

Annex C: Implementation Plan Response

LEP Name: Sheffield City Region

Roles and Responsibilities

Recommendation:

We expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.**

Information required in implementation plan:

Within the implementation plan, the LEP should outline its plans to draft and publish an annual delivery plan by **April 2019** and an end of year report at the end of the **2019-20 financial year.**

Government will work with LEPs to develop qualitative and quantitative measures to report against. As you develop your Local Industrial Strategy, Government expects the delivery plan and end of year report to be linked to the progress of your Local Industrial Strategy. The implementation response should provide a commitment to adopt and report against agreed key performance indicators.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The SCR LEP commits to publishing an annual delivery plan and end of year report. Whilst Government does not require LEPs to produce an End of Year report for 2018/19, SCR is electing to do so to provide an assessment of the LEP's progress to date. This will set the baseline position to measure future performance against.

The new performance reporting processes SCR will implement are summarised below:

- Production and publication of a written report on LEP activity and achievements to date, to include:
 - Assessment of the current state of the SCR economy
 - LEP Board recruitment and composition
 - LEP financial information – funding income and expenditure
 - Governance arrangements – SCR structure, LEP policies in place to ensure openness, transparency and accountability, implementing Government's recommendations, and the Annual Governance Statement
- Production of the SCR Corporate Plan (an Annual Delivery Plan) and Budget for 2019/20 - to outline future activities/plans for the LEP. This will include measures that progress will be reported against linked to the SEP.
- Undertake consultation with partners and stakeholders on the development of the revised SCR Strategic Economic Plan (SEP) and development of the SCR Industrial Strategy (LIS)
- Production and publication of a Mid-Year Report in Autumn 2019 on performance against current SEP targets
- Publication of the revised SCR Strategic Economic Plan (SEP)

- Publication of the SCR Industrial Strategy (LIS)
- Production and publication of the Corporate Plan (Annual Delivery Plan) and Budget for 2020/21 – outlining future activities/plans for the LEP. This will include the metrics and targets that LEP performance will be measured against taken from the revised SEP and newly published LIS. Presented at the 2020 LEP Annual General Meeting (AGM).
- Production and publication of an End of Year Report for 2019/20

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **February/March 2019** - LEP AGM held (subject to confirmation of timing from incoming Chair)
- **March 2019** – Draft SEP published for public consultation
- **March 2019** – SCR Corporate Plan (First Annual Delivery Plan) and Budget for 2019/20 agreed
- **Summer 2019** – Draft LIS published for public consultation
- **Autumn 2019** – SEP finalised and published
- **November 2019** – Mid-Year Review Report published
- **Winter 2019/20** – LIS finalised and published
- **March/April 2020** – SCR Corporate Plan (Second Annual Delivery Plan) and Budget for 2020/21 agreed
- **July 2020** – LEP AGM held and End of Year report published and presented

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

SCR is committed to reporting half-yearly and annually on LEP performance. In the absence of advice from Government on the deadline for producing the Mid-Year Report, we are planning on publishing a Mid-Year Report in November each year. This will enable us to include the Quarter 2 financial and output figures in the Mid-Year report following sign-off by the LEP and MCA Boards.

The SCR was extremely disappointed to be part of the second wave of places to develop their Local Industrial Strategy (LIS) with Government. However, work has already begun on refreshing the economic evidence base that will underpin our revised SEP and LIS. SCR is committed to having a finalised SEP and Draft LIS in place in Autumn 2019. This will comply with Government's intentions to have LIS' in place by early 2020.

Leadership and Organisational Capacity

Recommendation:

Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair.**

Information required in implementation plan:

Within the implementation plan, you should outline your LEP's draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by **28 February 2019.**

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SCR LEP staggers the recruitment process for private sector LEP Board members. Recruitment took place in Summer 2017 and Summer 2018 and will take place again in Summer 2020 as several appointed members reach the end of their three-year terms. The recruitment process for the Chair and Deputy Chair positions runs on a three yearly-cycle, with defined term limits in place.

