

Local Enterprise Partnerships (LEPs)

Government seeks to strengthen the role of LEPs in driving local growth

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Introduction

On the 24th July 2018 the Government published a new document titled '**Strengthened Local Enterprise Partnerships**'. The document sets out the conclusions from the ministerial policy review that has been undertaken of Local Enterprise Partnerships (LEPs).

As part of the statement the Government makes a number of pledges that will strengthen the role of LEPs as well as commitments to support LEPs in implementing the measures proposed.

Background - Local Enterprise Partnerships

Plans for a series of Local Enterprise Partnerships were brought forward by the Coalition Government in 2010. LEPs aim to provide the strategic leadership and vision for their areas to set out economic priorities.

Currently a total of 39 LEPs cover the entire area of England and in 2014 submitted Strategic Economic Plans in order to compete for funding from the Government's Growth Deal Fund. As of March 2016, £7.3 billion worth of Growth Deal funding has been allocated to LEPs.

Role and Responsibility

LEP's have helped in the past identified key opportunities for investment, whilst looking to grow their areas through advocating the local economy. As part of this statement the Government has pledged a number of commitments to:

- Publish a statement on the role and responsibilities of LEP's.
- Publish a statement on Local Industrial Strategies (LIS) over the summer of 2018, with the LIS's for each LEP agreed by 2020.
- Commission an annual economic outlook, to measure economic performance of all areas.

The Government aims to support LEPs by:

- Creating an evidence base for LIS, to enable long term vision to be set, following on from local consultation.
- Publishing an annual delivery plan and end of year report, to assess the performance/impact of the LEP both nationally and locally.

Leadership and Organisational Capacity

The strategy acknowledges that there is a need to improve the dialogue with the LEPs. In order for LEP's to be effective, partnerships between private and public sectors need to be formed. There must also be a mechanism to ensure that projects can be prioritised to allow for all sectors to deliver programmes.

The Government therefore pledges to:

- Create regular dialogue with every single LEP's, as well as a Prime Minister chaired Council.
- To provide senior official sponsors for LEPs from across government departments.
- Work with LEP's to advertise opportunities for leaderships roles.
- Provide induction and training for all board members and officers working on the programme.
- Inject £20 million between 2018-2020 to ensure there is sufficient capacity to support LEP's and develop the LIS.

The Government aim to support LEPs by:

- Being thorough and transparent with the consultation process to appoint new chairs, and develop defined terms to promote best governance practice.
- Creating more representative boards with 20 people as a maximum, and two thirds being from the private sector.
- Improving the gender balance and that of people with protected characteristics under the Equalities Act on boards, with equal

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representation expected by 2023.

- Implementing a secretariat independent of local governance to support decision making.
- Creating a strong evidence base of both strengths and weaknesses.

Accountability and Performance

The statement highlights that LEPs are funded by public money, and therefore transparency and accountability are critical issues. As a result, embedding a culture of good governance and self-regulation is seen as a priority.

The Government pledges to:

- Continuing to maintain overall accountability for the system.
- Begin to publish the annual performance of the projects, measured against qualitative and quantitative means, as in the delivery plans.
- Revise the National Assurance Framework to be clear on the escalation approach to intervention.
- Develop a sector led approach to assess way to improve performance.

The Government aims to support LEPs by:

- Implementing a legal personality into the organisation
- Clearly set out the responsibilities of each member of the organisation
- Be active in Local Authority scrutiny panels to ensure correct democratic oversight is in place
- Hold annual general public meetings.

Geography

LEPs are responsible for providing strategic direction for the local economies they represent. In this way the boundaries over which the areas are set is important. Overlaps between LEPs will be sought to be removed as they are seen to dilute accountability and responsibility for setting strategy.

The Governments pledges to:

- Consult with LEP's on how to remove the

overlaps and potentially form mergers, by the end of September 2018. Once concluded the Government plan to respond to this by Autumn 2018.

The Government aims to support LEPs by:

- Collaborating across boundaries, to ensure that the maximum is extracted from the project.

Mayoral Combined Authorities

The Government acknowledges that between Mayoral combined authorities and LEP's, there is a greater level of alignment leading to a more efficient process, meaning that overall economic impact should be greater.

The Government pledges to:

- Continue the level of engagement from the Government to the two parties, with a collaborative approach.

The Government aims to support LEPs by:

- Ensuring LEP's have a distinct role in strategy and interventions.
- Persuade LEP's and Mayoral combined authorities to create local agreements, setting out roles and accountability.
- Encouraging LEP's and Mayoral combined authorities to share boundaries if appropriate.

Further Funding

The Government has committed to provide up to £20 million of additional funding between 2018-19 and 2019-20 to support the implementation of these changes and embed evidence in Local Industrial Strategies.

If you have any questions about the above or any other planning related queries, please do not hesitate to contact us for more information.