Oxfordshire Local Enterprise Partnership

Assurance Framework

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Responsibility:	**All members**
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About the Oxfordshire Local Enterprise Partnership

The Oxfordshire Local Enterprise Partnership is business led organisation Incorporated as a company Limited by Guarantee (Not for Profit) that works for all of its stakeholders in business, academia and local authorities. Business representation comes from across all sectors and all sizes of business. It exists to drive the economic growth of Oxfordshire and the creation of Jobs for our communities. The Board of 18 members is led by a private sector Chairman and Deputy Chairman, supported by the Oxfordshire Growth Board Chairman; a Joint Committee which brings together our Local Authority partners in a collective decision making structure. The Board is made up of eight business, three University/college and six local authority representatives working together to deliver the ambitions articulated in the agreed Oxfordshire Strategic Economic plan.

Executive Summary

The Oxfordshire Local Enterprise Partnership (OxLEP) has secured £174m through the Oxford and Oxfordshire City Deal and Local Growth funds which is focused upon driving economic growth through innovation. Our strategy defines four thematic priorities, People, Place, Enterprise and Connectivity focused on meeting the needs of the area's science and knowledge-rich economy, in so doing place Oxfordshire at the forefront of the UK's global innovation ambitions. Building on the successful Oxfordshire City Deal, announced in January 2014, the Deal seeks to drive investment in key sectors – including life sciences, automotive/advanced engineering, satellite & space related technology and Print, media and digital – by strengthening the business-critical infrastructure around the Oxfordshire 'Knowledge Economy Spine'. Aligned to our Strategic Economic Plan, the growth deal package and any future funds including European Funds will support investment in the following four thematic areas:

People   delivering and attracting specialist skills at all levels and across sectors to meet business need.

Place   providing the quality environment needed to support growth.

Enterprise   building on the strength of Oxfordshire's university, industry research, development capacity to develop business collaboration and supply chain potential.

Connectivity   allowing people and knowledge to move freely along the 'Knowledge Spine' and around the county by improving physical (transport) and service (broadband) connectivity

Oxfordshire Local Enterprise Partnership - Assurance framework

This document sets out our Assurance Framework for the management of strategic, operational and project risk within Oxfordshire's growth deal programme. Oxfordshire Local Enterprise Partnership is committed to developing and implementing an Assurance Framework that will provide a systematic and consistent delivery approach. The Assurance Framework will be used by the Board, Executive Team, Accountable Body and partners to identify, monitor and evaluate strategic risks to funded projects.

Assurance is defined[1] as "...an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation." An assurance framework is a structured means of identifying and mapping the main sources of assurance in an organisation, and co-ordinating them to best effect.

The purpose of this document is to provide guidance to all involved in programme, project delivery and the management of strategic and operational issues. It describes the procedures to be used in identifying, analysing, evaluating and monitoring risks to the delivery of key objectives.

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[1] Institute of Internal Auditors Practice Advisory 2050-2

Oxfordshire Assurance Framework will:

- Ensure governance is in place for delivering growth deal programme through the OxLEP and Growth Board structures;

- Provide assurances to stakeholders that effective programme and project management tools are being used to improve decision making;

- Ensure risks are regularly monitored and reviewed to ensure the mitigation is effective;

- Ensure resources are appropriate which will allow the Local Enterprise Partnership to carry out its obligations effectively and will

