

**Stoke on Trent and Staffordshire LEP  
Annual Performance Review 2018/19**

**Location:** SSLEP Offices Stafford

**Date:** 13 December 2018

**Time:** 11am

**Action from 2017 Annual Performance Review**

<b>Action #</b>	<b>Action Point</b>	<b>Date completed</b>	<b>Resolution</b>
<b>1</b>	The LEP will consider if the changes to the operation of the Strategic Programme Management Board need to be reflected in its Assurance Framework and ensure that its Assurance Framework makes clear where responsibility for oversight of delivery lies and how this will be maintained. Funding decisions will continue to be made by the Executive Group	24/4/18	The revised Assurance Framework & Constitution (v3.0, April 2018) details the role & responsibilities of all the key LEP's Board & Groups. The SPMG met in June 2018 to review the overall investment programme & will be convened in December 2018 to consider the open call recommendations
<b>2</b>	The LEP will review its constitution and Assurance Framework to ensure the roles, responsibilities and structures of both the Partnership Board and Executive Group are accurately reflected therein	24/04/18	The revised Assurance Framework & Constitution (v3.0, April 2018) details the role & responsibilities of all the key LEP's Board & Groups.
<b>3</b>	The LEP should clarify its role in the governance of the Enterprise Zone, and improve the transparency of reporting, particularly financial reporting, to the LEP Executive Group. The LEP should satisfy itself that these procedures align with the LEP's Conflict of Interest policy	24/04/18	CVSIP agreed by LEP Executive Board, April 2018 Governance structure for EZ included within revised Constitution (v3.0, April 2018) Quarterly reporting to Exec Board & PAG
<b>4</b>	The LEP will ensure that more detailed and up-to-date information is available on its web-site that makes clear to whom the LEP has allocated funding and for what	19/11/18	CDGD Project Overview published "How are we doing" on the website (Delivering Growth > Strategy & Progress) Role of board members included in Meet the Board

	purpose, the progress with individual projects and the impact they will have for the local community		biographies Resources > Our People & Partners Ongoing activity to continually improve and raise profile of information within SSLEP site
5	The LEP to ensure that the roles and responsibilities of individual LEP Board Members are made clear and transparent and that its Code of Conduct (which is signed by all Board Members) is published	24/4/18	Roles, responsibilities, code of conduct published on the website (signed copies of code of conduct available from LEP Office)
6	The LEP reported that it is considering the best way for the SME Lead on the board to engage with SMEs in the LEP area, including through use of the Business Growth and Innovation Group which operates as a steering group for the Growth Hub and is undergoing a membership update	Ongoing	SME Lead appointed (Wendy Dean) Constitution (v3.0) "The SSLEP will engage with business through its participation in business networks, local events, the work of the Growth Hub and supporting programmes including local pop up sessions, and an Annual Conference open to all. The Board and SME lead will maintain an overview of these activities and ensure that they are effective" BGI group to include SME & Growth Hub Board Member leads (Wendy Dean, Paul Farmer)
7	The LEP, Accountable Body and Area Leads will discuss at the Programme Assurance Board possible approaches to maximise spend without impacting on output delivery	12/7/18	Review is carried out monthly as part of the Finance & Governance standing agenda item. Following on from the open call, November 2017, a pipeline of projects are regularly monitored and reviewed for potential inclusion. SA to continue to monitor forecast spend. SME Expansion Support business case approved by Exec Group, February 2018 Presentation and discussion at SPMG June 18, with recommendations

			presented to July Executive Board
8	The LEP to strengthen its assessment of business cases, including testing deliverability earlier in the process	24/4/18	Business Case Assessment carried out by independent consultant for all business cases, and regular review programme of progress and deliverability in place
9	Cities and Local Growth colleagues will work with the LEP to explore the potential for bringing forward more private sector-led schemes	19/10/18	State Aid advice presented to PAG by Keele University, April 2018 October open call widely publicised, over 30% of submissions received from private sector
10	The LEP will review the reporting of risks to the Executive Board to assess whether they receive the right level of detailed information across the programme and are properly sighted on programme-level risks	Ongoing	The Audit & Finance Committee are responsible for management of the LEP-wide risk register; as detailed in the revised Constitution (v3.0) LEP-wide risk register produced and discussed at A&F Committee, Executive Board to review all key risks CDGD PAG already provide monthly programme and project risk overview to Executive Board All key sub Groups will be responsible for their own risk register.
11	The LEP will need to consider how the outcomes of the SEP consultation process will be reflected in the refreshed SEP and how this process can be made more visible on the LEP Website	19/11/18	SEP refresh published, August 2018. SSLEP website refreshed: Delivering Growth > Strategy & Progress > Strategic Economic Plan

