




South East Local Enterprise Partnership

Delivery Review Initial Findings

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Methodology

- Concentrated review of delivery arrangements
- Field work August and September 2014
- Review of documents and desktop research
- Analysis of Local Enterprise Partnerships progress nationally
- 42 interviews with board, government representatives and others
- Presentation of initial findings to South East LEP 26th September



Today

- Context – Performance of LEPs nationally

Then answer the questions posed by SELEP:

- Can other bodies have ‘accountable body’ status
- How best to ensure effective delivery
- How financial and delivery risks are best managed?
- What resources are needed to ensure effective accountability and delivery?





South East

Local Enterprise Partnership




Performance of LEPs nationally

‘Not clear that the government has achieved its objective to increase democratic accountability and transparency’

‘The Government’s commitment to ‘ensuring an orderly transition from RDAs to the new delivery landscape has not been achieved’

‘LEPs are making progress at different rates with some CEPs facing significant capacity issues’

Funding and Structures for Local Economic Growth
National Audit Office (2013)



Performance of LEPs nationally


There are different models of accountability:

- Combined Authority Model
- Full Incorporation into a Company Limited by Guarantee
- Community Interest Company
- Supervisory Board
- Economic Prosperity Board
- Statutory Joint Committee



Performance of LEPs nationally

NAO recommended that DCLG and BIS should:

- **Review the current arrangements for coordination, accountability and transparency of local growth programmes**
 - Continue to monitor and develop the capability and capacity of LEPs
 - Develop project monitoring frameworks to allow genuine comparisons between different programmes
 - Develop a strategy for evaluating the ‘additionality’ of jobs created in Enterprise Zones
 - **Work with LEPs to ensure their transparency arrangements are robust and meet the expectations on local authorities**
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Can other bodies have ‘accountable body status’?

- All Local Growth Funds will be paid as a Section 31 grant determination to a lead ‘accountable body’ for each LEP
- This model will apply irrespective of the different structures and accountability frameworks that will exist
- There will be no direct delegation of Local Growth Funds between government and other parts of the LEP organisation



How best to ensure effective delivery?



How best to achieve effective delivery?

Expectations on the Local Growth Fund will require LEPs to have:

- Clear governance and decision making
- Strong well understood partnership arrangements
- Transparent decision making
- Clear arrangements for options appraisal and prioritisation of projects
- Performance arrangements so that Boards can demonstrate value for money, outputs and outcomes



SELEP - areas for development

- No prioritisation and no transformational projects yet identified
- Roles and responsibilities within the LEP are still unclear
- Accountability framework is ill defined
- Limited processes are in place to assess bids
- Weak performance management and reporting to the Board
- Poor performance so far in relation to Growing Places Fund
- A role for the Coastal Communities, Rural Economy and groups is still to be defined



SE LEP – positives:

- SELEP have identified the need to address these weaknesses by:
 - Developing a robust Transport Assurance Framework with energy and pace
 - Commissioning this wider Delivery Review
- The strategic location of SELEP is second only to London and the ambition in the EP is poor
- There is wide acknowledgement significant potential in working together to develop transformational projects
- There is wide acknowledgement that reputation is at risk and that in order to get the £440 million spent and prepare for the next bidding round a focus on delivery is essential

How best to achieve effective delivery?

Recommendation 1

- Irrespective of the long term composition of the LEP, whilst prioritisation has been a challenge – SELEP should revisit Shared Intelligence's analysis of the need to identify a handful of pan-LEP projects



How best to achieve effective delivery?

Recommendation 2

- SELEP should quickly move to a Accountability Framework model to ensure that there are robust processes in place and that progress in prioritisation, assessment and delivery are managed transparently SELEP. Accountability Framework will provide the accountability structure for decision making within the overarching vision of the Board and the approved bids and will satisfy the accountability processes for the Accountable Body



How best to achieve effective delivery?

Recommendation 3

- The Accountability Framework model should be led by an **Accountability Board** (based on a modified Joint Committee model) comprising local authority voting representation (2) from each of the federated areas alongside two adviser nominees representing H.E. or F.E. and business from each federated areas



How best to achieve effective delivery?

Recommendation 4

- All other assurance sub groups requiring performance management should report into the Accountability Board



How best to achieve effective delivery?

Recommendation 5

- That the Accountability Board should be chaired by a Vice Chair of the Main Board



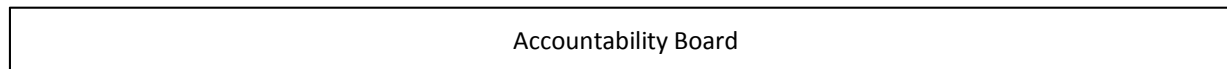
How best to achieve effective delivery?

