

Marches enterprise joint committee	
Meeting date:	31 May 2016
Title of report:	Marches accountability and assurance framework

Classification

Open

Key decision

This is not a key decision.

Purpose

To approve the Marches Accountability and Assurance Framework.

Recommendation(s)

THAT:

- (a) the Marches Accountability and Assurance Framework attached at appendix 1 of this report be approved.**

Reason for recommendations

1. To maintain clear and accountable governance arrangements.

Summary

2. The role and responsibilities of local enterprise partnerships (LEPs) have developed considerably over the past five years, since their inception. The government is passing funding, powers and responsibilities to LEPs to promote economic growth. LEPs are required to take on the role which government has traditionally undertaken in administering any funds and managing processes that come with these new local responsibilities. LEPs have needed to keep pace, ensuring that their systems and processes are fit for the job they have been asked to perform.
3. A key area of work for the LEP in early 2015, was the development of a draft accountability and assurance framework (the framework), in accordance with the national guidelines. The framework sets out, in a clear and transparent way, how the Marches LEP operates in terms of its decision-making, reporting & monitoring and management of public funds. The LEP secretariat had the support of finance and monitoring officers of the three councils in drafting this and in March 2015 the joint committee approved the draft as a working document for submission, noting that a

number of elements required further clarification and that a scheme of delegation was to be developed. This is a public-facing document and is published on the LEP website.

4. The government requires LEPs to undertake an annual review of the framework as a minimum. Over the past few months, the LEP Board has been reviewing and updating the document in respect of the following:
 - Updating the terms of reference for the board and each of its sub groups, to bring these in line with the framework. These are appended to the framework.
 - Providing greater clarity on the relationship between the LEP Board and the joint committee and, specifically, the circumstances under which the joint committee would not approve a recommendation of the LEP Board and how this would be dealt with. This is set out in paragraph 2.4.5 of the framework.
 - Following the discontinuation of the formal role of local transport bodies, the LEP Board updated the section of the framework that deals with appraisal and value for money scrutiny of transport projects to ensure that Department for Transport requirements are met. These revisions are set out in section 6 of the framework.
 - Some minor updates such as reflecting the small increase in capacity in the LEP's core team, this is set out in section 2.3.2 and in diagram 2 of the framework.
5. The framework will continue to be regularly reviewed by the LEP's performance risk and monitoring committee, and any proposed changes reported to the LEP Board and joint committee for approval.
6. The updates referred to above are now included in the framework attached at appendix 1. The LEP Board considered these proposed changes at its meetings on 18 May 2015, 21 July 2015, 24 November 2015 and 26 January 2016 and recommends the framework to the joint committee for approval. Subject to approval, the updated framework will be published on the LEP website.
7. The outstanding piece of work is any scheme of delegation. The Board are considering what type of scheme they might recommend on 24 May when a draft scheme can then be drafted and recommended to the joint committee.

Alternative options

8. The development of an accountability and assurance framework was a government-required area of preparation which LEPs undertook prior to the arrival of funding in April 2015.

Financial implications

9. The section 151 officers of the partnership's three councils assisted in the development of the framework and ensured the required checks are in place in the management of public funding.

Legal implications

10. The monitoring officers of the partnership's three councils assisted in the development of the framework and ensured the framework complies with necessary legal and

governance requirements.

Risks, opportunities and impacts

11. If the framework is not in place or if the partnership does not implement the framework, there is a risk that funds could be delayed or lost and requested additional responsibilities could be withheld. The implementation of the framework in 2015 was a key milestone in moving the Marches LEP to annual payments from government. Shropshire Council, in its role as accountable body for LEP finance is, through its Responsible Finance (S151) Officer, accountable for ensuring that grant income received, payments out and any applicable repayments are accounted for and administered correctly in line with relevant statute and guidance Individual projects led by any of the LEP's partner Local Authorities are subject to their own relevant approval and reporting arrangements and are in line with relevant statute and guidance.

Additional information

12. None.

Appendices

Appendix 1 – Marches LEP Accountability & Assurance Framework May 2016.

Background papers

None identified