## Governance

LEP Chair and CEO Statement: Chairman reported a common purpose and shared commitment across the board. New board members had introduced a new way of thinking. Chair's term ends in 2020 and thought being given to his replacement. His focus is on delivery. Some frustrations for the private sector in working with the apparent slow pace of public sector delivery mechanisms. Chair reflected on what would be lost if the LEP didn't exist. He thought that there would be reduced collaboration across the public sector and between the public sector and private sector. The focus had moved from creating jobs

per se to creating higher value of jobs and changing the economy of the patch. These thoughts were echoed by Mohammed Ahmed who added that the new private sector board members were reflecting on how they could bring commercial experience to bear on delivery. He felt that being a board member was a positive experience and he felt that he was being heard.

Section 151 Officer: Simon reported a strong working relationship between the LEP and Accountable Body. He attended many of the LEP groups including the Finance and Audit Committee and the Programme Assurance Group. This gave him good oversight of the LEP. He felt that decision making in relation to projects had improved so that effective action has been taken earlier. He felt that the LEP faced some challenges in relation to incorporation and implementing the CIPFA guidance, but plans were being put in place. Improved reporting had been put in place between Ceramic Valley Enterprise Zone and the LEP.

The LEP's independent Governance Audit reported that the LEP has appropriate controls in place against the National Assurance Framework and the Best Practice Guidance. Recommendations for further strengthening controls have been implemented. This includes Mohammed Ahmed being named as the person responsible for Risk Management.

Risk Management has been reviewed and revised over the last year. A new process has been implemented with new recording and reporting processes. This will be subject to continued review with further improvements to follow. It was noted that board papers are published as per the requirements with only minor slippage noted on one occasion in relation to the Partnership Group. A discussion was held as to whether more papers could be made available for publication to aid transparency of decision making (papers are often marked not for publication at the request local authority partners). This should be a focus of improvement in the coming year. The LEP is careful to ensure that the minutes do record decisions as fully as possible.

Board discussions and engagement have improved in the last year. The LEP needs to ensure that this is channelled to form an effective "LEP" policy response which then drives actions and activities of the sub-groups. A recent example has been the West Midlands Interchange Project.

Currently the board has two vacancies. This will increase to four as the LEP board changes to meet the LEP review requirements for two-thirds private sector membership. These changes to the LEP Board bring an opportunity to consider which sub-groups are needed to support the board's priorities and the role of board members in leading these groups. The role of subgroups in implementing LEP policy and improving reporting to the LEP board was explored. It was felt that board members might have greater ownership of sub-group activities and reporting and that reports should be more than activity reports for noting. They might for example look to include reports against policy objectives, impact and seek board approval for new initiatives.

The LEP Governance Audit recommended that a formal scheme of delegation

covering officers, board members and accountable body would strengthen the project approval process. This delegation will need to be reviewed & updated with the change in Partnership Manager.

The LEP Chair stated that the LEP Executive Team will need to be of a different size and shape as the LEP moves to become a legal entity and implements fully the requirements of the LEP review. While the LEP is planning for the change the posts have not yet been fully defined. An interim Partnership Manager has been appointed and may be in place for up to six months. At the same time he feels that the success of the LEP has been its joint working with the Local Authorities and he would not wish to undermine this relationship.

The role of the LEP as a leader of local growth policy, as distinct from its Local Authorities, was discussed. It is important that the LEP's secretariat is seen to clearly demonstrate its independence and this is recognised by all local authorities and the wider public.

