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

Date: 26 March 2019

Subject: **Strengthened Local Enterprise Partnerships**

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1. Purpose of this report

- 1.1 To update the LEP Board on the work of the Transition Subgroup (TSG) in implementing Government's recommendations for *Strengthened Local Enterprise Partnerships* in advance of the creation of a new LEP. There is a separate report on changes to the Assurance Framework as a result of Government recommendations, including the requirement for a LEP Delivery Plan.

2. Information

- 2.1 At the previous meeting Board Members received an update on the establishment of a Transition Subgroup (TSG), made up of members from both YNYER LEP and LCR LEP. The purpose of this group is to make recommendations to both LEP Boards about the working arrangements for a proposed new LEP to cover North and West Yorkshire, to be operational from April 2020.
- 2.2 The TSG are not yet in a position to make firm recommendations on the merger/creation of a new LEP. Positive progress has been made but more needs to happen to enable final recommendations on the creation of a new LEP. Discussions are ongoing on the following major issues:
- Accountable Body
 - Legal Personality
 - Decision-making structures
 - LEP Secretariat and support functions

Principles and Culture of a New LEP

- 2.3 The TSG are clear that we are seeking to do something unprecedented – to create a new LEP in place of two, covering a large and diverse economy, geography, population and business base. The ambition to create a new LEP which is better than the existing LEPs, by learning from the best practice in

each organisation and harnessing the diverse business and social makeup as a driver of innovation, is challenging.

- 2.4 There are risks in creating a new LEP covering such a broad area. The two current LEPs also have different cultures which have been developed over time to reflect the differing needs of their regions. TSG members agree that this needs to be recognised and that the creation of a new LEP must take the best of both.
- 2.5 To make this successful the vision and culture of the new LEP is important. This includes addressing the following:
- How we create ownership with our businesses and communities
 - How we ensure we are local to all areas
 - How we will build partnerships across the whole area
 - The values of the new LEP
 - What behaviours we will demonstrate
 - How we approach strategy development
 - How we demonstrate independence

It is also important that a new LEP:

- Looks and feels new;
- Has business at its heart;
- Displays independence and avoids conflicts of interest;
- Makes decisions at an appropriate level.

Local Industrial Strategy

- 2.6 There is a separate report on the development of a Local Industrial Strategy (LIS) which covers the new proposed LEP areas of West and North Yorkshire.
- 2.7 The development of the LIS is an example of where good progress has been made in advance of the establishment of a new LEP.
- 2.8 The process of developing a joint LIS will be fundamental to setting out the approach and activity of the new LEP. Priority is being given to genuinely reflecting the distinctive places and ensuring local engagement and ownership. This does create a challenge in ensuring engagement on such a testing development timescale, and this is being addressed through a robust project plan.

Economic Services (Business Support and Skills Delivery)

- 2.9 There has been good progress made in discussing how the economic services functions of both LEPs can serve the diverse areas and communities of the new LEP. There is a real opportunity to provide an extensive service that works for all across the new area.
- 2.10 It has been discussed that in the creation of a new LEP there should be a minimum core offer developed for all businesses, with signposts to other more specific and relevant support.

- 2.11 In the meantime, LCR and YNYER will work together to maximise joint call opportunities in ERDF and ESF funding.
- 2.12 It is worth noting that LCR are already supporting YNYER around Inward Investment, including the YNYER lead within their training and development programme and the Growth Hub business advisers have deliberately been developed to ensure they do not overlap on geographies.

Existing Projects and Programmes

- 2.13 Discussions on how to manage existing projects and programmes have been positive. It is proposed that an approach which avoids unnecessary complication is adopted in the creation of a new LEP. This would mean that:
- Existing programmes are managed out through existing Accountable Bodies with no contract novation unless circumstances require it in the future, which is considered unlikely. As a consequence North Yorkshire County Council will retain Accountable Body status for YNYER legacy projects, City of York Council will retain Accountable Body Status for York Central Enterprise Zone and West Yorkshire Combined Authority will retain Accountable Body status for all LCR legacy projects.
 - Programme over-commitment is down to individual LEPs with the risk retained by their existing Accountable Bodies.
 - There is no expectation that over-commitments can simply be passed onto future Shared Prosperity Funding or similar.
 - Existing Loan Fund treatment, Enterprise Zones income, and Growing Places Fund treatment continues, with money to be reinvested within the region it originates. Meaning existing programmes and returns on investments will be ring-fenced.
- 2.14 It should be noted that future schemes will have different geographies within the geographical area of the new LEP. This is no different to how both LEPs operate at the moment.

3. Financial Implications

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

4. Legal Implications

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

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 note the report and that further advice and recommendations on the establishment of a new LEP will follow at a later meeting.

8. Background Documents

8.1 None

9. Appendices

None