

## AGENDA ITEM 11

### REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

23 NOVEMBER 2017

### REPORT OF THE MANAGING DIRECTOR

#### MARY NEY LEP REVIEW

##### SUMMARY

This report summarises the outcome of the recently published “Review of Local Enterprise Partnership Governance and Transparency”, led by Mary Ney, Non-Executive Director, DCLG Board.

##### RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. note the conclusions of the Mark Ney review;
- ii. note that, as a Combined Authority, the Tees Valley meets or exceeds the standards required as a Local Enterprise Partnership.
- iii. agree to implement procedural changes to conflicts of interest recording, and whistleblowing policy, to ensure the Tees Valley remains fully compliant with national best practice.

##### DETAIL

1. The role of LEPs across the country has developed considerably since 2010, with a variety of models in place for the accountable body arrangements. Following concerns that some LEPs may not be fully compliant with government requirements for governance and transparency, an internal review was put in place, conducted by a Non-Executive Director from the DCLG Board.
2. The review looked at whether current systems provide sufficient assurance to central government that LEPs fully implement existing requirements for appropriate governance and transparency, whether the requirements are sufficient and where improvements can be made.
3. The review focused on the National Assurance Framework in place for LEPs, culture and accountability, structure and decision-making, conflicts of interest, complaints,

the role of the section 151 officer, transparency and government oversight and enforcement. The full report is attached at Appendix 1.

4. The report makes a number of recommendations, including increased focus and designated time on governance and transparency through the Annual Conversation process, where government officials meet with the Combined Authority to review performance. These recommendations have already been incorporated in to the upcoming Annual Conversation process, which is due to commence later this month.
5. As a Combined Authority, we are required to publish a range of information which exceeds the requirements placed on LEPs through the Assurance Framework. For example, we are legally required to publish an annual governance statement alongside our annual accounts, and this will be submitted as part of our upcoming Annual Conversation process with government. The Tees Valley also meets scrutiny, transparency and democratic accountability standards which exceed those applying to the LEP network as a whole.
6. The review highlighted a couple of areas where further procedural improvements will ensure that we stay at the forefront of best practice:
  - The report highlights the responsibility of Councillors to consider the interests they hold as council leaders/cabinet members for council land holdings and commercial interests, and to ensure these are declared appropriately (see paragraph 6.2 of the report). Members are asked to ensure that these interests are disclosed for each Cabinet meeting;
  - The Combined Authority will extend its existing complaints policy to fully cover whistleblowing/confidential reporting from third parties/the public.
7. Cabinet is asked to note the review and this report, and agree to implement the procedural changes identified in paragraph 6.

#### **FINANCIAL IMPLICATIONS**

8. There are no financial implications to this report.

#### **LEGAL IMPLICATIONS**

9. There are no legal implications to this report.

#### **RISK ASSESSMENT**

10. This report is an update and therefore is categorised as low risk.

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