Following the Annual Conversation in 2017 the LEP's Transport Group has invited the DfT Area Lead to join its meetings. However, meeting dates were postponed, cancelled or rearranged at short notice which meant that the Area Lead was unable to attend. Consequently, engagement between the DfT Area Lead and LEP has been limited making it difficult to advocate on the LEP's behalf. The LEP will need to consider how it can ensure effective engagement with DfT Area Lead.

The LEP will be participating in joint LA Scrutiny arrangements in the New Year.

### **Delivery**

The LEP has delivered eleven projects. These are now in the output delivery phase. Output delivery has been modest to-date: at quarter two the LEP reported 372 jobs and 64 houses which are less than 10% of the targets for jobs and houses.

Meeting the output targets by 2021 would appear, based on progress to date, to be a significant challenge for the LEP. However, while the LEP is currently forecasting a short fall of the housing target by 2021 it believes that it will exceed the jobs target.

Encouragingly, following LEP investment, sites in Stafford and Branston are going ahead and speculative units are being constructed at Meaford. However, Liberty Park has still not progressed.

To understand the situation more clearly and to ensure forecasting of outputs is accurate, the LEP's Programme Assurance Group will commission a review of developer activity and planning approvals to ensure forecasting is as accurate as possible.

The LEP commented that it had reviewed its contracting process as a result of

experience. Output delivery is now part of the contractual agreement and it would look to instigate grant clawback where outputs were not delivered.

Accurate recording of outputs and the need to ensure all eligible outputs which can be attributed to LEP interventions are captured was discussed. BEIS suggested that the LEP contact Black Country and LLEP who were engaged in some work looking at this issue.

The Section 151 Assurance Statement notes that the LEP is now making timely decisions with regard to projects that are not progressing. As March 2021 approaches this will need to be a continuing priority for the LEP to ensure that spend and delivery remain on track. Etruria Valley was discussed: this is partly a DfT retained scheme and a Growth Deal one scheme – both elements are subject to an agreed business case with DfT. Louise Clare to check on the timelines for approval and delivery.

It was noted that the Executive Board has developed a clearer focus on value for money in relation to LGF investment decisions. The Programme Assurance Group is also demonstrating its effectiveness in interrogating and challenging project applications. An area for improvement is the written assessments of project applications which are presented to the PAG and Executive Board. These are completed independently of the LEP. It was felt that these should be more robust in their assessment of the projects, in particular in the assessment of value for money, to better support the LEP board's decision making.

The Growth Hub is regarded as providing a solid offer to local businesses with good partnership working at the local level. The Ceramic Valley Enterprise Zone has made good progress in the last year with three of the six sites under active development and with occupiers on site; 790 jobs delivered (of which 372 are new) and effective use of the funding model to support interventions.

The LEP has made good progress in the last year to improve on-site branding of LGF projects. Examples were shared at the review. New arrangements have also been agreed with BEIS to improve milestone communications, which is being implemented from December 2018. However, a number of project websites contain old or incorrect branding (for example Staffs County Council in relation to SWAR; Tamworth Enterprise Centre; and Keele Innovation Hub). Project sponsors should be asked to update their websites to ensure the branding is consistent with current guidelines.

## **Strategy**

The LEP published a revised Strategic Economic Plan in April 2018. This has a clear vision, ambitious targets and a number of objectives. What is less clear, relating back to the earlier discussion on sub-groups, is how these objectives translate into LEP policy and programmes led by sub-groups or working groups with subsequent reporting on progress and outputs back to the board. Thus it is unclear how strongly the LEP board owns the strategic vision and objectives and how these are being driven.

The LEP had been developing new KPIs in conjunction with the Chair of the Audit and Finance Committee who has brought a fresh approach to performance monitoring and reporting.

Stakeholder engagement has increased in the last year. This has covered LEP geography, skills and LIS. The LEP holds an annual conference (delayed until January due to the LEP Review). The LEP has held events in Westminster (hosted by a local MP) to engage MPs. This is in addition to one to one meetings. The LEP is introducing a change for 2019 to put in place more formal communication plans with MPs. The LEP doesn't have a formal engagement plan but does identify a communications budget. It works effectively with the Chamber of Commerce and FSB to support events that engage with local business and raise the profile of the LEP.

