

## Annex A: Implementation guidance note – next steps.

This document outlines the next steps that a Local Enterprise Partnership (LEP) should take so it can begin to implement the review.

Please note that over the summer the LEP Network will be convening a number of working groups. At these working groups, LEPs will agree guiding principles to help ensure consistency in the implementation of the review. All LEPs are encouraged to engage in these discussions and use these to inform your own plans.

In the coming months, your LEP should provide an initial response setting out how you will fulfil the recommendations; outlining the approach you are going to take to achieve this. The length and detail of these responses should be proportionate to the changes required by the LEP<sup>1</sup>. For the initial response, LEPs should:

1. Develop and submit proposals on geography no later than **28 September 2018**. If no changes are proposed, LEPs should outline why. A template for your response is included in Annex B.
2. Develop and submit a plan for implementing the review recommendations no later than **31 October 2018**. A template for your response is included in Annex C.
3. Include the proposal for additional funding alongside your implementation plan. A template to submit this proposal is outlined in Annex D.

These proposals should be submitted to [LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk) copying in your Area Lead.

Specific timelines for the implementation of the recommendations are outlined below, and the majority of these recommendations will need to be in place for the beginning of the 2019-20 financial year. These timeframes will be reflected in the National LEP Assurance Framework, which will be revised in Autumn 2018. You should be prepared to update your plans to reflect any additional guidance outlined in the document.

We expect all LEPs to be compliant with the revised National LEP Assurance Framework by the 28 February 2019 to ensure that the necessary systems and processes are in place to manage devolved funding from central Government budgets effectively for the next financial year.

### Proposals on geography

All LEPs should outline proposals in response to the Government's recommendations on geography no later than **28 September 2018**. Proposals should best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers. If your LEP is proposing no changes to its geographical boundaries, you should respond briefly, outlining why no change is required. If your LEP is proposing changes to its geographical boundaries you should outline why these changes would be suitable for your local area. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. This should also include how any proposed changes will align with the development of Local Industrial Strategies.

You should engage with officials in the Cities and Local Growth Unit over the coming weeks and months to discuss any potential geography changes.

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<sup>1</sup> Unless the LEP is making significant changes and needs to provide additional detail, Government does not expect the response to each recommendation to exceed 300 words.

Proposals should be submitted in the format outlined in Annex B and submitted to the [LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk) no later than 28 September 2018, copying in your Area Lead. We will look to keep you informed following receipt of your proposals and respond promptly.

We recognise that LEPs are independent bodies and will have to work closely with local stakeholders to implement any changes. We will work with each LEP 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.

## **Implementation Plan**

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit ([LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk)), copying in your Area Lead.

The implementation plan should provide an initial response setting out how you will fulfil the recommendations; outlining the approach you are going to take to achieve this. You should outline your plans to address each recommendation in Annex C, providing clear timeframes in which you expect to have these plans in place. These proposals should also outline any milestones, issues and risks that the LEP may face in meeting the recommendations outlined in the review.

## **Proposals for additional capacity funding**

The Government is making up to £200,000 available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP review, and the development of an evidence base for Local Industrial Strategies.

You should complete the attached Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review.

It is expected that the majority of additional funding will be used to build in-house capacity and capability in LEPs (e.g. through recruitment and up-skilling) to demonstrate an improvement in analytic, policy and programme management capabilities that will be able to deliver on increased responsibilities. However, we recognise that it will be necessary for some additional funding to be used for other costs and external fees (e.g. costs associated with incorporation).

This funding will be paid by S31 grant to the Accountable Body, to the account used to pay LEP core funding in April 2018. If these details are different please indicate this in section 2 of Annex D.

The Cities and Local Growth Unit will review all geography proposals, implementation plans and funding annexes and will consider the extent to which these correspond to the recommendations of the review. The release of additional funding is contingent on this assessment.

If you have any questions relating to the requirements above, please contact your Area Lead who will liaise with policy officials as required to resolve your query.

## Annex B: Geography proposal response template

LEP Name: [Please complete]

Please outline the LEP's plans to address the geography recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

Proposals should be submitted to [LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk) no later than **28 September 2018**, copying in your Area Lead.

### Geography

#### Recommendation:

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.** ...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.

