

Annual SERVICE LEVEL AGREEMENT

1st April 2019 – 31st March 2020

Luton Borough Council (Finance and Audit) and South East Midlands Local Enterprise Partnership

Accountable Body Service

Why this Service is important

Luton Borough Council provides the Accountable Body role for SEMLEP. The role of the Accountable Body has changed significantly since Luton took on this role in 2011. The Ney Review in October 2017 and the LEP Review publication in July 2018 require a far more robust governance and assurance framework within which we have to work. In August 2018, CIPFA published guidance on the role of Section 151 officers in LEP's which need to be considered alongside the National Assurance Framework. The 5 key principles of CIPFA's guidance are:

1. Enshrining a corporate position for the s151 officer in LEP assurance
2. Creating a formal/structured mandate for the s151 officer
3. Embedding good governance into decision making
4. Ensuring effective review of governance
5. Appropriate skills and resourcing

The role of the s151 officer, and therefore the Accountable Body, is therefore critical in ensuring effective governance and decision making within SEMLEP as well as ensuring the delivery of a support service to enable SEMLEP to operate effectively

This agreement will be reviewed annually.

Core Service Provided

1. Luton Borough Council will provide senior officer support to the following SEMLEP bodies and activities:

- SEMLEP Board including review of papers before each Board meeting
- Growth Fund Task Group
- Local Growth Fund - Programme Board; Funding letters; payments; DCLG monitoring
- Finance Risk & Audit Committee
- Growth Hub Board
- Skills Advisory Panel
- Accountable Body Steering Group
- LBC SEMLEP Annual Review
- Annual Performance Review with Government
- Assurance Framework Review and compliance
- Reviewing and approving additional SEMLEP funding bids

- Review of consultation documents/ changes in regulations/ Central Government compliance issues, other
2. Luton Borough Council will act as the Accountable Body for the following SEMLEP funds:
- Growing Places Fund
 - Local Growth Fund
 - SEMLEP core funding
 - Growth Hub Fund
 - Careers & Enterprise Fund
 - Other ad hoc and new funds
3. Luton Borough Council will provide an Audit service to ensure compliance with the annual Assurance Framework and effective governance and decision making within SEMLEP.

Details of Service

The core service will be provided by a small team consisting of the s151 Officer; Finance Business Partner; Principal Accountant; Accountant. This will be complimented by support from the Treasury Management team. Luton's Internal Audit service will be responsible for undertaking any audit work.

The following are the key activities that Luton will undertake to support SEMLEP. Any new or additional activities should be agreed between the s151 Officer (LBC) and Chief Executive SEMLEP. However this can be delegated for minor work.

- **Attendance at meetings and reviews** – Luton will ensure the attendance of officers, at an appropriate level of seniority, at all SEMLEP decision making bodies, programme boards and review groups when required.
- **Making payments** – Luton will make payments to grant or loan recipients for Local Growth Fund and Growing Place Fund. We will also make payments to SEMLEP from its core funding as and when required. All payment requests received by close of business on a Thursday will be paid to the recipient on the Friday of the following week, subject to authorisation from the s151 Officer. Payments dates may differ during Easter and Christmas holiday periods and SEMLEP will be notified in advance if there are any changes to payment arrangements. In exceptional circumstances payments may be made sooner but only at the request of Chief Executive SEMLEP and approval by s151 Officer.
- **Funding Agreements (FA)** – Luton will issue FAs within five working days of receiving a request from SEMLEP. FAs will only be issued after approval by the Growth Funds Task Group.

- **Financial Reporting** – Luton will provide income and expenditure statements on the funds held to Finance, Risk and Audit Committee. In addition we will provide additional statements to SEMLEP within five working days of receiving a request and quarterly in all cases.
- **Advice and Support** – Luton will provide advice and support regarding programmes e.g. where a contract variation is required or new terms are being considered to a bidding round. It will use its expertise to assist with the appropriate management of funds e.g. capital swaps, reallocations between projects and years
- **Ad Hoc Requests** – Luton recognises its role to support and assist SEMLEP wherever and whenever possible and will endeavour to respond to ad hoc and additional requests for support within five working days. However this will be dependent on the complexity of any such requests and the availability of appropriate officers to deal with these.
- **Audit** – At the beginning of each financial year Luton's Risk and Audit Manager and s151 Officer in conjunction with SEMLEP will agree the audit objective and scope of the audit review for the year. This will then be detailed in an audit brief.

Obligations on the part of SEMLEP

- **Payment requests** – SEMLEP should submit payment requests to Luton in a timely manner and in accordance with our payment arrangements. In addition SEMLEP should ensure that requests are supported by appropriate levels of evidence.
- **Meetings** – SEMLEP should send meetings requests as far in advance as possible to ensure appropriate officer availability.
- **Accountable Body** – SEMLEP should ensure that Luton is informed of any issues, contentious or otherwise, which may have an impact on the AB arrangement or conformance with the Assurance Framework.

Quality Assurance Standards

- SLA performance will be reviewed at Accountable Body Steering Group meetings.
- An annual review of the Accountable Body arrangements and performance will be held with the Chief Executive LBC and SEMLEP, in late February.
- Accountable Body performance will be reported regularly to the SEMLEP Finance, Risk and Audit Committee.

Charging Arrangements

- Accountable Body service - £75,000 per annum
- Audit service - £500 per day up to a maximum of £10,000 per year

Service Contact

Name:	Gerry Morgan, Principal Accountant
Telephone:	01582 546990
E-mail:	Gerry.morgan@luton.gov.uk