- Ensure that all members and partners are informed of all decisions and updates accordingly
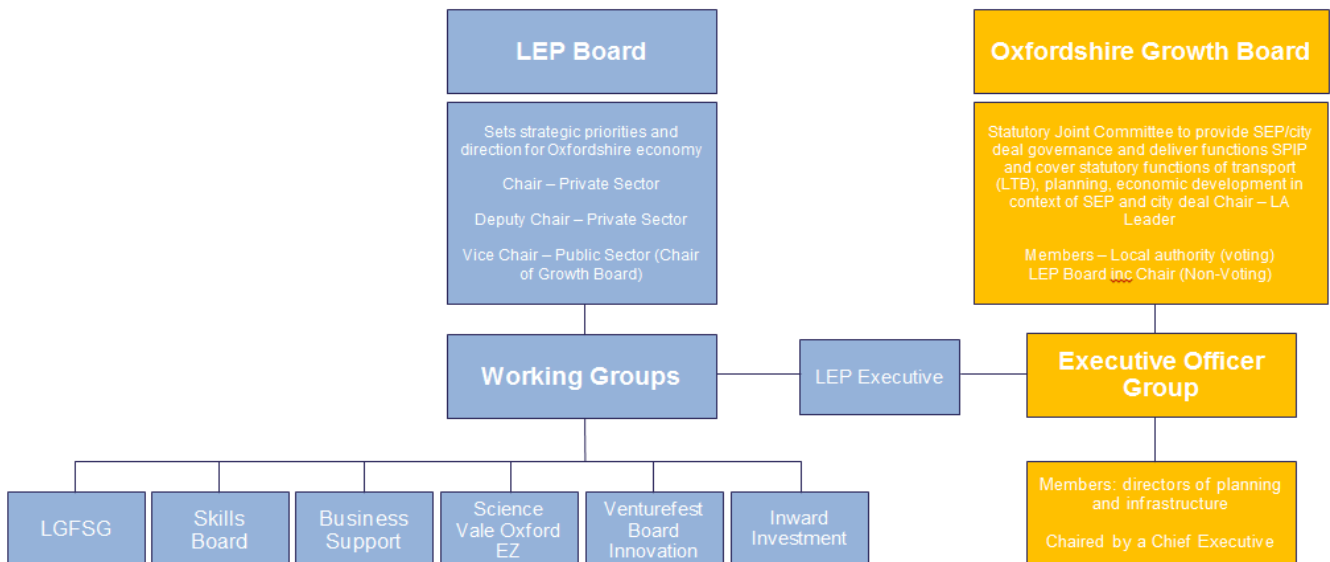
1.   **Membership, Governance and Responsibility**

1.1.   **Background**

- Oxfordshire Local Enterprise Partnership (OXLEP) is a business led strategic body with members and stakeholders from the business community, academia, local authorities, and other sectors.

- The geography covered by the OXLEP is the administrative area of the County of Oxfordshire.

- Oxfordshire County Council is the Accountable Body for the OXLEP supporting delivery of all funding routed through OxLEP including currently the GPF, RGF, City Deal and Growth Deal programme. The relationship is governed through an agreed Memorandum of Understanding (MOU) and detailed Service Level Agreement (SLA) a draft of which is attached.

1.2.   **The Accountable Body is responsible for the following:**

- Administering any funds held on behalf of OxLEP, ensuring (through the Section 151 Officer) that the funds are used appropriately and for the purposes intended; accounted for accurately and are managed in accordance with Oxfordshire County Council's accounting policies and financial procedures

- Ensuring that the OXLEP Assurance Framework as approved by OxLEP Board is being adhered to and support regular monitoring, review and scrutiny.

2.   **The OXLEP Governance**

2.1.   **Oxfordshire Local Enterprise Partnership Board**
- Ensuring that the decisions and activities of the OXLEP are legally defensible and conform with statutory requirements with regard to equalities, environmental, and other EU legislative requirements.

- The Board shall operate on the basis of transparency, openness and good communications.

- The Board shall be responsible for the OXLEP's communications strategy.

- The OXLEP Board shall be responsible for:
  - Setting regional strategic direction and priorities through the Strategic Economic Plan[2] (SEP);

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[2] Strategic Economic Plan http://www.oxfordshireOxLEP.org.uk/cms/sites/OxLEP/files/folders/Strategic%20Economic%20Plan/Oxfordshire%20OXLEP_SEP_summary.pdf

- Fulfilling the SEP desired outcomes by investing in projects that are of strategic importance to the region and robustness of business plans;
- Effectively monitoring performance of public funded projects and other key activities;
- Ensuring that funds delegated or assigned to the OXLEP for investment, where the Board has determined a method of allocation, are being implemented to best effect on behalf of government; and
- Deciding how the activities of the OXLEP should be implemented and utilised effectively.

2.2.   Conflict of Interest management
- Executive Board members must register (through the OXLEP Executive) any conflicts of interest in the Register of Interests held by the Company.
- Directors must make this declaration upon their appointment to the Executive Board.
- If an Executive board member has no interest to register they must complete the form as appropriate and return it to the Executive.
- An Executive Board member must declare any change in their register of interests at the first available opportunity.
- The Executive shall be responsible for ensuring that the register of interests is updated immediately upon the receipt of any change.

