

# LEP Integration Plan

LEP Board

27 November 2023



# Integration Principles

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- 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 \(www.gov.uk\)](https://www.gov.uk/government/publications/guidance-for-local-enterprise-partnerships-leps-and-local-and-combined-authorities-integration-of-lep-functions-into-local-democratic-institutions)
- An Integration Plan template has been issued for Local Authorities to complete and return to Government by 30 November 2023
- The Integration Plan intends to aid the process of integration and will inform the direction of future government funding
- Government expects decisions of the transfer and delivery of current LEP functions to be made locally
- Government expects functions to be delivered over current, or potential, devolution deal geographies as far as possible (outside of this functions will be exercised by the upper tier authority)

# Integration Plan

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- Integration Plan template seeks confirmation of:
  - Proposed geography for delivery of LEP functions from April 2024
  - How local areas intend to embed a strong, independent, and diverse business voice into local decision making
  - Intentions for continuation of LEP projects, programmes and services
  - Mechanisms for management of the integration process
- A single plan for HotSW LEP area on behalf of all upper tier authorities; being developed by the upper tier local authorities.
- Will need to be agreed by Local Authorities and LEP Board before submission
- The Integration Plan proposals are subject to local governance processes and confirmation of funding from Government for ongoing delivery; implementation will be overseen by the Accountable Body and a Local Authority Officer Group

# Key Dates

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- 30 November 2023 - Integration Plan submission to Government
- January - further Government guidance for Local Authorities expected regarding business voice and governance requirements
- February – Local Governance Decisions
- March – implementation of Integration Plan
- 31 March 2024 – functions, assets and liabilities transferred to Local Authorities as set out in the Plan

# Geography of LEP Functions

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- Functions, activities and assets will transfer to the four upper tier local authorities
- Functional economic areas will not revert to upper tier authority boundaries; LAs will work together collaboratively and supportively on the appropriate footprint for the activity
- Somerset and Devon are over the 500K population threshold; Torbay and Devon are progressing with a Devolution Deal; and Plymouth will continue to work in partnership
- Upper tier authorities will continue to engage with the Great SW

LA Officers Group and Growth Boards will hold the accountability for partnership working

Government, in principle, are supportive of this geography



# Great South West

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Each upper tier authority will continue to engage with, and support, the Great SW objectives.

The following existing activity is already delivered on a Great SW footprint:

- Maritime SW
- Defence and Security cluster
- Future Farm Resilience programme
- Energy

Plymouth City Council will continue to act as the accountable body/employer of staff for the maritime and defence activity, and Devon County Council for farm resilience

# Local Authority Officer Group

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Upper Tier Authorities commit to continue and strengthen collaboration on:

- economic intelligence
- inward investment
- sector support
- business support delivery

The officer group will continue to meet regularly and have agreed delivery based on the relevant economic footprint which varies for each activity

Upper Tier Authorities have agreed to continue to support a HotSW wide growth hub, subject to funding and sector support will be delivered on the most appropriate footprint, typically operating on a broader footprint than individual authority areas (further details are covered later)

# The Business Voice

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- Agreed approach across the Upper Tier Authorities to establish Economic Growth Boards to ensure a strong and meaningful business voice which recognises, and builds on, existing structures across the local geographies
- Economic Growth Boards will draw on the expertise, skills, and capacity of current LEP Board members as part of an open appointment process applying Nolan principles



# Economic Growth Boards

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- Shape and support economic evidence base and provide insight to underpin Economic Strategies and setting of growth / sector priorities
- Oversight of development and implementation of Economic Strategies, including sector development activities
- UKSPF governance (except in Devon where this is managed at a District level)
- Overview of monitoring and reporting of LEP legacy projects and programmes – including capital schemes, business support and digital skills, supporting accountability and reporting into Government
- Peer support and networking across the four local geographies with the Boards meeting at least once a year
- As devolution arrangements are established, in Devon, the Growth Boards will evolve into a Business Council to support the work of a Combined County Authority
- Membership of the Board will be via selection and recruitment process working with Business Representative Organisations, key sectors, HEIs/Research Institutions, FE and Training Providers, SMEs, Third Sector

# Projects, Programmes and Services (1)

Title	Upper Tier Authority Intentions
Growth Hub	To ensure a seamless provision across Somerset, Plymouth, Devon and Torbay and continuation of an important service to businesses. The current delivery model will continue during 2024/25 using LEP legacy funding. Somerset Council will remain as the Accountable Body and Devon County Council will continue to deliver the Growth Hub Service including the employment of staff. The model will be reviewed during 2024/25.
Peer Network Programme	Will form part of the Growth Hub function.
Business Angels	Local authorities do not wish to see this continue beyond March 2024 and no function needs to transfer. Any reporting or legacy requirements will be picked up as part of the Growth Hub going forward.
Finance Platform	The intent is that the contract will be completed by March 2024; an options report will be provided for local authorities. There is no agreement to continue funding at this stage and until options are reviewed.
Tourism Data Hub	Local authorities intend for the current contract, funded by the LEP, to be completed with the contract awarded to Destination Plymouth from Somerset Council remaining as the contracting arrangements.

