

**Economy, Skills,
Transport and Environment
Scrutiny Board**

**Thursday 8 November, 2018 at 5.30 pm
in Committee Room 1
at the Sandwell Council House, Oldbury**

Agenda

(Open to Public and Press)

1. Apologies for absence.
2. Members to declare:-
 - (a) any interest in matters to be discussed at the meeting;
 - (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.
3. To confirm the minutes of the meeting held on 27 September, 2018 as a correct record.
4. Growing what we have got and supporting local businesses
5. Review of Local Enterprise Partnerships (LEP)

J Britton
Chief Executive

Sandwell Council House
Freeth Street
Oldbury
West Midlands

Distribution:

Councillors Rollins (Chair);

Councillors Ashman and Singh (Vice-Chairs);

Councillors Ahmed, Ali, Allcock, Chidley, E M Giles, I Jones, Preece and Tagger.

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Economy, Skills, Transport and Environment Scrutiny Board

Apologies for Absence

The Board will receive any apologies for absence from the members of the Board.

Economy, Skills, Transport and Environment Scrutiny Board

Declaration of Interests

Members to declare:-

- (a) any interest in matters to be discussed at the meeting;
- (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.

Minutes of the Economy, Skills, Transport and Environment Scrutiny Board

**27 September, 2018 at 6.00pm
at Sandwell Council House, Oldbury**

Present: Councillor Rollins (Chair);
Councillors Ashman and Singh (Vice-Chairs);
Councillors Ahmed, Ali, Allcock, E M Giles and
Preece.

In attendance: Andy Miller, Strategic Planning & Transportation
Manager

13/18 Declaration of Interests

Councillor Allcock declared a non-pecuniary interest in item 3, Cycle Infrastructure Programme as a member of the West Midlands Combined Authority WMCA - Transport Delivery Committee.

14/18 Cycle Infrastructure Programme 2018/19 and 2019/20

The Strategic Planning & Transportation Manager provided the annual report to Cabinet relating to cycling infrastructure works 2018-19 and the provisional programme for 2019-20. The report had been referred to Scrutiny from Cabinet 19th September 2018.

The Board was advised that the information in the report gave insight about the Sandwell strategy and where it sat within the Wider West Midlands Cycle Plan.

The Strategic Planning and Transportation Manager outlined the three-tier structure of cycling in the West Midlands Combined Authority (WMCA) area. He advised that the West Midlands Combined Authority WMCA was in the process of developing and delivering a new cycle and walking implementation plan at West Midlands level.

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The Board was advised that much of what was contained in the Sandwell Strategy was done at the behest of the West Midlands Combined Authority WMCA and that the cycle strategy at a local level had been delayed to commission consultants to carry out a piece of work. The work had not yet commenced, but was expected that it would be available for consultation on the draft in Spring 2019. The Strategic Planning and Transportation Manager advised that consultant report would be presented to scrutiny to comment on before Cabinet received the report.

The Board was advised that the Council was responsible for integrated cycle schemes of up to £1,000 but that the larger schemes such as canal tow path upgrades were not Council schemes and were funded by the West Midlands Combined Authority WMCA or Local Enterprise Partnership LEP. He advised that in the future there would be more schemes at a local level but there was a need to identify projects in Sandwell that fell within the WMCA strategy and where funding was available.

From the comments and questions by members of the Scrutiny Board the following responses were made and issues highlighted:

- During the financial year 2018-19 the Chair observed that there looked to be little or no forward movement of the cycle infrastructure programme; the Strategic Planning and Transportation Manager advised that this year the programme report was originally due to go to Cabinet in April, however there had been a number of unusual circumstances in the run up to this report being circulated which had caused delays.
- Next financial year the report would be scheduled for a February Cabinet meeting to make sure it was ready to roll.
- The Cycle Infrastructure Strategy would in future be a ten-year plan with annual updates underpinned by the table of schemes and more about the local cycle network. At the moment, there was a mix of both which was being split across the network.
- The Board was advised that most of the canal route from Birmingham Centre to Sandwell Valley was complete with the exception of work to complete the path by Chances Glasswork. The delays to the towpath work was due to an unsafe building and the need to carry out work by hand rather than use heavy

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machinery. It was however expected that the work would be complete by the end of 2018.

- The Board was advised that the surface material used for the canal paths was of an all-weather surface compound. There were some conservation areas where it was recommended that a different material be used to ensure it was in keeping with the conservation guidelines.
- Work on the section of the canal from West Bromwich to Black Patch was reported to be progressing well. The Strategic Planning and Transportation Manager confirmed that the Council did not have responsibility to maintain the canal paths and that they were the responsibility of the Canal and River Trust.
- The Chair highlighted the need for future Local Cycle and Walking Infrastructure Plans (LCWIP) to come before the Scrutiny Board for pre-decision.

Members thanked the Strategic Planning and Transportation Manager for the report and responses to questions.

Resolved:

- (1) That the Economy, Skills, Transport and Environment Scrutiny Board endorsed the following recommendations to the Cabinet Member for Highways and Environment Cabinet:
 1. To note the progress made on delivering cycle infrastructure to support the West Midlands Strategic Transport Plan-Movement for Growth during 2017/18.
 2. To approve the programme of cycle infrastructure works for 2018/19 subject to consultation and to the approval of detailed proposals by the Cabinet Member for Highways and Environment.
- (2) That an update report and photographs highlighting the progress of the West Bromwich to Black Patch section of the canal path re-surfacing and cycle

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scheme be circulated to Members of the Economy, Skills, Transport and Environment Scrutiny Board;


- (3) That a pre-decision scrutiny item relating to the draft Local Cycle and Walking Infrastructure Plan (LCWIP) be added to the Economy, Skills, Transport and Environment Scrutiny Board Work Programme for 2018-19.

(Meeting ended at 18:17 pm)

<p>Contact Officer: Deb Breedon Democratic Services Unit 0121 569 3896</p>
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REPORT TO ECONOMY SKILLS, TRANSPORT AND ENVIRONMENT SCRUTINY BOARD

8 November 2018

Subject:	Growing what we have got and supporting local businesses
Cabinet Portfolio:	Councillor Paul Moore - Cabinet Member for Regeneration and Economic Investment Regeneration and Economic Investment
Director:	Director – Regeneration and Growth – Amy Harhoff
Contribution towards Vision 2030:	
Contact Officer(s):	Tammy Stokes

DECISION RECOMMENDATIONS

That: Economy, Skills, Transport and Environment Scrutiny Board

It is recommended that the Scrutiny Board note the content of the report and the level of support provided to the Sandwell Business Community by the Regeneration & Growth Team through initiatives including Sandwell Ambassadors.

1 PURPOSE OF THE REPORT

- 1.1 The report seeks to provide an overview to the Scrutiny Board on the Business Support services provided by the Regeneration & Growth Team through work such as the Sandwell Business Ambassadors initiative.
- 1.2 Detailed information into the services provided by the Regeneration & Growth Team is captured in Appendix 1 of this report.
- 1.3 Detailed information pertaining to the Sandwell Business Ambassador initiative is captured in Appendix 2 of this report.

2 **IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 The Regeneration & Growth Team serves Sandwell businesses by providing information, support and expertise to help them achieve their growth objectives; increase job creation opportunities; and grow the economy in Sandwell. The team has fostered working relationships with the Sandwell business community which has built the council's reputation for getting things done, by being supportive and understanding the growth objectives.
- 2.2 The work of the team enables the council to achieve its objectives of creating a prosperous place to live, work and invest, by supporting inward investment, job creation, and enhanced training opportunities to local residents and young people. In addition, the team supports the development of Sandwell's excellent business stock to continually make Sandwell a business destination of choice.
- 2.3 The team has a key role in the co-designed development of the Regeneration and Inclusive Growth Strategy, to ensure that local businesses and the economic growth of Sandwell is central to the Strategy. The work of the team is integral to ensuring that Sandwell business and communities continue to grow and prosper, by bringing opportunities to all Sandwell residents for training, skills, employment and economic prosperity. The team works closely with the business community along with training and education partners to highlight the diversity of job opportunities to local residents, including young people. The team encourages them to take up the wide range of employment and training opportunities that are available to them through Sandwell's strong business stock.
- 2.4 The work of the team encourages local businesses to work with local schools', community groups and voluntary agencies etc. in order build the aspirations of Sandwell's young people. The team work closely with Sandwell Council's the Area Employment Team to link employers, initiatives and local people together, ensuring all have the opportunity to benefit from Sandwell's economic prosperity and growth.
- 2.5 Sandwell Business Ambassadors initiative comprises senior management representatives from across both Sandwell's Strategic and Sandwell's Growth companies. The Ambassadors initiative was established for the council to engage with the wider business community and to help facilitate solutions for bridging the skills gaps and raising aspiration levels of young people entering work.
- 2.6 The Sandwell Business Ambassador initiative is a method by which the team can work closely with the business community, reinforcing the

council's reputation for getting things done and ensuring a continued understanding of the growth needs and objectives of the local economy.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 The report will now provide an overview of the range of business support services and initiatives delivered by the Regeneration & Growth Team.

3.2 The team as a whole provides Business Support and Advice to Sandwell businesses, from start-up advice through to funding and procurement. The team provides the expertise and knowledge to help address business needs. The Think Sandwell Business Growth initiative makes doing business in Sandwell easier by offering a wide range of support and guidance. The team provides a business friendly, one point of contact platform, through the provision of the Think Sandwell website. The website makes it easier for businesses identify and access the support they need from the council. Any business, regardless of size, trading history or any individual considering starting a business in Sandwell, can contact Think Sandwell to determine what support is available from the team and the council as a whole to help their business grow. These include:

- Location and relocation service - free property searches and accompanied site visits to help businesses with their expansion plans.
- Development Ready – pro-active planning to give confidence in securing consent for appropriate development with provision of dedicated planning officer support.
- Free recruitment and training service to help attract the right staff for business operations. Working with the council's Area Employment Team (AET) and partner educational organisations allows the team to offer a wide-ranging service to employers whilst supporting local residents and young people.
- Social Value and Community Benefits – the team is committed to capturing these benefits arising from economic growth and physical regeneration. Such benefits are conditions written into planning conditions, Employment & Skills plans, and procurement contracts.
- Through comprehensive aftercare and account management the team make sure local business operations continue to receive the support to grow.
- Local Supply Chain Development – the team supports the development of supply chains and awareness of procurement opportunities, ensuring local business can competitively tender for such opportunities. These can

include large scale regeneration projects such as the Aquatic Centre and the Midland Metropolitan Hospital.