Recommendation 6

- The Section 151 Officer of the Accountable Body should be a member of the Accountability Board



South East LEP Federal Structure Governance and Accountability Framework



KENT & MEDWAY ECONOMIC PARTNERSHIP	TEAM EAST SUSSEX	GREATER ESSEX BUSINESS BOARD	THAMES GATEWAY SOUTH EAST PARTNERSHIP
Employment & Skills	Employment & Skills	Employment & Skills	Employment & Skills
Transport	Transport	Transport	Transport
Coastal Communities	Coastal Communities	Coastal Communities	Coastal Communities
Rural Economy	Rural Economy	Rural Economy	Rural Economy
Cultural/Creative Industries	Cultural/Creative Industries	Cultural/Creative Industries	Cultural/Creative Industries



The position in South East LEP

Recommendation 7

- SELEP Accountability Board should meet quarterly (or ad hoc as necessary) and become the main performance management structure within the LEP. It should:
 - ✓ Be responsible for appraisals and approvals in accordance with Board recommendations
 - ✓ Ensure accountability from each of the federated areas relating to expenditure and programme
 - ✓ Ensure that any variations to schemes are dealt with properly and speedily with the minimum of bureaucracy
 - ✓ Report on an exceptions basis to the Board on a quarterly basis on performance
 - ✓ Ensure that timely reports on progress are available for central government

Financial and Delivery Risks



How are financial and delivery risks best managed?

Expectations:

- Ensure that bids projects and bids are assessed transparently and clearly linked to the Economic Plan
- Clearly identify who is responsible for delivery
- Have clearly defined activities, outputs and milestones
- Demonstrate that there are clear outputs and outcomes as well as value for money tests
- Demonstrate through robust risk assessments that risks have been considered
- Ensure that adequate performance arrangements are in place



SELEP - Areas for development:

- No prioritisation at a LEP level yet
- Roles and responsibilities within the LEP are still unclear
- Accountability framework is ill defined
- Limited processes are in place to assess bids
- Weak performance management and reporting to the Board
- Poor performance so far in relation to Growing Places Fund
- Weak risk assessment
- Weak performance management arrangements in place



SELEP - areas for development:

- Not developing strategic, transformational bids is a key financial risk to the whole of the SELEP – irrespective of future structure
- There is a lack of clarity over approval processes and performance management
- There is a lack of detail for those projects where match funding has been identified leading to a lack of confidence over delivery
- In the absence of a performance management framework Essex CC's role as accountable body has become the default project approval mechanism
- SEFUND is seen as an exciting prospect but it is not yet well understood and has become a distraction at this early stage of SELEP's development



How are financial and delivery risks best managed? – positives:

- All of the organisations represented around the Board table have delivered major projects
- Good quality detailed programme and project management processes are in place in the lead organisations delivering proposals within the bid
- All agree that the existing arrangements are not satisfactory and work is in progress to develop robust arrangements
- Steps have been taken to clarify the purpose and mechanics of SEFUND



How are financial and delivery risks best managed?

Recommendation 8

- As a matter of urgency publish a '**SELEP Guide to Governance Delivery and Performance Management**' setting out clearly the accountability framework and processes by which bids are assessed, risks considered, approvals made and performance managed



Resourcing the LEP Team



How should South East LEP be resourced? – areas for development:

- The current secretariat are well regarded but there is a lack of expertise in project management
- There is little appetite for replacing arrangements equivalent to the Regional Development Agency
- There is a real concern that the delivery of the the £440m Growing Places Fund is being jeopardised by bureaucratic bottlenecks
- There are skills gaps at a strategic level in the ability to demonstrate accountability – and these gaps will be exacerbated when funding is available for spend in April 2015
- Qualified regeneration professionals do not like being challenged by unqualified gatekeepers



How should South East LEP be resourced?

The SE LEP secretariat comprises:

- 1 x Director
- 1 x Communications and relationship management officer
- 1 x European Officer
- 1 x Administration Officer



How should South East LEP be resourced?



How should South East LEP be resourced?

Recommendation 9

- The SELEP Senior Officers Group should be formally recognised to serve the SELEP Accountability Board and ensure that there is a consistent approach to reporting and performance management



How should South East LEP be resourced?

Recommendation 10

- A neutral Senior Programme and Project Management Officer (SPPMO) Regeneration and Transport be appointed with strong relationship management and brokerage skills to act as the main contact for government and the federated areas



How should South East LEP be resourced?

Recommendation 11a

- A SELEP Employment and Skills Partnership Group should work with the Skills Funding Agency and report to the Accountability Board on approved projects, conduct the necessary risk assessment and progress on a regular basis



How should South East LEP be resourced?

Recommendation 11b

- A post be created within the secretariat to support the Employment and Skills Partnership Group as Senior Employment and Skills Officer (SESO), acting as the interface between the SFA and other partners in the delivery of the Growth Deal, and overseeing performance reporting to the Accountability Board



How should South East LEP be resourced?

Recommendation 12

- That an expert panel be created to provide independent advice to the Accountability Board on the assessment of bids to ensure transparency of process and assurance



Conclusion

- Every party is committed to the devolution of growth policy and funding – no alternative structural programmes to the LEP are emerging
- The LEP has a huge opportunity to make rapid progress – there is a real appetite for delivering on the ambition to be the Most Enterprising Economy in England.
- The reputation and track records of local areas will influence the future allocation of funding by government
- Irrespective of what you do in the future – it is what you do tomorrow that counts – counts for reputation, ensures delivery – but most of all – making sure that the South East of England gets every penny it can for the development of this place and for the benefit of its communities...there is in my view a great deal to lose – but also a great deal to gain
- And finally SELEP's geography, assets and Board Members make it a uniquely powerful organisationwith such potential



Conclusion



Conclusion

