

1. Purpose

1.1 The purpose of this report is to seek Strategic Board (the Board) approval for the updated SELEP Assurance Framework (referred to herein as the SELEP Assurance Framework 2018) and to adopt the five supplementary policy documents.

2. Recommendations

2.1 The Board is asked to:

2.1.1 **Agree** the SELEP Assurance Framework 2018

2.1.2 **Agree** to implement the requirements of the Assurance Framework at a Federated Board level

2.1.3 **Adopt** the following five policy documents:

2.1.3.1 Register of Interests Policy;

2.1.3.2 Code of Conduct for SELEP Board Members;

2.1.3.3 Whistleblowing Policy;

2.1.3.4 Confidential Reporting of Complaints Policy; and

2.1.3.5 Subsistence and Hospitality Policy

3. Background

3.1 The SELEP Assurance Framework has been in place since 2015/16 but is reviewed, updated and re-approved by the Strategic Board on an annual basis to reflect changes in guidance from Central Government and the increasing expectations on LEPs in terms of transparency and accountability.

3.2 The purpose of the Assurance Framework is to set out the systems and processes in place that are necessary to manage the delegated funding from Central Government Budgets effectively. It is intended to provide Government and Partners with the assurance that decisions over funding are proper, transparent and deliver value for money.

3.3 The Assurance Framework is supported by a suite of policy documents and the SELEP Terms of Reference. It is intended that a draft of the updated SELEP Terms of Reference will be considered at Strategic Board meeting on the 16th March 2018 for agreement by the Board.

4. Context

4.1 In October 2017, the Ministry of Housing, Communities and Local Government (MHCLG), then the Department for Communities and Local Government, published the Review of Local Enterprise Partnerships Governance and Transparency, a report led by Mary Ney, Non-Executive Director (NED) of the MHCLG Board.

4.2 This review forms part of the wider work that the Government is currently undertaking to strengthen LEPs, ensuring they have robust corporate governance arrangements in place that enable them to fulfil their role in driving local economic growth.

4.3 Following publication of the MHCLG Mary Ney Review the Government has accepted the recommendations of this report in full and is undertaking the following steps to implement them:

4.3.1 Enhancing the LEP Annual Review process: MHCLG developed new guidance, to underpin the 2017 LEP Annual Review process. This guidance ensured the Annual Review process had a greater focus on LEP governance and transparency arrangements.

- 4.3.2 Best Practice: Publishing Best Practice Guidance on the following corporate governance issues: codes of conduct; publication of meeting and agendas; confidential reporting procedures for third parties and the public; whistleblowing policies; and registers of interests.
- 4.3.3 Finance: Providing further guidance on the publication of financial information and the role of the Section 151/73 Officer. This guidance is being produced in partnership with the LEP network and The Chartered Institute of Public Finance and Accountancy.
- 4.3.4 Assurance Framework Guidance: Following the completion of the Minister led LEP Review the Government will publish revised national guidance for LEP Assurance Frameworks.
- 4.3.5 Government approach to non-compliance: Following the completion of the Minister led LEP Review the Government will share its approach to non-compliance with LEPs.
- 4.4 To date, Government has introduced a more robust Annual Conversation review process. SELEP held its Annual Conversation with Government on the 7th December 2017 and SELEP will be informed of the outcome of this discussion in advance of the next financial year.
- 4.5 In January 2018 MHCLG published LEP Governance and Transparency Best Practice Guidance. This guidance focuses specifically on LEP policies and procedures on: code of conduct; the publication of meeting minutes and agendas; confidential reporting procedures for third parties and the public; whistleblowing policies; and registers of interests to ensure that robust corporate governance is in place.
- 4.6 The Government requires that, by the 28th February 2018 the SELEP's Assurance Framework is reviewed and updated and the Policies are fully adopted.

