

Heart of SW LEP CIC Board meeting

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Report title: LEP Governance and Transparency

Report theme: Board

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Purpose of the report

In previous board meetings we have agreed the need to review some of our governance arrangements. DCLG have now published their best practice guidance on how to implement review of (all) LEP Governance and Transparency (the Ney Review).

Alongside this the broader Review of LEPs is now underway.

This paper provides an update on the implications of these best practice guidance from the governance and transparency review recommendations and actions proposed (including in an update on our 'Annual Conversation with Govt').

Recommendations

To agree to take forward the best practice guidance in respect of the LEP Governance and Transparency recommendations of the Ney Review in our LEP governance.

To press on Government that we will be unable to commit to expend the necessary resources to meet these requirements until such time as Govt have committed to us that their core funding to us for next year is confirmed and will include provision to fund this extra work

Background

As mentioned at our last board meeting, there are two ongoing reviews underway:

1. A DCLG review (by one of their Non Executive Directors) of LEP Governance and Transparency across all LEPs – this has now been published (the Ney review) <https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency>)
2. A broad based Review of LEPs role being led by two ministers; Jake Berry and Margo James. It is believed this will report in the Spring 2018

These governance agendas from the Ney Review were as expected also picked up in our Annual Conversation – when Govt visited us to test our processes and progress. I am pleased to advise board members that the annual conversation proceeded positively and although we

do not yet have final signoff we believe we have retained Govt's good opinion of us. The biggest area outstanding is in respect of 'scrutiny' where the review concluded "*CLoG recommends that the LEP has a clear strategic scrutiny function by Councils for LEP activity. The existing process needs to be strengthened.*"

We will be progressing this issue with our Local Authorities in coming months once the Joint Committee is up and running. I currently anticipate this will be an agenda item on the Joint Committee agenda at its second meeting later this year.

In respect of broader LEP Governance and Transparency, as anticipated the Govt has now circulated some further guidance on best practice that they would like to see. It is clear from this that we will be required to implement a higher degree of service than in the past. Slightly worryingly there is a requirement that these processes should be in place by the end of next month.

DCLG has run two information conference calls on the implementation of the Ney Review and the above guidance; based on the latest of these it is clear that the final guidance and requirements have yet to be pinned down as some questions remain unanswered. As a result they were unwilling to circulate final templates of policies and forms that we should be using (eg a revised conflicts of interest form). I have not circulated the guidance notes therefore as these may well be subject to change.

That said given the need to enhance our processes I have therefore written to our LA partners to invite a proposal to provide the LEP with an additional Service Level Agreement to cover support with the best practice Governance and Transparency processes arising from the recent publication of the latest iteration of the best practice guidance by Govt. The areas of support sought are:

1. The publication of meeting and agenda items for Board and the following sub committees:
 - a. The three People, Place and Business Leadership Groups
 - b. SIP
 - c. F & R
2. Setting up and management of confidential reporting procedures for third parties and the public.
3. Setting up and management of Whistleblowing Policy.
4. Code of Conduct management
5. Management of new Register of interests

We have asked for proposals of the service proposed, staff to undertake work and costs envisaged by 21 January 2018 with a view that the service can be operational from the beginning of February.

In our most recent conference call with Govt civil servants I have made the point that the requirements of the review will require additional resource. But given we have yet to have confirmation of our core funding for next year, I am looking for Board support that we should push back on the implementation of the necessary actions until such a time that we have been given sufficient assurance of the availability of resources from Government to fund the extra commitments.