



## REPORT TO CHESHIRE AND WARRINGTON LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Subject: Mary Ney Review: Local Enterprise Partnership Governance and Transparency

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Meeting date: 8 November 2017

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### Purpose

1. To update the Board on the recent publication of the Mary Ney Report: Review of Local Enterprise Partnership Governance and Transparency

### Recommendations

2. The Board is asked to:
  - Note the key recommendations of the Mary Ney Report
  - Note our proposed response to the recommendations, as detailed in the attached table.

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### Background

3. There has been an increasing interest in Government around the Governance and Transparency procedures operated by Local Enterprise Partnerships. Following a degree of media attention in 2016, DCLG published a refreshed Local Enterprise Partnership National Assurance Framework in October 2016. The aim of that framework was to ensure that Local Enterprise Partnerships have in place the necessary systems and processes to manage delegated funding from central government. The framework sets out what the government expect LEPs to have in their Local Assurance Framework (AF) and is designed to support accountability, transparency and value for money.
4. Following the publication of the National Assurance Framework, the Board asked the Executive to ensure local arrangements were in place and fully compliant. The LEP updated its Local Assurance Framework to take account of the new requirements and this was signed off in February 2017 in a letter to DCLG's Permanent Secretary.
5. The LEP has continued to remain at the vanguard of governance and transparency and most recently the Board has agreed to the establishment of an Overview and Scrutiny Committee and that all Sub-Committee meetings are accessible to the public. Appointments have now been made to the Overview and Scrutiny Committee, which will meet before the end of the year, and all sub-committees will be open to the public from 1<sup>st</sup> January 2018.
6. Mary Ney, a Non-Executive Director in DCLG, was asked earlier this year to conduct a short review into the Governance and Transparency arrangements, following the



publication of the National Assurance Framework. Mary Ney's review commenced on 28 April 2017 and concluded in six weeks. DCLG and BEIS Ministers also commissioned a wider review of LEPs which is due to report in Spring 2018. DCLG have confirmed that the National Assurance framework will be updated again, following the conclusion of that review.

7. Mary Ney's Review recognised that some LEPs had a history of establishing robust arrangements (some of our practices were pointed to as setting the benchmark during the review process), but there was a need for further clarity and direction to ensure consistency across all LEPs.

## Discussion

8. The majority of the recommendations Mary Ney has made to Government, fall into the process and procedure category, ensuring decision making processes are robust and conflicts of interest are registered and declared as appropriate, whistle blowing policies are in place, etc. As you will see from the attached table, we have adopted these practices already and arrangements are in place.
9. Other recommendations relate directly to the Government and suggest a number of areas where greater clarity might be helpful e.g. by setting out the Government's approach to delaying or withholding funding to LEPs for non-compliance or thinking what flexibility might be available to smooth funding allocations to LEPs over a longer period. Another recommendation, suggests that Government might, adopting a risk based approach, identify LEPs "*where a deep dive on governance and transparency would be of assistance*". Government will respond to these recommendations in the Spring.
10. The remaining recommendations relate to the Annual Conversation, which is the process by which Government can hold LEPs to account. The Annual meeting provides an opportunity for Government to examine the performance of each LEP, looking at strategy, its achievement of outcomes, value for money and delivery of programmes and individual projects. The recommendations in this area, relate to having a strengthened focus to this discussion and the submission, in advance, of a formal assurance statement from the Chair and CEO of the LEP on the status of its governance and transparency arrangements. In addition, there is a recommendation that the S151 Officer provides a report to the Annual Conversation on their work for the LEP and to identify any areas of concern.

## Conclusion

11. As the attached table makes clear, we are well placed to respond to Mary Ney's recommendations and have the majority of these in place already. We propose to adopt



the additional requirements ie statement from the Chair/CEO/S151 in support of this year's Annual Conversation, which will be held on Monday 11 December.

12. It is clear that Government will continue to press all LEPs to make progress in this regard and we will want to remain on the front foot, leading by example.