

## Heart of the South West Local Enterprise Partnership

### LEP Board Paper 10

**Report title:** Accountable Body Report: LEP Integration

**Date:** 19 January 2024

**Purpose:** This paper is for noting

**Link to LIS:**

| Inclusive Growth     |               |                | Clean growth     |         |
|----------------------|---------------|----------------|------------------|---------|
| Energy               |               | Engineering    |                  | Digital |
| Ideas/<br>Innovation | People/Skills | Infrastructure | Bus. Environment | Places  |

**Non- LIS purpose:** to provide an update to the Board on the LEP integration arrangements and to seek endorsement of the Integration Plan.

**Timing:** 1 April 2024

**Financial Impact:** N/A

**Recommendations:**

- 1) The LEP Chair is asked to consider the Integration Plan and provide their endorsement (If the Chair is unable to endorse the Plan then a rationale for the reason should be provided).
- 2) The LEP Board are asked to consider whether it wishes to organise an event to showcase the positive impact, and legacy, of the LEP.

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## **Summary**

In August 2023 Government issued technical guidance on the integration of LEP functions into local democratic institutions: [Guidance for Local Enterprise Partnerships \(LEPs\) and local and combined authorities: integration of LEP functions into local democratic institutions - GOV.UK \(www.gov.uk\)](#)

Government invited Local Authorities to develop, and submit, a plan for integrating LEP functions into Local Authorities from 1 April 2024. A single Plan for the HotSW area was requested.

This report sets out the details of the Integration Plan and provides an overview of associated activities aligned with the actions from the 27 November Board meeting.

## **1. LEP Integration Plan**

- 1.1. The draft LEP Integration Plan, which was developed by the four upper tier local authorities of Devon, Somerset, Plymouth and Torbay, was submitted to DLUHC on 29 November 2023. Following feedback, the plan has been updated and attached at Appendix A. Government have confirmed that they do not have any major concerns with the Plan.
- 1.2. The slides presented to the Board on 27 November, which reflected the draft Plan, are attached at Appendix B.
- 1.3. The confidential appendices to the Plan and the Presentation, the details of which were verbally presented to the Board on 27 November, have been shared with the LEP Chair.
- 1.4. In line with guidance, Government expects the accountable body to be able to evidence that they have sought approval of the Plan from the LEP Chair. There is no requirement for the LEP Chair to endorse the Plan. The final decision rests with Government. However, if the Chair does not feel they can endorse the Plan, then Government have requested a rationale for the reason and details of specific deficiencies within the Plan.

## **2. Accounting and Assets**

- 2.1. We are pleased to report that the 2022/23 accounts have been signed off by our external auditors, Grant Thornton, with no issues raised.
- 2.2. Somerset Council are exploring, with legal teams, the provision of indemnity to the LEP Board where it has relied upon advice from the Council in its role as Accountable Body and will provide further details once a decision has been reached.
- 2.3. The initial legal advice provided by Ashfords following release of initial guidance is attached at Appendix C. Further to the advice, the South West Audit Partnership have been instructed to review the Integration Plan and relevant supporting information to assess compliance with the Local Assurance Framework and CIC Articles of Association. This work is in progress and a verbal update will be presented at the meeting.
- 2.4. A draft list of assets and commitments at 31 March 2024 has been shared with the Upper Tier Local Authorities. Discussions are ongoing about the split of these assets given the agreed extended due date for repayment of the Exeter Science Park loan of 31 March 2024.
- 2.5. Somerset Council are in contact with the CIC Regulator and are currently completing a set of forms. These will be finalised and submitted once the final Audit Report is available.
- 2.6. To aid in the smooth transition of functions and assets, and in line with discussions held during LEP OIC and Board meetings, no further spend should be proposed which result in commitments after 31 March 2024.

### **3. Staffing Implications**

3.1. All impacted staff have now received communications from their respective employers:

- Core LEP team are employed by the University of Plymouth; all staff have been informed by the University HR team of the proposals from April 2024 and formal consultation processes are commencing. The LEP Chair is in direct communication with the University to oversee this.
- Staff employed through the Local Authorities, delivering services via a Service Level Agreement, are being managed by their employer following appropriate HR processes. All impacted staff have been communicated with and are aware of proposals from April 2024. Where appropriate, notices have been given.

### **4. Economic Growth Boards**

4.1. Government released [new guidance on 19 December 2023](#) providing further details of the next steps for local authorities and LEPs on the integration of LEP functions into local and combined authorities from April 2024. It sets out the expectations on transfer and future delivery of the interrelated functions of business representation and local economic planning.

4.2. The agreed approach is set out within the Integration Plan (Appendix A) and the Presentation (Appendix B). A further update on progress and intentions will be provided at the Board meeting.

4.3. In summary, Economic Growth Boards will:

- ensure a strong and meaningful business voice
- draw on expertise, skills, and capacity of current LEP Board members
- shape and support economic evidence base and provide insight to underpin Economic Strategies and setting of growth / sector priorities
- oversee investment programmes including LEP legacy projects
- be supported by a Local Authority Officer Group who commit to continue and strengthen collaboration on economic intelligence, inward investment, sector support and business support

### **5. Next Steps**

5.1. Board to consider an event to showcase the positive impact, and legacy, of the LEP.

5.2. Board to confirm next steps in winding up.

5.3. Forms will be completed and submitted to the CIC Regulator by the Accountable Body.

5.4. Each upper tier Local Authority will seek approval for the Integration Plan through internal governance processes in February; equality impact assessments will be developed as reviewed as a statutory requirement of the Governance process.

- 5.5. Government will confirm their approval of the plan once governance decisions are confirmed.
- 5.6. Run-off insurance quotes have been sought and appropriate insurance will be put in place.
- 5.7. A risk register has been drafted and will be monitored by the Local Authority Officer Group chaired by the Accountable Body.
- 5.8. The Accountable Body are continuing to review the assets and will seek agreement from the upper tier Local Authorities.
- 5.9. Each Local Authority will work through new Government guidance and ensure full implementation during the establishment of Economic Growth Boards.