEP Buddy Peer Review.

Background and Advice

At the meeting of the LEP on the 14 June 2016, the Board approved a number of revisions and additions to the LEP's Assurance Framework following a review of the document by County Council officers.

The Board also agreed that a review of the LEP's Assurance Framework would be undertaken at least annually in June of each year and in response to changing local governance structures in Lancashire, including the intention to establish the Lancashire Combined Authority.

In October 2016, Government issued a revised National Assurance Framework which supersedes the National Assurance Framework published in 2014. The purpose of this new Framework is to ensure that Local Enterprise Partnerships (LEPs) have in place the necessary systems and processes to manage delegated funding from Government budgets effectively.

In addition, to the revised Framework the Department for Communities and Local Government (DCLG) has published two Accountability System Statements, one each for Local Government and the Local Growth Fund (LGF). The Accountability System Statement for LGF explains that the National Assurance Framework is one element of the wider assurance system of funding to LEPs, which now also comprises regular LEP reporting to Government against agreed output metrics, LEP evaluation frameworks, and annual performance conversations between the Government and individual LEPs.

The LEP, represented by the Chair and fellow Directors with support from County Council officers, has attended two 'Annual Conversations' with Government officials to date; the first in December 2015 and the second in January 2017. On both occasions the LEP has been highly commended for its transparency and accountability in relation to governance, decision making and value for money, and in the excellent performance and delivery of key economic initiatives, including Growth Deal, City Deal, Enterprise Zones, Growing Places and Boost.

LEPs are advised to review, refresh and sign-off their Local Assurance Framework, in light of the revised National Assurance Framework from Government, as the national requirements need to be incorporated as a condition of funding in future Growth Deal grant offer letters. These grant offer letters are the formal means by which DCLG awards each annual LGF allocation to LEPs. One of the terms of these letters from 2017 onwards is the requirement for each LEP to submit a letter from the relevant Section 151 Officer to DCLG's Accounting Officer by 28 February each year certifying that the LEP's Local Assurance Framework has been agreed, is being



implemented and meets the revised standards set out in the National Assurance Framework.

County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new framework. The LEP's Assurance Framework is found to be fully compliant.

However, following the announcement of Growth Deal 3 funding to LEPs, it is recommended that the Chair of the Growth Deal Management Board with the support of County Council officers, undertakes an additional rapid review of the LEP's LGF procedures to identify any areas for further improvement, in line with the revised National Assurance Framework. Any proposed changes will be reported to the Board at its next meeting. The Board is reminded that the LEP's LGF procedures are currently considered robust and rigorous and are cited as an exemplar by Government officials.

The revised National Assurance Framework requests that the main LEP Board must include an identified Board member to represent and engage with the SME business community. Mike Damms is the nominated Board Director for the Lancashire Enterprise Partnership in this regard and the Board is asked to reconfirm this nomination.

The document also identifies that the LEP must ensure that there is meaningful local public engagement about the LEP's future strategy development and progress against the delivery of the SEP, including key projects. It is recommended that consideration be given to this when the Board is refreshing its SEP over the coming months.

In addition to the publication of the revised National Assurance Framework, the LEP Network has instigated a LEP Buddy Peer Review. The Review is in response to a series of articles published in December in the Daily Mail which suggested the misuse of public funding by a few LEPs.

The officer-led LEP Buddy Peer Review is intended to check and challenge LEP information, systems and processes relating to transparency and accountability with expertise and best practice shared amongst LEPs. The Lancashire Enterprise Partnership has been identified to review the Stoke-on-Trent & Staffordshire LEP. The Greater Lincolnshire LEP will review Lancashire.

A 'Hygiene List' has been produced by the LEP Network to aid LEPs in the Review process and County Council officers have already begun completing the document on behalf of the LEP. The Peer Review will take place through face-to-face meetings of LEPs which will begin in mid-February.