**Mansfield Place Board**

**Core Group Meeting**

**3rd April 2025**

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| Agenda Item No. |  |
| Presenting Organisation | Mansfield DC |
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**Mansfield Local Funding Assurance Deep Dive**

**1 Purpose of Report**

1.2 To advise the Board on the implications and expectations arising as a consequence of a Ministry of Housing, Communities & Local Government (MHCLG) Local Funding Assurance Deep Dive.

1. **Background** 
   1. Over the past few months, Mansfield District Councilhas been the subject of a deep dive as part of the assurance process outlined in the [Levelling Up Funds Local Authority Assurance Framework](https://ddec1-0-en-ctp.trendmicro.com:443/wis/clicktime/v1/query?url=https%3a%2f%2fwww.gov.uk%2fgovernment%2fpublications%2flevelling%2dup%2dfunds%2dlocal%2dauthority%2dassurance%2dframework%2flevelling%2dup%2dfunds%2dlocal%2dauthority%2dassurance%2dframework&umid=d7c9ef4c-97c9-436b-8251-082739875152&auth=b64fdcf61719d4cd77bdeb222f2dcfd4b2b8abbe-0a88d2254520f5a917aaf54229d9e0a0c0da9714) and the updated guidance for local authority recipients of MHCLG sourced external funding.
   2. The purpose of a deep dive is to enable the MHCLG Assurance Team to review the governance and counter fraud, procurement, and subsidy control procedures associated with this funding. Full co-operation was offered to the MHCLG Assurance Team, with a focused discussions and input with representatives from the authority responsible for the fund(s) and financial oversight, led by the Regeneration Manager and the Assistant Director for Finance & Digital and Section 151 Officer. The deep dive looked across the breadth of fund(s) in a single assurance review.
2. **Considerations**

3.1 Specific guidance covers the extent of the process for local authorities in receipt of growth funds and required completion of an extensive workbook and the exchange of information and evidence on strategic and specific project issues, including:

* Desk based checks completed by the Assurance Team covering documents and the workbook and in depth meetings with the Assurance Team.
* The focus will be further exploration of information to secure confidence of governance, counter fraud, procurement and subsidy control for the fund(s) in scope
* Procurement and subsidy control samples
  1. In amongst the general overview of policies and procedures, the Assurance Team sought to review these against the process of managing a sample of projects, including Mansfield Connect, the Future Technology Skills and Knowledge Exchange Council and the Berry Hil, Park project. Additionally, the Assurance Team wished to review governance matters and compliance with the due process as applied to the respective funding.

1. **Conclusions**

4.1 Overall, the Council received a positive response to the Deep Dive process, with some key considerations for the Council in its role as programme manager and as the accountable body for the respective funds – these same considerations apply to the Council’s role on future funding. The key issues may be summarised as follows, taken directly from the report:

* Mansfield District Council (MDC) has governance structures, systems, and processes in place for managing funds, and through a programme of internal audit review appears to keep the adequacy of its systems under review. A thorough decision-making process is implemented, with levels of review and scrutiny to ensure accountability and effective oversight.
* MDC has proactively reviewed the governance structure of its Place Board (including the Town Deal Board function) to meet the changing needs of the management of funds and to consider best practice, as demonstrated by the ToR and Code of Conduct revised in March 2024.
* Whilst MDC has in place conflict of interest policies, and interests can be seen to be recorded, limited published information was available to demonstrate how any conflicts were considered and managed in Place Board meetings. A recommendation has been made to further aid transparency of interests and to serve as good practice.
* MDC acknowledged that published information needs updating to fully meet the prospectus and transparency requirements. An action has been raised in this respect which the council is already progressing.
* Regular evaluations and performance monitoring indicate a proactive approach to governance. Whilst the council's capacity is limited, the existing processes suggest a structured and capable management approach.
  1. Two specific remedial actions were referenced, one about publishing fraud statistics which is being addressed and of relevance to the Board, to ensure the Place Board papers and associated Place Board information was published in a timely fashion and was up to date. This has now been addressed, but with additional ideas as to Board performance and wider communication to be reviewed following the Board review meeting on the 28 March 2025.

4.3 It should be added that the review of the process behind the management of the individual projects was concluded satisfactorily. The Assurance Team also recognised and accepted that MDC had positioned itself with the Place Board’s support over compliance with the then guidance for Long Term Plan for Towns and was awaiting further guidance on the (to be announced) Plan for Neighbourhoods to facilitate any further required changes.

* 1. A series of wider recommendations were made and those that relate to the accountable body’s responsibilities going forwards include:
* For **transparency**, where an interest has been declared, it should be documented whether the conflicted member abstained from voting on any related decisions in accordance with the Board's Code of Conduct. It is also advisable to record conflicts of interest at every meeting, including to document where no conflicts have been raised.
* Fund-specific risks related to the management and delivery of grant funding received from MHCLG should be assessed and documented in a **risk register** to ensure the safe administration of grants.
* Where **procurements**, relating to projects funded via MDC are managed by a third-party, MDC should provide effective arrangements to ensure these comply with the requirements of the appropriate public contracts regulations and that **due diligence** is undertaken.
* MDC strengthen and formalises the approach to **subsidy control** by ensuring it has effective documented systems in place to review the subsidy control position of each project; considers how the position will continue to be monitored throughout delivery, and that any potential subsidy risk identified is managed appropriately and transparently in line with the UK subsidy control regime.

4.5 While the audit itself reflects well on MDC, the above considerations will need to be factored into future arrangements including the Plan for Neighbourhoods. That includes reflecting on governance in line with the new prospectus and how these requirements are embed into the process for project development, assessment and approval.

1. **Recommendation**

5.1 It is recommended that the Board notes the recommendations arising from the deep dive, and agrees that they will be factored into the revisions to the governance and project business case development going forwards, most notably for, and in line with, the new Plans for Neighbourhoods programme.