
Report to: Governance and Audit Committee

Date: 21 March 2019

Subject: **Local Assurance Framework Review**

Director: Melanie Corcoran, Director of Delivery

Author(s): Rachel Jones / Dave Haskins

1. Purpose of this report

- 1.1 To provide the Governance and Audit Committee with a further update on progress relating to changes proposed to the Leeds City Region Local Assurance Framework arising from its annual review, and with the recently issued review of the National Local Growth Assurance Framework (January 2019) and the Strengthened Local Enterprise Partnership report (July 2018).
- 1.2 To ask the Governance and Audit Committee to provide feedback on the final draft Local Assurance Framework.

2. Information

- 2.1 As reported at the Governance and Audit Committee in January, the LEP and Combined Authority are required to prepare a Local Assurance Framework as part of the Local Growth funding agreement. The framework must be reviewed annually, and uploaded onto the LEP's website. The deadline for this to be completed is 31 March 2019.
- 2.2 It covers all significant discretionary projects and programmes funded from Government or local sources that flow through the LEP and the Combined Authority, and has been prepared in accordance with HM Government Local Growth National Assurance Framework guidance (2019), and builds on a body of existing good practice. The LEP has to comply with this guidance for the relevant funding streams, but the principles are also applied to the Combined Authority as the accountable body for the LEP for all funding streams.
- 2.3 The 'Strengthened Local Enterprise Partnership' report sets out a number of Government commitments alongside a number of additional changes that Government will work with Local Enterprise Partnerships to implement. This has implications for the Local Assurance Framework, both for this review and the review for 2020, relating to the potential revisions to LEP geography.

- 2.4 A copy of the final draft Assurance Framework can be found in **Appendix 1**. The document has a new structure for this year, to reflect the requirements of the National Local Growth Assurance Framework. Much of the content of the new sections was in last year's update, but grouped together differently. A high level summary of the new structure can be found in **Appendix 2**.
- 2.5 The main updates required in order to be compliant with the revised National Local Growth Assurance Framework include:
- Requirement for the LEPs to set out arrangements regarding data protection, following introduction of the General Data Protection Regulations (GDPR)
 - A new requirement for LEPs to set out how contracts are managed and the LEP Board kept informed of progress
 - Further detail regarding the roles and responsibilities of the LEPs, and Section 151/73 Officers
 - Information relating to accountable body arrangements between the LEP and the Combined Authority
 - Detail to specify the role that is responsible for certain tasks, including ensuring value for money and scrutiny and recommendation for business cases and the final sign off for funding decisions
- 2.6 Other changes required to the Assurance Framework include an update to the delegated authority to reflect the recent changes to Investment Committee, and an update to reflect recent changes to stage 1 of the assurance process.
- 2.7 Section 151/Section 73 Officers are required to write to HM Government by 28 February 2019, ahead of next year's Local Growth Fund payment, to certify that the Combined Authority's Local Assurance Framework is expected to be compliant with the national framework by 31 March.

Next Steps

- 2.8 A final draft of the Local Assurance Framework will be presented to the LEP Board for approval on 26 March 2019. A working group of the Overview and Scrutiny Committee has provided input to the development of the updated version, as it has in previous years.
- 2.9 Feedback on the draft Local Assurance Framework from the Governance and Audit Committee will be forwarded to the LEP Board Chair, ahead of the LEP Board meeting.
- 2.10 It is envisaged that further changes will need to be made to the Local Assurance Framework as more projects move through the appraisal process, to reflect any future updates to guidance, feedback from the "Annual Conversation" with Government and as an evolution to the process as more projects are progressed.

- 2.11 It is anticipated that significantly more work will be required next year to ensure the wider changes to LEPs required as part of the Strengthened Local Enterprise Partnerships report and potential changes to the LEP geography are addressed in the Local Assurance Framework.

3. Financial Implications

- 3.1 None arising directly from this report. It should be noted that non compliance with government requirements in respect of the Combined Authority/LEP's Local Assurance Framework may impact on the receipt of Growth Deal and other funding.

4. Legal Implications

- 4.1 None arising directly from this report.

5. Staffing Implications

- 5.1 None arising directly from this report.

6. External Consultees

- 6.1 None.

7. Recommendations

- 7.1 The Governance and Audit Committee is asked to:

- (i) Note the changes that have been made to the Local Assurance Framework, as set out in this report.
- (ii) Provide any feedback on the draft updated assurance framework document, which will be forwarded to the LEP Board Chair ahead of the LEP Board meeting on 26 March 2019.

8. Background Documents

- 8.1 The National Local Growth Assurance Framework (2019)
- 8.2 Strengthening Local Enterprise Partnerships (2018)

9. Appendices

- 9.1 Appendix 1 – Local Assurance Framework DRAFT
- 9.2 Appendix 2 – Local Assurance Framework new structure