Vacant positions for LEP Board members are promoted through the SCR's website and social media channels, and advertised in local and regional media (a copy of the 2018 LEP Board Recruitment Brochure can be downloaded at [SCR - LEP Board Recruitment](#)). We also ask our local business representative organisations to advertise and promote these vacancies. Vacant positions for the Chair and Deputy Chair roles follow the same process, however, these positions are also advertised in national newspapers/media. Business representative organisations are also asked to circulate vacant positions through communications with their members.

The current Chair and Deputy Chair (known as the Vice Chair in SCR) are both serving their terms until 31 December 2018. Sir Nigel Knowles is not seeking re-election and will step down from the LEP Board. The recruitment process for a new Chair and Deputy Chair is already underway. This process has been developed following advice from the Cities and Local Growth Unit on the nature of consultation and engagement expected with the business community. This has been imbedded in our process and, for example, the Recruitment Panel currently being established, comprises:

- The Chair of the Combined Authority, Mayor Jarvis;
- A private sector representative of the LEP Board;
- A representative for business organisations; and
- A local authority chief executive.

SCR will advertise both the Chair and Deputy Chair vacancies in November 2019 following the commissioning of specialist consultants to advise and work with SCR on the recruitment and selection process. Both roles will also be advertised concurrently on the Central System for Public Appointments, with the interview process taking place sequentially.

The process of selecting, interviewing and appointing the Chair will take place first. This will enable the newly appointed Chair and SCR Mayor to be directly involved in the selection, interview and appointment process for the Deputy Chair.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **October 2018** – Recruitment consultants commissioned. Chair and Deputy Chair Recruitment Brochure designed.
- **November 2018** – Chair and Deputy Chair vacancies advertised in national, regional and local press and on the Central System for Public Appointments. Business representative organisations promote the positions to their members.
- **December 2019** – Shortlisting of candidates completed. Candidates interviewed by the SCR Recruitment and Selection panel. Chair appointed.
- **January 2019** – Shortlisting of candidates completed. Candidates interviewed by the SCR Recruitment and Selection panel. Deputy Chair appointed.
- **January 2019** – Handover process from Sir Nigel Knowles to newly appointed Chair. Induction process commenced.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

There is a risk that the vacant Chair and Vice Chair positions will either attract an insufficient number of suitable candidates or candidates which are not of the calibre required. There is also a risk that the vacancies will not attract a diverse group of candidates. SCR will mitigate these risks through broad advertising in the national and regional press and circulation through business networks.

We appreciate that SCR is one of the first LEPs to appoint a Chair and Vice Chair under the new process. We are keen to develop good practice on LEP recruitment and we would welcome any comments on our recruitment process detailed above.

Recommendation:

In line with best practice in the private sector, Local Enterprise Partnerships will want to **introduce defined term limits for Chairs and Deputy Chairs** where these are not currently in place.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by **28 February 2019**. LEPs should also plan to have a Deputy Chair in place by **28 February 2019**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SCR LEP has had a Deputy Chair in place since January 2016 and is therefore already compliant with the recommendation on appointing a Deputy Chair. The defined term limit for the Deputy Chair is three years.

The defined term limit for the LEP Chair is three years. In addition, all private sector members of the LEP Board have a defined term of office of three years. However, as set-out in the LEP Terms of Reference, the Chair may extend the appointment of members for a further term not exceeding two years with a clear rationale and in exceptional circumstances. Co-opted LEP Board members have a defined term of office of one year.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

None – SCR LEP is already compliant with the recommendations on appointing a Deputy Chair and setting defined term limits for the Chair and Deputy Chair.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

None - not applicable.

Recommendation:

Government’s aspiration is that Local Enterprise Partnerships work towards strengthening the representation from the private sector, increasing **representatives from the private sector so that they form at least two thirds of the board**, to ensure that each Local Enterprise Partnership can truly be said to be business-led. In order to maintain focused board direction and input, Government will work with Local Enterprise Partnerships to establish a **maximum permanent board of 20 people**, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.¹

Information required in implementation plan:

LEPs must be accountable to their area and representative of the communities they serve. Therefore, within the implementation plan, your LEP should outline any changes you plan to make to the composition of the board to meet the review recommendations. As part of this you should outline:

- how your LEP plans to increase the private sector board membership to 2/3 private sector.
- how your LEP will ensure that the board does not exceed a maximum of 20 persons.
- arrangements for co-opted members (if applicable).

