

**Report to:** West Yorkshire Combined Authority

**Date:** 23 June 2022

**Subject:** **LEP Integration**

**Director:** Ben Still, Managing Director

**Author:** Emma Longbottom, Head of Policy and Strategy Coordination

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 1. Purpose of this report

- 1.1 To provide an update on the current position regarding LEP Integration following the launch of the Levelling Up White Paper (LUWP) and subsequent Guidance for Integrating LEPs into Local Democratic Institutions.
- 1.2 To seek comments on the draft West Yorkshire Integration Plan (IP) ahead of submission to government in July.

## 2. Information

- 2.1 As previously reported, the publication of the Levelling Up White Paper in February 2022 provided clarity that for LEPs within Mayoral Combined Authority (MCA) areas, the LEPs would be integrated into the MCA. Further details were provided by government in March when the [Guidance to Integrate LEPs into Local Democratic Institutions](#) was received.
- 2.2 The guidance sets out:
  - three **pathways** for LEPs to become integrated. It is considered that West Yorkshire are part of pathway 1 - Integrating LEPs into (M)CAs or institutions with devolved powers for the purpose of hosting a county deal.
  - The **timescales** for developing an integration plan. As West Yorkshire is part of pathway 1 it is expected that the integration plan will be submitted to government by 29 July 2022.

- The future **role of LEPs**, (as integrated) which will be to:
  - Embed a strong, independent, and diverse local business voice into local democratic institutions.
  - Carry out strategic economic planning in partnership with local leaders that clearly articulates their area's economic priorities and sectoral strengths.
  - Continue to deliver a number of functions on behalf of government departments. Being engaged by government on delivery such as:
    - Growth Hubs;
    - International trade and investment activity;
    - Local Digital Skills Partnerships;
    - Careers Hubs;
    - Local skills analysis via Skills Advisory Panels; and
    - Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.
- Detail of how the LEP should be integrated in **governance** terms:
  - The LEP board should become the MCA business board.
  - The MCA will have the flexibility to preserve the current LEP board as a sub-board or merge the LEP board into an existing or new internal business board(s).
  - The MCA has flexibility to adjust the membership, including by inviting the participation of local economic partners outside of the business community.

### **Integration Plan**

- 2.3 As the Combined Authority has already integrated the LEP into the Combined Authority, the WY Integration Plan is light touch, with no major changes. A draft for consideration is provided at appendix 1 to this report. This will be discussed at the LEP Board on 15<sup>th</sup> June and any updates following this discussion will be provided verbally.
- 2.4 The Integration Plan (IP) builds on the good practice which is already in place and as previously agreed sets out that:
- Private sector vice-chairs with voting rights on MCA committees will be retained.
  - Private sector members will remain as advisory members of MCA decision making committees.
  - That strong links with the business representative groups will be retained and strengthened where possible.

### **Role of the LEP**

- 2.5 The IP also sets out the proposed focus of the LEP Board, in its advisory role, which will be to provide a private sector voice to the decisions of the Combined Authority specifically relating to economy, productivity, inclusive growth and employment and skills. In addition, the Combined Authority may request that the LEP considers 'deep dive' questions as required, regarding the economy to support and enable evidence-based decisions to be made.

- 2.6 It is considered that membership of the LEP should remain focussed on the business community and be predominantly made up of diverse private sector representatives and business. However as discussed at the LEP Board awayday membership may be broadened over time to improve representation.
- 2.7 The LEP is an active participant and supporter of the LEP Network which links the 38 LEPs nationally, encouraging collaboration and resolving common issues. Membership to the network is made through an annual subscription; for 2022-23 this cost is £7,000 and is provided for within current year budgets. The cost supports the network and membership in coming together on shared importance and shared knowledge, which more recently includes support through the integration process.

### **LEP Chair**

- 2.8 As previously reported, the LUWP set out change to the role of LEP Chairs, as the role will be vacant from June 2022, the following principles will be used to develop a new profile for the future LEP Chair. It is expected that recruitment will commence in September 2022:
- The LEP Chair will be a Mayoral appointment
  - An open and transparent process to recruit the new Chair will be implemented. It is proposed that this will involve current members of the LEP and the MCA on the appointment panel. The panel will be chaired by the Mayor.
  - Remuneration will be retained and will be assessed independently prior to recruitment commencing.
  - Profile and publicity of the Chair will still be important, especially in national LEP and business forums, however that scope of this profile will be set by the Mayor.

### **LEP Governance**

- 2.9 Future formal LEP Board meetings will take place four times a year, to provide opportunity for more informal workshop style sessions.
- 2.10 The current LEP Constitution and governance model will be maintained until agreement on the integration plan is received from government. Post integration it is considered that the LEP will not require a separate constitution to that of the CA, however until this time it will operate as currently. The CA constitution will be reviewed later in the year to ensure that any best practice from the LEP constitution is maintained. This is likely to include:
- The principle that the LEP Board remains private sector led.
  - EDI principles around board members.
  - Maintaining roles such as SME champion and Diversity Champion.
  - LEP Code of Conduct.
  - Light touch procedure rules.
  - Transparency rules.
  - Conflicts of interest.

## **Next steps**

- 2.11 Once the proposals set out in this paper and the draft Integration Plan are agreed, the IP will be submitted to government ahead of the deadline. A timetable is provided at appendix 2 to this report.

### **3. Tackling the Climate Emergency Implications**

- 3.1 Tackling the climate emergency will remain a key priority for the LEP Board, through supporting and advising on the delivery of the Mayor and Combined Authority's Climate and Environment Plan. Examples include supporting the decarbonisation of industry, leveraging private sector investment to help support the region's target to be net zero by 2038, and the creation of green jobs.

### **4. Inclusive Growth Implications**

- 4.1 Inclusive growth will remain a key priority for the LEP. A major role of the LEP Board in the future will be advising the Mayor and the CA about how to achieve inclusive growth, improve productivity in a way that is inclusive, and how to target and develop programmes for business growth and job creation that target communities that have previously been less supported.

### **5. Equality and Diversity Implications**

- 5.1 Equality and diversity will remain a key priority for the LEP. Recruitment to the Board will continue to provide a diverse membership to ensure that a full range of views and communities are represented. Ongoing wider involvement of the LEP "family" i.e. members of CA thematic committees in regular informal workshops will provide more diverse voices in the business of the LEP.

### **6. Financial Implications**

- 6.1 The report sets out at 2.7 the established financial contribution to membership of the LEP network, which is £7,000 for years 2022-23 and is already included in the Combined Authority budget.

### **7. Legal Implications**

- 7.1 There are no legal implications directly arising from this report. However, the integration of the LEP constitution into the CA 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 provide comment on the draft Integration Plan.
- 10.3 That authority is delegated to the Managing Director of the Combined Authority to finalise the Integration Plan in line with comments received and submit to government ahead of the deadline in July.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Draft Integration Plan  
Appendix 2 – LEP Integration Timetable