

# LEP Future Funding Questionnaire Questions

Below is the full list of questions provided for information; respondents should complete the online form at the following link: <https://forms.office.com/e/39Sgun7XvQ>

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## Introduction Text

### Background

On 15 March 2023, the Chancellor announced that Government is minded to end Local Enterprise Partnership (LEP) core funding. This forms part of our wider work on delivering devolution across England, and we will work with local areas to determine how the functions currently undertaken by LEPs are best delivered at a local level in future, where appropriate and where they are not already delivered by a Combined Authority.

Over the next four weeks officials at the Department for Levelling Up, Housing and Communities and the Department for Business and Trade will be carrying out an information gathering exercise to better understand the impacts that this proposal would have if taken forward, and before a decision is confirmed.

### Aim

The aim of this exercise is to fully understand the implications of an end to Government core funding if this were to happen. Core funding is typically used to pay for staff salaries, buildings, marketing, communications, and consultancy.

We have a particular interest in how activities currently carried out by LEPs might change, cease, or be transferred – depending on local plans – in the event of defunding, as well as the potential impact on:

- Economic growth in local areas.
- Decision-making in local authorities, particularly the input of business organisations.
- LEP staff and customers, including those with protected characteristics.
- Legacy projects (i.e. projects that have been funded in previous years through Government or private sector programmes).
- Ongoing separately-funded functions such as Growth Hubs and Careers Hubs.

And an interest in whether the impact would differ between areas with devolution deals and

those without, and whether LEPs would continue or cease operations without this funding.

### Structure

This questionnaire is split into six sections. The sections marked with an asterisk are mandatory. Respondents should only complete relevant sections.

- Section 1: Core Information.\*
- Section 2: Nature of your relationship with Local Enterprise Partnerships.\*
- Section 3: Questions for Local Enterprise Partnerships.
- Section 4: Questions for Mayoral Combined Authorities (MCAs), the Greater London Authority, and areas that have agreed devolution deals.
- Section 5: Questions for Local Authorities.
- Section 6: Public Sector Equality Duty Assessment.\*

### Data Security

Except where questions are mandatory, you are not required to respond to all of the questions in the section relevant to you, but the information you provide will be used to inform the final decision. Please highlight if any information shared is commercially sensitive. It will not be shared outside of HM Government.

Please direct any questions to [lepinformation2023@levellingup.gov.uk](mailto:lepinformation2023@levellingup.gov.uk).

### Section 1: Core Information [mandatory]

- |  |  |
|--|--|
| 1. What is your name?  | Richard Harrington                               |
| 2. Please provide your email address.  | Richard.harrington@buckslep.co.uk                |
| 3. What is the name of your organisation?  | Buckinghamshire Local Enterprise Partnership Ltd |
| 4. What type of organisation is it?  |  |
| a. LEP   | X  |
| b. LA  |  |
| c. MCA, the GLA, future devolved area  |  |
| d. Other   |  |
| 5. Which area(s) of England does your organisation operate in? Please tick all that apply. |  |
| a. North East  |  |
| b. North West  |  |
| c. Yorkshire & Humber  |  |
| d. Ox-Cam and East Anglia  |  |
| e. West Midlands   |  |
| f. Greater London  |  |
| g. South East  | X  |
| h. South West  |  |

## Section 2: Nature of interaction with Local Enterprise Partnerships [mandatory]

**If you represent a LEP, please enter n/a and move to Section 3, where this information is captured in more detail.**

6. How do you currently work with your local LEP? What are the key activities for your organisation that the LEP currently delivers? Please give details.

n/a

7. Without core funding, it is possible that LEPs will reduce or cease their operations. What impact would that have on the following:

- a) Your own operations
- b) Your stakeholders
- c) Your customers
- d) Your future plans
- e) Any programmes or activities carried out in partnership or via the LEP.

8. What (if any) impact would you envisage transferring responsibility of LEP functions to local authorities, where they are not already being delivered by a Combined Authority, having?

## Section 3: Questions for Local Enterprise Partnerships (LEPs)

**Please only respond to this section if you represent a Local Enterprise Partnership.**

We recognise that for some LEPs in prospective devolution deal areas, some of your answers may depend on what happens with devolution in your area. Where this is the case, please flag any uncertainties in your answers if appropriate.

9. If you do not continue to receive core funding, would you be likely to:
- a. continue operating
  - b. transfer functions where appropriate and cease operations

Buckinghamshire is engaged in an accelerated integration programme between Buckinghamshire Council and Buckinghamshire LEP but has no plans for a devolution deal under current arrangements. Bucks is therefore seeking to pilot an accelerated integration programme that rests outside of a devolution deal. Functions and roles are to transfer to the local democratic institution in Buckinghamshire and to ensure the effective embedding of a strong, independent, and diverse business voice into the local democratic institution, with business leaders shaping local policies for Buckinghamshire in a meaningful way, acting as critical friends and independent experts to local leaders an incorporated structure leading on economy, business support and engagement will be established to assist in the delivery of priorities. The primary focus of this integration programme is on activity and impact facilitated by efficient and effective structures.

While there may be the prospect that the LEP could continue to operate without core funding, should this be withdrawn, the LEP would be reliant upon funds generated from the Enterprise Zone programme to continue to support its economic agenda. This may be feasible but it potentially places a greater burden on the EZ programme which was not designed to use capital for broader operational purposes and may therefore impact on the delivery of that programme. The LEP Board may consider this to be unsustainable in the longer term. In this context it is likely that the LEP Board may in due course seek to transfer functions where appropriate and cease the current operation. This would of course be on the assumption that the local authority is put in funds to take on the function and role of the LEP and its Growth Hub. As this structure does not currently exist this new burden would likely require government funding in excess of that currently allocated to LEP and Growth Hub operations.

Currently the LEP Board has agreed a three year business plan and financial cycle. This approach effectively utilises the LEP operational and programme reserve together with Enterprise Zone revenue to maintain delivery of a growth programme and Growth Hub. The LEP Board has agreed that after 3 years it would review the position and decide whether to utilise Enterprise Zone accrued income to replace depleted operational and programme reserves. During this period the LEP Board will prioritise finding match funding partners and opportunities. This however would simply sustain current levels of activity and not enable a major new drive towards remedying levelling up and growth priorities.

As accelerated integration plans are maturing the preferred option may be to transfer function and roles to the Local Authority and for the Local Authority and business community to establish a new outward facing delivery mechanism that would lead on the inherited and new economic development function and roles.

The core funding contribution now represents a small proportion of the annual LEP operational cost and a smaller proportion of the operational reserve. It does not sustain the cost of delivery of an economic development function nevertheless it has enabled the LEP to utilise the funds that it has generated to deploy directly to the task of supporting and growing businesses and the economy.

It has also enabled the LEP to act as a bridge for government to connect with and be informed of local business and growth issues. This form of activity would be a low priority should core funding support be withdrawn. The loss of core funding would be disappointing but the resultant freedom from reporting requirements and supporting government with local business intelligence may in turn free up resource to generate new commercial investment and programme funds.

BLEP is a limited company, while it has an accountable body in respect of Section 31 grant allocations (that have been fully defrayed and reported upon in Buckinghamshire) it does not have a legal framework to transfer functions and indeed liabilities to other organisations. This is why LEP Directors have approved a three-year business plan and an accelerated integration programme together with Buckinghamshire Council to develop a place based model that prioritises the creation of more effective and efficient integrated delivery structures that would include maintaining an arms length formally constituted company as an important ingredient for future local economic success.

10. If you would be likely to continue operations, what functions would you cease to deliver in the absence of core funding?

We would aim to continue the majority of current functions in the short term prior to the accelerated integration pathway highlighted above. Buckinghamshire LEP has always maintained a lean structure and focuses on functions that add value within the wider Team Bucks that includes both Buckinghamshire Council and Buckinghamshire Business First.

During this transition period we would continue to provide data analysis, economic strategy, capital programme management, business and careers support and we aim to take on the new role of establishment of a pooled investment fund alongside Buckinghamshire Council.

We assume that there would be no requirement to meet the provisions of the current National Assurance Framework nor to monitor and report on legacy programmes such as Growing Places Fund and Local Growth Fund and other Capital Programmes including Enterprise Zones so these monitoring and reporting functions would cease.

The withdrawal of core funding may limit the range and depth of economic intelligence that we are able to provide for government, businesses and economic partners across Buckinghamshire and the degree of additional support that we may be able to provide to grow productivity and employment and to enhance business support services including start-up, scale-up and business networking events through our support of both Growth and Careers Hubs. For example the LEP created a skills programme in Buckinghamshire using revenue recycled through its Growing Places Fund programme and subsequently created a successful Skills Show and delivered a Enterprise Advisor programme (one of the first in the country to achieve 100% school engagement) with the Carreers and Enterprise Company before handing the maintainance of this programme onto its Growth Hub. This flexibility and programme initiative development would likely be curtailed as the LEP will have to use recycled resources to meet operational costs.

11. If you would be likely to cease operations, please specify any significant liabilities such as ongoing MoUs and contracts with government, local authorities, or private businesses, including any subsidiaries owned by the LEP.

Please also specify any plans for joint ventures and special purpose vehicles with local and national partners, and any plans for handling public money (e.g. retained business rates).