You should outline how your LEP plans to achieve this board composition over time, for example, in phases. LEPs should plan to have implemented any changes needed to board composition by **the end of the 2019-2020 financial year**.

LEP response

Please outline the LEP’s response to the recommendation. The response should consider the information required, outlined above:

Current Composition

The [LEP Board membership](#) currently consists of 25 permanent members (14 private sector, 10 public sector and 1 Trade Union representative) and 2 co-opted members (all private sector). Overall this equates to a ratio 61.5% of private sector members on the LEP Board compared with 38.5% public sector, a figure slightly below the Government’s ambition. This is illustrated in the table below:

Sector Represented	Type of Membership (Number of Seats)			Type of Membership (Ratio)		
	Permanent	Co-opted	Total	Permanent	Co-opted	Total
Private Sector	14	2	16	58.3%	100.0%	61.5%
Public Sector	10	0	10	41.7%	0.0%	38.5%
Membership Body	1	0	1			
TOTAL	25	2	27			

As recognised in the Deep Dive review conducted by the Cities and Local Growth Unit earlier this year:

¹ Any private sector board member must fit the definition of ‘private sector’ as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts.

“The LEP has strong private sector representation. We note the LEP appointment of a Chair and Vice Chair who bring a range of complementary skills and the opportunity to engage business in the wider national and international community. The LEP’s approach to diversity represents good practice. The approach to recruitment achieves engagement from the wider community and therefore more certainty of wider representation on the LEP Board, confirming the LEP’s commitment to diverse representation.”

Sheffield City Region (SCR) Local Enterprise Partnership Governance and Transparency Deep Dive - May 2018

SCR LEP was awarded a rating of ‘exceptional’ accordingly.

Co-opted Members

Co-opted members were first introduced onto the SCR LEP Board in Autumn 2017 to provide additional specialist advice and expertise on SCR’s thematic priorities: housing, infrastructure, skills and employment. Three of the co-opted advisers are from the private sector and one is from the public sector (a higher education institution). All have been appointed on a one-year term, with the option to be re-appointment at the Chair’s discretion. It should be noted that two of these co-opted board members terms will end on the 31 October.

The knowledge and advice provided by the co-opted members during the last year has led to significant progress being made on key projects and initiatives including the launch and delivery of the SCR Housing Investment Fund pilot.

SCR is already compliant with the recommendation on co-opted Board members and intends to continue to appoint co-opted members on a one-year term.

Recommended Size and Composition

In order to comply with the recommendations on the size and composition of the LEP Board SCR considered several options.

However, the current size and composition of the LEP Board is recognised as operating well, with a private sector majority of just under two thirds and all nine local authorities represented. The last two rounds of LEP Board recruitment have been key to this as private sector representation has increased and strengthened. We therefore do not accept the notional limit of 20 permanent members and intend to retain the LEP Board composition as 25 permanent members with the option of appointing up to 3 co-opted members.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

None – as SCR LEP is intending to retain the current size and composition of the LEP Board.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

If SCR is required to reduce the size of the permanent Board to 20 members and increase the private to public sector ratio on the Board by 5.2%, this would involve five local authority Leaders losing their seats on the LEP Board which would be sub-optimal in terms of creating a collaborative and inclusive Board that reflects the geographic diversity of the City Region.

Recommendation:

Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women's representation on their boards by 2020.

Information required in implementation plan:

Within the implementation plan, your LEP should outline how you will demonstrate the work that you will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework.