- Relationships with Strategic Partners affords the team the ability to identify and establish key contacts and networks to fast track business growth plans, including providing companies with a skilled workforce and raising the aspirations of Sandwell's young people. The teams' technical expertise also links to strategic partners with Universities, Industry networks, innovation hubs/forums and the professional sectors.
- Through the Sandwell Business Solutions Centre **partnership project the team helps companies improve their business performance and offer a drop-in facility for businesses support services.**
- Access Finance – the team identifies sources of gap funding for business ventures, including any available grants, loan finance, equity partners and venture capital.
- Black Country Transformational GOLD project helps businesses to capitalise on growth opportunities and add to the value of economic activity within our borough. The team supported the delivery of the Black Country Transformational GOLD (BCTG) project, helping businesses to capitalise on growth opportunities and add to the value of economic activity within Sandwell. This project gave 29 Sandwell companies £302k in grants to support £1.1m worth of projects to help to grow Sandwell. BCTG is also designed to help local businesses create new employment opportunities by match funding projects that help companies to transform and grow.
- Growing Priority Sectors (GPS) Regional Growth Fund is a business investment programme funded through the Black Country LEP's "Black Country Growth Deal". The four year £8.63 million programme helps to strengthen the capacity of Black Country businesses to take advantage of new market opportunities by providing grants to support the tangible capital investment in plant, machinery & property. The funding programme opened in March 2015 and is due to end March 2019. The GPS programme is managed by the team, supporting businesses from their initial Expression of Interest funding application to their final claim of funding. The current forecast is that by March 2019 the team will have supported 60 businesses; generated £38.8m in private sector match funding; and enabled the creation of 940 new jobs and 87 apprenticeships.
- AIM (Advice, Investment and Market Development) is a Black Country wide project, which currently part funds the activities of the team that helps in the delivery of local business support activity. The project

currently funds 2 Business Navigator roles that essentially deliver local business support activity and feed into the enhanced co-ordinated approach for the Black Country. More broadly, in addition to business navigation, the team co-ordinates Sandwell's business advice services with partners and co-ordinates local supply chain activity and procurement engagement.

- 3.3 Sandwell Business Ambassadors is supported by the team to promote Sandwell as a dynamic and innovative business location. The programme offers Sandwell's key strategic businesses the opportunity to engage with the council leadership and other senior business representatives to discuss key issues, topics and policies etc. that directly affect the growth aspirations of businesses within Sandwell and the wider region.
- 3.4 The Ambassadors engage with the wider business community, establish links between different sectors and to help support solutions for bridging the skills gaps and raising aspiration levels of young people entering work as well as promoting Sandwell and the council as a place to invest. Sandwell Business Ambassadors are key to raising the aspirations of Sandwell's young people by telling the story of what it is like to work with different sectors and highlight the diversity of opportunity available to all.
- 3.5 The links between the Business Ambassadors and the council, facilitated by the team enables the Ambassadors to access the recruitment and training advice and support Sandwell Council's Area Employment Team offers.

4 THE CURRENT POSITION

- 4.1 Growing Priority Sectors will conclude in March 2019 with the final 5 applications for funding currently being processed by the team.
- 4.2 Sandwell Council is awaiting the outcome of a BCLEP led bid for further funding for **AIM for GOLD** which will allow Sandwell to continue to support Sandwell businesses to achieve their growth objectives by enabling access to GOLD of funding to help grow and transform their business. A decision from the BCLEP is expected December 2018.
- 4.3 The team currently has a number of KPIs in order to meet the contractual requirements for AIM and GPS. The table below shows the KPIs and targets and current achievements rates. The table also shows the KPIs for the awaited AIM for GOLD project which are yet to be confirmed.

		2030 Ambition	Year End 18/19 Target	Year End 18/19 Outturn	Year End 19/20 Target	Year End 19/20 Outturn
Growing Priority Sectors	Jobs Created	# 9	75	75	27	27
Growing Priority Sectors	Apprentice Starts	# 9 #3 #1	5	5	5	5
AIM for the Black Country	3-hour business assists	# 9	188	190	0	0
AIM for the Black Country	12-hour business assists	# 9	88	44	0	0
AIM for Gold	3-hour business assists	# 9			45 TBC	-
AIM for Gold	12-hour business assists	# 9			15 TBC	-

4.4 The Sandwell Business Ambassadors initiative is currently being revitalised which has entailed the appointment of a new chair and the ambassador membership being updated. The Ambassadors are looking to progress and develop the initiative in order to engage with the wider business community, establish links between different sectors and to help support solutions for bridging the skills gaps. The work of the Ambassadors, with the support of the team will help to promote projects and work to help raise aspiration levels of young people entering work, promoting Sandwell as a great place to live, work and do business.

4.5 **The Ambassadors initiative will also support and compliment the council's regeneration plans and 2030 Vision for Sandwell by forging stronger links between different business sectors and the council, showcasing the business benefits of Sandwell and the wider region to create awareness of Sandwell's business proposition. They will also celebrate the breadth of commercial talent Sandwell has as well as promoting the business activity and achievements. This will highlight the impact Sandwell has on the regional and national economy.**

4.6 The work of the Sandwell Business Ambassadors aligns to the Vision 2030 as well as the development of the Regeneration and Growth Strategy. They will be working to identify skills gaps, with support of the team and partners, to devise how those gaps can be plugged. In turn this will encourage Sandwell's young people to take up these opportunities, offering them a pathway into the diverse and strong industries within the borough.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

5.1 The work that the team delivers supports and links to the work that the Black Country Growth Hub does and we are a delivery partner for the AIM project, as previously mentioned.

5.2 The AIM for GOLD project has been assessed by Sandwell's Strategic Finance Team. The Business Growth Team was part of the initial discussions to help to shape the new programme and its application.

5.3 Funding support for the Sandwell Business Ambassadors' PR & Marketing was approved by council in September 2017 and then procured fairly and transparently – contracting with Superdream from January 2018 for a 24-month period.

6 ALTERNATIVE OPTIONS

6.1 There are no alternative options applicable to this report.

7 STRATEGIC RESOURCE IMPLICATIONS

7.1 Regeneration & Growth Team Resources partly supported by the match funding of the AIM project.

7.2 Sandwell Business Ambassadors marketing budget has been committed up to Dec 2019.

7.3 Possibility of accessing further funding through the BCLEP amongst others.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

8.1 Sandwell Business Ambassadors marketing and PR is contracted through Procurement and monitored by the team. Contract was set and written by the council's Legal Services Team.

9 EQUALITY IMPACT ASSESSMENT

9.1 The support delivered by both the Regeneration & Growth Team and Sandwell Business Ambassadors is open to all businesses.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 The Think Sandwell services and website are fully GDPR compliant and have undertaken all of the required steps to ensure that their activities and retention processes meet required standards.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no crime and Disorder issues arising from these activities.

12 SUSTAINABILITY OF PROPOSALS.

12.1 Seeking future funding from BCLEP and other appropriate sources.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 The Regeneration & Growth Team supports ongoing initiatives aimed at workforce and employee wellbeing and this is reflected in the Think Sandwell's dedicated webpage.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There are no direct implications on the Council's managed Property or Land although the team do support the sale and or rental of these through the Business Support services and they advertise as appropriate through the Think Sandwell website and Sandwell Business Ambassador initiative.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The overview provided in this report it is considered that Sandwell's support to businesses is adequate given the resources currently available. Every effort will be made to maximise resources where appropriate, through applying for grant provision to support service delivery.

15.2 The role which the team has in the development of the Regeneration & Inclusive Growth Strategy stands to highlight future priorities for the team and ways to improve and sustain service delivery going forward. This Strategy will need to align to wider strategies of our partner organisations such as the West Midlands Combined Authority and the BCLEP.

15.3 It is recommended that the Scrutiny Board note the content of the report and the level of support provided to the Sandwell Business Community by the Regeneration & Growth Team through its initiatives including Sandwell Business Ambassadors.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

Appendix 1 – Regeneration & Growth Team services overview

Appendix 2 – Sandwell Business Ambassadors overview



Amy Harhoff
Director – Regeneration and Growth



“The Regeneration & Growth Team, provides expertise and support to help businesses achieve their goals and create jobs and training opportunities in Sandwell. We support Sandwell’s Vision 2030 and its ambitions, helping to make our borough a prosperous place in which to invest, work and live.”

Expert business support from the Think Sandwell Business Growth service...

What we offer:

Strategic company support and Top 50 Growth

Working with local strategic and growth companies to ensure they have a single point of contact to address their concerns and issues.

Top 50 Fastest Growing Companies Index, recognises and celebrates the top 50 fastest growing companies in Sandwell.

Support with funding

Working closely with both public and private-sector organisations we offer help to identify the most appropriate funding sources. Giving advice on applying for appropriate funding and available sources of gap funding for business ventures (including any available grants, loan finance, equity partners and venture capital)

Property Expertise

The team can advise, guide and assist in making the right decisions and choices about commercial property needs.

Support with finding larger or specialist premises in our borough for expansion.

Supply Chain support for growing businesses

Advice and training relating to the council's procurement process and e-sourcing system and available council let contracts and on securing new contracts and identifying potential new clients.

Meet the Buyer and Procurement Events help to link the local supply chain businesses with major developments and procurements activities in and around the borough.

Inward Investment and Strategic partnerships

As a partner of the Black Country Growth Hub and the Black Country Local Enterprise Partnership, we work closely with a wide range of organisation giving us access to information, advice and support to deliver a seamless service to businesses. This allows us to be able to support not only Sandwell’s businesses to grow and prosper but those wishing to move into and invest in the area.

Chinese Delegation visits and Friendship Links

Over the last 4 years, the team has supported the council to welcome a number of delegations from China giving us opportunity to highlight the attractions of China investing or doing business in Sandwell. Showcasing Sandwell’s diverse and sustainable economy with productive and innovative companies and a highly-skilled workforce and coupled with excellent transport links and a cost-competitive location.

Sandwell Business Solutions Centre

Provides a collaborative and innovative approach to boosting businesses, and is designed to make a positive economic impact on Sandwell and our surrounding areas by offering a range of business support events and training.

SBSC is led by the University of Wolverhampton, in partnership with Sandwell Council, the Black Country Chamber of Commerce and Sandwell College and is there to help large and small companies improve their business performance by offering a drop-in facility to meet with staff as well as well as a place to attend and deliver events supporting the work and objectives of the Black Country Growth Hub and partners.

For start-up businesses, Social enterprise and small business support

We offer basic advice for start-ups with signposting for more in-depth advice on business planning, market intelligence and accessing finance – including appropriate training.

Support with finding suitable premises in our borough through the Property Services team and our extensive database.

Help for growing businesses

We can offer help with accessing new markets, securing new contracts and identifying potential new clients. As well as valuable links with strategic partners, universities and other business support organisations.

Social Value

Sandwell Council's approach to Social value is to ensure that social, economic and environmental obligations are recognised from all investment and development in the borough. A key area is to improve and raise aspirations and inspiration to enable local people to gain jobs and skills from new opportunities created. Think Sandwell propose realistic targets set within an Employment Skills Plan, to ensure sustainable outcomes benefit people living in Sandwell and neighbouring area. Also, businesses working in transparency with their local supply chains, as well as enhancing diversity and inclusion, recycling, energy efficiency, lower fuel consumptions, are all examples for consideration of adding value to the local community.

Skills gap

Working with the Area Employment Team, Sandwell College and other education partners, we help businesses to identify and bridge the skills gaps they have through apprenticeships, traineeships and general recruitment support. Working with the Area Employment Team allows the team to offer a wide-ranging service to employers that not only offers support to businesses but also to the local community by giving people access to local jobs, training and apprenticeships. Working across directorates and with a wide range of skills and education partners not only offers support to businesses but also to the local community by giving people access to local jobs, training and apprenticeships.

Sandwell Business Ambassadors

The Sandwell Business Ambassadors programme was launched with the aim of determining how to utilise the strengths of local strategic businesses by acting as advocates to support the borough in its ambitions to develop its business base. All Sandwell Business Ambassadors are passionate about communicating just what Sandwell can offer as a business destination and the proactive and supportive work of the council.

Key objectives are to engage with the wider business community, establish links between different sectors and to help support solutions for bridging the skills gaps and raising aspiration levels of young people entering work, promoting Sandwell as a great place to live, work and do business.

Promotion of Sandwell

Working to put Sandwell on the map through social media and ThinkSandwell.com, press, marketing and working with companies to utilise the power of social media through the #madeinsandwell campaign - celebrating everything great that has been manufactured, engineered, produced, grown, devised, dreamed up and delivered in the borough of Sandwell.

Award Recognition

We have been successful in winning a number of awards for the projects we have delivered — Constructing Excellence, Federation of Small Businesses, Construction News, RTPI to name a few.

Planning Support and Links

As part of the all-round service that the team offers, we work closely with our colleagues in Planning, linking businesses and the right officers within the team.

This ensures we offer links to **Planning Regeneration**; providing advice, guidance and dedicated officer support into future development proposals and major infrastructure schemes within the borough.

This includes working with prospective developers on a range of topic areas for major housing and commercial schemes as well as acting on the council's behalf for new council facilities such as schools, leisure centres and office development.

The team also provides a Development Ready service which has been established to proactively market sites, stimulating and providing confidence for the development market.

The **Strategic Planning and Transportation Team** provides the planning policy framework for Sandwell, on which any application for new development will be judged.

Regeneration and Inclusive Growth Strategy The work of the Business Growth Team is integral to the Regeneration and Inclusive Growth Strategy and will help to ensure that the borough's businesses continue to grow and prosper and bring opportunity to all Sandwell residents for training, skills, employment and economic prosperity. Working closely with local businesses and training and education partners helps to highlight the diversity of opportunity to local young people and helps to encourage them to take up the wide range of employment and training opportunities that are available to them through Sandwell's strong business stock. The work of the team also allows Regeneration and Growth to encourage the local businesses to work with local education providers, schools, community groups etc in order build the aspirations of Sandwell's young people, BGT work closely with the Area Employment Team to link employers, initiatives and local people together in order to all benefit from Sandwell's prosperity and growth. Through Social Value and Community Benefit Clauses, the team ensures that regeneration developments access the local supply chain and labour market, and support businesses to remain and prosper in Sandwell. The team helps to ensure that the Sandwell pound stays in Sandwell and its benefit is recognised within the borough.

Business Ambassadors

Sandwell Business Ambassadors aim to encourage Sandwell Businesses to thrive by supporting and growing existing local businesses through providing a voice to the council and wider business community.

The key objectives of the SBA is to engage with the wider business community, establishing links between different sectors and to establish and support solutions for fixing the skills gaps and aspiration levels of young people entering work, promoting that Sandwell as a great place to work.

Introduction

Think Sandwell's Business Ambassadors (SBA) is a pilot programme with the aim to promote Sandwell as a dynamic and innovative business location. The project is made up of some of Sandwell's key strategic businesses who are working with the aim of determining how to utilise their strengths, acting as advocates to support the borough in its ambitions with regard to business going forward and linking to the Vision 2030 ambitions.

The purpose of the group's activities is not to solely focus on engagement with local business, but should support the council's Vision 2030 as well as supporting and encouraging inward investment to an international audience.

The project was initiated by the council with the aim of establishing a group of people from businesses within the borough to determine how best to promote and support both business within the Sandwell area and the council itself.

The project also offers these key strategic businesses the opportunity to engage with the council leadership and other senior business representatives and organisations (such as the chamber) to discuss key issues, topics policies etc. that directly affect their growth aspirations within the borough and the wider region.

Aim and objectives

- Focussing on Sandwell's economic strengths bring together private sector advocates to act as the voice of businesses
- Connecting with the wider business community in Sandwell in order to facilitate discussion and information flow between local businesses and the council
- Informing council policy and shaping council business support and developing the future vision in respect of business
- Supporting the delivery of the council's Regeneration and Inclusive Growth Strategy and Integrated Plan in order to create the conditions and environment for economic growth
- Linking with education and skills providers, supporting the identification of skills gaps and appropriate provision to address these and identify any gaps in provision

- Connecting with relevant business forums in order for Sandwell's voice to be heard e.g. the BCCC, WMCA and the LEP to enable coordination of activity and deliver a coherent message across all forums
- Ensuring that appropriate mechanisms are in place to monitor and evaluate progress of the initiative by establishing realistic and achievable targets/indicators


Priorities and Activities

- Obtain up to date local data in order to create a business support needs profile
- Build relationships with local businesses and related educational and skills providers and agencies
- Establish links with the West Midlands Combined Authority, LEP and other appropriate agencies
- Identify what kind of local business forum is required at what location and frequency and then set this up and manage the agenda and attendance on an ongoing basis
- Assist in informing council policy and supporting council vision and strategy.
- Identification of skills gaps and associated provision
- Develop a campaign to increase awareness of Ambassadors' initiative
- Promote opportunities for businesses to become involved
- Develop and supporting a marketing strategy to raise awareness of Sandwell Business Ambassadors and related council policy and business support
- Engaging with wider business community
- Promote Sandwell and its business prospects with the aim of attracting further and continued investment

REPORT TO

Economy, Skills and Transport and Environment Scrutiny Board

08 November 2018

Subject:	Review of Local Enterprise Partnerships
Cabinet Portfolio:	Councillor Paul Moore - Cabinet Member for Regeneration and Economic Investment
Director:	Executive Director - Neighbourhoods - Dr Alison Knight
Contribution towards Vision 2030:	
Contact Officer(s):	Dr Alison Knight

DECISION RECOMMENDATIONS

That :

- 1 The Board considers and comments upon the report on Local Enterprise Partnership boundaries and progress thus far.
- 2 The Board considers how it feels Sandwell MBC is best represented at a Combined Authority and National level.

3 PURPOSE OF THE REPORT

- 3.1 In July 2018, Government, released a document in relation to the Review of Local Enterprise Partnerships (LEPs) entitled “Strengthened Local Enterprise Partnerships”.
- 3.2 This report briefly sets out the recommendations in the document and asks members to consider the implications for Sandwell MBC as a member of the Black Country LEP.

4 REPORT DETAIL

- 4.1 In the Industrial Strategy, it was stated that Government would work to strengthen LEPs to ensure that all parts of England stand ready to play their part in the growth of our economy after our exit from the European Union.
- 4.2 The Government confirmed that there would be a Ministerial review of LEPs to deliver this objective, so that LEPs would be securely placed to drive growth through the development of the Local Industrial Strategies in partnership with areas, harnessing distinctive strengths to meet the Government's challenges and in the context of the UK Shared Prosperity Fund.
- 4.3 The document - Strengthened Local Enterprise Partnerships – provides the conclusion to the Ministerial review of LEPs and sets out Government's expectations of their roles and responsibilities.
- 4.4 The recommended actions within the Review fall under the headings of:
- Role and responsibilities;
 - Leadership and organisational capacity;
 - Accountability and performance;
 - Geography;
 - Mayoral combined authorities.
- 4.5 **Roles and Responsibilities**
- 4.5.1 it was recognised that the LEPs have played a key role in convening local economic stakeholders to develop evidence-based economic strategies and have helped to identify key investment opportunities which will increase growth.
- 4.5.2 Further guidance is to be published as to how LEPs should focus on enhanced productivity via the development and delivery of their local industrial strategies.
- 4.5.3 LEPs will be expected to publish annual delivery plans and end of year reports setting out key performance indicators to assess the impact of the Local Industrial Strategy.
- 4.6 **Leadership and Organisational Capacity**
- 4.6.1 The review recognises that successful LEPs are led by influential private and public sector leaders.
- 4.6.2 Government is seeking to increase regular dialogue with LEPs which will include a Prime Minister chaired Council being held and a senior official

sponsor being appointed for each LEP from across Government Departments.

4.6.3 LEPs will be expected to improve the gender balance and diversity of boards with an aim that women make up a third of boards by 2020 and equal representation by 2023.

4.6.4 Additional capacity funding will be provided to implement the review.

4.7 **Accountability and Performance**

4.7.1 A standardised national framework will be developed that ensures LEPs remain autonomous and independent bodies with local decision making powers.

