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

Date: 22 November 2018

Subject: **Governance arrangements for the Leeds City Region Enterprise Zone Programme**

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1. Purpose of this report

- 1.1 To outline the proposed changes to the structure of governance arrangements for the Leeds City Region Enterprise Zone programme.

2. Background

- 2.1 The Leeds City Region Enterprise Zone programme includes two Enterprise Zone (EZ) designations, comprising ten sites as follows:
- a) Leeds City Region Enterprise Zone Phase One - Leeds, including Newmarket Lane, Thornes Farm, Logic Leeds and Gateway 45/Temple Green
 - b) Leeds City Region Enterprise Zone Phase Two - multi-site
 - Gain Lane (Bradford)
 - Parry Lane (Bradford)
 - Staithgate Lane (Bradford)
 - Clifton Business Park (Calderdale)
 - Lindley Moor East (Kirklees)
 - Lindley Moor West (Kirklees)
 - Moor Park, Mirfield (Kirklees)
 - Langthwaite Business Park Extension (Wakefield)
 - South Kirkby Business Park (Wakefield)
- 2.2 The EZ programme supports the Leeds City Region's Strategic Economic Plan (SEP) vision for "*the acceleration of development and delivery of high quality employment floorspace in the advanced and innovative manufacturing and complementary sectors*". It supports the principle of 'good growth' by supporting delivery of innovation, good jobs/incomes and improving the quality of places. Each site within the EZ is also identified as a Spatial Priority Area.
- 2.3 The Phase One site is in delivery with a range of units built and occupiers in place. There is a known requirement for enhanced power supply/distribution

infrastructure which is currently progressing through the Full Business Case stage of the Combined Authority's Assurance process. Gateway 45 has also been identified by Government as the site of the new HS2 rolling stock depot.

- 2.4 Some high level pre-feasibility, market demand analysis and business case development has been completed for the Phase Two EZ sites. This includes the City Region EZ Feasibility and Investment Framework (November 2016) which provides a review of all ten EZ sites and the Clifton Business Park EZ Outline Masterplan and Feasibility Study which provides detailed, site-specific analysis on this particular site. Further pre-feasibility studies are currently underway on a number of other sites. Collectively these outline the business case for Local Enterprise Partnership (LEP) and broader public sector investment to unlock growth within EZ locations, enhance and accelerate future EZ business rate receipts and secure delivery of wider economic outputs that support SEP aspirations.

Governance

- 2.5 As set out in the City Region's Enterprise Zone' Strategy and Implementation Plan 2017, the Combined Authority established the Strategic Oversight Board (SOB) in 2016. The SOB was responsible for establishing a shared vision for the Enterprise Zones but did not have decision making capacity.
- 2.6 The guidance and advice provided by the SOB to date has steered the EZ programme forward (with particular focus on Phase Two) and seen good progress being made on the feasibility elements of the sites. This has included the identification of gap funding requirements and a successful 'Call for Projects' bid through the Growth Deal call in 2017/18 which has secured a total programme budget of £48million to ensure deliverability of the sites by March 2021. The collaboration of partners and Combined Authority officers has established strong working relationships which will be maintained as the programme continues.
- 2.7 The Combined Authority has identified the need to prioritise the accelerated delivery of the EZ programme. This has seen dedicated resource recently appointed into key roles to work within the Delivery Directorate, including a Development Manager and Project Manager and a Senior Responsible Officer with two days a week dedicated to the role. These roles will work in partnership with City Region partners, stakeholders and partner councils to support and manage the successful delivery of the programme by unlocking, enabling and accelerating site development to encourage business and job growth.
- 2.8 Whilst welcoming the contribution of the SOB over the last 24 months, in recognition of the programme now reaching the delivery phase a review of governance arrangements has been undertaken to ensure that the objectives and outputs identified are realised and that partner councils working with the Combined Authority have a governance structure able to make strategic and operational decisions. This is a core requirement of the *Memorandum of*

Understanding for the M62 Corridor Enterprise Zone (Phase Two) signed by the Combined Authority, partner councils and central government in 2016.

- 2.9 Disciplined and well executed governance arrangements ensure there is clarity and clear assurance processes which support the day-to-day delivery of the programme as well as providing strategic oversight. Proposals have been identified to ensure all partners are fully engaged, aware of each other's roles and responsibilities, clear on areas of accountability and lines of reporting and decision making are followed. It is therefore recommended that:
- a) There will be regular informal project focus meetings between the Combined Authority dedicated officer team and partner councils, together with a formal project board meeting.
 - b) In addition an internal Combined Authority programme board will be chaired by the Senior Responsible Officer. A representative from the Cities and Local Growth Unit will be invited to sit on the Programme Board to ensure reporting and updates on progress are provided, as designated within the Memorandum of Understanding. This will allow for the Combined Authority to seek regular guidance and discussion on national issues and performance reporting on the wider Enterprise Zone programme network.
 - c) To ensure key updates on progress are reported in a timely manner to business and political members with an interest and commitment to support, champion and promote the EZ programme, periodic updates will be provided to the LEP Board who 'own' the vision and strategy for the regional EZ programme.
- 2.10 Partners have been fully engaged in the discussions and development of these new governance arrangements and will continue to be involved throughout as key members of the Project Board and provided with full updates of all Programme Board meetings.
- 2.11 The proposed governance structure for the Leeds City Region Enterprise Zone Programme was presented to the Strategic Oversight Board meeting on 4 October 2018. Proposals were supported and recommendations for implementation were accepted in full.
- 2.12 The proposals were presented to the Place Panel at its meeting on 24th October 2018 and recommendations for implementation were accepted in full with a note that there should be regular updates to LEP Board at a programme level.

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.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Strategic Oversight Board will no longer convene.

7.2 That the changes to EZ governance arrangements as outlined within the report are introduced informally with immediate effect with updates provided to the relevant Combined Authority panels/committees as follows with the intention of formalising the arrangements:

Combined Authority – 13 December 2018

7.3 Notification of the changes agreed and implemented are reported to Government's Cities and Local Growth Unit in line with the obligations stated within the Memorandum of Understanding.

8. Background Documents

None

9. Appendices

Appendix 1 – Enterprise Zone Programme Board, Terms of Reference