All LEPs should aspire to achieve gender balanced boards. The implementation plan should include detail on plans to:

- Take action to ensure that at least one third of the LEP's appointed board members are women by **the end of the 2019-2020 financial year**.
- Take action to ensure equal representation of men and women on boards by **the end of the 2022- 2023 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The SCR LEP Diversity Policy seeks to ensure that the composition of the LEP Board is diverse and reflective of the City Region in the broadest sense. In determining the optimum composition of the LEP Board the LEP Recruitment Panel consider gender, race, protected characteristics and areas of expertise including industry knowledge, geography, sectors and business size. This is done with a view to obtaining an appropriate balance of membership and it has been a key priority in the 2017 and 2018 rounds of private sector Board member recruitment. This has resulted in the SCR LEP Board being the most diverse it has ever been.

The current gender composition of the LEP Board is detailed in the table below:

Type of Membership	Gender		Total	Gender Ratio	
	Female	Male		Female	Male
Private Sector (Permanent)	5	9	14	35.7%	64.3%
Public Sector (Permanent)	4	6	10	40.0%	60.0%
Membership Body (Permanent)	0	1	1	0%	100%
Permanent Members	9	16	25	36.0%	64.0%
Private Sector (Co-opted)	1	1	2	50.0%	50.0%
Co-opted Members	1	1	2	50.0%	50.0%
TOTAL	10	17	27	37.0%	63.0%

The above table illustrates that SCR is already compliant with the recommendation that at least one third of the LEP's appointed members are women (35.7% permanent Private Sector Board members and 50% of co-opted members – combined 37.5%).

The 2018 LEP Board recruitment process which concluded in August 2018 resulted in more women being appointed onto the LEP Board than men (57% women and 43% men). As SCR will operate further rounds of Private Sector Board member recruitment in 2020 and 2021, we expect to obtain an equal split of male and female Private Sector Board members in advance of 31 March 2023.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **July 2020** – LEP Board Recruitment 2020 Brochure published
- **August 2020** – Recruitment and selection process for new Private Sector Board members
- **July 2021** – LEP Board Recruitment 2021 Brochure published
- **August 2021** – Recruitment and selection process for new Private Sector Board members

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

As the Public Sector Board members are the elected Leaders/Mayor of the local authorities and the SCR Mayor, ensuring a gender balance for public sector representatives is out of the control of the LEP Board recruitment process.

Recommendation:

Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. You should outline the timeframe in which your LEP expects to have this secretariat in place.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The SCR Executive Team provides support to the LEP, Combined Authority and Mayor. This includes compiling LEP Board meeting papers, briefing LEP Board members, providing advice and support to the LEP Board Chair, Deputy Chair and LEP Board members and dealing with general enquiries from the public about the LEP.

Whilst acting independently of any single authority, at present the SCR Executive is employed by Barnsley Council (BMBC), as the host employer for the Mayoral Combined Authority. In addition, for efficiency purposes financial services are provided by Sheffield City Council (who fulfil the S151/73 officer role) and the authority's Monitoring Officer is provided by BMBC.

Currently, the Joint Authorities Governance Unit (JAGU) circulates the LEP Board meeting papers on SCR's behalf and takes the minutes of the LEP Board meetings. However, SCR is currently in the process of installing Modern.Gov to bring this service in-house by the end of 2018/19.

The MCA has always had the option of employing its own staff but this option was not enacted and BMBC became a host employer. To comply with the recommendation, the MCA will need to assume direct responsibility for its employees. Should this be agreed by the MCA, an implementation plan will be required to:

- Put in place appropriate HR policies and procedures;
- Establish a financial system; and
- Implement the transfer from BMBC to the SCR MCA.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **October 2018** – Modern.Gov installed at SCR
- **March 2019** – Transfer of responsibilities for employment and financial management and accounting (subject to agreement)

- **April 2019** – SCR Executive responsible for administering governance cycle

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Issues and risks associated with enacting the functions of an employing body are being considered in order to allow the MCA Board to make an informed decision. These include considerations on employment liability, pensions arrangements and complying with TUPE legislation. Should the MCA Board agree for the MCA to become an employing body, the management and mitigations of these issues and risks will be included in the implementation plan.

Accountability and Performance

Recommendation:

Government will **support all Local Enterprise Partnerships to have a legal personality.**

Information required in implementation plan:

Within the implementation plan, you must outline your LEP's plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by **April 2019**². Government will provide further advice to LEPs on incorporation.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The SCR Mayoral Combined Authority (MCA) is the legal body for the LEP and SCR is therefore already compliant with the recommendation.