4.7.2 Annual General Meetings which are open to the public should be held so that communities can understand and influence local economic plans.

4.8 **Geography**

4.8.1 The review feels that current geographic boundaries need to be reviewed as the context in which LEPs now operate has changed significantly from 2011 when they were first formed.

4.8.2 Some local geographies overlap and LEPs have been asked to submit proposals regarding geographies that best reflect functional economic areas, remove overlaps and where appropriate propose wider changes such as mergers.

4.9 **Mayoral Combined Authorities**

4.9.1 The review sets out the case for greater alignment and collaboration between mayoral combined authorities and LEPs as being administratively efficient, leading to a greater economic impact.

4.9.2 The intention is for government to consolidate its engagement with mayoral combined authorities and LEPs to agree a Local Industrial Strategy

5 **IMPLICATIONS FOR SANDWELL MBC**

5.1.1 Sandwell MBC is a member of the Black Country LEP along with the other 3 Black Country local authorities.

5.1.2 The local authority is also a constituent member of the West Midlands Combined Authority (WMCA) along with the other Black Country authorities, Birmingham City Council, Solihull MBC and Coventry City Council. There a number of LEPs operating across this geography – namely Black Country LEP, Birmingham and Solihull LEP and Coventry and Warwickshire LEP.

5.1.3 Whilst the Black Country LEP consists of the 4 Black Country authorities, the other 2 LEPs have overlapping geographies with surrounding areas and may need to reconsider these in light of the review. Whilst this is mostly of specific interest to those LEPs and local authorities, there may be implications for the wider geography linked to the WMCA.

5.1.4 The LEP Review paper also makes it clear that the longer term aspirations of Government are to have a LEP Geography that mirrors the WMCA which would mean LEPs merging.

5.1.5 The Black Country has had a joint approach since prior to the setting up of LEPs in 2011. The Black Country Consortium precedes this date.

5.1.6 The overarching feeling in the Black Country is that we need to keep a Black Country LEP to ensure the needs of our localities are understood and fully represented.

5.1.7 The LEP has communicated these views to Government.

6 CONCLUSIONS

6.1 Members are asked to consider the review and how they feel Sandwell MBC is best served within regional and national settings.

7 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

7.1 At present, consultation is being carried out by the Black Country LEP with local authorities and business. The Combined Authority will also have a clear role with any consultation.

8 STRATEGIC RESOURCE IMPLICATIONS

8.1 At present there are no financial or HR implications for the local authority, arising from this report.

9 LEGAL AND GOVERNANCE CONSIDERATIONS

9.1 There are no legal and governance considerations at present for the local authority.

10 EQUALITY IMPACT ASSESSMENT

10.1 This is not applicable at this stage.

11 **APPENDIX 1**

- **Strengthening Local Enterprise Partnerships – HM Government
July 2018**

**Dr Alison Knight
Executive Director – Neighbourhoods**



HM Government

Strengthened Local Enterprise Partnerships



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Executive summary

Since their establishment in 2010, Local Enterprise Partnerships have been integral to economic growth across England. Following the publication of our modern Industrial Strategy, that sets out an approach to ensuring prosperous communities throughout the country, we have reviewed our policy towards Local Enterprise Partnerships to ensure that they continue to support Government in meeting this ambition.

In the Industrial Strategy, Government committed to work with Local Enterprise Partnerships to bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries. It is critical that Local Enterprise Partnerships are independent and private sector led partnerships that are accountable to the communities they support. At the same time, it is important to set out a model that will underpin future national and local collaboration. This will be essential to the development of Local Industrial Strategies and in the context of the future UK Shared Prosperity Fund.

This document sets out the conclusions of our policy review. It includes a series of Government commitments alongside a number of additional changes that Government will work with Local Enterprise Partnerships to implement.

Role and responsibilities:

Over recent years Local Enterprise Partnerships have played a key role in convening local economic stakeholders to develop evidence-based economic strategies. They have helped to identify key investment opportunities and interventions with the potential to increase growth in towns, cities and rural areas across the country. Local Enterprise Partnership Chairs have also acted as authoritative advocates for their local economy.

Government will:

- Publish a **statement on the role and responsibilities** of Local Enterprise Partnerships. Local Enterprise Partnerships will focus on enhancing productivity. This will be achieved through the development and delivery of their Local Industrial Strategy.
- Publish a **further statement on Local Industrial Strategies** to guide locally-led work. This statement will be published over the summer. Government will aim to agree Local Industrial Strategies with all areas of England by early 2020.
- Commission an **annual economic outlook** to independently measure economic performance across all Local Enterprise Partnerships and the areas they cover.

Government will support all Local Enterprise Partnerships to:

- Develop an evidence-based **Local Industrial Strategy** that sets out a long-term economic vision for their area based on local consultation.
- Publish an **annual delivery plan and end of year report**. This will include key performance indicators to assess the impact of their Local Industrial Strategy, funding and interventions. It will inform objective assessment on Local Enterprise Partnership performance both nationally and locally.

Leadership and organisational capacity:

Successful Local Enterprise Partnerships are led by influential private and public sector leaders, acting as champions for their area's economic success. Since their formation Local Enterprise Partnerships across the country have benefitted from business expertise and acumen. They have created new partnerships between the public and private sector across administrative geographies that represent the diversity of local businesses and communities.

Local Enterprise Partnerships prioritise policies and actions on the basis of clear economic evidence and intelligence from businesses and local communities. Their interventions are designed to improve productivity across the local economy to benefit people and communities with the aim of creating more inclusive economies. To do this effectively Local Enterprise Partnerships must have robust governance arrangements that provide the operational independence to take tough decisions and hold local partners to account for delivery. This also requires Local Enterprise Partnerships to have the organisational capacity to fulfil their roles and responsibilities. They must have the means to prioritise policies and actions, and to commission providers in the public, private sector and voluntary and community sector to deliver programmes.

Government will:

- Increase **regular dialogue** with Local Enterprise Partnerships. This includes the **Prime Minister chaired Council** announced in the Industrial Strategy, as well as a **senior official sponsor** for every Local Enterprise Partnership from across government departments.
- **Actively work with Local Enterprise Partnerships to advertise opportunities** for private sector leaders to become a Local Enterprise Partnership Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website.
- Offer an **induction and training** programme for Local Enterprise Partnership board members and officers on working with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.
- Provide **up to £20 million between 2018-19 and 2019-20 in additional capacity funding to support Local Enterprise Partnerships** to implement the review and to provide the strategic and analytical capability needed to develop ambitious Local Industrial Strategies.

Government will support Local Enterprise Partnerships to:

- **Consult widely and transparently** with the business community before appointing a new Chair; and introduce **defined term limits** for Chairs and Deputy Chairs in line with best practice in the private sector.
- Establish more **representative boards of a maximum of 20 persons** with the option to co-opt up to five additional board members. Our aspiration is that two-thirds of board members should be from the private sector;
- **Improve the gender balance and representation of those with protected characteristics on boards** with an aim that women make up at least one third of Local Enterprise Partnership boards by 2020 with an expectation for equal representation by 2023, and ensuring all Local Enterprise Partnership boards are representative of the businesses and communities they serve.

- **Provide a secretariat independent of local government** to support the Chair and board in decision making.
- **Develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. This will be supported by **robust evaluation of individual projects and interventions**.

Accountability and performance:

Local Enterprise Partnerships already recognise that they must operate to the highest standards of accountability and transparency in the use of public funding. Government has strengthened its approach to assurance processes for the Local Growth Fund. Additional guidance has also been provided to Local Enterprise Partnerships on transparency.

We want to build on that progress and go further. We will clarify Government's approach to robust monitoring and intervention. This will be based on a standardised national framework that ensures Local Enterprise Partnerships remain autonomous and independent bodies with local decision making powers. Sitting alongside this, the Government will agree with the LEP Network how it will support Local Enterprise Partnerships to share best practice, undertake peer-review and work together as a sector to embed a culture of good governance and self-regulation.

Local Enterprise Partnerships operate on organisational structures that support local decision making and provide greater assurance over the management of public funding. These structures should enable clear lines of accountability for delivery with local partners, as well as democratic, public and business scrutiny of decision making.

Government will:

- Continue to maintain **overall accountability for the system** of Local Enterprise Partnerships and local growth funding, and implement in full the recommendations of the Ney Review and any future recommendations that may be made as the performance of Local Enterprise Partnerships is scrutinised and reviewed.
- Assess and publish annual performance against **quantitative and qualitative measures** set out within Local Enterprise Partnership delivery plans.
- Set out within a revised National Assurance Framework a clear statement on an **escalating approach to intervention** in any instances where Local Enterprise Partnerships demonstrate that they are found to be underperforming.
- Develop with the LEP Network and Local Enterprise Partnerships a **sector-led approach to assessing and improving performance** through regular peer review.

Government will support all Local Enterprise Partnerships to:

- Have a **legal personality**, such as incorporation as companies, or mayoral combined authorities or combined authorities where they exist.
- Set out clearly and transparently the **responsibilities of the Chair, Board, Director, and Accountable Body**, including over spending decisions, appointments, and governance.
- Actively participate in relevant **local authority scrutiny panel** enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- Hold **annual general meetings** open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area.

Geography:

One of the great strengths of Local Enterprise Partnerships is their ability to bring together business and civic leaders across local administrative boundaries and provide strategic direction for a functional economic area. This will remain central to the success of Local Enterprise Partnerships; however, it is right to review the current geographic boundaries to ensure that they are fit for purpose for the expanded role we are proposing here.

Overlapping geographies emerged when Local Enterprise Partnerships were first formed on a voluntary basis. Since 2011, however, the context in which Local Enterprise Partnerships operate has altered significantly. They now oversee significant amounts of public funding and have an authoritative voice in shaping national and local policy. It is important that accountability for decisions and responsibility for investment is clear. On balance, Government considers that retaining overlaps dilutes accountability and responsibility for setting strategies for places and so will seek to ensure that all businesses and communities are represented by one Local Enterprise Partnership. Close collaboration between Local Enterprise Partnerships will replace overlapping responsibilities. In looking to remove overlaps, we will also need to ensure that Local Enterprise Partnerships are operating over a significant enough scale to provide the strategic direction and efficient delivery of future programmes.

Government will:

- Ask Local Enterprise Partnership Chairs and other local stakeholders to come forward with **considered proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers**. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Government will support all Local Enterprise Partnerships to:

- **Collaborate across boundaries** where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.

Mayoral combined authorities:

Government has supported local partners to establish mayoral combined authorities as democratically accountable bodies focused on driving growth. Part of the case for establishing these bodies over specific geographies is that these are functional economic areas that are conducive towards the development of strategy, policy and interventions. Government remains open to conversations with other local areas that wish to explore the potential for devolution, where clear local support and a strong economic case for doing so can be demonstrated.

Greater alignment and collaboration between mayoral combined authorities and Local Enterprise Partnerships is administratively efficient and leads to a greater economic impact, whilst still retaining private sector acumen in decision making. The precise nature of the relationship between these two institutions, however, will need to take account of the governance arrangements established for each area.

Government will:

- **Consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships** with a collaborative approach to agreeing a Local Industrial Strategy.

In mayoral combined authority areas, we will work with each Local Enterprise Partnership and mayoral combined authority to:

- **Ensure Local Enterprise Partnerships have a distinctive role in setting strategy and commissioning interventions** to drive growth, jobs and private sector investment.
- Require **Local Enterprise Partnerships and mayoral combined authorities to develop local agreements** which clearly set out roles and responsibilities and accountability.
- **Encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous geographies where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies.

The subsequent chapters of this paper provide detail on next steps and further detail on the reforms we will ask of Local Enterprise Partnerships in each of these areas. **Local Enterprise Partnerships will need to clearly set out how they will adopt these changes.** As referred to above, **we will 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.**

Introduction

The Industrial Strategy sets an ambitious, long-term vision to make Britain the world's most innovative economy, with good jobs and greater earning power for all. Every region in the UK has a role to play in boosting the national economy, driven by local leadership and ambitious visions for the future. We want to have prosperous communities throughout the country and strengthened Local Enterprise Partnerships will help deliver this vision in England.

Evolution of Local Enterprise Partnerships

Local Enterprise Partnerships are private sector led partnerships between businesses and local public sector bodies. They were announced in 2010 to bring private sector expertise into local economic decision making and to encourage collaboration and strategic decision making at a functional economic area. This was part of Government's ambition to shift power away from central government to local communities, citizens and independent providers, as set out in the Local Growth White Paper 2010.

Following the 2013 Spending Review Local Enterprise Partnerships acquired considerable new levers over growth – particularly funding to deliver the interventions that stimulate growth. Through three rounds of Growth Deals the Government is giving over £9 billion to help Local Enterprise Partnerships to deliver their investment priorities. Local Enterprise Partnerships also perform a strategic oversight function for EU Structural and Investment Funds.

Local Enterprise Partnerships have increased private sector involvement in economic decision making, encouraged greater collaboration between public sector leaders across administrative boundaries, and ensured that effective investments are made across areas in growth priority projects.

While Local Enterprise Partnerships have played an important role in supporting local growth, we know that performance has varied. Last year, Mary Ney (Ministry of Housing, Communities and Local Government Non-Executive Director) led a review into Local Enterprise Partnership governance and transparency. Government accepted all the review recommendations and made compliance with these a condition of funding for 2018 - 19. The Government has subsequently accepted in full the recommendations of the recent Public Accounts Committee report on Governance and departmental oversight of the Greater Cambridge Greater Peterborough Local Enterprise Partnership.

Reformed Local Enterprise Partnerships and the Industrial Strategy

The Industrial Strategy (published in November 2017) confirmed that the Government remained firmly committed to Local Enterprise Partnerships. As part of this commitment the Prime Minister agreed to chair a biannual 'Council of Local Enterprise Partnership Chairs'. This will provide an opportunity for Local Enterprise Partnership leaders to inform national policy decisions. The first of these meetings took place on 19th June 2018.

The Industrial Strategy stated that Government would work to strengthen Local Enterprise Partnerships to ensure that all parts of England stand ready to play their part in the growth of our economy after our exit from the European Union. The Government confirmed a

review of Local Enterprise Partnerships to deliver this objective, so that they are securely placed to drive growth through the development of the Local Industrial Strategies in partnership with areas, harnessing distinctive strengths to meet the Government's Grand Challenges and in the context of the UK Shared Prosperity Fund.

This document marks the conclusion of the Ministerial review of Local Enterprise Partnerships and sets out Government's expectations of their roles and responsibilities. Government will support Local Enterprise Partnerships to meet this level of ambition by working with them to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

Approach to the review

In November 2017 the Industrial Strategy announced a review into the roles and responsibilities of Local Enterprise Partnerships that set out to identify reforms to leadership, governance, accountability, financial reporting and geographical boundaries.

Ministers in the Ministry of Housing, Communities and Local Government; the Department for Business, Energy and Industrial Strategy; and Her Majesty's Treasury convened an advisory panel, comprised of experts from Local Enterprise Partnerships, business, local authorities and business representative organisations in order to obtain an overview of both issues and practice. The panel met four times in December, January, March and May and has agreed the joint statement included as an annex below.

Government has worked with the LEP Network and received submissions from them and other organisations to inform the development of these reforms. In addition, through the annual performance review process we have held discussions with each Local Enterprise Partnership on their growth ambitions and challenges. Government has also carried out a series of in-depth deep dives into Local Enterprise Partnerships' governance, accountability and transparency to help to identify best practice.

Government will implement the commitments set out in this document and will work with Local Enterprise Partnerships to take forward all the recommended actions we have set out in preparation for Local Industrial Strategies across England and in the context of the UK Shared Prosperity Fund.

Role and responsibilities

Cities, towns and rural areas across England face a range of economic opportunities and challenges. Over recent years, Local Enterprise Partnerships have assessed these local needs and tailored economic policy responses accordingly. They must continue to carry out this critical role.

The case for change:

Local Enterprise Partnerships were initially established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area”^[1] Their roles and responsibilities were relatively unspecified in order to allow for arrangements reflecting different circumstances across the country. They replaced the former Regional Development Agencies which delivered poor value for money; covering sprawling government office regions, the Regional Development Agencies were distant and remote from local business, and the arbitrary regions had no connection with natural economic areas.

This approach has led to significant local innovation. However, we think there is more opportunity to share best practice across the country and provide clarity on where Local Enterprise Partnerships should focus activity. By being clearer on roles and responsibilities we intend to set out a well understood model that allows Local Enterprise Partnerships to make the most effective use of available resources and funding.

Evidence also suggests that the best economic strategies integrate all influential economic players into decision-making.^[2] Successful economies require more than a single institutional or leadership model – they are dependent upon strong networks and sustained partnerships.

Private sector leadership remains integral to the Local Enterprise Partnership model. Businesses provide essential market intelligence to inform local decision making. Councils are also critical. They provide political accountability and community knowledge. They support business growth through their statutory functions, investment in economic infrastructure, and wider role in creating quality places. Successful Local Enterprise Partnerships have also worked closely with universities, business representative organisations, further education colleges, the voluntary sector, and other key economic and community stakeholders. It is Government’s expectation that Local Enterprise Partnerships continue this collaboration in order to draw on the best local knowledge and insight.

In line with the Industrial Strategy, we will set all Local Enterprise Partnerships a single mission to deliver Local Industrial Strategies to promote productivity. This should include a focus on the foundations of productivity and identify priorities across Ideas, People, Infrastructure, Business Environment and Places. In certain parts of the country this may

[1]

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32076/cm7961-local-growth-white-paper.pdf

[2] <https://www.gov.uk/government/publications/future-cities-comparative-urban-governance>

involve an emphasis on skills whilst in others it may be land supply, congestion or working with relevant local authorities in the delivery of housing where it is a barrier to growth. In others, it may involve harnessing distinctive strengths to meet the Government's Grand Challenges. And for others, it may involve identifying weaknesses in productivity across their local areas or communities and promoting inclusive growth by using existing national and local funding, such as in isolated rural or urban communities. This focus will ensure the benefits of growth are realised by all and that there are the right conditions for prosperous communities in an area.

Local Enterprise Partnerships will support the supply of skills to an area as they respond to the Skills Advisory Panels programme, and will develop even stronger local labour markets and skills governance through Skills Advisory Panels (these will, where possible, use existing infrastructure). These boards will convene local employers, learning providers and other partners, to achieve a better alignment of the local employment and skills offer. This analysis will feed into the development of Local Industrial Strategies.

How Government will support this change:

We have reviewed our previous statement on the responsibilities of Local Enterprise Partnerships. Whilst Local Enterprise Partnerships will determine their own specific priorities, we are clear that they should focus their activities on the following four activities to support the development and delivery of their Local Industrial Strategy:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

We will publish a further **statement on Local Industrial Strategies** to inform locally-led development across the country. This will set out how Local Enterprise Partnerships will identify priorities across the foundations of productivity. As set out in the Industrial Strategy, Government intends to discuss the operation of Local Industrial Strategies in the devolved nations with the relevant devolved administration and other stakeholders.

In addition, Government will **commission an annual economic outlook** to measure and publish economic performance across all Local Enterprise Partnerships and benchmark performance of individual Local Enterprise Partnerships. We will work with academics, and think tanks and the LEP Network to further develop the scope of this work.

How Local Enterprise Partnerships will support this change:

Government will work with Local Enterprise Partnerships to **develop Local Industrial Strategies. These will set out a collective and shared strategic course for the long-**

term. The first Local Industrial Strategies will be agreed with Government by March 2019. We will adopt a phased approach to working with places. We aim to **agree Local Industrial Strategies across England by early 2020.**

Building on the work already being developed across the country, all places should continue locally-led work in a range of areas, including: ensuring priorities are based on objective evidence, engaging with local stakeholders to build a focused set of priorities; and ensuring local ambitions are aligned to the national Industrial Strategy.

In addition, we expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.** These will be published and shared with Government and will include a set of headline outcome indicators based on local priorities to benefit people and communities, and a detailed and well developed understanding of the local economic evidence base across their area. These documents will inform objective assessments of Local Enterprise Partnership performance both nationally and locally. Local Enterprise Partnerships will need to work closely with key delivery partners, notably councils, to determine and agree the economic development priorities, interventions and funding that will be set out in their delivery plans.

