

Report to: Overview and Scrutiny Committee

Date: 18 January 2019

Subject: **LEP Review**

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1. Purpose of this report

- 1.1 To inform the Committee how the Leeds City Region Enterprise Partnership (LEP), Combined Authority and partners are addressing the requirements following Government's review of LEPs to position the City Region positively to deliver a local industrial strategy and access future funding, including the UK Shared Prosperity Fund to support economic growth and social transformation.

2. Information

Background to LEP Review and the role of scrutiny

- 2.1 At its 14 September 2018 meeting, the Overview and Scrutiny Committee was informed of the background, findings and next steps of the LEP Review and the implications for the West Yorkshire Combined Authority, Leeds City Region LEP, and scrutiny.
- 2.2 It was reported at that meeting that early discussions between the Leeds City Region and York, North Yorkshire & East Riding LEPs had been positive, recognising the economic case for a LEP covering West Yorkshire, York and North Yorkshire.
- 2.3 Following discussion of the main issues, the Committee resolved to ultimately support the approach to unite the Leeds City Region, York & North Yorkshire LEP areas, with the West Yorkshire Combined Authority as the accountable body.
- 2.4 The Committee also reconstituted the 'SEP Working Group' as the 'LEP Review Working Group' with responsibility for:

- (a) Engaging with and monitoring the LEP's implementation plan with a focus on ensuring governance, assurance and scrutiny arrangements are robust, transparent and beneficial to all parties
- (b) Scrutinising the development of the Assurance Framework and risk management processes in compliance with new government guidance
- (c) Scrutinising the development of the Local Inclusive Industrial Strategy and policy framework, with a focus on measuring outcomes and performance indicators
- (d) Engaging with North Yorkshire and York scrutiny members

Transition to a new LEP covering West and North Yorkshire

2.5 Since the last committee meeting, the LEP made two submissions, as requested by Government:

- A proposal on 28 September for a single LEP across all of West and North Yorkshire, thereby removing overlaps and providing the basis to drive new activity
- A full implementation plan, submitted on 31 October 2018, addressing other elements including Board diversity, recruitment, etc.

2.6 Following Ministerial discussions with LEP Chairs, there is now a consensus across the Leeds City Region and York, North Yorkshire and East Riding (YNYER) LEPs for a future LEP covering the whole of West and North Yorkshire:

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



- 2.7 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.
- 2.8 This means that a new LEP, representing a population of 3.1 million and economy worth £70.3 billion 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.

Joint Transition Working Group

- 2.9 Both LEPs have also agreed to form a joint Transition Subgroup that will set the initial, high-level direction towards implementing a new LEP. The Transition Subgroup comprises of board members from each LEP (and the chief executives):
- Leeds City Region:
 - Roger Marsh
 - Andrew Wright,
 - Cllr Susan Hinchcliffe
 - Ben Still
 - York, North Yorkshire & East Riding:
 - David Kerfoot
 - Prof Colin Mellors
 - Cllr Carl Les
 - James Farrar
- 2.10 The Transition Subgroup will develop a terms of reference and make recommendations to both LEP Boards in March 2019. These recommendations will provide a clear route map 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
- 2.11 The Transition Subgroup 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

2.12 A terms of reference for the Transition Subgroup based on the headlines outlined above is currently being developed. The first meeting is scheduled for mid-January 2019.

3. Financial Implications

3.1 By meeting the requirements of the LEP Review, the LEP is able to unlock £200,000 of capacity funding to support any associated activity and strengthen the evidence base for a future local industrial strategy.

4. Legal Implications

4.1 There are no legal implications directly arising from this report, but the full implementation of a new LEP will have significant legal implications. These are being identified and addressed through the transition working group, under the guidance of both LEP Boards.

5. Staffing Implications

5.1 There are no direct staffing implications directly arising from this report. The broader delivery of the LEP Review requires significant capacity. Some of this will be covered by Government funding, but other capacity is being reprioritised from other work.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Overview and Scrutiny Committee notes the report.

7.2 That the LEP Review scrutiny working group continue to maintain an overview of developments and provide feedback on behalf of the Committee.

8. 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 2018 Combined Authority - Strengthened Local Enterprise Partnerships
- 22 November 2018 LEP Board - Strengthened Local Enterprise Partnerships

- 13 December 2018 Combined Authority – LEP Review

9. Appendices

None.