The SCR MCA covers the same geographical footprint as the LEP with all nine local authorities represented on the MCA Board. The LEP Chair also sits on the MCA Board. The SCR Mayor chairs the MCA Board.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

None – SCR LEP is already compliant with the recommendation on having a legal personality.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

None - not applicable.

² Where changes to geographies have been agreed, LEPs and Government will agree an appropriate timeframe for incorporation.

Recommendation:

Local Enterprise Partnerships will want to identify a **single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

Information required in implementation plan:

Within the implementation plan, you must outline how your LEP plans to adopt a single Accountable Body within each area that is responsible for all Local Enterprise Partnership funding. You should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements³. LEPs should have a single Accountable Body in place by **Spring 2020**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The SCR Mayoral Combined Authority (MCA) acts as the accountable body for all funding allocated to the LEP since the formation of the Combined Authority in 2014. For the small number of funds (RGF and GPF) allocated to the LEP prior to 2014, and subsequent funds allocated to the JESSICA, there is a need to review the arrangements in place to transfer the accountable body status from Sheffield City Council (SCC). Work to progress this will be undertaken over the next year, to ensure that a single accountable body is in place by the end of December 2019.

LEP financial information and programme delivery is reported to both the LEP and MCA Boards. This includes details of applications received for LEP funded programmes and contracts awarded. SCR's Audit and Overview and Scrutiny Committees ensure that the LEP, MCA and SCR Mayor are operating in a legal, open and transparent way.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- End of December 2019 – accountable body functions transferred from SCC to SCR MCA
- January 2020 onwards – MCA acts as the accountable body for all LEP funds

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

As some of the funds currently held by SCC are European funding, we will be seeking a legal opinion to ensure that the transfer of accountable body functions from SCC to the MCA is viable, and within EU funding rules. We would welcome advice and support from Government to assist us in this process.

³ LEPs should outline where programmes, such as Enterprise Zones, will continue under existing Accountable Body arrangements.

Recommendation:

As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. **We will set an expectation that these are open to the public and businesses to attend and properly promoted.**

Information required in implementation plan:

Within the implementation plan, your LEP must commit to hold an annual general meeting; open to the public to attend. Your LEP should hold its first/next public Annual General Meeting in **the 2019-20 financial year.**

To ensure that all businesses in an area have equal access to their Local Enterprise Partnership, we will not permit any Local Enterprise Partnership to operate on a paid-membership basis.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SCR will hold an AGM in Spring 2019 and will hold subsequent AGMs each July from 2020. These will be open to the public and publicised through the SCR's website, social media networks and through the communications of our partners such as business representative organisations.

SCR does not remunerate any LEP Board members and members do not pay a membership fee to join the LEP Board. SCR is therefore already compliant with the recommendation on not operating on a paid-membership basis. LEP Board members are appointed through an open and transparent annual recruitment and selection process.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **February/March 2019** - LEP AGM held (subject to confirmation of timing from incoming Chair)
- **July 2020** – LEP AGM held and End of Year report published and presented

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

None - not applicable.

Recommendation:

We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework. These arrangements should be put in place for **the 2019-20 financial year.**

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

Decision-making

The [SCR Assurance Framework](#) outlines the decision-making process for the LEP and MCA. As explained in previous sections, the MCA is ultimately responsible for all decisions and expenditure for the SCR. The SCR Assurance Framework describes the MCA's accountability as well as defining the structures, roles and responsibilities of the LEP and MCA in decision-making. This includes delegated decision-making of the SCR's Thematic Boards. It also provides a detailed description of the process for assessing, approving, delivering and monitoring projects. It highlights the different LEP and MCA policies that are in place to ensure we are accountable and open and transparent with the public, including the requirement on LEP and MCA Board members to act in accordance with the seven Nolan Principles of public life.

The LEP's legal status, the Board member recruitment and appointment process, the roles of the Chair and Deputy Chair, and the decision-making process are outlined further in the [LEP Terms of Reference](#).

Regular Reviews of Governance Documentation

SCR has reviewed, updated and published the SCR Assurance Framework on an annual basis since 2016. The next review is scheduled for December 2018 ahead of the publication of the revised SCR Assurance Framework in February 2019. This will be completed in the context of the revised National Assurance Framework, when published.

The LEP Terms of Reference have also been refreshed on an annual basis and an updated version is due to be presented to the LEP Board for approval at its meeting in January 2019. This updated version will reflect the recommendations from the LEP Review and the National Assurance Framework.

Publicising SCR Governance Arrangements

In Spring 2018, we launched our new-look website. The website has a specific section on 'Governance' with sub-sections on ['Who We Are'](#), ['How We Make Decisions'](#), ['Meetings'](#) and ['Democracy and Elections'](#).

The new website is much easier to navigate, enabling members of the public to find information on decisions that are due to be taken so that they can comment on them (publicised in our Forward Plan of Decisions), decisions that have been made by the SCR Boards (including grants and contracts awarded) and the individual policies and procedures that LEP and MCA members and SCR staff are required to comply with.

SCR's Assurance Framework is published on the SCR website.

Review of Roles and Responsibilities

Following the election of the SCR Mayor earlier this year, the SCR Constitution was reviewed and re-drafted. This document outlines the functions and responsibilities for the Mayor, MCA Board, LEP Board, Thematic Boards and Audit and Scrutiny Committees. The revised Constitution was approved by the MCA Board in September 2018.

The specific responsibilities of both the LEP Chair and LEP Vice Chair were reviewed in Autumn 2018 in preparation for the recruitment of a new Chair and Vice Chair.

To further strengthen our governance and transparency, SCR is committed to producing and publishing a concise and non-technical summary of the roles and responsibilities outlined in the Assurance Framework, LEP Terms of Reference and SCR Constitution. This document will ensure that members of the public are clear on who is responsible for decision-making in the SCR. It will be published in January/February 2019.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **November/December 2018** – LEP Terms of Reference reviewed and updated
- **December 2018** – SCR Assurance Framework reviewed and revised
- **January 2019** – Revised LEP terms of Reference agreed by LEP Board
- **February 2019** – Publication of the concise and non-technical summary on roles and responsibilities; 'How We Make Decisions'
- **February 2019** – SCR Assurance Framework agreed by LEP and MCA Boards

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Due to the current status of the SCR Devolution Deal, SCR is in the unique position of being a Mayoral Combined Authority without the powers and funding associated with this Deal. In 2018, SCR managed this situation by producing an updated version of the LEP Assurance Framework rather than publishing a MCA Single Pot Assurance Framework, as other MCAs did.

As we plan to start work on drafting our Assurance Framework in December, we would welcome an early discussion with Government to clarify the approach to be adopted in 2019.

Recommendation:

The Government will **support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight**, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer. LEPs and S151 Officers should refer to forthcoming guidance from CIPFA on the role of the S151 Officer.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SCR already has a number of audit and scrutiny measures in place for the LEP as part of our governance arrangements. Our focus will therefore be on strengthening the existing measures outlined below:

Overview and Scrutiny Committee

The Overview and Scrutiny Committee meets quarterly and holds the LEP, MCA and Mayor to account and ensures that all aspects of decision-making are transparent, inclusive and fair. They check that the LEP and MCA are delivering their objectives and that SCR policies and strategies are made in the best interests of SCR residents and workers. The Overview and Scrutiny Committee has the authority to review and scrutinise a decision made, or action taken, by the LEP, MCA, Mayor, Thematic Boards or Sub-Boards and they can at their discretion make recommendations for change or improvement.

The Overview and Scrutiny Committee has a Work Plan of future topics that they will scrutinise and this is a standing agenda item for discussion on Overview and Scrutiny Committee meeting agendas along with the Forward Plan of Key Decisions. Committee members are encouraged to propose additional topics for scrutiny. This year the Overview and Scrutiny Committee has considered the Superfast South Yorkshire programme and the Housing Fund Pilot, both of which have been funded by the Local Growth Fund (LGF).

