

11th March 2021

Assurance Framework

Purpose of Report

Each year the MCA and LEP are required to update and publish an Assurance Framework to outline the robust, transparent and effective governance arrangements that are in place. Following devolution, the Assurance Framework also needs to be approved by four Government departments. This report summarises the amendments that have been incorporated into the Assurance Framework and presents it for consideration by the LEP Board.

Thematic Priority

Cross cutting - Governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and its appendices will be made available under the SCR Publication Scheme.

Recommendations

That the Local Enterprise Partnership:

1. Notes, at section 2.3, the key amendments that have been made to the Assurance Framework to ensure compliance with the Government's requirements.
2. Considers and endorses the updated Assurance Framework set out at Appendix 1.

1. Introduction

- 1.1** Each year the MCA and LEP is required by Government to update and publish its Assurance Framework by the 31st March. The Assurance Framework sets out how the MCA and LEP will use public money responsibly, make robust decisions, achieve best value for money and act in an open and transparent manner. It explains the governance structures in place for making decisions, outlines the policies and procedures that support decision-making and summarises how investments and interventions are appraised and managed, and how the MCA and LEP will publish information.

2. Proposal and justification

- 2.1** The MCA and LEP is required by Government to publish an updated Assurance Framework by 31st March 2021 in accordance with the National Local Growth Assurance Framework guidance (issued in January 2019) and the 2018 LEP Review (Strengthened Local Enterprise Partnerships).
- 2.2** As advised at the MCA meeting on 25th January 2021 the Assurance Framework has been revised to outline the governance arrangements that will be used to manage and account for Gainshare and the Adult Education Budget (AEB), to incorporate changes made to the

HM Treasury Green Book in November 2020, and to streamline and improve the assurance processes and procedures based on lessons learnt. The draft Assurance Framework 2021 is attached at Appendix 1 and it takes effect from 1 April 2021.

2.3 Key amendments made to the Assurance Framework

Management of Gainshare – A summary of the processes in place for allocating, managing, monitoring and evaluating the use and impact of Gainshare including the five-year Gateway Review process with Government.

Funding Flexibilities – Clarity on the appraisal and assurance process to reflect the flexibilities available to the MCA.

Adult Education Budget (AEB) – Further detail on the procurement and approval process for contracting with AEB delivery partners and investing AEB.

SYLTE integration with MCA Executive – Detail on the integration of SYLTE within the MCA which will conclude in 2021.

Project Development – Reference to working with scheme promoters and partners to identify and develop project ideas to deliver the Strategic Economic Plan (SEP) and Renewal Action Plan (RAP) objectives.

Other minor changes include:

- Changing the name of the SCR Executive Team to the MCA Executive Team
- Changing the name of the Appraisal Panel to Assurance Panel
- Removal of references to SCR and Sheffield City Region as far as possible with more emphasis on South Yorkshire
- Removal of references to LGF as far as possible to reflect the new funding programmes and responsibilities from 1st April 2021
- Updated charts and tables for the timeline of the organisation, LEP and Thematic Board membership, staff structure and project appraisal and assurance process.

2.4 MCAs with devolved funding and powers are required to submit their draft Assurance Frameworks to Government for approval. This is because their Assurance Frameworks outline the arrangements that are in place to manage the Single Pot allocation and Adult Education Budget (AEB).

2.5 The Assurance Framework will be presented to the MCA Board for approval on 22nd March 2021.

2.6 LEP Policies

National Assurance Framework guidance requires the LEP to have in place a number of policies. This includes:

- Code of Conduct
- Complaints Policy
- Confidential Complaints Policy
- Diversity Policy
- Declaration/Conflicts of Interests Policy
- Expenses Policy
- Gifts and Hospitality Policy
- Whistleblowing

These policies have been in place since 2017 and are reviewed on an annual basis to ensure they meet the requirements of any new guidance and to reflect any changes made to the Assurance Framework. Amended policies will take effect from 1st April, will be

communicated to all Members and published on the website alongside the revised Assurance Framework.

Summary of key changes

Policy	Key changes
Terms of Reference	Updated to provide more flexibility around length of term for co-opted members. Updated to clarify that HE, FE, TUC and Chamber of Commerce members are representatives of their sector/body.
Diversity Policy	Board composition (50/50 gender split) commitment brought into line with National Assurance Framework requirement.
Expenses Policy	An organisational wide Expenses Policy has been introduced and will be affective for LEP members from 1 st April. The new policy sets out new rates for subsistence and hotel claims and permits claims for wifi services on trains.
Code of Conduct Complaints Policy Confidential Complaints Policy Declaration/Conflicts of Interests Policy Gifts and Hospitality Policy Whistleblowing	Minor changes only, including updated hyperlinks, emails addresses etc

3. Consideration of alternative approaches

- 3.1 Failure to update, endorse and submit the Assurance Framework and Monitoring and Evaluation Framework for Government approval would risk the MCA and LEP being non-compliant with national standards on governance and transparency, and not fulfilling the conditions for devolution.

4. Implications

4.1 Financial

The MCA and LEP are required to demonstrate compliance with national guidance in order to receive devolved and core funding. The release of Gainshare funding is dependent on the Government's approval of the Assurance Framework.

4.2 Legal

The Assurance Framework outlines the legal duties of the MCA as the Accountable body for the LEP and the policies and procedures that are in place to ensure that the MCA and LEP make decisions in a legally compliant, robust and transparent manner. This includes referencing the responsibilities of the Section 73 Officer, the purpose of internal and external audit, the role of the Overview and Scrutiny Committee and the project appraisal process (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).

4.3 Risk Management

The Assurance Framework specifies the processes and procedures that are in place to manage risk. These processes are in accordance with HM Treasury's Orange Book principle and include the Strategic Risk Management Framework, the Risk Register and

quarterly monitoring of projects and programmes (*Appendix 1 – Section 4: Accountability for Decisions and Public Funds*).

4.4 Equality, Diversity and Social Inclusion

The LEP is required to demonstrate its approach to equality and diversity in terms of the composition of the LEP Board and its Equality and Diversity policy. The Assurance Framework outlines the LEP's commitment to equality and diversity and current gender composition of the LEP Board (*Appendix 1 – Section 3: Structures and Roles*). The LEP Diversity Policy is also referenced.

5. Communications

- 5.1** The MCA and LEP are obliged to publish information on the decisions that are being made, particularly on investments, in an open and transparent way. The MCA and LEP have always taken the approach of publishing as much information as possible on the website so that it is accessible.

Appendix 1 – Section 8: Publishing Information outlines how the general public can access information that the MCA and LEP holds, the range of information that can be accessed through the website, the Forward Plan of Key Decisions, meeting papers and financial and project performance information.

The approved Assurance Framework 2021 and LEP policies will be published on the website.

6. Appendices/Annexes

- 6.1** Appendix 1 - Sheffield City Region Assurance Framework 2021
Appendix 2 – Revised Terms of Reference

REPORT AUTHOR	Lyndsey Whitaker
POST	Senior Economic Policy Manager
Officer responsible	Dr Ruth Adams – Deputy Chief Executive
Organisation	Sheffield City Region
Email	ruth.adams@sheffieldcityregion.org.uk
Telephone	0114 220 3442

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: