
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Strengthened Local Enterprise Partnerships**

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1. Purpose of this report

- 1.1 To update the LEP Board on the latest position in implementing Government's recommendations for *Strengthened Local Enterprise Partnerships*, both in advance of, and in preparation for, the creation of a new LEP. There is a separate report on changes to the Assurance Framework, including those required due to Government recommendations.

2. Information

Local consensus on LEP geography

- 2.1 As noted at the previous LEP Board on 22 November, there is now local consensus that supports the development of a West and North Yorkshire LEP as proposed.
- 2.2 Following Ministerial discussions with LEP Chairs, the York, North Yorkshire, and East Riding LEP (YNYER) 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 which is attached as Appendix 1.
- 2.3 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 support the implementation of the review and building the evidence base for the Local Industrial Strategy. This is attached at Appendix 2. Since this letter was received the additional funding allocation of £200,000 has been confirmed.

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



Implementation

- 2.4 There are two stages to implementation of the Government recommendations. The first stage is to implement recommendations to ensure that current arrangements for the LEP are compliant, which all LEPs will have to do. The second stage involves those changes that need to happen in order to create a new LEP by April 2020.

Changes required to current arrangements

- 2.5 At the previous meeting Board Members received a detailed implementation plan which was submitted to Government. This set out how the LEP will be compliant with Government recommendations and the actions that will be taken. It was submitted on the basis that there would be no changes to LEP geography and therefore most of the plan will now be incorporated into the work of the Transition Subgroup set out below. As set out in the LEP's implementation plan, the Draft Annual Delivery Plan will still be brought to the March LEP Board.
- 2.6 One stipulation of the implementation plan is that LEPs are required to have a process in place for recruitment of the Chair and that the business community must be consulted before appointing a new Chair. This process must be in place by 28 February 2019.
- 2.7 The LEP supports the principle of consulting widely and transparently. To date, private sector representatives have been appointed in accordance with

the LEPs diversity statement and through an open, transparent and non-discriminatory recruitment process, as required by the LEP Constitution. As set out in the LEP's implementation plan, the LEP undertook to formalise a comprehensive recruitment procedure for the LEP Chair and other private sector representatives on the LEP, and on any committee (including an advisory panel) of the Combined Authority which reports to the LEP. The proposed procedure is attached at Appendix 3 to this report. The diversity statement to which the procedure refers will be reviewed by the LEP Board at its meeting in March 2019.

- 2.8 It is anticipated that the proposed recruitment procedure set out in Appendix 3 will in effect be an interim procedure for the LCR LEP only, pending a further collaborative review of recruitment processes as part of the transition to a new LEP. It is anticipated that the collaborative review will extend to role profiles for relevant positions, and that wider consultation (for example, through the Business Communications Group) will also be undertaken in respect of any revised procedure.
- 2.9 The current private sector membership of the LEP Board is well balanced, but there are five private sector representatives whose terms of office are due to expire in June 2019. The LEP Chair's appointment letter dated 20 September 2016 confirmed a term of 3 years from 1 July 2016 with the option of a further year. Having continuity and experience during a period of transition will be crucial, and it will be difficult to successfully recruit during a transition period. It is therefore proposed to offer an extension to each of these 5 private sector representatives and also to the Chair, so that their terms of office will expire when the new LEP is established by April 2020. This will facilitate an orderly transition to a new LEP.

Creation of a new LEP

- 2.10 In order to implement the new geographic proposals and other Government recommendations a Transition Subgroup with members from both YNYER LEP and LCR LEP has been established. The remit of this group will be to make recommendations at the March 2019 Board meetings of the respective LEPs about the working arrangements for a proposed new LEP to cover North and West Yorkshire, to be operational from April 2020.
- 2.11 In developing the Transition Subgroup's membership, both LEPs sought to strike a balance between public and private leadership with:
- Two private sector members from each LEP Board
 - A local authority Leader from each LEP Board
 - The respective LEP Director for each LEP
- In addition, it is suggested that a representative from the City of York be appointed to the Transition Subgroup.
- 2.12 The Transition Subgroup will operate in a way that is:
- Collaborative and transparent – recognising the interests of both LEPs and the nature of North and West Yorkshire's diverse economies and

communities, and the need for the working group to build trust across parties.

- Informed – sharing openly, current ways of working to help partners reflect on ‘the best of both’ in order to shape future options.
- Prioritised – ensuring Board-level direction and leadership on those issues that require attention first, with space for detailed options to be worked through by officers.
- Ambitious – this change is being made for positive reasons, providing opportunity to explore and set-out transformative ideas for how a new LEP might operate.

2.13 The group is focussing on 8 areas, which combined will cover all of the Government’s recommendations, to report on at the next LEP Board. These are:

1. Transition and Leadership – make recommendations on practical solutions to enable a new LEP to be operational by April 2020.
2. Policy and Strategy – make recommendations about the Local Industrial Strategy approach to ensure improved economic and social outcomes across all constituent parts of the new LEP.
3. Identity, Communications and Engagement – make recommendations on the new LEP’s identity and approach to communication and engagement during the transitional phase and for the new LEP.
4. LEP Membership – make recommendations on LEP Board structures and membership in line with the LEP review requirements.
5. Decision Making – make recommendations on decision making for the new LEP.
6. Programme Delivery – make recommendations on the approach to managing existing programmes.
7. Economic Services – make recommendations about the approach to shaping and delivering economic services.
8. Regional and National Influence – make recommendations on relationships, opportunities and risks.

2.14 The Transition Subgroup will bring recommendations from the above workstreams to the March LEP Board for approval.

3. Financial Implications

3.1 There are no financial implications directly arising from this report.

4. Legal Implications

4.1 Subject to approval by the LEP Board, the Combined Authority at its meeting in February 2019 will also be asked to endorse the recruitment procedure, in so far as it relates to appointments of private sector representatives to Combined Authority committees.

5. Staffing Implications

- 5.1 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.

6. External Consultees

- 6.1 There have not been any external consultations.

7. Recommendations

- 7.1 That the LEP Board approve an extension to the terms of office for each of the following 5 private sector representatives, to expire when the new LEP is established by April 2020:
- Ian Cherry
 - Prof Bob Cryan
 - Rashik Parmar
 - Joanna Robinson
 - Andrew Wright
- 7.2 That the LEP Board approve an extension to the terms of office for the LEP Chair, to expire when the new LEP is established by April 2020.
- 7.3 That the LEP Board approve the Private Sector Members' Recruitment Procedure set out in Appendix 3 to this report.
- 7.4 That the LEP Board endorse the operational remit of the Transition Subgroup and the plan to bring recommendations to the next LEP Board in March.
- 7.5 That the LEP Board support the suggestion that a representative of City of York Council is an additional member of the Transition Subgroup.

8. Background Documents

- 8.1 None

9. 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.

Appendix 3 – Private Sector Members' Recruitment Procedure.