

## **LEP GOVERNANCE UPDATE**

### **1. ISSUE**

1.1 Updating the LEP Scrutiny Board on the governance of Cumbria LEP.

### **2. RECOMMENDATION**

2.1 That the LEP Scrutiny Board note this report and raise any issues in relation to it.

### **3. BACKGROUND**

3.1 LEPs are assessed by Government against three main themes – governance, strategy and delivery. This report is focused on the governance theme and provides reassurances on the steps that the LEP is taking to ensure that Cumbria LEP (CLEP) remains compliant with assurance requirements as a private company limited by guarantee funded by public monies.

3.2 CLEP continues to operate its tri-partite scrutiny arrangements - to Government through the Annual Performance Review and all of the individual Grant Funding Agreements; to Local Government through Board membership and the Scrutiny Board; and to business and wider partners through CLEP's extensive governance arrangements, Annual General Meeting and Annual Report. These sit alongside its responsibilities as a company limited by guarantee and the assurance requirements associated with this.

#### **Board and Wider Appointments**

3.3 Since the last LEP Scrutiny Board, CLEP has appointed five new Board members to replace Board members, who had completed their terms of office or stepped down, including Des Moore and Janett Walker. These new members are Mark Brook, Manufacturing Director, James Walker SPS Limited; Julie Clayton, Chief Executive, Eden Valley and Jigsaw Hospices; Jennifer Cormack, Sales and Marketing Director, Windermere Lake Cruises; Emma-lea Dalton, Business Owner/Director and the LEP's SME Champion and Claire Deekes, Chief Customer Officer, Cumberland Building Society.

3.4 All of these new Board members have been inducted and are picking up new portfolio responsibilities, including Claire Deekes becoming Chair of the newly formed Business Decarbonisation Strategy Group.

3.5 Lorraine Smyth's appointment was extended for a further three-year term, with her continuing to be a private sector representative representing the wider interests of the voluntary and community sector.

3.6 These appointments ensured that CLEP met the gender equality target by Government's January 2023 deadline with the Board now being 50% female and 50% male. The Board also continues to meet its requirement for two thirds of the Board to be from the private sector.

3.7 During the period Mary Robinson, non-Board Chair of the Rural Sector Panel indicated her intention to step down and the Board agreed that Sarah Swindley would take on the role, going forward.

3.8 Local Government Reorganisation will result in further changes to the Board with the public sector places reducing from 6 to 4 to reflect the move to two new Local Authorities, with the shadow Leaders of both authorities invited to join the Board. A compensating reduction of 2 private sector members is planned for Summer 2023, when two members terms of office conclude.

### **Accountable Body**

3.9 Cumbria County Council has acted as CLEP's single Accountable Body since its inception and has provided legal and financial assurance for CLEP funding and investment programmes. This role will transfer to Westmorland and Furness Council, which will be responsible for the management and administration of CLEP funding to comply with Government assurance requirements, with the S151 Officer having the statutory assurance responsibility.

3.10 This responsibility will not confer any preferential treatment in the decision making and allocation of CLEP funding, with investment decisions continuing to be made through the CLEP governance structure as set out in the Local Assurance Framework.

### **Scrutiny Arrangements**

3.11 Currently, CLEP reports to the LEP Scrutiny Board as a single scrutiny body representing all Local Authorities. Going forward, the shadow authorities have confirmed that they will have separate scrutiny arrangements with the LEP required to report to both the Cumberland LEP Overview and Scrutiny Committee and the Westmorland and Furness Corporate Overview and Scrutiny Committee. These arrangements are being integrated into the Local Assurance Framework.

## **Local Assurance Framework**

3.12 The anticipated update to the National Local Assurance Framework has yet to be completed by Government and as such work on updating the Local Assurance Framework to reflect changes to the Accountable Body and membership of the CLEP Board has now commenced. Work is underway to make the necessary changes and a final set of revisions to the Local Assurance Framework will be taken to the CLEP Board in March for approval in advance of vesting day. These changes will need to be agreed between CLEP and the two new authorities.

## **Annual Performance Review**

3.13 Government's Local Growth Assurance Team confirmed that Cumbria LEP's indicative outcome for the 22-23 Annual Performance Review process was: **Met**. This was on the basis of consideration of:

- Quarter 2 2022-23 Getting Building Fund (GBF) and Local Growth Fund (LGF) data returns
- LEP APR return (Annex A)
- LEP compliance checks and Mid-Year Reviews in 2022

3.14 The "Met" rating was achieved across all three themes - Governance; Delivery and Strategic Impact – with "Met" being the highest rating that can currently be achieved. Cumbria LEP is on the "streamlined" assurance tier, and as such is subject to a light touch process, which might not require a formal Annual performance review meeting. Confirmation of this is still awaited.

## **Annual General Meeting**

3.15 The LEP's Annual General Meeting, which is a key aspect of the LEP's wider assurance process to stakeholders and the public, has been arranged for Friday 29 September 2023 at 2.00pm. This will follow a similar format to previous years with the event providing an open invitation to stakeholders and the general public.

3.16 ***The LEP Scrutiny Board is invited to note this report and raise any issues relating to this.***