

# Hull and East Yorkshire LEP Board

The LEP Assurance Framework  
Report to the Board, 19<sup>th</sup> April 2021  
Report from Teresa Chalmers  
Agenda item 8 Paper D

## **1. Summary: The LEP Assurance Framework: Accountability for public funding**

- 1.1. The Assurance Framework, [www.humberlep.org/about-the-humber-lep/assurance-framework/](http://www.humberlep.org/about-the-humber-lep/assurance-framework/) provides assurance to Government and Parliament (as well as the residents, businesses and other stakeholders of the LEP region) that there are robust local systems and processes in place which ensure resources are spent with regularity, propriety and value for money.

## **2. Recommendations**

- 2.1. The Board to support the interim arrangements outlined in Appendix 1 until the new HEY LEP Assurance Framework is developed over the next few months.

## **3. Report**

- 3.1. The Hull and East Yorkshire LEP (HEY LEP) is a new LEP that commenced from 1 April 2021, taking over responsibility from the Humber LEP in Hull and the East Riding of Yorkshire.
- 3.2. The Assurance Framework is a document that details the Local Enterprise Partnership's (LEP's) approach to managing funding allocated to it by central Government, in conjunction with its accountable body and the Hull and East Riding Unitary Leadership Board.
- 3.3. The Assurance Framework sets out how the LEP takes decisions and how it complies with rules on transparency and accountability that are appropriate for an organisation that deals with public funds.
- 3.4. To ensure compliance with the National Local Growth Framework and the LEP required Assurance Framework an interim arrangement needs to be in place until such time as the document can be replaced.
- 3.5. It is important that a compliant Assurance Framework is in place so that the LEP can operate according to government requirements from 1<sup>st</sup> April. The new Framework will include the full LEP board structure and governance arrangements.
- 3.6. The Accountable Body will work with the LEP Chair and Chief Operating Officer to ensure the LEP's activities comply with the Assurance Framework from 1<sup>st</sup> April 2021 and that any further development (e.g. the governance structure) maintains consistency with the national framework model.

- 3.7. The Department for Business, Energy and Industrial Strategy and the Hull and East Yorkshire Unitary Leaders Board is supportive of these interim arrangements.

#### **4. Fit with the LEP National Assurance Framework**

- 4.1. The Framework is produced in compliance with the Government's [National Local Growth Assurance Framework](#), which was published in January 2019.
- 4.2. The Framework is normally reviewed annually and is required to be approved by the LEP Board and certified for compliance with the National Local Growth Assurance Framework by the accountable body's Section 151 Officer. This approval process would also apply to any substantive changes required outside the annual review. Any in-year changes will be made within one calendar month, or following the next Board meeting if the changes require Board approval. The current edition is always available from the LEP's website at [www.humberlep.org/about-the-humber-lep/assurance-framework/](http://www.humberlep.org/about-the-humber-lep/assurance-framework/).
- 4.3. In accordance with the national framework, the Section 151 Officer of Hull City Council, the LEP's accountable body, writes to MHCLG's Accounting Officer by 28 February each year certifying that this framework has been agreed, is being implemented and meets the standards set out in the national framework.

#### **5. Role of the LEP**

- 5.1. The LEP is a business-led partnership which brings together businesses and democratically elected council leaders, as well as the University of Hull and education and training providers. The LEP works closely with Government to promote and develop the economic area of Hull and East Yorkshire and provides strategic leadership for economic growth.
- 5.2. The LEP covers the administrative areas of East Riding of Yorkshire Council and Kingston upon Hull City Council. Both local authorities are a full and equal member of the LEP. All businesses in the HEY area have equal access to the LEP and the LEP does not operate on a paid-membership basis.

#### **6. Accountability for Public Funding**

- 6.1. The Assurance Framework seeks to provide assurance to Government and Parliament (as well as the residents, businesses and other stakeholders of the Hull and East Yorkshire region) that there are robust local systems and processes in place which ensure resources are spent with regularity, propriety and value for money.
- 6.2. The new LEP Assurance Framework will be based upon previous Humber LEP's document, in line with the national model. The Humber LEP's Assurance Framework and track record in delivery was assessed by Government to be one of the best, as reflected in feedback from the Annual Performance Review

## **7. LEP Legal Personality**

- 7.1. Strengthened Local Enterprise Partnerships, the Governments review into LEPs in 2018, mandated that all LEPs were required to adopt a legal personality (this could be the Mayoral Combined Authority or a Combines Authorities legal personality where there is one in place). The Humber LEP was already covered by Humber LEP Ltd although it was effectively a dormant company.
- 7.2. The Humber LEP was registered in England as a company limited by guarantee (Humber LEP Ltd, company no. 07988601) and members of its Board were Directors of Humber LEP Ltd. Humber LEP Ltd had an Audit Committee and a Remuneration Committee.
- 7.3. The Board of the company met and took decisions as the company, which are then implemented through the accountable body and other partners. Humber LEP Ltd abided by the laws and regulations that apply to limited companies. The LEP Chief Executive was responsible for company administration, ensuring for example that details of directors are kept up to date and compliant annual returns and accounts are submitted to Companies House. The company has now being wound up appropriately.
- 7.4. HEY LEP is currently awaiting confirmation by BEIS of whether a new limited company is needed and board members will be kept updated in due course. If this is confirmed and directors are required individual liabilities will be protected.

## **8. Accountable Body Role**

- 8.1. The accountable body for the LEP is Kingston upon Hull City Council. Kingston upon Hull City Council holds the LEP's core funding on behalf of the LEP, employs the LEP's Executive Team (which whilst bound and supported by the Council's policies and procedures, are operationally independent) and provides services from its legal, human resource and finance departments. It also receives the Local Growth Fund section 31 grants from Government, and is responsible for drawing up the legal agreements for the projects which will be funded by LGF. Kingston upon Hull City Council's S151 Officer has responsibility for ensuring that a local assurance framework is in place and that decisions are made in accordance with it.