
Report to: West Yorkshire Combined Authority

Date: 17 March 2022

Subject: **Future of the LEP following the Levelling Up White Paper**

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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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide Combined Authority members with an update on the current position regarding LEPs following the launch of the Levelling Up White Paper (LUWP) and propose next steps for arrangements for the LEP and the Combined Authority.

2. Information

Background

- 2.1 As detailed in agenda item 8, the publication of the LUWP provided clarity that for LEPs within Mayoral Combined Authority (MCA) areas, the LEPs would be integrated into the MCA. Further details are expected from Government over the coming weeks. Within MCAs it is expected there will be greater freedom for the MCA/LEP arrangement to be developed according to local need.
- 2.2 West Yorkshire Leaders and the Mayor have written to LEP private sector members (see appendix 1) to underline the importance of the existing deep partnership with the private sector, the opportunity to further strengthen this arising from the LEP review, and the retention of the LEP as part of the MCA.

Principles of working between the private and public sector

- 2.3 West Yorkshire (and the wider Leeds City Region) has a strong history of joint working with the private sector. Since its formation in 2011, this has been embodied directly through the Local Enterprise Partnership (which had direct delivery responsibilities from central Government), and also with strong working relationships with business representative groups (the Chambers of Commerce, the CBI, FSB and IoD), sector representative groups (Made UK, etc), as well as a set of relationships with individual businesses and companies supported by LEP business growth funding or advice. Examples of the working relationship and successes this has enabled are provided at Appendix 2 to this paper.
- 2.4 Going forward it is important to build on this track record of success and the principles which underpin that success. It is considered that this means that the MCA has meaningful input from the private sector, Voluntary and Community Sector, Higher Education and Further Education sectors into:
- Shaping overall economic and inclusive growth strategy, ensuring the policies can translate into meaningful action.
 - The need for Equality, Diversity and Inclusion considerations to be at the heart of all of the work of the MCA/LEP.
 - The MCA business support offer, and its promotion and delivery.
 - Promoting and facilitating inward investment, trade missions and export work.
 - Ensuring that skills and employment support is focused on local labour market needs.
 - Ensuring that workers' rights and conditions are kept in frame.
- 2.5 It is therefore proposed that:
- Private sector vice-chairs with voting rights on MCA committees should be retained.
 - Private sector members should remain as advisory members of MCA decision making committees.
 - That strong links with the business representative groups should be retained and strengthened where possible, this is also the case for the VCS sector, FE/HE and Trade Unions.
- The following sections deal with the practical implications of these principles.

Role of the LEP

- 2.6 The current (June 2021) LEP constitution sets out:
- The Leeds City Region Enterprise Partnership ('LEP') is a non-statutory strategic body responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve the productivity of the Leeds City Region.
 - It is an autonomous business led private-public local partnership, which brings together private and public sectors from across Leeds City Region, to provide strategic leadership.
 - The Leeds City Region Enterprise Partnership Board ('LEP Board') is the decision-making forum of the LEP.

- 2.7 The constitution sets out the key roles of the LEP are to:
- Provide strategic leadership.
 - Unlock the region's vast potential by enabling businesses to grow and develop.
 - Stimulate growth that will create jobs and prosperity for everyone who lives, works and does business in the region.
 - Develop strategy and policy aimed at meeting both the current and future needs of the region's economy.
 - Deliver schemes that support businesses and accelerate growth.
- 2.8 In the light of the LUWP, which removes programme funding from the LEP, and wishes to see the LEP integrated into the MCA, it is proposed to strengthen and simplify the relationship between the MCA and the LEP via the following:
- The LEP remains a non-statutory partnership body to drive inclusive growth and improve productivity, with public and private membership.
 - It becomes the primary business advisory board to the Mayor and the MCA.
 - It provides strategy and policy advice to the MCA to meet the current and future needs of the region's economy.
 - It provides a conduit for business/private sector voice onto MCA decision making panels.
 - It leads on an agreed set of business priorities, such as diversity in business and a focus on start-ups.
 - Its members to have clearly defined portfolios for their work with the MCA, and LEP members are involved in economic decision making in the same way as present.
- 2.9 It is proposed that if these proposals are agreed, then more detailed work will be undertaken to:
- revise the LEP constitution.
 - review options for more defined portfolios for LEP board members.
 - consider formalising the role of the Business Communication Group as a Mayoral Business Representatives Forum which meets quarterly to support and inform the Mayor on key business issues and opportunities.
 - Consider the name and brand of the LEP, in the context of a wider consideration of MCA 'family' branding.

LEP chair

- 2.10 The LEP chair has played a hugely important ambassadorial and leadership role, regionally and nationally, in line with the autonomous nature of the LEP and the channelling of Government funding via LEPs. The role is based on a 3-day a week model, which is remunerated in line with the level of funding and influence the role has previously been responsible for. The LEP chair role is currently appointed by the LEP Board. The National Assurance Framework, which currently governs the work of LEPs dictates that the LEP chair must be from the private sector.

- 2.11 The LUWP places more emphasis on the role of the Mayor as the lead on economic growth within the MCA area. However, it also identifies the importance of a strong independent business voice as a LEP chair. It is therefore important that the LEP Board is seen as the lead independent advisor to the Mayor, leading on actions and activities as determined by the Mayor. In addition, the Devolution Order includes the provision that a representative of the LEP Board is a member of the Combined Authority. Currently this is the LEP Chair.
- 2.12 As a result of this it is expected that:
- The LEP Chair would be a Mayoral appointment, using an open and transparent process that has been the hallmark of LEP member appointments to date. This would involve current members of the LEP and the MCA on the appointment panel.
 - The time commitment of the LEP chair will be less than the current 3 days a week. The current expectation is that one day a week would suffice. This reflects the role of the Mayor, allows space for other LEP board members to do high profile work, and widens the scope of potential candidates.
 - Remuneration is retained, which would be consistent with other Mayoral advisory roles. The level of remuneration would be assessed independently.
 - Profile and publicity is still important, especially in national LEP and business forums, however that scope of this profile will be set by the Mayor.
- 2.13 The term of the current LEP chair ends at the LEP AGM in June 2022. To enable further guidance from government to be received and a robust recruitment process to be undertaken, it is proposed that in the interim the role of LEP Chair is left vacant. During this period the Deputy Chair or another private sector member of the board would be asked to undertake any key tasks until the new chair is appointed.

Next steps

- 2.14 Once the proposals set out in this paper are agreed, more detailed work will be undertaken regarding the role of the LEP as detailed in para 2.9.
- 2.15 Further views and discussion will be undertaken with the current LEP chair and members of the LEP board. The LEP Board Awayday scheduled for 31st March will also be used to discuss and refine proposals.
- 2.16 Engagement with business is undertaken to emphasise the important nature of the public/private partnership in West Yorkshire. A number of events are currently being organised with the Mayor, including the UK's Real Estate Investment and Infrastructure Forum in May. Further planning and consideration will be given to wider engagement.

3. Tackling the Climate Emergency Implications

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

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report. Though it should be noted that it is proposed that inclusive growth will remain a key priority for the LEP.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report. Though it should be noted that it is proposed that equality and diversity will remain a key priority for the LEP.

6. Financial Implications

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

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report. However the re-drafting of the LEP constitution will have legal implications, these will be noted at a future meeting.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That members note the content of the paper and the proposed future arrangements for the LEP.
- 10.2 That members consider and agree the next steps set out in para 2.14-2.16.

11. Background Documents

- 11.1 There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Letter to LEP Board members

Appendix 2 – Examples of the working relationship between the public and private sector in West Yorkshire