#### Information required in geography proposal:

All LEPs should outline their response to the Government's recommendations on geography no later than **28 September 2018**.

Those LEPs proposing geography changes should provide detail of the proposed changes. In your response you should outline why these changes would be suitable for your local area. These proposals should include timescales for the transition to different geographies. LEPs should work with the LEP Network and neighbouring LEPs to ensure a shared understanding of the geography changes being proposed exists.

For LEPs who are proposing no changes you should respond briefly outlining why no change is required. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. All LEPs should aim to have revised geographies (if required), by **spring 2020**.

#### LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

<p><b>Recommendation:</b></p> <p>We will <b>encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate</b> 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.</p>
<p><b>Information required in geography proposal:</b></p> <p>For LEPs in MCA areas, these proposals should consider the current relationship between MCA and LEP geographies.</p>
<p><b>LEP response</b></p>

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

**Key milestones**

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

**Key risks and/or issues**

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

**LEP Name:** [Please complete]

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit ([LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk)), copying in your Area Lead. The plan should outline the changes that the LEP is making to ensure that it meets the recommendations set out in the LEP review. It should also outline any key milestones, risks and issues.

**Recommendation:**

**Information required in implementation plan:**

Government will work with LEPs to develop qualitative and quantitative measures to report against. As you develop your Local Industrial Strategy, Government expects the delivery plan and end of year report to be linked to the progress of your Local Industrial Strategy. The implementation response should provide a commitment to adopt and report against agreed key performance indicators.

## LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

## Leadership and Organisational Capacity

<p><b>Recommendation:</b></p> <p>Government expects that each Local Enterprise Partnership <b>consults widely and transparently with the business community before appointing a new Chair</b>, and <b>appoints a Deputy Chair</b>.</p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, you should outline your LEP's draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by <b>28 February 2019</b>.</p>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p>

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

<p><b>Recommendation:</b></p> <p>In line with best practice in the private sector, Local Enterprise Partnerships will want to <b>introduce defined term limits for Chairs and Deputy Chairs</b> where these are not currently in place.</p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, you should outline how your LEP plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by <b>28 February 2019</b>. LEPs should also plan to have a Deputy Chair in place by <b>28 February 2019</b>.</p>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p>

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

**Recommendation:**

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.<sup>2</sup>

#### Information required in implementation plan:

LEPs must be accountable to their area and representative of the communities they serve. Therefore, within the implementation plan, your LEP should outline any changes you plan to make to the composition of the board to meet the review recommendations. As part of this you should outline:

- how your LEP plans to increase the private sector board membership to 2/3 private sector.
- how your LEP will ensure that the board does not exceed a maximum of 20 persons.
- arrangements for co-opted members (if applicable).

You should outline how your LEP plans to achieve this board composition over time, for example, in phases. LEPs should plan to have implemented any changes needed to board composition by **the end of the 2019-2020 financial year**.

#### LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

#### Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

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<sup>2</sup> 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.

<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

<p><b>Recommendation:</b></p> <p>Government expects refreshed Local Enterprise Partnership boards to <b>improve their gender balance and representation of those with protected characteristics</b>. 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 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.</p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, your LEP should outline how you will demonstrate the work that you will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework.</p> <p>All LEPs should aspire to achieve gender balanced boards. The implementation plan should include detail on plans to:</p> <ul style="list-style-type: none"> <li>• Take action to ensure that at least one third of the LEP's appointed board members are women by <b>the end of the 2019-2020 financial year</b>.</li> <li>• Take action to ensure equal representation of men and women on boards by <b>the end of the 2022- 2023 financial year</b>.</li> </ul>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p>

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

<p><b>Recommendation:</b></p> <p>Local Enterprise Partnerships will <b>need to provide a secretariat independent of local government to support the Chair and board</b> in decision making.</p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, you should outline how your LEP plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. You should outline the timeframe in which your LEP expects to have this secretariat in place.</p>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p>

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

## Accountability and Performance

<p><b>Recommendation:</b></p> <p>Government will <b>support all Local Enterprise Partnerships to have a legal personality.</b></p>
<p><b>Information required in implementation plan:</b></p>

Within the implementation plan, you must outline your LEP's plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by **April 2019**<sup>3</sup>. Government will provide further advice to LEPs on incorporation.