We expect that these delivery plans would include how Local Enterprise Partnerships are investing existing Local Growth Fund awards, and delivering other local growth programmes such as Enterprise Zones and Growth Hubs. We will also expect that these delivery plans would include detail on how Local Enterprise Partnerships will work with local authorities to make the most of their existing levers to drive economic growth and ensure that the planning system is responsive to commercial development. They would also include details on the allocation of any other national and local funds, alongside approaches to monitoring and evaluation, and how the Local Enterprise Partnership plans for consultation and engagement with public, private and voluntary and community based bodies. Government will work with Local Enterprise Partnerships to develop a consistent approach to delivery plans that recognises different local priorities. These will be ready for April 2019.

The revised Local Enterprise Partnership Assurance Framework, to be published in early Autumn 2018, will provide further clarity on the development of Local Enterprise Partnership delivery plans.

Leadership and organisational capacity

The leadership that Chairs have provided has been central to Local Enterprise Partnerships' success. In the Industrial Strategy, Government set out a commitment to ensure that all Local Enterprise Partnerships are driven by influential local leaders, acting as champions for their area's economic success. Local Enterprise Partnerships provide a platform for businesses, local elected leaders, universities, skills providers and voluntary and community sector organisations to shape policies for their area, bringing in business expertise and acumen, as well as forming new partnerships between the public and private sector across existing administrative geographies.

Local Enterprise Partnerships must have the operational independence and organisational capacity to deliver on the roles and responsibilities set out in this document. They must have the means to prioritise policies and actions, and to commission providers in the public, private and voluntary sectors to deliver programmes. Local Enterprise Partnership board members should be provided with adequate support, coupled with proportionate governance requirements, to enable them to perform their role effectively.

The case for change:

The intention has always been that Local Enterprise Partnerships should be led by Chairs who are visible, active participants in the business community, supported by boards with a strong business and community voice.

Chairs must have a strong private sector background and experience of building effective organisations to ensure they are equipped with the skills needed to steer the work of a Local Enterprise Partnership. Chairs must be able to work collaboratively with a range of stakeholders, including local people, businesses and their representatives, elected officials, education institutions and voluntary and community sector bodies, holding stakeholders to account for delivery and ensuring tough decisions are taken. They must also act as an advocate for the place and be able to represent the concerns of its people, institutions and businesses, both locally and at the highest levels of Government.

As the role of Local Enterprise Partnerships evolves, it is increasingly important for Chairs to be strategic operators – able to interpret the external environment, articulate the Local Enterprise Partnership's position within it and amplify the board's stated ambitions. As Local Enterprise Partnerships invest significant amounts of public money, it is critical that Chairs have an eye on the detail and ensure that the correct processes are in place to provide assurance on both how funding is allocated and how it is managed. The support that they receive to carry out this greater strategic function must also be strengthened, including through the appointment of a Deputy Chair for each Local Enterprise Partnership.

The Industrial Strategy highlighted the role for communities in driving productivity across the country; Local Enterprise Partnerships must therefore be accountable to their area and representative of the communities they serve. We need to do more to improve the diversity of Local Enterprise Partnership Chairs and board members, both in terms of protected characteristics and also in drawing from a more diverse representation of sectors and all parts of their geography, with representation from more entrepreneurial and growing start-

ups and from the voluntary and community sector bodies who will often work with and deliver services on behalf of the most vulnerable in society.

As Local Enterprise Partnerships represent a broad coalition of interests and are responsible for allocating public funding, it is essential that recruitment exercises for Chair and board vacancies operate on the basis of merit, fairness and openness in line with the Nolan Principles. There must be consistent and publicly-outlined processes to enable effective recruitment of people who can bring new ideas and approaches, and help increase board diversity. Reflecting their broader role in promoting the development of prosperous communities, Local Enterprise Partnerships should look for board members who bring a range of expertise to their role, as the best do at present, for example business leaders who are also charity trustees, school governors or who lead social enterprises as well.

With a new enhanced role for Local Enterprise Partnerships, it is important these leaders possess the necessary skills and that their organisations have the capability to deliver on the fundamental task of generating local economic growth. This should include the ability to effectively gather and analyse evidence around the economic strengths, weaknesses and barriers to growth of the area; identify the priority areas for investment; and develop an investment plan to secure the necessary funding to take this work forward. To ensure effective and efficient focus on the priorities for local economic growth and to deliver impact, there should be robust monitoring and evaluation of programmes which is used to inform decisions around awarding, continuing or withdrawing funding.

How Government will support this change:

There will be an increase in regular **Government dialogue** with Local Enterprise Partnerships, to reflect their strengthened role. This includes the Prime Minister-chaired 'Council of Local Enterprise Partnership Chairs', which was announced in the Industrial Strategy. This will allow Chairs to identify key areas for action, inform national policy, and enable closer cooperation with Government on delivering the Industrial Strategy objectives. To complement this, each Local Enterprise Partnership will be supported by a senior official sponsor from across Whitehall, to provide additional guidance on working with Government.

Government will actively **work with Local Enterprise Partnerships to advertise opportunities** for private sector leaders to become a Local Enterprise Partnership Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website. This will help open up recruitment exercises to a broader pool of potential candidates, and at the same time underline the importance of the role to helping shape and deliver Government policy.

Some Local Enterprise Partnerships have proactively sourced formal support to build the capability of newly recruited board members. Government will build on this good practice and introduce an **induction and training** programme for Local Enterprise Partnership board members and officers, to ensure board members are adequately supported to provide challenge and direction to their Local Enterprise Partnership and understand how best to work with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.

To understand what support Local Enterprise Partnerships will need to implement these changes we will commission an independent benchmarking of the capacity and capability of all Local Enterprise Partnerships against best practice, so that performance requirements match resources available. In addition, **we are providing additional capacity funding in 2018 for each Local Enterprise Partnership that clearly sets out how they will adopt these changes and are ready to develop Local Industrial Strategies**. This funding will also help to strengthen Local Enterprise Partnerships' ability to more actively involve local communities and organisations in their activity. We will ask Local Enterprise Partnerships to develop an implementation plan before they receive their allocation of this funding.

How Local Enterprise Partnerships will support this change:

Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair**. This process, including members of the appointment panel, should be set out by the Local Enterprise Partnership in their local assurance framework. Government will support this by advertising vacancies and actively supporting recruitment into these roles but appointment to positions on Local Enterprise Partnership boards will remain a decision for the Partnership. In line with best practice in the private sector, Local Enterprise Partnerships will want to **introduce defined term limits for Chairs and Deputy Chairs** where these are not currently in place.

Businesses pay the taxes, create the jobs and provide the economic growth that will deliver the ultimate outcomes of the Industrial Strategy: higher living standards and higher levels of productivity. Government's aspiration is that Local Enterprise Partnerships work towards strengthening the representation from the private sector, increasing **representatives from the private sector so that they form at least two thirds of the board**, to ensure that each Local Enterprise Partnership can truly be said to be business-led. In order to maintain focused board direction and input, Government will work with Local Enterprise Partnerships to establish a **maximum permanent board of 20 people**, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.¹

The composition of Local Enterprise Partnership boards is an important ingredient in their success. These boards must be able to take into consideration a breadth of interests of different local leaders and stakeholder groups to ensure that their growth strategies are relevant, representative and widely supported across their area. We want to ensure all Local Enterprise Partnership boards are truly representative of the communities that they serve. Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the

¹ Any private sector board member must fit the definition of 'private sector' as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts.

Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women's representation on their boards by 2020.²

It is vital to ensure that local leadership has access to the advice and information they need to make informed and impactful decisions. Whilst local government representatives on boards can draw on the advice of their officials, other board members do not have the benefit of this level of support. Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

We are determined to help local areas learn from what works best and where, so that we can work together to refine and maximise the impacts of major investments. Government will support all Local Enterprise Partnerships to **develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. We will **require robust evaluation of individual projects and interventions**. The additional funding that Government is providing each Local Enterprise Partnership will help to develop this capability and we will work with the LEP Network to develop and share best practice.

The revised Local Enterprise Partnership Assurance Framework, to be published in the Autumn, will provide further clarity on the leadership and capability requirements set out above.

² <https://www.gov.uk/government/publications/ftse-women-leaders-hampton-alexander-review>

Accountability and performance

As autonomous local partnerships, Local Enterprise Partnerships are primarily accountable to the communities within their area. In practice, the full and active role of senior local authority representatives on these boards provides a strong and direct link back to local people and are one part of the Local Enterprise Partnership's democratic accountability. Whilst Local Enterprise Partnerships are individually accountable, Government remains accountable for the overall system and ensures appropriate mechanisms are in place to drive standards of accountability and performance across the network.

Case for change:

Government has awarded significant funding streams to Local Enterprise Partnerships, most notably the £9 billion through the Local Growth Fund. As this funding has increased, Government and Local Enterprise Partnerships have developed systems of governance and accountability to ensure that the devolved funding from central Government budgets is being managed effectively.

There have been criticisms around the accountability and performance of some Local Enterprise Partnerships. The level of transparency local partners want to see has been limited by the absence of comparability across differing Local Enterprise Partnership legal personalities and accountability frameworks. Furthermore, the significant differences in structures between Local Enterprise Partnerships contributes to the lack of consistency across the network. This has prevented Government from applying more targeted and transparent rules on performance. It has also meant that the public have been unclear on the role and the impact of Local Enterprise Partnerships in their areas.

Whilst Local Enterprise Partnerships have made significant progress in strengthening their accountability and transparency arrangements over the past few years, Government's greater ambitions for these institutions requires a renewed commitment to accountability and a strengthened approach to performance to ensure that Local Enterprise Partnerships operate to the highest standards.

How the Government will support this change:

Government's primary ambition is for Local Enterprise Partnerships to operate as a self-regulating sector, working with local partners and their peers through the LEP Network to drive improvements in governance and delivery and strive for excellence. The Government, the LEP Network and Local Enterprise Partnerships will develop a **Local Enterprise Partnership sector-led approach to assessing and improving performance through regular peer review**.

