

20th May 2019

LEP Overlapping Geography Collaboration Framework

Purpose of Report

The LEP Review 2018 specified that the current pattern of overlapping geographies be removed. Where overlapping geographies are to be removed government have suggested a Collaboration Framework is put in place. This report provides LEP Board Members with a first draft of a suggested Collaboration Framework for agreement by the SCR and D2N2 LEPs. This document is also being considered by the D2N2 LEP Board.

Thematic Priority

Cross cutting - governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the SCR Publication Scheme

Recommendations

That Board Members:

1. Provide comment on the draft Collaboration Framework and recommend any amendments or omissions.
2. Approve the CEX to continue to negotiate this document on the LEP behalf, bring a final document to a future board for approval.

1. Introduction

- 1.1** The LEP Review 2018 specified that the current pattern of overlapping geographies be removed. This requires areas currently in multiple LEP geographies to become a member of a single LEP only. This policy signifies a shift from LEPs being organised by functioning economic areas to one which is more closely aligned to administrative geographies. Where overlapping geographies are to be removed government have suggested a Collaboration Framework is put in place.
- 1.2** Four of the current Districts (Bassetlaw, Bolsover, NE Derbyshire and Derbyshire Dales) have put in writing their intention to be a substantive member of the D2N2 LEP, subject to government and D2N2 addressing some specific requirements. At the point of drafting, these issues remain unresolved. Chesterfield BC has not yet resolved their position. Against this backdrop work has commenced on the draft Collaboration Framework which sets out how the transition on on-going relationship will develop and be managed.

2. Proposal and justification

- 2.1** There is a requirement to have a Collaboration Framework, setting out how SCR and D2N2 will manage the transition to areas becoming a sole member of either SCR or D2N2 LEP. The formal letters issued by 4 of the 5 districts, signifying their intentions, has provided the impetus to commence the development of this document.
- 2.2** The draft collaboration framework, attached as Appendix 1 to this report, seeks to perform a number of tasks:
- It set out the overarching principles which provide the policy framework for collaborative working relationships
 - It sets out a number of objectives for the collaborative arrangements we are seeking
 - It defines two distinct phases with actions allocated to these phases
- 2.3** The LGF schemes included in the annex to this framework are all currently supported schemes in the overlapping area, this list will be monitored and refined during this year.

3. Consideration of alternative approaches

- 3.1** No alternative options to producing the Collaboration Framework have been considered
- 3.2** The draft Collaboration Framework recommends that each LEP will continue to manage out the legal agreements they have entered into in respect of LGF supported schemes, to the end of the programme. This will also include management of any subsequent outcome reporting or the application of clawback. The alternative approach to this is that SCR / D2N2 novate contracts and supporting resource to fund these agreements. This has been discounted in favour of the suggested approach as it would require detailed legal and funding work be undertaken.

4. Implications

4.1 Financial

The draft framework, commits the SCR LEP to continuing to support schemes in contract. Beyond this the individual LEPs will have full responsibility for scheme development or service delivery. This is in anticipation of future funding to LEPs being allocated to a single LEP for their geography.

The implications of a District leaving the SCR LEP, is the reduction in the subscription payable. This is referenced in the MCA budget paper (25.03.19) and equates to £4k per annum for each of the 5 Districts.

The full financial implications associated with this requirement will be known and are dependent upon the decision of Chesterfield BC. This is as a consequence of the early policy decision that a significant part of the SCR LEP Enterprise Zone would be in Chesterfield and that the business rates from these sites would be payable to the SCR LEP to support its policy priorities. Based upon 2019 estimates the potential risk is in excess of £1m. The Markham Vale Enterprise Zone site is referenced in the Framework document.

Finally, due to not having a compliant geography, SCR LEP has not been in receipt of the additional financial support to develop the LIS which has been made available to other areas.

4.2 Legal

The draft Collaboration Framework recommends that each LEP will continue to manage out the legal agreements they have entered into in respect of LGF supported schemes, to the end of the programme. This will also include management of any subsequent outcome reporting or the application of clawback.

If the SCR LEP geography changes, all documents would need to be updated on the new revised geography.

4.3 Risk Management

The major risk for the SCR LEP associated with this policy is outlined within the financial implications section. The MCA budget has sought to manage this risk through maintaining an EZ reserve to manage fluctuations in income.

A further reputational risk is if both LEPs and the affected districts cannot agree to this Collaboration Framework. This will be monitored and reported upon if the risk looks likely of materialising.

4.4 Equality, Diversity and Social Inclusion

There are no specific considerations associated with the development of this Collaboration Framework, and one of the suggested principles is that in the transition phase there is no detriment to the businesses or residents of the affected areas.

5. Communications

5.1 Alongside the development of this draft Collaboration Framework a communication plan will be developed. This will include business communications in signposting businesses to the relevant Growth Hub and business support infrastructure.

6. Appendices/Annexes

6.1 Appendix 1 – Draft Collaboration Framework

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: