

---

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

**Date:** 22 November 2018

**Subject:** **Strengthened Local Enterprise Partnerships**

---

**Director:** Alan Reiss, Director of Policy, Strategy and Communications

**Author(s):** Jonathan Skinner

---

## 1. Purpose of this report

- 1.1 To inform LEP Board Members of the latest position and next steps to implement Government's recommendations for *Strengthened Local Enterprise Partnerships* as a means of positioning the City Region to deliver extraordinary economic growth and sustained social transformation.

## 2. Information

- 2.1 At its last meeting on 20 September 2018, the LEP Board noted the outcome of Government's review of LEPs, culminating in recommendations in the '*Strengthened Local Enterprise Partnerships*' paper. The LEP Board agreed to use this opportunity to position the LEP positively to secure the powers and funding that enable the City Region to deliver a local inclusive industrial strategy where everyone contributes to, and benefits from, growth and boosts productivity.

- 2.2 Government's '*Strengthened Local Enterprise Partnerships*' paper covers improvements in three areas:

- Geography, and the removal of overlaps
- Leadership and capacity
- Performance and accountability

The LEP Board previously noted how it is positioned against the specific recommendations and this report updates on further developments.

### *Geography proposal and Government's response*

- 2.3 After thorough deliberation at its last meeting, the LEP Board agreed its preferred geography; that a new LEP is created by combining the York, North Yorkshire and East Riding LEP, except for the East Riding, and the Leeds City Region Enterprise Partnership, except for Barnsley. In reaching this preference, the LEP Board noted that, subject to Government's policy positions and other developments, options for retaining the current geography

(with overlaps) or having a West Yorkshire only geography could be appropriate.

- 2.4 Both neighbouring LEPs with which the LEP overlaps (Sheffield City Region and York, North Yorkshire and East Riding) recommended retaining the status quo, and strengthening links between LEPs.
- 2.5 James Brokenshire MP, the Secretary of State of Housing, Communities and Local Government, has convened discussions across LEP Chairs where geographies remain unresolved. These discussions have confirmed:
- Government is committed to removing overlaps between LEPs without exception
  - Ministers will discuss with LEP Chairs options for delivering compliant geographies, but are not minded to impose mergers where all LEPs do not agree.
- 2.6 Indications are that if a resolution cannot be reached through those further discussions then government's intent will be that those LEPs with an ongoing overlapping issue will have restricted access to UK Shared Prosperity Fund (UKSPF). Government would look to confirm this in the UKSPF consultation and approach. This is likely to have a significant adverse effect on the extent to which the LEP is able to drive extraordinary economic growth and sustained social transformation.
- 2.7 At the time of writing, further Ministerial correspondence is expected. A verbal update will be provided to the LEP Board on that and any subsequent discussions with stakeholders.

#### *Strengthened Local Enterprise Partnerships Implementation Plan*

- 2.8 Government required that an implementation plan be submitted by LEPs to show how they would make the recommended improvements in the areas of *Leadership & Capacity* and *Accountability & Performance*. This was submitted on 31 October following sign-off by the LEP Chair, in accordance with the delegation from the LEP Board on 20 September 2018 (minute 31(iv)) and is attached as Appendix 1 to this report.
- 2.9 LEP Board Members are advised to note the key steps set out in the implementation plan which will be taken over the coming months to fully implement both the letter and spirit of Government's recommendations. These include as a minimum:
- Agreeing a delivery plan by April 2019
  - Publishing an end of year annual report by April 2020
  - Approving a revised private sector recruitment process (to include the process for appointing a new LEP Chair by February 2019)
  - Working towards a two thirds private sector LEP Board membership by April 2020
  - Improving gender balance and representation of people with protected characteristics on the LEP Board, with one third women by April 2020, and achieving an equal gender balance by April 2023

- Updating of the Leeds City Region Assurance Framework to explain exactly who is accountable for spending decisions, appointments and governance of the LEP
- Reviewing how the LEP will secure scrutiny and expert oversight including through local authority scrutiny arrangements.

### **3. Financial Implications**

3.1 There are no direct financial implications arising from this report, other than to note that accessing further capacity funding to implement *Strengthened Local Enterprise Partnerships* is contingent on reaching a resolution on geography.

3.2 There are two associated significant possible financial implications that LEP Board Members are also asked to note:

- Should the LEP not be able to agree and implement compliant arrangements by April 2020, it is likely that businesses and communities will have restricted access to the UK Shared Prosperity Fund.
- Subject to the agreed geography and form of any future LEP, a greater separation of activity with the Accountable Body is likely to increase running costs which are not adequately resourced.

### **4. Legal Implications**

4.1 There are no immediate direct legal implications arising from this report. It does, however, indicate the actions to be taken by the LEP to put in place a governance framework which is fully compliant with Government requirements.

### **5. Staffing Implications**

5.1 There are no direct staffing implications arising from this report. While there are likely to be direct staffing implications depending on the shape of new activity, these will be subject to future reports.

### **6. External Consultees**

6.1 There have not been any external consultations.

### **7. Recommendations**

7.1 It is recommended that the LEP Board note the latest position on future LEP geography, and Government's response to the LEP Board's proposal.

7.2 It is recommended that the LEP Board note the activity covered in the implementation plan, and future actions required by the LEP Board.

### **8. Background Documents**

8.1 None

## **9. Appendices**

Appendix 1 - Implementation Plan