

Local Enterprise Partnership

10 March 2022

Government Review of LEPs

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

This report sets out the latest developments in the Government's ongoing review of Local Enterprise Partnerships and highlights the potential impact on the work of the LEP in South Yorkshire.

What does this mean for businesses, people and places in South Yorkshire?

The LEP is a longstanding entity that has been part of the decision-making structure in South Yorkshire since 2010 with responsibility for developing the Strategic Economic Plan, delivering the Local Growth Fund and championing the interests of businesses in South Yorkshire. Changes to the role of the LEP will therefore have a bearing on the SYMCAs methods of engagement and consultation with the private sector and others.

Recommendations

The Board is asked to consider the implications of the review and to discuss what the future role of the LEP should be.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

- 1.1 At the March 2021 Budget, the Government launched a review on the **form, function and geographies** of Local Enterprise Partnerships (LEPs) in England. The Government committed to consult and work in collaboration with LEPs and local businesses on the evolution of LEPs.
- 1.2 The principle aim of the review was to ensure that local businesses would continue to be represented in decision-making processes that impact on businesses and economic growth, albeit under a new operating model from 2022/23. However, the Government's intention of better aligning LEP governance arrangements and geographical boundaries with new and existing Combined and Mayoral Combined Authorities (MCAs) was a key consideration for the review.
- 1.3 The review ran throughout 2021/22 with the LEP Network, individual LEPs and the Metro Mayor's M10 group participating in a series of stakeholder interviews to inform advice to Ministers on the 2021 Autumn Budget and Spending Review and the Government's Levelling-Up agenda.
- 1.4 The outcome of the review was expected to be published early in 2022 to provide some certainty over the continuation of Government funding to LEPs prior to the start of the 2022/23 financial year. This has been an ongoing concern for those LEPs that are not already aligned with a Combined or Mayoral Combined Authority and which are reliant on Government funding to fund the operational and staff costs for the LEP. The outcomes of the review are now expected to be known during 2022/23 through a series of announcements. This is largely due to the differing status of devolution negotiations across the country, and the different legal and geographical boundaries which need to be considered.

2. Key Issues

- 2.1 The publication of the Levelling-Up White Paper on 2 February has provided some early indication of the review's likely conclusions:
 - Greater devolution across England with additional and enhanced powers for existing MCAs and the option to create new MCAs and county deals where they are not already in place.
 - Simplifying local growth funding and allowing local leaders to drive change in their area.
 - Encouraging LEPs to integrate with an MCA so that a '**Business Board**' will be in place to work with existing MCAs, emerging or aspirational MCAs and those areas with a County Deal. The generic term of 'Business Board' is being used by Government officials but the exact title is yet to be determined.

Government has also confirmed that LEPs will not be given responsibility for Levelling-Up funding.

- 2.2 On 11 February a meeting was held between LEP representatives and the LEP Network and the Department for Levelling Up, Housing and Communities (DLUHC) to discuss the implications of the White Paper and progress on the Government's review of LEPs. DLUHC confirmed at this meeting that Ministers will write to LEPs in late February/early March to provide more clarity on the **timing, sequencing and transition** to the new Business Board arrangements. However, the letter will not prescribe what the geographical boundaries or principles of a 'Business Board' should be.
- 2.3 Unlike South Yorkshire, the vast majority of the 38 LEPs are not covered by, or accountable to, an MCA. Due to the time needed to agree a devolution or county deal with Government, as well as the process for electing a Mayor, the period of transition of LEPs to new arrangements with MCAs could take up to two years to implement. It is also unclear whether the letter will clarify whether LEPs will receive transition funding until the new operating model is in place.

3. Options Considered and Recommended Proposal

- 3.1 This is the first opportunity for LEP Board members to discuss the future and evolving role of the LEP in South Yorkshire. As the letter from Government has not yet been received the proposed action is for LEP Board members to have an early discussion about functions and principles for a 'Business Board' in South Yorkshire that will work with the MCA and Mayor. Following the discussion, a set of proposals and resulting implications will be developed for further consideration by the LEP and MCA Boards in the next meeting cycle.
- 3.2 To help identify the potential role, function and principles of a 'Business Board' in South Yorkshire, LEP Board members may wish to discuss the following questions:
- How can we ensure that the voice of businesses in South Yorkshire is captured?
 - How could the 'Business Board' inform and shape the work and pilot projects that the MCA funds? For example, approaches to innovation, investment and trade opportunities or work with significant industrial, employing or growing sectors in South Yorkshire.
 - How could the 'Business Board' influence decision-making on programmes and projects that impact on businesses? Should the 'Business Board's' role be advisory or should the Board's role be more formalised?
 - Should the governance structure of the current LEP Board be maintained (ie. defined term limits, frequency of Board meetings, advertised recruitment of Board members, gender and sector balance of the Board) or should the 'Business Board' be more fluid?
 - What functions should a 'Business Board' have to best support the MCA and Mayor? For example, should the Board set economic strategy or advise on the direction of the MCAs economic policy? Should the Board have a role in developing and promoting South Yorkshire's identity as a place, destination and/or brand?
- 3.3 If the Government issues the letter to LEPs before 10th March, a verbal update will be given at the meeting to further aid discussion.

4. Consultation on Proposal

- 4.1 Not Applicable - the LEP Board may however wish to consult partners, stakeholders and businesses for views on the future role of the LEP in South Yorkshire.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Not Applicable – the LEP is already compliant with the recommendations in the Levelling Up White Paper on geography and alignment with the MCA. The MCA and LEP can decide on a suitable timeframe for implementing any further changes to the role or structure of the LEP.

6. Financial and Procurement Implications and Advice

- 6.1 Not Applicable – the Government has not committed to awarding any further funding for LEPs from the 2022/23 financial year.

7. Legal Implications and Advice

- 7.1 Not Applicable – the MCA is the legal and accountable body for the LEP.

8. Human Resources Implications and Advice

- 8.1 Not Applicable – no staff are directly employed by the LEP.

9. Equality and Diversity Implications and Advice

- 9.1 Not Applicable

10. Climate Change Implications and Advice

- 10.1 Not Applicable

11. Information and Communication Technology Implications and Advice

- 11.1 Not Applicable

12. Communications and Marketing Implications and Advice

- 12.1 Any change in the role or composition of the LEP will need to be communicated through a communications and marketing campaign so that partners, stakeholders, businesses and the general public are aware of the changes.

List of Appendices Included

None

Background Papers

None

