

Agenda Item 3 OPEN

Title:	LEP Review Update
Purpose:	To update Board members on the engagement progress and expected timetable for the completion and implementation of the LEP Review.
Recommendation(s):	That members note the content of this report and support the Chair and Chief Executive in their work with the LEP Network in their response to the LEP Review.
Impact on Risk Register:	The LEP Review will be fundamental to the future shape and role of Buckinghamshire LEP, following the review conclusion a full review of the Risk Register will be undertaken to ensure that it remains comprehensive and fit for purpose.

1 Background

The LEP Review was announced as part of the 2021 Spring budget and was initially intended to be a swift review with announcements being made prior to the summer Parliamentary recess. Over the course of the last few months it became apparent that this review should run alongside a wider discussion linked to the Levelling Up White Paper, regional devolution discussions and the development of the UK Shared Prosperity fund. LEP Network has been proactive in drafting a number of proposition papers and having organised sub groups to lead the discussion with officials.

The revised timetable was confirmed in a letter to all LEP's sent by Minister for Small Business, Consumers & Labour Markets Paul Scully who is heading up the review. A copy of this letter is attached as **Appendix 1** to this report.

2 Engagement Process

As a LEP we remain actively engaged in the LEP Review consultation process working closely with both the LEP Network and our Neighbouring LEPs to ensure that the impact of our work is fully recognised. In addition, we also hosted a meeting with the Number 10 delivery unit to highlight the impact of our capital programmes and the role that LEPs play beyond the funding allocation to help inform the shape of future national investment programmes.

Our Chair has been closely involved as part of both the LEP Network Strategy Board & the Geography Working Group while the CEO has been part of the Funding & Accountability Group.

3 Emerging Priorities

The work between the LEP Network and the Government Officials overseeing the review has gone well and has identified 4 core functions that LEPs are well positioned to deliver in the future:-

- **Strategic mapping/intelligence to HMG**

Much of this work is already underway particularly in relation to the Skills Action Plan/Labour market Intelligence and as part of the evidence base that underpinned Local Industrial Strategies and other locally led strategic plans.

It is important that LEPs develop their capabilities as the convenor of locally assessed economic intelligence and work to ensure that this information is made available to businesses and other local partners. I am pleased therefore to say that work on the Buckinghamshire Economic Observatory led by the LEP Research Team is progressing well and will be shared with board members at our October meeting.

- **Comparative advantage and supporting innovation key sectors**

The recently launched UK's Innovation Strategy sets out plans to cement the UK's position as a world-leader in science, research and innovation.

The strategy outlines how the government will focus its efforts to support businesses and institutions at the cutting edge of innovation, setting out plans in four areas:

- Unleashing Business – fuelling businesses who want to innovate by ensuring effective access to private and public investment
- People – creating the most exciting place in the world for talented innovators
- Institutions and Places – ensuring R&D institutions serve the needs of businesses and promoting innovation in places across the UK
- Missions and Technologies – stimulating innovation in technology and missions that will provide the UK with a strategic advantage and will be critical to tackling some of our greatest challenges

The Government will specify 'innovation missions' to set clear direction, urgency and pace on the issues confronting the UK and on which it will tackle with the private sector in the coming years. These will be determined by the new National Science and Technology Council and supported by the Office for Science and Technology Strategy. This strategy includes some useful hooks and refers specifically to reformed LEPs and working with Growth Hubs going forward, with a specific action for Innovate UK to work alongside Growth Hubs.

- **Business support through Growth Hubs**

Our focus remains on providing an enhanced growth hub function covering starting, running and scaling a business, triage and diagnostic support, including our on-line toolkit, 1:1 Advice/Guidance, mentoring, Peer to Peer networks, grants/growth capital programmes and where appropriate IP support/national scheme referral. Together with Inward investment/Internationalisation and key account management of existing companies (both UK and foreign owned) and their growth; a linked DIT relationship and priority.

