

**Report to:** West Yorkshire Combined Authority

**Date:** 13 December 2018

**Subject:** **LEP Review outcome**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

## 1. Purpose of this report

- 1.1 To inform the Combined Authority of the latest position in response to Government's policy positions set out in *Strengthened Local Enterprise Partnerships*. The report also highlights potential implications for the Combined Authority as those measures are implemented.

## 2. Information

### Local consensus on LEP geography

- 2.1 At its last meeting (11 October 2018), the Combined Authority endorsed the proposal from the Leeds City Region Enterprise Partnership (the LEP) Board to initiate a new LEP covering the whole of West and North Yorkshire. While this complied with the Government's policy positions in *Strengthened Local Enterprise Partnerships* it was noted that the York, North Yorkshire and East Riding (YNYER LEP) wished to retain the status quo with overlapping geographies.
- 2.2 Following Ministerial discussions with LEP Chairs, the YNYER LEP chose on 16 November to submit an alternative proposal that supports a West and

North Yorkshire LEP. The Leeds City Region Enterprise Partnership Board reaffirmed its proposal (22 November) for that geography (fig.1), which was set out in a letter to the Secretary of State is attached as **Appendix 1**.

*Fig.1 – the proposed geography of a West and North Yorkshire LEP*



- 2.3 The LEP Board's position means Barnsley will be covered by the Sheffield City Region LEP, although there will be strong ties made with neighbouring areas (e.g. Humber LEP, Sheffield City Region, etc.) to further develop activity on issues of mutual interest.
- 2.4 This means that a new LEP, representing a population of 3.1million and economy worth £70.3billion a year, provides the scale that is expected to give the region even greater influence on a national and international matters. This will include developing a local industrial strategy that reflects the opportunities across rural, coastal and urban communities and improves the region's ability to attract investment and influence Government policy, such as securing a significant share of the UK Shared Prosperity Fund (UKSPF) – which could be worth hundreds of millions of pounds a year to the region. The Government has been clear that LEPs that do not resolve overlaps will not have access to the UKSPF.
- 2.5 In addition to the submissions on Government on geography, the LEP also submitted (30 October) an implementation plan setting out how it will meet Government's requirements on leadership, accountability and performance. That was accompanied with a request for £200,000 for additional capacity to help implement those ways of working and begin to develop a strong evidence base for a new local inclusive industrial strategy.

- 2.6 A response from the Secretary of State, James Brokenshire MP, to Roger Marsh was received on 4 December 2018, welcoming the LEP's positive response to the review recommendations including the resolution of overlaps. It also confirmed that the LEP would receive an allocation, to be confirmed shortly, to support the implementation of the review and building the evidence base for the Local Industrial Strategy. This is attached at **Appendix 2**.

#### Implementation and implications for Combined Authority

- 2.7 In setting this direction, both LEPs are committed to meeting the challenge of focusing on the real business concerns across a geography which equates to 8% of England by learning from elements that work best from current arrangements, and use the new LEP as an opportunity to try new things.
- 2.8 Both LEPs have agreed to form a joint Transition Subgroup that will set the initial, high-level direction towards implementing a new LEP. Comprising Board Members from each LEP, the Transition Subgroup will make recommendations to both LEP Boards in March 2019. This will ensure there is a clear routemap to a new LEP for West and North Yorkshire becoming operational in April 2020. Some of the expected milestones include:
- Formal decision by the LEP Board to merge – March 2019
  - Recruitment process of new LEP chair – after April 2019
  - Recruitment process for new LEP board – once LEP chair appointed later in 2019/20
  - Formal creation of new LEP Board – April 2020
- 2.9 The Transition Working Group will operate collaboratively and transparently across workstreams which cover:
- a) Transition and leadership
  - b) Policy and strategy
  - c) Identity, communications and engagement
  - d) LEP membership and recruitment
  - e) Decision-making
  - f) Programme delivery
  - g) Project delivery
  - h) Regional influence
- 2.10 The Combined Authority is the accountable body for the LEP, and we have set out our intention to Government that it will be the single accountable body for the new LEP. There is currently also a fully integrated governance model that provides a very transparent and efficient way of working. Accordingly, recommendations in several workstreams will have implications for the Combined Authority, such as on leadership, decision-making and programme delivery. These implications will be reported to the Combined Authority as the Transition Working Group carries out its work.

### **3. Inclusive Growth Implications**

- 3.1 The ability of the Combined Authority and LEP to drive inclusive growth depends on the powers and resources to make a tangible difference. By

responding positively to the LEP Review, partners position the City Region to have the necessary future tools for a transformative local industrial strategy that will improve the quality of life for all, and particularly those facing the greatest disadvantage.

#### **4. Financial Implications**

- 4.1 There are no financial implications directly arising from this report. The Combined Authority awaits the outcome from its submission to Government for further capacity support, and the future operational costs of the Combined Authority are predicated on an efficient, integrated model with the LEP.

#### **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

#### **6. Staffing Implications**

- 6.1 There are no staffing implications directly arising from this report. Significant additional activity to deliver a new LEP for West and North Yorkshire is being met through reprioritisation of existing staff resources and – potentially – additional capacity funding from Government.

#### **7. External Consultees**

- 7.1 No external consultations have been undertaken.

#### **8. Recommendations**

- 8.1 That the Combined Authority notes the clearer local consensus on the LEP Review and that a joint Transition Working Group will take forward activity

#### **9. Background Documents**

The following background reports are referenced in this report:

- 2 August 2018 Combined Authority – Devolution and Review of LEPs
- 20 September 2018 LEP Board – Strengthened Local Enterprise Partnerships
- 11 October Combined Authority - Strengthened Local Enterprise Partnerships
- 22 November 2018 LEP Board - Strengthened Local Enterprise Partnerships

#### **10. Appendices**

Appendix 1 – Letter from Roger Marsh OBE to James Brokenshire MP, Secretary of State for Housing, Communities and Local Government

Appendix 2 – Letter from James Brokenshire MP to Roger Marsh OBE.