

Local Enterprise Partnership

12 May 2022

LEP Review Integration Plan Process

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| Is the paper exempt from the press and public? | No |
| Purpose of this report: | Governance |
| Funding Stream: | Not applicable |
| Is this a Key Decision? | No |
| Has it been included on the Forward Plan? | No |

Director Approving Submission of the Report:
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Executive Summary:

This report provides an update on the recently received LEP Review guidance and maps out the process to making the required Integration Plan submission to Government.

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

The MCA governance model includes strong representation from the private sector in both the positioning of the LEP and the Thematic Board arrangements. This ensures the private sector voice is represented in policy and decisions relating to all of the priority areas of the economic plan.

Recommendations:

That the LEP Board Members approve the process outlined in this report, noting the potential timeline for further engagement on the Plan.

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

None

1. Background

1.1 The Levelling Up White Paper and subsequent guidance on the LEP Review sets out a process to 'fold' LEP in MCA areas into the MCA governance arrangements. The initial indication from Government is that the governance model already in place in South Yorkshire of MCA / LEP governance integration through the structure of Thematic Boards is at the heart of their intentions, as it sees the private sector voice engaged in the detail of MCA decision making. This is a positive indicator of confidence in local arrangements and recognises the strength in the local arrangements for delivering economic growth outcomes and future devolution propositions.

1.2 The requirement of all MCA, outlined in the guidance, is to agree and submit and Integration Plan before 29 July 2022 or by 27 January 2023, where more time is needed.

The expectations of government in the development of the Plan are that:

- The plan must take account of the content outlined in the guidance. MCA will lead the development of the plan, outlining all considerations that apply.
- The LEP and other key stakeholders should be engaged in the development of the plan and the LEP must sign this off prior to submission to government.
- Arrangements must embed a strong, independent and diverse local business voice into local democratic institutions... The Board must have a meaningful role in decision making and should be consulted on all relevant economic decisions.

There are a number of other requirements regarding staffing resources, which are non-applicable given the MCA serves as the employing body for a single Executive.

1.3 Section 2 of this paper sets out the process to undertake to meet the first deadline for submission of the Plan by 29th July 2022.

2. Key Issues

2.1 The requirement for the Integration Plan is to ensure that the MCA is appropriately supported by a Private Sector Board such that economic planning is carried out in partnership with Local Leaders that clearly articulates their areas economic priorities and sectoral strengths..... LEPs or Local Democratic Institutions where LEP functions are Integrated should continue to use their convening power to bring together business, education, and other local economic stakeholders.

The plan therefore needs to articulate:

- Purpose
- Governance
- Engagement and Communication Plan
- Financial or Resource Plan*

*Due to the existing arrangements with the MCA as Accountable Body for the LEP this is not felt to be an issue for South Yorkshire plan.

Work undertaken by the LEP and MCA in setting up the current governance arrangements will be drawn upon to develop the initial sections of the Plan supplemented with engagement to develop the section on the forward engagement and communications plan.

2.2 To meet the deadline of 29 July, there is a need to meet the following milestones:

| Milestone | Who | Date |
|---|-----------------------|-------------------|
| <i>Engagement discussion LEP Private Sector</i> | <i>Private Sector</i> | <i>26/04/2022</i> |
| Agreement to the Draft Plan development process | LEP Board | 12/05/2022 |
| First Draft Plan to date circulated | LEP / MCA | 20/05/2022 |
| Draft Plan discussed MCA | MCA | 06/06/2022 |
| Final Draft Plan circulated | LEP / MCA | 29/06/2022 |
| LEP Board Decision | LEP | 07/07/2022 |
| MCA Board Decisions | MCA | 25/07/2022 |
| Submission to Government | | 29/07/2022 |

3. Options Considered and Recommended Proposal

3.1 Option 1

At this stage there are no alternative options to consider. The requirement for an Integration Plan to be developed is mandatory and risks any future Core and discretionary budgets for LEP led activity being withheld from the MCA.

There is the option that the submission is delayed until the long stop date of January 2023, this would permit greater time to discuss options, but could jeopardise future resource payments. We are seeking clarity on the implications of a later submission.

3.2 Recommended Option

The recommended option is to seek to progress to the first submission date.

4. Consultation on Proposal

4.1 A consultation and engagement plan will be required, this is in the process of being developed.

5. Timetable and Accountability for Implementing this Decision:

5.1 Until the 29 July or 27 January 2023 if longer time is required.

6. Financial and Procurement Implications and Advice

6.1 The guidance has made a number of stipulations regarding the submission and making future funds contingent on compliance.

Requirement of an open process to recruit independent members is a pre-requisite for the release of further core or transitional funding. This is in line with current arrangements and a process is already in place to comply with this.

The functions and roles agreed and contained within the integration plan will form the basis of the core funding grant offer. This will be part of the submission and is in line with an annual submission currently made for Core Grant.

Performance against these functions will inform future core funding decisions. We already report against and Annual Performance Requirement for strategy, governance and delivery and have reporting mechanisms in place.

7. Legal Implications and Advice

- 7.1 Following the development and approval of the plan there will be a requirement for some changes to Board Terms of Reference and / or the Constitution. This will be considered as part of the developing work plan.

8. Human Resources Implications and Advice

- 8.1 None – the Executive is an integrated team, employed by the MCA and supporting the work of the Mayor, MCA and LEP. There are therefore no TUPE implications as there are in other places.

9. Equality and Diversity Implications and Advice

- 9.1 Gender and diversity will continue to play a part in the recruitment of the private sector to ensure a representative board is in place.

10. Climate Change Implications and Advice

- 10.1 None

11. Information and Communication Technology Implications and Advice

- 11.1 None

12. Communications and Marketing Implications and Advice.

- 12.1 Following approval of the appointments, the website will be updated to reflect the agreed portfolio's and positions. Further communication and press releases remain to be considered and agreed.

List of Appendices Included

None

Background Papers:

Strengthening Governance in Local Enterprise Partnerships (2018)