2.3.   Gifts and Hospitality
- The OXLEP will have a clear policy on the acceptance and declaration of gifts and hospitality and maintain appropriate records.
- This will be based on the process and practice of Oxfordshire County Council as the accountable body.
- Where constituent organisations have their own policy and records, reference will be made to those.

3.   The structure of OXLEP Board is made up of:
- The Chairman of the Board will be appointed from the Private Business Directors for a period of 3 years and is supported by a Deputy Chairman appointed from the Private Business Directors and Vice Chairman representing the Growth Board. The Chairman is responsible for executing the following duties;

- To chair and ensure the smooth and effective operation of the Board

- To lead on the development of strategy

- To participate in the appointment of and directly manage the CEO of the Company bringing any significant performance or staffing issues to the attention of the Board

- To ensure the Executive is operating effectively and within its mandate, that budgets are appropriately applied and that proper policies and processes are in place and observed

- To ensure effective liaison with Board Directors, Government Departments and to undertake representation / communication / lobbying activity as required according to the business plan or emerging strategies or needs; and

- To comply with any reporting requirements of the accountable body.

- The OXLEP Board will consist of 18 members including Chairman, Deputy Chairman and Vice Chairman. The members are drawn from Private Business, Further and Higher Education and Local Authorities. Membership of the Executive Board shall consist of the following:

  Business/Enterprise Representatives

  o   4 x nominations from the business representative organisations (co-ordinated on the part of the business community by CBI/IoD/FSB and Chambers of

  Commerce)

  o   1 x representative of the Oxfordshire Skills Board (expected to be the Chairman of the Skills Board – who will be a business leader)

  o   3 x representatives of the key spatial locations: nominated by private/public sector partnerships in each location (with the expectation that nominations will be business leaders from the locale) – e.g. Bicester Vision, Science Vale UK, and Oxford and its environs

  o   2 x representatives from the Universities (reflecting their role in supporting and promoting enterprise in the Oxfordshire economy)

  o   1 x representative from the College Sector

  Public Sector Representatives

  o   All 6 Leaders of the Oxfordshire Local Authorities (Oxfordshire County Council, Cherwell District Council, Oxford City Council, South Oxfordshire District Council, the Vale of White Horse District Council and West Oxfordshire District Council).

- The process for selecting Board representatives will be overseen by a Nominations and Appointments Committee drawn from the Board membership and chaired by the Deputy Chairman.
- Directors will be assigned sponsorship roles from one of the thematic areas (Enterprise, People, Place and Connectivity) or working sub-groups based on their professional and career experience.
- Board Director attendance is governed by the adopted Company Articles and By-Laws, they shall make every effort to attend OXLEP Board meetings
- Directors shall operate in accordance with the company Articles and By-Laws, no provision exists for alternates, though members can exercise proxy voting rights in respect of Member meetings only
- Observers may attend at the discretion of the Chairman in a non-voting advisory capacity.

3.1. Executive Team

- The Chief Executive and Executive Team shall have responsibility for; ensuring the efficient administration of the Company
- Ensuring the Board operate within the scope of their agreed articles and bylaws
- Providing information and support to the Chairman and Board
- Developing an annual Operating Plan and overseeing its delivery including risk management
- Monitoring and reporting project progress against operating plan outcomes
- Co-ordinating the production of Board papers and agenda items
- Managing communications activity on behalf of the OXLEP

4. Transparent Decision Making and Local Growth Fund Steering Group (LGFSG)

- For delivering the Growth Deal programme, the OXLEP has established a Local Growth Fund Steering Group (LGFSG) which operates to a high level of transparency, ensuring the active involvement of the regional representatives and key stakeholders in influencing the decisions.
- The LGFSG is chaired by OXLEP Chief Executive and consists of senior members from the local authority, universities and the business community.
- The OxLEP Board are responsible for agreeing the Growth Deal Programme. The LGFSG through fortnightly meetings discuss growth deal programme/project updates and

support the decision making process that feeds via the Growth Board and ultimately OxLEP.

- The OxLEP shall issue a two stage call for proposals through its website, stage one expression of interest, then those assessed to meet the call criteria will be invited to stage two (Business Case) All projects will be subject to an agreed assessment framework developed with government, based upon the agreed DfT assurance framework and key stakeholder input to ensure rigorous strategic and operational fit along with delivery capacity.

- The OxLEP as a Company Ltd by Guarantee will not itself be subject to the Freedom of Information Act 2005 or the Environmental Impact Regulations 2004. However, Oxfordshire County Council as the accountable body will exercise best practice in responding to any such request received direct or via Oxfordshire County Council.

