

## Report to the Greater Birmingham & Solihull Supervisory Board

7<sup>th</sup> December 2017

### REVIEW OF LEP GOVERNANCE & TRANSPARENCY

#### Purpose of the report

To note the outcomes of the Review of Local Enterprise Partnership Governance & Transparency, and the implications for GBSLEP.

#### Recommendations

The Supervisory Board is recommended to:

1. Note the recommendations of the Review of Local Enterprise Partnership Governance & Transparency (“the Review”) and the implications for GBSLEP.

#### Background

2. Following a report by the Public Affairs Committee in July 2016, the government asked Mary Ney to conduct a review into LEP governance and transparency.
3. The aim of the Review was to provide sufficient assurance to the Accounting Officer and ministers that LEPs fully implement existing requirements for appropriate governance and transparency.

#### Key issues

4. On 26 October 2017, Government published the Review. The report is attached as Appendix A.
5. The Review does not include clear recommendations on how LEPs should be constituted or structured; rather, it is clear that operating arrangements need to be strengthened and made more transparent to provide assurance to key stakeholders. Many of the recommendations suggest that changes are made (or considered) to the National Assurance Framework, but in most instances are at a high level of abstraction.
6. In a letter to the Chair of the Public Accounts Committee (Appendix B), the Permanent Secretary of the Department for Communities & Local Government therefore confirmed Government’s intention to work closely with LEP Chief Executives to shape the National Assurance Framework in order to implement the recommendations in full and with immediate effect. Implementation of and compliance with the recommendations by LEPs will be overseen by a new national oversight team, to be established in December and which will work with LEPs for the next six months.

7. A teleconference between Chief Executives and Government was convened by the LEP Network on 10 November 2017. Work streams to look at processes for decision-making and models of incorporation for LEPs have been commissioned, and it is anticipated that further detailed guidance will be provided by Government in the near future.
8. The initial assessment by the LEP Executive is that broadly, GBSLEP's current arrangements do not require many changes to address the recommendations; however, those changes that are required are fairly significant. In particular, it is recommended that the Section 151 Officer of the Accountable Body will need to be much more closely involved in the LEP's governance structures; that a much greater emphasis is placed on how Director's interests (including Local Authority Directors) are recorded and managed; and that further guidance is produced by Government on expectations regarding transparency (including the publication of agendas, meeting papers and agendas, and arrangements for democratic oversight and scrutiny).
9. While the Executive continues to keep the Assurance Framework under review, it is anticipated that more substantial changes will be required to take account of the Review's conclusions. Therefore, it is anticipated that a revised GBSLEP Assurance Framework will be drafted presented for approval in the new year.

## Conclusion

10. This paper sets out the recommendations of the Review of Local Enterprise Partnership Governance & Transparency and the implications for GBSLEP, which the Supervisory Board is recommended to note and discuss.

Prepared by: Nick Glover  
Executive Manager

Contact: [nick.glover@birmingham.gov.uk](mailto:nick.glover@birmingham.gov.uk)  
0121 303 8937

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