5. Changes to the SELEP Assurance Framework and SELEP Policies

- 5.1 The proposed changes to the SELEP Assurance Framework reflect the outcomes of the Mary Ney review, to ensure that SELEP complies with the LEP Governance and Transparency Best Practice Guidance.
- 5.2 The proposed amendments to the document in light of the Mary Ney review and Best Practice Guidance seek to enhance the arrangements which are working effectively across our geography and to improve transparency of decision making by the SELEP Accountability Board, Strategic Board and Federated Boards.
- 5.3 The Assurance Framework gives reference to the Investment Panel which was agreed by Board in June 2017. However, the Board will be asked to consider the Terms of Reference under a separate decision at a future Board meeting as it is expected that Government may provide recommendations in relation to this group within the 2018/19 Grant Offer Letter and Annual Conversation feedback.
- 5.4 SELEP is required to demonstrate full compliance with the LEP Best Practice Guidance. The SELEP Accountable Body Section 151 officer is required to confirm to Government by the 28th February 2018 that the SELEP Assurance Framework 2018 is in place and being implemented.
- 5.5 A summary of each of the new or updated policies is set out below:
 - 5.5.1 **Register of Interest** – This policy sets out the requirements for SELEP Board Members in declaring interests, including the process for Registering of Interests, publication of the Register of Interest, declarations of interests in meetings, discussions and correspondence, interests to be declared and a copy of the new MHCLG issued Register of Interest template.
 - 5.5.2 Each Board Member will be required to complete a Register of Interest, which will be uploaded on the SELEP website, no later than by the 28th February 2018.
 - 5.5.3 **Code of Conduct** – This policy sets out the standards expected of SELEP Board Members and respective officers in the way they undertake their duties.

- 5.5.4 **Whistleblowing** – This policy provides a framework for Board Members, officers, those working for the SELEP, members of the public and third parties to report concerns or perceived wrongdoings within the SELEP which they believe are in the public interest and may relate to illegal, improper or unethical conduct. This includes anything believed to go against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for SELEP Board Members and staff.
- 5.5.5 **Confidential reporting of complaints** – This policy sets out SELEPs confidential complaints procedure, including contact details and the action to be taken by SELEP in receiving a confidential complaint.
- 5.5.6 **Subsistence and Hospitality Policy** – This policy sets out the limited circumstances whereby subsistence and hospitality claims will be met by SELEP. The policy is designed to safeguard the use of public funds through the requirement that all claims, gifts or hospitality must uphold the SELEP integrity and meet the highest standards of public life.

6. Accountable Body Comments

- 6.1 The SELEP Assurance Framework has been updated in conjunction with the Accountable Body to ensure compliance with the LEP National Assurance Framework requirements, the subsequently published recommendations of the Mary Ney review and the LEP Governance and Transparency Best Practice Guidance.
- 6.2 The s151 officer of the Accountable Body is required to provide confirmation to the Government, by the 28th February 2018, that the SELEP Assurance Framework meets the requirements of the National Assurance Framework and that it is being implemented; this is required by Government to enable release of the Local Growth Fund grant to SELEP for 2018/19.
- 6.3 The LEP Governance and Transparency Best Practice Guidance also requires SELEP to adopt and publish the above mentioned policies by the 28th February 2018; these must meet the minimum standards set within the guidance and includes the requirement for an updated register of interests to be completed for publication by all board members using the prescribed and bespoke form – this form has been standardised by Government across all LEPs.
- 6.4 The Accountable Body will continue to provide support to SELEP as the remaining steps are undertaken by HM Government to fully implement the recommendations of the Mary Ney review.

7. Appendices

- 7.1 Appendix 1 – Changes to SELEP Assurance Framework
- 7.2 Appendix 2 – SELEP Assurance Framework 2018
- 7.3 Appendix 3 – Register of Interests Policy
- 7.4 Appendix 4 - Code of Conduct for SELEP Board Members
- 7.5 Appendix 5- Whistleblowing Policy
- 7.6 Appendix 6 - Confidential Reporting of Complaints Policy; and
- 7.7 Appendix 7 - Subsistence and Hospitality Policy



8. Background Documents

- 8.1 SELEP Terms of Reference
- 8.2 SELEP Assurance Framework 2017

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