



REPORT TO CHESHIRE AND WARRINGTON LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Subject: National Assurance Framework Implementation

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Meeting date: 6 September 2017

Purpose

1. To outline proposals to ensure that DCLG's national guidance on Assurance Frameworks relating to transparent and accountable decision making, particularly around the use of public funds, are met.

Recommendations

2. The Board is asked to:
 - Agree that the Executive bring forward plans to ensure, wherever possible, and with due regard to commercial and personal confidentiality, sub-committee meetings are open to the public and relevant papers are made available in advance, to meet the requirement of DCLG's National Assurance Framework.
 - Note progress in establishing an Overview and Scrutiny Committee and agree to the Executive formally appointing private sector members.
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Background

1. DCLG updated the National Assurance Framework in November 2016 and invited LEPs to revise their local Assurance Framework to incorporate the changes made. The purpose of the revised Framework is to ensure that LEPs have in place the necessary systems and processes to manage delegated funding from Central Government budgets.
2. The requirements of this National Framework have also been confirmed as a condition of future funding in Growth Deal grant offer letters and the latest grant determination letters make it clear that.... ***there is an expectation within Government that LEPs adopt a continuous improvement approach to transparency and accountability.***
3. The direction of travel is clear; there is an increasing expectation on LEPs to be ever more transparent around decision making and, in particular, around the deployment of public funds.
4. To satisfy Government that these requirements are being met, LEPs have been required to submit an annual letter from their relevant S151 Officer to DCLG's Accounting Officer, certifying that the LEP's local Assurance Framework is being implemented and meets the revised standards.



Discussion

5. While our S151 Officer was happy to confirm to DCLG's Accounting Officer that the LEP's local Assurance Framework **is being implemented**, following an Internal Audit discussions around the level of expectation, with regard to transparent and accountable decision making have been ongoing.
6. The current position is that main LEP Board meetings are open to the public and papers are made available in advance. Similarly, Local Transport Board meetings are open and accessible. However, beyond that the remaining sub-committee meetings are held in private and papers not made available, although minutes of all sub-committee meetings are routinely published alongside Board Committee papers. While there is clearly a case for some sub-committees, such as the Appointment and Remuneration Committee, remaining private, that case diminishes rapidly for other Committees.
7. From discussions with our internal auditor, there is a clear expectation that we now need to go further and allow the public to attend wider sub-committee meetings, and have access to relevant papers ahead of those meetings.
8. This would mean making the Strategy Committee, Performance and Investment Committee, Employers Skills Board meetings open to the public and publishing relevant documents, such as business cases relating to funding bids, in advance of the meetings. Clearly any papers being published would need to respect both personal, and commercial confidentiality and so be suitably redacted. Similarly, meetings would have to be conducted to enable full discussion to happen and so following public presentations, would most likely then have to go to closed session to discuss areas that stray into personal and commercial detail.
9. In arriving at this view, our Internal Auditor has considered the requirement under the National Assurance Framework to ensure transparent and accountable decision making by LEPs that **must** set out in their local assurance framework... ***the arrangements for making, and recording decisions, and for ensuring that papers, decisions, minutes, agendas etc are published promptly in line with existing local authority rules and regulations (access to information, Schedule 12A of the LGA 1972, as amended by the FOI 2000 and further update in 2007).***
10. The local authority rules and regulations that apply relate principally to the Local Government Act 1972 (Part VA Subsections 100B and 100C), and deal with publishing agendas, minutes and supporting reports for council and committee meetings. In simple terms, if an item is on the agenda then the supporting report is also required to be published. In addition, it refers to agenda item reports being made available to members of the public in attendance at the meetings.
11. While there are exceptions specified within the 1972 Act and Schedule 12A, these relate largely to information relating to an individual or sensitive information, it is clear that the general principle is to publish supporting reports and provide copies to the public who wish to attend the meetings.
12. Our Internal Auditor is therefore clear that this is the level of expectation that we should apply.



Proposal for Cheshire and Warrington Overview and Scrutiny Committee

13. The revised National Assurance Framework, also made it clear that there was an expectation on LEPs to establish an independent Overview & Scrutiny committee and the Executive recommended this to the Board earlier this year. Proposed Terms of Reference have also been circulated to Board Members following that discussion in February – a copy of both earlier papers are attached.
14. Again, the direction of travel is clear and following discussion in February and the drafting of Terms of Reference, the Executive has made progress. Following discussion with the Chair of the Appointments and Remuneration Committee, we approached a number of potential candidates who had previously expressed an interest in working with the LEP. Following that approach, we have secured a number of candidates who would be willing to take on such a role.
15. The Chief Executive has also spoken with LA leaders asking for nominations to occupy the public sector positions on the Committee, and we await those nominations.
16. We would like to be in a position to set up the Committee in the Autumn, as originally envisaged, and will continue to report progress.

Conclusions

17. It is clear from the Assurance Framework that DCLG want to see greater transparency and accountability, particularly around the use of public funds. It is equally clear that we are being advised by our Internal Auditor to introduce a greater level of transparency around decisions being made relating to the deployment of public funds.
18. In accessing and drawing down funding going forward, DCLG want S151 officer confirmation (on an annual basis) that the LEP is meeting the requirements as set out in the National Assurance Framework. If the S151 officer is unable to give that confirmation then DCLG will have no other option but to withhold funding.

Recommendations

19. Given the guidance from DCLG and the view of our Internal Auditor, and drawing on practices adopted elsewhere, the Executive Team proposes that:
 - Sub-committee meetings, aside from the Appointments and Remuneration Committee are open to the public.
 - Suitably redacted papers are published on the LEP website ahead of those meetings.
 - The LEP Executive and Chair of the Appointments and Remuneration Committee meet potential candidates to formally establish the Overview & Scrutiny Committee.