Audit and Standards Committee

The Audit and Standards Committee meets at least quarterly and provides a high-level focus on assurance and monitor the day-to-day operations of the organisation. Their role is to ensure that the SCR is fulfilling its legal obligations, is managing risk effectively and has robust control measures in place. The Committee reports into the MCA on both financial and non-financial performance. At its last meeting the Audit and Standards Committee considered the overall performance of the SCR LEP's LGF programme.

Technical Analysis and Appraisal of Funding Applications

All applications which are seeking SCR investment, including internal and external funding applications, are appraised by the SCR's independent Assurance Team. The team uses a number of

appraisal modelling tools to assess value for money and strategic alignment. The outcomes of the appraisal are forwarded on to the SCR Appraisal Panel.

SCR Appraisal Panel

The SCR Appraisal Panel meets on a fortnightly basis to review all business cases and projects that are seeking funding. The panel consists of the MCA's three statutory officers or their representatives (Monitoring Officer, Section 151/73 Officer and Head of Paid Service) and relevant officers from the SCR Executive Team. The panel makes recommendations to the appropriate decision-making Boards on whether to endorse, approve, defer or reject funding applications.

Value for Money Statements

The Section 151/73 Officer signs-off all Value for Money Statements on schemes for the MCA.

Financial Accounts

The LEPs accounts are produced and published every year as part of the SCR Group Accounts (incorporating the MCA, LEP and Local Transport Authority). The draft accounts are considered by the Boards in June/July each year.

Internal and External Audit

SCR has an established process for both internal and external audit. The audit arrangements cover both the LEP and MCA funding and activities. SCR produces an Internal Audit Plan at the start of each financial year which is reviewed at the end of the year.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **December 2018** – appraisal, assurance and scrutiny processes reviewed as part of the development of the revised SCR Assurance Framework

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

None – not applicable.

Mayoral Combined Authorities

Recommendations:

Government will **consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing a Local Industrial Strategy.**

To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we **will support Local Enterprise Partnerships and mayoral combined authorities to develop and publish agreements – brought together in a single document with relevant financial assurance frameworks – which set out their respective roles and responsibilities** in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

Information required in implementation plan:

For LEPs in mayoral combined authorities, LEPs and the relevant combined authority should discuss the distinct role of the LEP and their future working arrangements.

If appropriate, you should outline your LEP's plans to review these arrangements and plans to develop a published agreement of roles and responsibilities. The LEP should provide an update on any discussions to date. This should be consolidated in the LEP's Local Assurance Framework by the **28 February 2019.**

LEP response

Please outline the LEP's response to the recommendations. The response should consider the information required, outlined above:

The SCR LEP and MCA already have coterminous geographical boundaries.

As stated in the previous section, both the [SCR Assurance Framework](#) and SCR Constitution outline the respective roles and responsibilities of the LEP and MCA, where accountability lies and the decision-making and scrutiny processes that are in place for the LEP and MCA. The Constitution was updated and approved by the MCA Board in September 2018 and the Assurance Framework will be updated in the coming months. This Framework will need to be agreed by both the MCA and LEP.

We have previously stated our commitment to producing and publishing a concise and non-technical summary of the respective roles and responsibilities of the LEP and MCA in the New Year. To deliver the above recommendation on a single agreement between the LEP and MCA, we will ensure that this document simply explains the roles, responsibilities, finances and how the LEP and MCA work together.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- **November/December 2018** – LEP Terms of Reference reviewed and updated
- **December 2018** – SCR Assurance Framework reviewed and revised
- **January 2019** – Revised LEP terms of Reference agreed by LEP Board
- **February 2019** – Publication of the concise and non-technical summary on roles and responsibilities; 'How We Make Decisions'
- **February 2019** – SCR Assurance Framework agreed by LEP and MCA Boards

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

As stated in the previous section, due to the current status of the SCR Devolution Deal, we would welcome an early discussion with Government to clarify the approach to be adopted in relation to the SCR Assurance Framework.