Although Local Enterprise Partnerships are locally accountable for their decisions, as the arbiter of the system and as the primary funding provider for Local Enterprise Partnerships, **Government will retain accountability and oversight over the system as a whole**. Local Enterprise Partnerships recognise the need to adhere to standards of transparency and accountability clearly set out in the National Assurance Framework. This is one element of the wider assurance system, which also comprises of Local Enterprise Partnership reporting to Government on agreed outputs, evaluation frameworks and

annual performance reviews. In January 2018 we issued best practice guidance in response to the recommendations of the Ministry of Housing, Communities and Local Government Non-Executive Director Review into Local Enterprise Partnership governance and transparency.

Well performing Local Enterprise Partnerships are critical to creating successful local economies. To help ensure Local Enterprise Partnerships are performing to their highest standard there need to be clear expectations both from Local Enterprise Partnerships themselves and from Government around overall Local Enterprise Partnership performance and the performance of individual programmes. These will be used to support decisions around the level of control held over future funding programmes. The Government will set out more detail on how this system could work in due course.

Government will publish a statement regarding its approach to intervention in a revised National Assurance Framework where there are instances of non-compliance or underperformance. This will ensure that any intervention is proportionate and provides the appropriate levels of support to rectify issues. In the majority of cases, our intervention will be minimal as the sector matures and self-regulates to effectively address underperformance at the local level and through the network of Local Enterprise Partnerships. Where there are significant concerns, we will proceed using a spectrum of options ranging from regular, minuted performance meetings, the agreement of action plans with milestones and risk based deep-dives. In the most extreme instances, this could include direct intervention to express the Government's loss of confidence in the Local Enterprise Partnership by withholding or withdrawing funding.

The performance of each Local Enterprise Partnership differs based on the individual circumstances of their place. Each Local Enterprise Partnership's **overall performance will be held to account through measures agreed in their delivery plans**. The Government will work with Local Enterprise Partnerships to ensure that they have these plans in place by April 2019.

Government will continue to monitor Local Enterprise Partnerships through annual performance reviews and quarterly monitoring of data returns for major growth programmes to monitor risk. Performance assessments will be grounded in the three themes encompassing the objectives of a Local Enterprise Partnership: 'Governance', 'Delivery' and 'Strategy'. In order to strengthen this system, we will introduce a mid-year review session with each Local Enterprise Partnership. This will enhance the existing annual performance review meetings and will focus significantly on strategic direction whilst also providing a forum for Government to highlight concerns with senior Local Enterprise Partnership officials.

How Local Enterprise Partnerships will support this change:

Government will **support all Local Enterprise Partnerships to have a legal personality**. Where they are not already incorporated as companies, Local Enterprise Partnerships that are not in mayoral combined authorities or combined authorities should take steps to become companies. Where Local Enterprise Partnerships are integrated within mayoral combined authorities and combined authorities exist, they may elect to use this legal personality. This new legal structure should be in place by April 2019, ahead of any release of further local growth funding. Ensuring that all Local Enterprise Partnerships

have a legal personality reflects their more prominent role in local growth, that they are their own business-led organisations and will allow them to enter into legal commitments to take on further responsibilities in the future.

Local Enterprise Partnerships will continue to be individually accountable for the allocation of funding and the delivery and evaluation of projects, with Section 151 Officers (or equivalent) maintaining accountability for the proper conduct of financial affairs within the Local Enterprise Partnership. Local Enterprise Partnerships and Accountable Bodies are responsible for the success and day to day operations of the Local Enterprise Partnership. In addition, the revised National Assurance Framework will provide further clarity on the role of the Section 151 Officer and Accountable Body with regards to governance and financial oversight. Local Enterprise Partnerships will want to identify **a single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. **We will set an expectation that these are open to the public and businesses to attend and be properly promoted.** This provides Local Enterprise Partnerships with the opportunity to update the wider public on progress on growth plans and its ambitions for future growth and ensure the communities that they represent can understand and influence the economic plans for the area. To ensure that all businesses in an area have equal access to their Local Enterprise Partnership, we will not permit any Local Enterprise Partnership to operate on a paid-membership basis.

Local Enterprise Partnerships must be clear on who in their organisation is responsible for their activity – and who ought to be held to account. **We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance** locally. Schemes of delegation must be clear and the Partnership should explicitly address the accountability arrangements and relationships between the Board, Chair, Local Enterprise Partnership CEO, Accountable Body and Sub-Boards (in MCA areas this should also include the Combined Authority Board and the Mayor).

The Government will **support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight**, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions. We want this to provide an opportunity to Local Enterprise Partnerships to engage local partners and independent experts – such as academics - when developing their strategies, whilst reassuring their partners that taxpayers money is being put to best use.

This legal framework and additional detail on assessing performance within the National Assurance Framework will provide a greater level of clarity for all partners whilst ensuring that Local Enterprise Partnerships remain independent, private sector led institutions.

The Government will continue to provide guidance on the accountability requirements and assurance and performance management process for Local Enterprise Partnerships.

Geography

A strength of Local Enterprise Partnerships from the outset was their ability to bring together public and private sector leaders across functional economic areas to set a strategic vision and make decisions that transcend local administrative boundaries. However, in certain parts of the country, the benefits of this geographic scale have been tempered and the geographic boundaries have not provided the clarity needed to businesses and communities.

It is essential that communities served by Local Enterprise Partnerships are able to see a single vision and a compelling plan for their area. This will ensure that each Local Enterprise Partnership is in the best position to identify and align local interventions that maximise their economic impact.

The case for change:

When Local Enterprise Partnership geographies were first decided in 2011 they had a more strategic role with limited delivery responsibilities. Since then, the context in which they operate has changed greatly; as Government has committed over £9 billion from the Local Growth Fund to Local Enterprise Partnerships through three rounds of competitive Growth Deals.

To be fit for purpose as their roles and responsibilities are expanded once again, we need to ensure that Local Enterprise Partnership geographies provide simplicity, accountability and practicability. Whilst in most areas the existing arrangement has worked in practice, greater clarity and consistency is required if they are to meet Government's increased ambition. It is therefore the right time to revisit geographic boundaries.

The recent Public Accounts Committee inquiry into Local Enterprise Partnership assurance processes was clear that we need to provide clarity and accountability on how we deliver value for taxpayers' money. Local Enterprise Partnership accountability practices have been addressed throughout the wider review. The removal of overlaps forms a component part of a wider initiative to make these organisations more transparent, consistent and robust in the way that they allocate funding to drive growth across the country.

We must ensure that decision-making and delivery operate at the most appropriate geographical levels that maximise efficiency and effectiveness. In a number of instances since 2011, Local Enterprise Partnerships have amended their original boundaries, including the successful merger of Northamptonshire Local Enterprise Partnership and South East Midlands Local Enterprise Partnership, and we would expect any consideration of geographical changes to consider the most effective size and scale to operate over.

There is no universally accepted approach to measuring or defining functional economic areas and boundaries vary depending on the method used.³ However, we acknowledge

³ For example housing market definitions <https://www.gov.uk/government/publications/future-cities-comparative-urban-governance>, compared to labour market containment definitions

that economic geographies often cross administrative boundaries and we want to see continued collaboration between Local Enterprise Partnerships and local authorities where this is the case.

How the Government will support this change:

As Local Enterprise Partnerships are central to future economic growth, Government will ask Local Enterprise Partnership Chairs and local stakeholders to come forward with considered **proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.**⁴ We will encourage **Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies. These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

We recognise that Local Enterprise Partnerships are independent bodies and will have to work closely with local stakeholders to reconfigure their geographies to meet the future roles and responsibilities of Local Enterprise Partnerships. Once any changes to Local Enterprise Partnership boundaries have been agreed, we will work with each Local Enterprise Partnership to ensure that revised geographies come into effect by spring 2020 at the latest, recognising the need to deliver against existing commitments as well as transition to the new policy and funding landscape over these new geographies. This will simplify the allocation of future growth funding and rationalise the increasingly complex local growth landscape.

How Local Enterprise Partnerships will support this change:

Local Enterprise Partnerships should build on the strength of their existing partnership working to collaborate on common issues. Whilst we are removing all instances in which two or more Local Enterprise Partnerships geographies overlap, this is not to say that local partners should not participate in the development of other Local Enterprise Partnerships' strategies. The Government **expects collaboration between Local Enterprise Partnerships** where interests are aligned when developing strategies to maximize their impact across their different objectives. This helps to ensure a more efficient use of resources and secure a better outcome than operating in isolation. This collaboration need not be restricted to neighbouring Local Enterprise Partnerships and will be particularly important where partnerships share a common interest or particular themes, for example, aerospace technologies.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangestotraveltoworkareas/2001to2011>, and variations of each.

⁴ This will also include removing any situation in which a lower tier or unitary authority is covered by two Local Enterprise Partnerships whose geographies do not overlap.

Mayoral combined authorities

Since 2012, City Deals, Growth Deals and Devolution Deals have shifted power and funding to local areas to enable them to take strategic decisions about local priorities. These deals have enabled places to develop long-term plans and create the right conditions for prosperity.

Both Local Enterprise Partnerships and mayoral combined authorities are seeking to drive growth at a strategic economic geography, through place-based and locally-controlled policies and funds. It is essential that these bodies work together to respond to future opportunities and challenges.

The case for change:

The election of six mayors in mayoral combined authority areas in May 2017 was an historic step in the Government's mission to deliver an economy that works for everyone, and the seventh city region mayor was elected in Sheffield City Region in May 2018.⁵ The Government and local leaders agreed a 'minded to' deal with North of Tyne at Budget 2017. On 20 July 2018 all of the authorities consented to deal. As a result the Government will proceed to lay the orders in Parliament. Government remains open to conversations with other local areas that wish to explore the potential for devolution, where clear local support and a strong economic case for doing so can be demonstrated.

In all of these areas, Local Enterprise Partnerships and local authorities have worked together effectively throughout the process of negotiating and implementing devolution deals. In this, Local Enterprise Partnerships have taken a distinct role from that of the mayoral combined authority, providing private sector expertise and challenge to drive and inform strategy and investment decisions, including on local growth funding, business support and skills.

It is crucial at this point to ensure that investors, businesses and the public have a clear understanding of the relationships between Local Enterprise Partnerships and mayoral combined authorities as they take on an ever greater strategic role. The relationship between these bodies reflects local priorities and varies from place to place. Government is committed to working with Local Enterprise Partnerships and mayoral combined authorities to ensure clarity and transparency on their respective roles and responsibilities, address potential inefficiencies and help strike the right balance between integrated decision-making and delivery on the one hand, and appropriate challenge and scrutiny on the other.