Collaboration and cross-LEP working is evident through the work of the LEP with the Ceramic Sector; Constellation Partnership; Midlands Engine and Midlands Connect; Agritechwest. There are existing arrangements between the LEP and its neighbours in relation to working across boundaries. The LEP is considering making these more substantial following the LEP review.

LIS development is in its early stages but the LEP has held a number of "visioning" events as an initial way of engaging key stakeholders. Governance arrangements are in place.

### **LEP Feedback**

The ongoing delay of geography considerations following the LEP review is hindering the LEP's ability to move forwards to fully implement other aspects of the review.

The LEP awaits CLGU guidance on the board member induction and welcomes the proposals for CLGU support in recruiting a new Chair in 2020. Greater certainty about long-term capital funding would support longer-term planning and delivery.

CLGU support for the development of the LIS is welcomed. Specifically, the LEP would welcome:

- Sharing of data and evidence
- Supporting delivery of key messages to businesses
- Being clear on the links between strategy and delivery
- Providing funding for evidence work and peer review
- Connecting the area to government programmes and initiatives
- Helping deliver the aspirations of the ceramic sector

### **AOB**

### **Action Points**

<b>Action #</b>	<b>Action Point</b>	<b>Owner</b>	<b>Date to be completed</b>	<b>Date completed</b>	<b>Resolution</b>
<b>1</b>	Compliance Checks: Staff signing code of conduct	LEP Partnership Manager	21 December 2018		
<b>2</b>	Compliance Checks: Setting out the LEP's relationship with Local Authorities	LEP Partnership Manager	21 December 2018		
<b>3</b>	The LEP to continue to embed and improve its risk management processes.	LEP Partnership Manager	30 June 2019		
<b>4</b>	SME Lead Role to be reviewed, defined and set out on website and ensure capacity is in place	Partnership Manager	30 April 2019		
<b>5</b>	LEP / Accountable Body to commission an audit of Governance procedures against the new National Assurance Framework	LEP / Accountable Body	30 June 2019		
<b>6</b>	LEP to review its policy for publishing board papers to reduce the number of confidential items and ensure maximum transparency of decision making	LEP	31 May 2019		
<b>7</b>	LEP Scheme of Delegation	LEP	31 January 2019		



	relating to project approvals to be reviewed following change in Partnership Manager				
<b>8</b>	LEP to review sub-groups in light of LEP priorities and ensure clear policy objectives, greater transparency and improved reporting to LEP Board	LEP	31 July 2019		
<b>9</b>	The LEP to consider how it can ensure that its role as a leader of local growth policy is distinct from its Local Authorities and that this is perceived as such by local stakeholders and the wider public.		31 May 2019		
<b>10</b>	LEP to consider how its engagement with DfT can become more effective.	LEP	31 May 2019		
<b>11</b>	LEP to commission a review of developer activity and planning approvals to assure current forecast of housing and job outcomes	LEP Programme Assurance Group	31 March 2019		

	and to determine how it secures delivery of housing outputs.				
12	LEP to contact Black Country and LLEP to engage in work looking at output monitoring.	LEP	31 March 2019		
13	Project assessment process to be reviewed to ensure these are robust with clear vfm considerations.	LEP	31 May 2019		
14	Project sponsors should be asked to update their websites to ensure LGF branding is consistent with current guidelines	LEP	28 February 2019		
15	Etruria Valley business case: Louise Clare to check on the timelines for approval and delivery.	Louise Clare DfT	31 January 2019		

**Attendees:**

Tony Bray                    CLGU  
Andrea Whitworth        CLGU  
Alex Rennick                CLGU  
Louise Clare                DfT  
David Frost                 LEP Chair  
Mohammed Ahmed        LEP Board Director (Finance and Audit Committee Chair)  
Peter Davenport         LEP Partnership Manager (departing 21 December)  
Jacqui Casey                Incoming LEP Partnership Manager (Interim)

Simon Ablewhite  
Representative)  
Anthony Hodge

Strategic Finance Business Partner (S151

Commissioner for Business & Enterprise Staffs County  
Council

Phil Cresswell  
James Dunn

Director Place Stoke on Trent City Council

Assistant Director, Investment & Planning Stoke on Trent  
City Council