- Where necessary the OxLEP will make published material accessible to the general public to help inform debate (including technical material such as the supported projects) via it's website where not subject to commercial confidentiality.

- The OxLEP will deal with and resolve complaints from stakeholders in accordance with the current protocols adopted ensuring consistency with Oxfordshire County Council as our accountable body

- This will include complaints from members of the public, or internal whistleblowers, in cases where it is alleged that the OxLEP is acting in breach of the law or failing to adhere to its framework or failing to safeguard public funds.

- The OxLEP will provide regular reports on the ongoing delivery of regional projects highlighting any risks and outputs achieved through its "RAG" rated operating plan reporting procedure.

- The OxLEP will also cooperate with the government departments on any national benchmarking, advice or guidance to disseminate best practice, learning and development programmes.

5. **Project Prioritisation**
- The OxLEP has established a robust project assessment process for all projects funded through the growth deal programme this is based upon the DfT agreed EAST Toolkit.

- Projects will be assessed based on the strategic fit with Oxfordshire Strategic Economic Plan utilising the Early Assessment Strategic Tool kit, addressing
  – Deliverability

- – Strategic fit and linkages
- – Scale of employment and housing facilitated
- – Wider benefits
- – Investment required
- – Value for Money

- The OxLEP Programme Team will build on this work and refine the criteria to use for determining the shortlisting and prioritisation of projects, their relative weighting and the contribution they would make to the Strategic Economic Plan.

- The assessment of the business case will be undertaken by appropriately skilled personnel within the Programme Team drawing on external expertise as required.

- The Programme Team will undertake a rigorous risk assessment of each project it will hold and maintain a risk register for all approved projects,

- OxLEP Local Growth Fund Steering Group (LGFSG) will consider supporting projects through the a two stage application (expression of interest)

- Successful applicants at expression of interest stage will be invited to develop a detailed business case business case to be approved by LGFSG.

- LGFSG will require the project sponsor to secure match funding from other sources to contribute to the overall investment in the project.

- LGFSG will ensure that, as a minimum, value for money, deliverability, environmental and social/distributional impact should always be among the factors taken into consideration at this stage.

- Value for money will be assessed, based on the contribution the project and to strategic priorities for business growth, job creation and housing development. The assessment and measurement of the project impact and value for money is measured using the Early Assessment Strategic Tool kit

- The selection criteria will be agreed and matched to strategic objectives by the LGFSG on the advice of the Programme Team;

- In the final analysis the LGFSG will prioritise projects based on strategic fit, deliverability and match funding to support the Strategic Economic Plan priorities subject to Board agreement.

- The OXLEP will take advantage of the opportunities to collaborate and jointly fund projects with its neighbours where it supports cross-boundary strategic objectives.

6. **Project and Programme Management (Incl Risks/reporting)**

- OxLEP shall follow PRINCE2 Project Management Methodology. Stakeholders, professional advice and the requirements for the project will differ project by project but the principle structure remains consistent.

- OxLEP project and programme team will;

  o ensure changes to projects are properly managed and reported to the LGFSG and OxLEP Board;

  o ensure growth deal beneficiaries have correct systems and capability to deliver the project;

  o ensure all procedures and controls are followed and are up-to-date;

  o monitor the contract delivery on an on-going regular basis;

  o work with the delivery organisation on any arising issues that may hinder progress;

  o ensure the correct levels of controls and governance are apparent throughout the project;

  o make sure the delivery organisation deliver against contract, enforcing defaults on contracts;

  o ensure regular monitoring and updates on all growth deal and public funded project; covering risks and issues and

  o ensure compliance with Financial Regulations of the Accountable Body.

- OxLEP will seek to minimise programme risk in its working arrangements. All funded projects are encouraged to develop a Risk Register which forms part of appraisal process.

- OxLEP will nominate the Programme Manager as the key point of contact for any queries by the Board Members between meetings. The nominated contact will be made available to all funded projects and will publicised on the web site.

- The impact of other risks, such as project delays, will be minimised by ensuring funding is not released until a claim is made in accordance with grant offer letter requirements, signed off by the Programme Manager and in arrears.

- Programme risk will receive more intensive management by the Programme Manager where larger budgets and a greater number of or complexity of schemes exist. All projects are reported through the operating plan to the OxLEP board on a quarterly basis.