It is important to note that much of this activity is currently supported by European Structural Funds. It is vital therefore that the much-delayed UK Shared Prosperity Funding framework is announced alongside the LEP Review and provides assurance around the availability of future delivery funding for many Growth Hub services.

- **Delivery of existing capital programmes (Getting Building Fund, Growing Places Fund, Local Growth Fund, Enterprise Zone Boards etc.)**

There will be a continued role in managing existing capital programmes and in the development of legacy programmes where funding has been reinvested within a locality. Many LEPs including BLEP have been able to generate income sources from the recycling and re-use of previous capital programmes to enable further investment into programmes of economic activity.

It will also be important for LEPs to maintain and develop relationships with organisations that have received capital funding both as part of the contract monitoring requirements of Government but to also support the further growth and effective use of invested funds.

Beyond the four emerging functions a number of other areas have also been considered in separate papers as part of the LEP Review:-

Discussions around **Geography** to date have largely focused on the removal of overlaps. Over the past 2 years the number of overlaps has reduced from 12 to 2 with the remaining areas of concern being in the West Midlands. It is likely that this issue will be deferred until the function recommendations have been confirmed.

Significant discussion has taken place around the **Accountability** of LEPs and the need to deepen the relationship with BEIS. Having now asked all LEPs to become more independent of their local authority partners, the primary area of debate will rest on whether there is value in moving the Section 151 role to central government. There is a concern that this may weaken the local autonomy which has been one of the strengths of LEPs.

Board Membership and Representation. It is felt that there is the opportunity for LEPs to enhance their role in convening local Business Relationship Organisations and sector organisations and having less focus on public/private partnership. In Buckinghamshire we already have an effective mechanism for this alignment through the Buckinghamshire Business Group, co-ordinated through the Growth Hub and including representation from many of the other business networks and organisations active locally.

The LEP Network are planning to outline a communications campaign shortly in the run up to the Spending Review, this will look to emphasise the current and past success of LEPs and to highlight how we will look to build on this platform through our new focus. BLEP have provide case study examples of our work to help support this campaign. The key messages through this communications campaign are:-

- How evolved LEPs will play a key role in ensuring that “we have begun to raise living standards, spread opportunity, improved our public services and restored people’s sense of pride in their community”.
- The leadership and impact within the private, education and public sectors that adds significant value to the shape of the Levelling-Up ambition.
- The impact an enhanced and expanded LEP led business support system can have.
- LEPs as the most efficient and cost-effective mechanism for leveraging private sector funding into local and regional economic and skills development.
- Ensure Levelling Up is positioned as a UK holistic issue for all regions, not a north/south divide.

4 Other Implications relating to Chair & Board Recruitment

The core funding for LEPs has been significantly delayed for 2021/22. No funding was received until August 2021 and at that stage only 50% of the annual allocation was released. The remaining 50% will be released on the completion of a satisfactory Mid-Year review which is due to take place in October 2021. This review will largely focus on delivery against the capital programme and we do not envisage any significant issues based on our performance.

The recruitment process for board members has commenced to cover future and expected vacancies interest has been slower than usual and we will be extending this campaign into the Autumn.

In relation to the Chair appointment process we have sought clarification of flexibility that may be extended, to our Local Assurance Framework guidance of term limitation, given the response that we have had to directorship recruitment and the fact that the LEP Review is yet to report. Given the imminent publication of the White Paper and conclusion of the LEP Review we may be able to recommence Chair recruitment in October or if government asks us to address more structural issues it may prove beneficial to commencement recruitment once through that change period which is consistent with approaches that we have used in the past. Stephen Jones Director of the Cities and Local Growth Unit has helpfully agreed to consider seeking advice from government assurance officers and will feed back hopefully prior to our meeting so that I can update on the latest position then.

Board members are asked to:

Note the content of this report and support the Chair and Chief Executive in their work with the LEP Network in their response to the LEP Review.