# Projects, Programmes and Services (2)

Title	Upper Tier Authority Intentions
Skills Advisory Panel	The SAP will continue until 31 <sup>st</sup> March 2024, at which point each local authority will take forward its own arrangements linking this into LSIPs and Growth Board proposals. Any contracts held to support the labour market intelligence will cease on 31 <sup>st</sup> March and be replaced by the LSIP programme. There is no ongoing direct funding for SAPs.
Digital Skills Partnership	Local authorities see the DSP forming part of the proposed skills arrangements being put in place to replace the SAP. There are no ongoing contracts in place that need to be novated. There is no ongoing direct funding for DSPs.
Careers Hubs	Continue a Somerset Service and a solution for Devon, Plymouth, and Torbay until September 2024. Continuation beyond is subject to funding being available.
Innovation Board	Innovation will form part of the proposed Growth Board structures being developed.
Enterprise Zones	LEP function and role in any Enterprise Zone will transfer to the relevant local authority from 31 <sup>st</sup> March 2024.

# Projects, Programmes and Services (3)

Title	Upper Tier Authority Intentions
Sector Development	Different parts of our local economy have different sectoral strengths, and some of these are recognised on a broader peninsula level. Recognising this variation and significance of sectors how each local authority partner will take forward current identified opportunities using LEP legacy funds, and subject to costs/benefits assessment, is set out separately in a confidential item due to potential staffing implications.

# LEP Background

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- LEPs are non-statutory bodies not created or regulated by law
- They are informal partnerships between Local Authorities, private sector partners and Universities
- They do not have legal status to enter into contracts or own assets themselves
- They act through a single accountable body, usually a Local Authority. Role of S151 is to maintain good financial governance in accordance with the five fundamental principles set out by CIPFA
- The HotSW LEP is incorporated as a Community Interest Company

# Ownership of Assets

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- HotSW LEP incorporated as a Community Interest Company, however this company has been dormant since incorporation
- Dormant companies are not trading
- The CIC does not own any assets nor owe any liabilities
- Somerset Council, as the single accountable body, records all the transactions, assets and liabilities as part of its annual statutory accounts and manages the financial aspects of contracts entered into on behalf of the LEP
- The Somerset Council accounts are audited by external, independent auditors and signed off, for several years, as a true and fair reflection of the position of the Council

# Asset Lock & Assurance Framework

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- The Assurance Framework refers to the incorporation of the HotSW LEP as a Community Interest Company which is dormant with all money passing through the Accountable Body
- Incorporation as a CIC is to demonstrate best practice is being followed with regard to the use of public funds
- CIC must still follow certain legislation including having a community interest statement despite being dormant
- Asset lock is a legal requirement of all CICs, however the asset lock cannot apply where there are no assets recognised in its accounts to attach it to. The S151 will confirm this with the CIC Regulator

# Transfer of Assets (1)

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The current intentions are:

- GPF - The loan is passed to each local authority in whose area there is a scheme operating and the value of the loan asset transfers to that local authority on or before 31st March 2024. All monitoring and any repayments required will be the responsibility of the receiving local authority
- GPF - The CDS Grant will remain under the control of Somerset Council
- LGF / GBF - Any charges applied to a recipient of a capital grant is transferred to the local authority in whose area the capital scheme is in. All monitoring requirements will be the responsibility of the local authority receiving the asset. DCC can continue to provide a PMO and monitoring function to the other local authorities if required and funded to do so



# Transfer of Assets (2)

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- Reserves and Cash (including any interest) -The value of these assets is apportioned to each Local Authority against IDBR (Business base) for future use to support the transfer and delivery of functions set out in the Transition Plan
- Progress and utilisation of the assets including proposals for the use of returned funds will form part of the agendas of each proposed Growth Board providing oversight from the business community

# Next Steps

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- Accountable Body will write to the CIC Regulator to confirm proposals on transition and transfer of assets
- Following completion and submission of the Integration Plan, a detailed list of assets and commitments to be transferred will be prepared and circulated to Upper Tier Local Authorities for incorporation into Governance reports
- Government have confirmed verbally that they do not need to sign off on the transfer of the assets but will confirm approval of the Integration Plan in January
- Once approved, and local Governance decisions have been made in February, processes will be put in place to implement the Integration Plan