#### **LEP response**

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

#### **Key milestones**

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

#### **Key risks and/or issues**

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

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<sup>3</sup> Where changes to geographies have been agreed, LEPs and Government will agree an appropriate timeframe for incorporation.

<p><b>Recommendation:</b></p> <p>Local Enterprise Partnerships will want to identify a <b>single Accountable Body within in each area</b> that is responsible for all Local Enterprise Partnership funding.</p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, you must outline how your LEP plans to adopt a single Accountable Body within each area that is responsible for all Local Enterprise Partnership funding. You should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements<sup>4</sup>. LEPs should have a single Accountable Body in place by <b>Spring 2020</b>.</p>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p> <div style="border: 1px solid black; height: 250px; width: 100%;"></div>
<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p> <div style="border: 1px solid black; height: 100px; width: 100%;"></div>

<sup>4</sup> LEPs should outline where programmes, such as Enterprise Zones, will continue under existing Accountable Body arrangements.

#### Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

#### Recommendation:

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 properly promoted.**

#### Information required in implementation plan:

Within the implementation plan, your LEP must commit to hold an annual general meeting; open to the public to attend. Your LEP should hold its first/next public Annual General Meeting in **the 2019-20 financial year.**

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.

#### LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

<p><b>Recommendation:</b></p> <p><b>We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.</b></p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, you should outline how your LEP plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework. These arrangements should be put in place for <b>the 2019-20 financial year.</b></p>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p>

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

<p><b>Recommendation:</b></p> <p>The Government will <b>support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight</b>, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.</p>
<p><b>Information required in implementation plan:</b></p> <p>Within the implementation plan, you should outline how your LEP plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer. LEPs and S151 Officers should refer to forthcoming guidance from CIPFA on the role of the S151 Officer.</p>
<p><b>LEP response</b></p> <p>Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:</p>

<p><b>Key milestones</b></p> <p>Please indicate any key milestones the LEP is required to meet to address the above recommendation:</p>
<p><b>Key risks and/or issues</b></p> <p>Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.</p>

## Mayoral combined authorities

<p><b>Recommendations:</b></p> <p>Government will <b>consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing a Local Industrial Strategy.</b></p> <p>To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we <b>will support Local Enterprise Partnerships and mayoral combined authorities to</b></p>
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**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.

#### **Information required in implementation plan:**

For LEPs in mayoral combined authorities, LEPs and the relevant combined authority should discuss the distinct role of the LEP and their future working arrangements.

If appropriate, you should outline your LEP's plans to review these arrangements and plans to develop a published agreement of roles and responsibilities. The LEP should provide an update on any discussions to date. This should be consolidated in the LEP's Local Assurance Framework by the **28 February 2019**.

#### **LEP response**

Please outline the LEP's response to the recommendations. The response should consider the information required, outlined above:

#### **Key milestones**

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

#### **Key risks and/or issues**

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

## ANNEX D: LOCAL ENTERPRISE PARTNERSHIP 2018-19 ADDITIONAL FUNDING FORM

LEPs should complete Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review. These proposals should be submitted [LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk) copying in your Area Lead.

<b>1. Name of Local Enterprise Partnership</b>			
<b>2. Key contact at Local Enterprise Partnership (name, email, and telephone number)</b>			
<b>3. Name and address of Accountable Body</b>			
<b>4. Level of additional funding being sought (up to £200,000).</b>			

  

<b>5. Local Enterprise Partnership additional funding requirements.</b>	<b>£</b>	<b>Description – activities/resources</b>	<b>Why? The capability gap that it is addressing</b>
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Please set out in the table the key elements of the partnership's additional budgetary requirements by March 2019 to support the funding request of up to £200K.

*e.g £30,000*

*Recruitment of an in-house analyst (by Oct 18)*

*Recruitment of additional analyst/economist to support on project appraisal, perform economic analysis on area to develop evidence base for Local Industrial Strategies. .*

**Total:**

**6. Provide confirmation that the Local Enterprise Partnership has a clear plan of activity to implement and communicate reforms in alignment with the LEP review policy statement.**

**7. Signature of Local Enterprise Partnership Chair**

Printed:

**Date**

**8. Signature from section 31 accountable local authority**

Printed:

**Date**