How Government will support this change:

Government will **consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing Local Industrial Strategies**. As set out in the Industrial Strategy, places in England with a Mayoral combined authority will have a single Local Industrial Strategy led by the mayor

⁵ Government signed the Cornwall devolution deal in July 2015. The content of this section does not apply to Cornwall as this deal does not include a Mayoral Combined Authority.

and supported by the Local Enterprise Partnership. To ensure the maximum buy-in of key local stakeholders, we will expect mayoral combined authorities to work in partnership with their Local Enterprise Partnership to jointly develop and agree these strategies.

How Local Enterprise Partnerships and mayoral combined authorities will support this change:

To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we **will support Local Enterprise Partnerships and mayoral combined authorities to develop and publish agreements – brought together in a single document with relevant financial assurance frameworks – which set out their respective roles and responsibilities** in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

We have set out five themes below which we would want to see addressed in these agreements:

- **Advisory and challenge function:** how local partners will ensure that there is a strong, independent voice for the Local Enterprise Partnership in the decision making process within mayoral areas, and that the Local Enterprise Partnership Chair and Board are able to draw directly on appropriate support and expertise from staff.
- **Alignment of decision-making across a clear geography:** how local partners will work together to ensure a clear, transparent decision-making process which minimises the impact of differences in organisations' geographical boundaries. To assist with clarity and transparency, we would encourage areas to move towards coterminous Local Enterprise Partnership and mayoral combined authority boundaries, but recognising that this will not be possible in all cases.
- **Accountability:** how the formal accountability relationship between the Local Enterprise Partnership and the mayoral combined authority will work. We would expect local partners to designate the mayoral combined authority as the formal Accountable Body for the Local Enterprise Partnership in terms of handling public money.
- **Efficiency and corporate identity:** how the Local Enterprise Partnership and the mayoral combined authority will work together in their approach to staffing, branding and other resources and assets.
- **Overview and scrutiny:** how the Overview and Scrutiny Committees of the mayoral combined authority and local authorities will interact with the Local Enterprise Partnership.

A move towards more aligned geographies would greatly strengthen democratic decision making and scrutiny between the Local Enterprise Partnership and mayoral combined authorities. We will **encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies.

As agreed with Government, the London Local Enterprise Partnership is chaired by the Mayor of London and operates through the Greater London Authority (GLA) which acts as its accountable body for funding provided by Government. All decisions must comply with the GLA's corporate governance, financial, legal and procurement frameworks and processes. We will work with London Economic Action Partnership to implement the changes outlined in this document as relevant.

The revised National Local Enterprise Partnership Assurance Framework and revised Single Pot Assurance Framework, to be published in the autumn, will provide further clarity on the requirements for mayoral combined authorities and Local Enterprise Partnerships in these areas.

Managing the transition to strengthened Local Enterprise Partnerships

We want to ensure that Local Enterprise Partnerships maintain their momentum and move quickly to implement these changes and formally establish themselves in their new form.

This document has set out a plan for reform, to ensure Local Enterprise Partnerships continue to drive growth and remain credible organisations locally and nationally. This provides Local Enterprise Partnerships with defined role and responsibilities, and provides clarity on activities and objectives to deliver on the ambitions of the Government's Industrial Strategy.

We will write to Local Enterprise Partnership Chairs to communicate the importance of the review and will work with them to develop revised proposals on geography by 28 September 2018 and a detailed plan for implementing the changes outlined in this document before 31 October 2018 at the latest. In order to deliver their role effectively, Local Enterprise Partnerships need financial support. As referred to above, to support Local Enterprise Partnerships in implementing these changes and embed evidence in Local Industrial Strategies, we will provide up to £20 million of additional funding between 2018-19 and 2019-20 to support Local Enterprise Partnerships to adopt these changes.

We will update the National Local Enterprise Partnership Assurance Framework so that these changes are included within Local Assurance Frameworks ahead of April 2019. The National Assurance Framework will be an essential part of our wider Local Enterprise Partnership assurance system to ensure that Local Enterprise Partnerships have in place the necessary systems and processes to manage devolved funding from central Government budgets effectively.

We recognise that some reforms will take longer to implement, particularly as we leave the European Union and Government considers key funding arrangements such as the UK Shared Prosperity Fund. We will work with these Local Enterprise Partnerships to ensure these reforms are implemented in a measured way and with least disruption to existing programmes.

This document has set out a step change in approach for both Local Enterprise Partnerships and Government. We will continue to work with Local Enterprise Partnerships to understand how the network can identify and apply best practice and develop a programme of training for Local Enterprise Partnership boards and executive teams. This will be supported by regular engagement from senior government officials, to ensure Local Enterprise Partnerships and all parts of Government work strategically together to deliver economic growth and prosperity across the country.

Annex – Advisory Panel Joint Statement

The Industrial Strategy made clear Government “remains firmly committed to Local Enterprise Partnerships”, but that “performance has varied” across the country. The Industrial Strategy set out that Government will review Local Enterprise Partnerships.

To inform this review Ministers in MHCLG, BEIS and HMT established an external advisory panel. The panel met four times between December 2017 and May 2018 to discuss LEP best practice and opportunities for reform. The panel also provided advice on best practice in comparable private and public sector organisations.

Following these discussions and other engagement with officials, the advisory panel agrees that ministers should consider the following statement in concluding the review:

- LEPs provide a rich partnership of private sector organisations, local government, education – including universities – and other key local institutions and will be central to the delivery of the Industrial Strategy, driving growth and productivity across England. These partners each make unique and critical contributions to the LEP model, ensuring its distinctive role, which the ministerial review of LEPs should recognise and promote. To ensure LEPs are credible organisations locally and nationally, working with stakeholders from across the public and private sector, LEPs should have a clear and simple mission, focused on strategy-setting and the prioritisation of resources. Partnership working is the key determinant of a successful LEP and should be promoted across the country, so LEPs can set effective strategies for long term change and economic improvement.
- The panel recognises the important recommendations of Mary Ney’s Review of Local Enterprise Partnership Governance and Transparency and agrees that LEPs should have consistent, formalised and transparent governance arrangements. All LEPs should have the institutional capacity and capability to develop and maintain a robust evidence base to support and monitor the strategic vision and performance of an area. The review could consider how local authorities support LEPs, and how LEPs and other bodies such as the LEP Network collaborate to share best-practice and promote effective peer review within the sector.
- To ensure LEPs maintain a culture of constructive challenge and bring strategic leadership for growth across their area, they should have a distinctive role from individual local government institutions, including combined authorities. LEPs should not crowd out or duplicate business organisations, which represent businesses at the local level, and the LEP review should consider how Government can ensure these distinct roles are maintained. The review should ensure that the accountable body role undertaken by a local authority is facilitated in appropriate membership arrangements and recognises the risk management role that body fulfils on behalf of the LEP. The review could also consider increasing the proportion of private sector members on LEP boards, but should remain cognisant of the need for clear accountability.
- Effective boards represent the diverse communities and businesses of their economies, and those local bodies which contribute to growth. The best LEP boards draw on the expertise of an area’s business leaders and enable these individuals to

engage with local and national government, and the education and skills sector, to identify, articulate and invest in economic priorities and support innovation. All LEPs should engage small- and medium-sized business leaders as well as larger firms in their governance, and be representative of their areas' communities. Government and LEPs should show leadership on promoting diversity on boards and in effective decision-making.

- LEPs' activities should work towards targeted key performance indicators and effectively evaluate the impact of their projects, programmes and investments. The panel recognises the importance of local autonomy and differentiation, and that LEPs should hold themselves to account and be held to account by others on the basis of their performance against these measures. Transparent performance measures and expectations could be accompanied by a more nuanced range of actions and support from Government with regards underperforming LEPs. It is vital to provide stakeholders with confidence that all LEPs can deliver on the core roles and responsibilities set out for them.
- It is important to ensure LEP boundaries provide clarity and transparency in decision making and recognise functional economic areas, whilst seeking to optimise opportunities for cross-LEP collaboration where common economic priorities are evident.

The terms of reference the advisory panel considered as part of the ministerial review were:

- Define with greater clarity the strategic role of LEPs in driving growth and productivity for business; people; ideas; infrastructure; and place.
- Strengthen business leadership and corporate governance to ensure that LEPs remain diverse private sector-led organisations that can shape and challenge local economic decision making, through the adoption of best practice.
- Establish clear accountability through rigorous financial reporting and enforcement of transparency in decision making.
- Assess the impacts of boundary overlaps to ensure clarity, transparency and representation of functional economic areas.
- Improve organisational capability and planning certainty, including looking at options for a common incorporation model; how LEPs are resourced and the standardisation of organisational structures and reporting.
- Define the relationship between LEPs and Local Authorities, as well as new organisational structures such as Mayoral Combined Authorities.

The panel members were:

- Dr Adam Marshall – Director General of the British Chambers of Commerce
- Cllr Anne Western – Leader of the Labour Group, Derbyshire County Council, and Vice-Chair of the Local Government Association's People and Place Board
- Cllr Bob Sleight OBE – Deputy Mayor of the West Midlands Combined Authority and Leader of Solihull Council
- Christine Gaskell MBE – Cheshire and Warrington Local Enterprise Partnership Chair and representative of the LEP Network Management Board

- Professor Diane Coyle CBE – Bennett Professor of Public Policy, University of Cambridge, and Co-Chair of the Industrial Strategy Commission
- Cllr Gordon Birtwistle – Councillor and former MP for Burnley
- Cllr Judith Blake – Leader of Leeds City Council
- Professor Judith Petts CBE – Vice Chancellor of University of Plymouth and Heart of the South West Local Enterprise Partnership Board Member
- Cllr Manjula Sood MBE – Deputy Mayor of Leicester City Council
- Martin McTague – Policy Director at the Federation of Small Businesses
- Mary Ney – Non-Executive Director at the Ministry of Housing, Communities and Local Government, and former Chief Executive of the Royal Borough of Greenwich
- Sherry Coutu CBE – Chair of the Scale-Up Institute, Chair of the Financial Strategy Advisory Group, University of Cambridge, and Non-Executive Director for the London Stock Exchange Group
- Stephen Greenhalgh – Joint Managing Director of J&J Omerod PLC