

Report to: West Yorkshire Combined Authority

Date: 7 September 2023

Subject: **Strengthening Private Sector Engagement**

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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To provide the Combined Authority with an update on local plans to strengthen private sector engagement and partnerships as a result of national policy changes.

2. Information

National context

- 2.1 In 2011, LEPs were established by the then Department for Business, Innovation and Skills to tackle growth challenges faced by various regions in the country. The LEPs initially took over some tasks previously managed by the then regional development agencies when the latter ceased operations in March 2012.
- 2.2 Since their creation, LEPs have played a pivotal role in fostering growth in local areas and ensuring regional economic policy is aligned with the direction of the private sector.
- 2.3 On 4 August 2023, Dehenna Davison MP (Minister for Levelling Up) and Kevin Hollinrake MP (Minister for Enterprise, Markets and Small Business) wrote to LEP Chairs, CA Mayors, Local Authority Leaders, and the Mayor of London (Appendix 1).

- 2.4 Following the Spring Budget 2023 announcement that Government was "minded to" withdraw core funding for LEPs from April 2024, Government has now confirmed that decision after the conclusion of its information gathering process on this proposal.
- 2.5 The functions of LEPs are to be transferred to Local Authorities in areas where they are not already being delivered by Combined Authorities or the Greater London Authority (this includes the Leeds City Region Enterprise Partnership).
- 2.6 Government will provide "some revenue funding" to Local Authorities and Combined Authorities in 2024/25 to support the transition and help with delivering functions currently carried out by the LEPs. Funding beyond this period is subject to future Spending Review decisions.

Local implementation

- 2.7 The Leeds City Region Enterprise Partnership (LEP) has worked to unlock West Yorkshire's vast economic potential since 2011 by enabling business and enterprise to thrive. Working with public and private sector partners, the LEP has provided support and funding to help businesses grow, attract new investment to the region and develop the skills, energy and digital infrastructure to create jobs and prosperity.
- 2.8 The LEP secured the £1 billion-plus Local Growth Deal, the largest such deal in the country, with Government to help transform the Leeds City Region economy through infrastructure, housing and business support.
- 2.9 West Yorkshire (and the wider Leeds City Region) has a strong history of joint and close working between the public and private sector. Since its formation in 2011, this has been embodied directly through the LEP (which had direct delivery responsibilities from central Government), and also with working relationships with business representative groups (such as the Chambers of Commerce, the CBI, FSB and IoD), sector representative groups (Made UK, etc), as well as with individual businesses and companies supported by LEP business growth funding or advice.
- 2.10 This relationship is seen nationally as best practice and the Combined Authority agreed to build on this track record of success and the principles which underpin that success. 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 policies, projects and actions.
 - 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.
- 2.11 At the March 2023 LEP Board meeting, the Board received an update on its evolving role with an emphasis on ensuring that the strong partnership between the public and private sector is further strengthened.
- 2.12 Since that meeting, the Combined Authority begun the process of integrating the LEP with the committees and is continuing to explore how best to maintain and grow a strong private sector voice by considering:
- Transitioning from the LEP Board to a new Business Board with a new chair. This board will be the primary source of business advice to the Mayor and Combined Authority and will influence policy and strategy to meet the current and future needs of the economy.
 - The new Board Chair also acting as the Lead Mayoral Business Advisor. Private sector board members would also be assigned specific portfolios, relevant with their expertise and interest.
 - A new “wider” business council made up of business leaders from across the region to further expand the CA's relationship with the private sector and help to shape policy. This would be convened by the Mayor.
 - Refreshing the CA's perspective on the most effective way to meaningfully engage with the private sector, including how to ensure a deeper relationship with the business rep groups.
 - How best to meaningfully engage with the third sector without duplicating existing local arrangements and efforts.
 - The possible creation of a new WY level board for systems leadership
- 2.13 CA Board members will be fully engaged through this process. The Inclusive Economy, Skills and Culture directorate of the Combined Authority will lead this process and ensure the relationship with business and the private sector remains effective and productive.
- 2.14 The new Board members were announced at the previous Combined Authority meeting in July 2023 and are listed below.
- Annette Joseph MBE – Diverse and Equal
 - Jane Atkinson CBE – Infinium UK Ltd
 - Sherin Matthew – AI Tech Ltd
 - Aaron Holt – Holdson Ltd
 - Lisa Johnson- Starship Technologies
 - Natalie Sykes – James Wilby
 - Nicky Chance -Thompson – Piece Hall (formally co-opted member)

- Asma Iqbal – Chadwick Lawrence LLP (formally co-opted member)
- Fara Butt – Shire Beds (formally co-opted member)

They join the existing private sector members of the board who are:

- Mandy Ridyard – Produmax
- Kully Thiarai – Leeds 2023
- Kamran Rashid – Impact Hub, Bradford
- Professor Shirley Congdon – University of Bradford

2.15 The Mayor and the Leaders of Bradford, Calderdale, Kirklees, Leeds and Wakefield are permanent members. The new Board Chair (to be appointed in the early autumn 2023) and the Board members will agree its new name and terms of reference.

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 new board and business council.

5. Equality and Diversity Implications

5.1 It is proposed to maintain the focus on equality and diversity within the LEP constitution and EDI will remain a key priority for the new board and business council.

6. Financial Implications

6.1 It should be noted that core funding from Government for LEPs nationwide will be withdrawn from April 2024.

6.2 “Some revenue funding” will be provided by Government to support this transition in 2024/2025 but funding after this period will be subject to future Spending Review decisions.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

7.2 Legal and governance implications regarding changes to the constitution and governance model of the LEP were set out in the March LEP Board 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 Combined Authority members note the latest Government position on LEPs.

10.2 That Combined Authority members note the steps being taken to transition LEP functions into the Combined Authority and strengthen the relationship with the private and third sectors.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

1. Transfer of Local Enterprise Partnership (LEP) core functions to combined and local authorities