



Department for
Business, Energy
& Industrial Strategy



Ministry of Housing,
Communities &
Local Government

Cities and Local Growth Unit
1st Floor, Fry Building, 2 Marsham Street,
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11 March 2019

Jacqui Casey
LEP Partnership Manager
Stoke-on-Trent and Staffordshire LEP

By email

Dear Jacqui,

I would like to thank you, David and the Accountable Body for participating in the Stoke-on-Trent and Staffordshire LEP Annual Performance Review this year. With the publication of *Strengthened Local Enterprise Partnerships*, it has been a year of significant change and I am grateful for your continued cooperation, including your ongoing engagement in resolving the geographical overlap. Your participation in the LEP Network Working Groups has helped greatly in shaping this year's assurance processes, culminating in the publication of the revised National Local Growth Assurance Framework.

As with last year, I am writing to communicate formally the outcomes of the 2018-19 Annual Performance Review, and to set out the actions that are required. The agreed note of the Annual Performance Review is attached. Alongside the Section 151 Officer letters to the Accounting Officer, the outcomes of the Annual Performance Reviews will be used to inform recommendations for funding for the 2019-20 financial year.

Performance Review

As set out in the 2018-19 Annual Performance Review Guidance, following the Annual Performance Review meeting, officials in the Cities and Local Growth Unit undertook a review to look at the performance of each LEP across the three themes: governance, delivery and strategy. Following feedback and wider discussion, it was decided not to award an overall marking for this year as initially indicated. It was felt that this was a fairer representation allowing the LEP to focus on each individual theme.

The review also sought to highlight any areas where there may be need for further development or where there is good practice to be shared. This involved reviewing the information provided for the Annual Performance Review meeting along with other sources including Spot Checks on compliance with the National Assurance Framework, Growth Deal data submissions and LEP governance processes and policies.

Following the conclusion of the Annual Performance Review process we have determined that the LEP is compliant with the National Assurance Framework. Feedback under each theme is set out below:

Governance

The LEP's governance is considered to require improvement.

As discussed at the meeting, the way in which the LEP Board and its sub-groups focus consistently on a set of clear objectives (as set out in the strategies of the LEP), translate these into policies and review progress needs to be clarified, with clear private sector leadership. I feel that currently there is the potential for focus to be on process rather than progress, outcomes and risk. The Strategic Performance Management Group needs to provide strategic oversight of investment decisions in the last year.

I urge the LEP to be more proactive on transparency, with the standard practice being that board papers are publicly available and more consistency as to which papers are published. I do note that the LEP publishes all approved business cases which is good practice.

SSLEP's secretariat needs to clearly demonstrate its independence from public partners so that this is clear to partners and the business community.

I welcome the positive relationship with the Accountable Body and the commissioning of an independent Governance Audit. The implementing of recommendations needs to be clear.

As a result the following actions have been identified:

- The LEP should review its sub-group structure in the light of LEP priorities and ensure effective private sector leadership, clear policy objectives, greater transparency and improved reporting to LEP Board by June 2019.
- It is particularly important that there is effective private sector leadership of the Strategic Performance Management Group and that the role of the group becomes embedded into the LEP operations with clear and effective reporting to the LEP board by May 2019.
- LEP to review its policy for publishing board papers to minimise the number of confidential items and ensure maximum transparency of decision making and to ensure all papers are marked as per the LEP's own scheme by April 2019.
- 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 by May 2019.
- The LEP should ensure it is fully prepared to proceed with its Board recruitment process as soon as possible and has reviewed its procedures in line with the LEP Review requirements by April 2019.
- LEP Scheme of Delegation relating to project approvals to be reviewed following change in Partnership Manager by April 2019.

We will work with you to agree an action plan detailing how the LEP intends to approach the areas of improvement.

Delivery

The LEP's delivery is considered to be good.

Your delivery programmes are generally on track and historical levels of spend have been good. To ensure that forecast levels of spend are met next year you must continue active management of your project portfolio, bringing forward new projects or withdrawing funding from projects which are not making adequate progress. A strong and effective Strategic Programme Management Group and a robust project pipeline are central to this.

I welcome the fact that a number of schemes have been completed. Presently the actual number of housing and jobs outputs delivered remains low and focus needs to be placed on ensuring the outputs are being delivered and captured.

The new risk management procedures introduced in the last year and led by a private sector board member are welcome. This process still needs to be fully embedded into the LEP's operations. I am pleased to note that good progress has been made on improving on-site branding of LGF projects and the active seeking of Ministerial quotes to celebrate key milestones.

The following actions have been identified:

- LEP to commission a review of developer activity and planning approvals to assure current forecast of housing and job outcomes and to determine how it secures delivery of housing outputs
- Project assessment process to be reviewed to ensure these are robust with clear value for money considerations.

Strategy

The strategic impact of the LEP is considered to require improvement.

The Annual Performance Review identified that the LEP's refreshed Strategic Economic Plan sets out a clear vision, with ambitious targets and objectives. However, I would like you to focus on clearly translating this into LEP policy and programmes, through sub-groups that reflect the LEP's overall strategic intent, with clearer progress and impact reporting to the board. Without this alignment it is unclear how strongly the LEP Board owns the strategic vision and priorities and the role of the LEP as the convenor and driver of strategic priorities may be obscured.

The new quarterly delivery dashboard is a positive improvement which needs to be embedded into LEP processes. The role of the Vice Chair in leading the development of the Local Industrial Strategy (LIS) is recognised and welcomed. I also welcome the role that you are playing in supporting wider collaborative work, including Midlands Engine.

As a result, the following actions have been identified:

- The LEP should review its sub-group structure in the light of LEP priorities and ensure effective private sector leadership, clear policy objectives, greater transparency and improved reporting to LEP Board.
- It will be for the LEP to ensure that its quarterly delivery dashboard becomes embedded into LEP processes and is used to inform future plans policy and or investment decisions.
- The LEP should consider developing a formal engagement plan to sustain and develop stakeholder engagement, especially through the LIS development.

We will work with you to agree an action plan detailing how the LEP intends to approach the areas of improvement.

Deep Dive

As with last year and detailed at the beginning of the process, we will undertake a series of compliance deep dives into LEPs' governance and transparency arrangements building on the recommendations of the Mary Ney Review. As part of this, we have selected LEPs from across the range of performance markings using a random selection tool. As you are aware, the LEP was selected for a governance deep dive. I trust that you will see the deep dive as an opportunity for review and self-reflection on the processes and systems that the LEP and Accountable Body have in place and I appreciate your time in participating in the deep dive process.

Next Steps

The previous sections of this letter set out some areas where we would like you to focus over the next twelve months and my team will be in touch to follow-up this letter. If you have not already done so you should publish the joint assurance statement you wrote with the LEP Chair ahead of your Annual Performance Review on the LEP website. You will receive further information on the decisions relating to your Local Growth Fund and core funding allocations for the 2019-20 year shortly.

As part of the Annual Performance Review preparation we asked you to provide us with information on where Government could better support you to fulfil the ambitions of your place. We have noted this feedback and will continue to work with you to explore these issues over the coming months. Further, we are committed to working with you over the coming months to support you to deliver local priorities and develop your area's Local Industrial Strategies.

I take this opportunity to remind you of the importance of following the communication and branding guidance as Minister Berry stated last year. This will continue to be a term of your grant offer letter.

Thank you once again for participating positively in the process.



STEPHEN JONES
DIRECTOR, CITIES AND LOCAL GROWTH UNIT

cc. LEP Chair, LEP Chief Executive and Section 151 Officer.