Buckinghamshire LEP has defrayed and reported upon programme funds awarded in previous government programmes including Growing Places Fund, Local Growth Fund and Getting Building Fund. In addition Bucks LEP allocated a proportion of its operational reserve (£2m) to assist businesses during the Covid Pandemic. The company continue to monitor and report on the impact of this investment though there are no future funding obligations. The main financial contractual liability results from the EZ MOU with Buckinghamshire Council requiring the repayment of funds loaned for investment in EZ infrastructure. As there is no plan to cease this LEP programme there are no plans to enact Section 5 of the original EZ MOU. The LEP also has outstanding loans to Growing Places Fund, Local Grow Fund and Enterprise Zone applicants that are in the process of being repaid..

Uniquely LEP staff have been engaged in a major development area promotion in Aylesbury on behalf of Buckinghamshire Council through an arms length company Buckinghamshire

Advantage. This company has purchased and holds development land and has entered into a promotion agreement with land owners, option agreements and Section 106 obligations requiring Agreement for Lease arrangements over mitigation land. The LEP is also a partner under the local BDUK digital infrastructure programme which is in a gainshare and clawback stage.

Operationally there would be directors liabilities resulting from a cessation of operation and small contracts with third party suppliers that would have to be brought to a close if those functions were not to be delivered.

12. How many people (FTE) do you have working for you and what functions do they deliver?

- a) Directly employed
- b) Under contract to provide services (contractors)
- c) Temporary staff
- d) Secondees

There are current 9 directly employed Full Time Equivalent staff. Eight are directly employed, one is contracted to provide services and another has a temporary employment status. These include:

CEO

Partnership Director

Head of Finance and Assurance

Head of Enterprise Zone Development

Head of Research & Strategy

Research Manager (temporary 0.5)

Programme Manager

Communications Manager

Economic & Labour Market Analyst

Board Secretary (contractor 0.5)

In addition the LEP will shortly appoint a Digital Innovation Manager on a 1 year fixed term contract as a replacement for a post held and vacated in 2022. This would bring the contingent to 10 though the temporary research post will likely expire during 2023/24 so the annual outturn is anticipated to be 9.5 FTE. The LEP may seek secondments from partner organisations to assist the establishment of a Pooled Investment Fund which is an accelerated integration plan priority.

13. How many staff (FTE) are funded solely or partially by core funding?

Currently 9 FTE staff are partially funded by the core funding allocation.

14. If core funding were to end in April 2024, would you expect to have to make any staff redundant? How many (FTE)? What are your estimated redundancy costs?

Fixed term contracts would not be renewed. Estimation of redundancy costs have been previously been assessed, should all staff be made redundant the total cost is estimated at around £400k.

15. If required, how would you propose to handle resourcing questions such as return of secondees to parent bodies, TUPE of staff, etc.?

The LEP does not have a parent body, it was required by government to be an independent legal personality. It currently does not have any secondees. TUPE of staff has recently been considered as part of devolution and integrated discussions and ruled out by both LEP and Buckinghamshire Council at this stage.

16. What proportion of your overall income in 2022-23 is core funding?

The LEP operating income in 2022/23 is expected to be £1.279m. plus an additional £6m of Enterprise Zone Income Core funding received in 2022/23 totalled £375,000. Core funding therefore represented 29% of operating income during the previous financial year and 5% of total operating and capital annual income.

For 2023/24 Enterprise Zone income will be incorporated into the overall LEP accounts to provide a total income of £6.024m. Government Core Funding at £250k would represent 6% of overall income.

17. What private sector income in 2022-23 do you receive, e.g. funding for Careers Hubs, match funding from local partners?

Private sector income totalled £594k including:-

Local Authority £47k

Enterprise Zone Income £471k

Interest Earned £42k

Contractual Services £34k

18. Which local authority acts as your accountable body?

Buckinghamshire Council.

19. Do you have financial reserves? How much? What would be the actual and planned use of these?

Yes the LEP holds a financial reserve and remains a going concern.

The financial reserve is forecast to be £13.5m in April 2024. This figure would include business rate retention which is governed by a EZ MOU.

Actual and planned use would be the continuation of LEP programme in accordance with a three year business plan and the EZ MOU. In addition the LEP will establish an Enterprise and Investment Board and create of Pooled Investment Fund utilising and leveraging specified LEP funds as part of the local Place Based Growth Model and accelerated integration plans.

20. What contractual agreements (commercial, employment, etc.) do you have beyond April 2024 and what costs are associated with these? What is the duration of these contractual agreements?

Loans – Repayment schedules until 2028.

Grants – LGF & Getting Building Fund contractual arrangements until 2027.

Council holding funds until loan book repaid details.

Enterprise Zone Operational Plan 2021/2026

21. Do you have any Local Growth Fund (LGF), Getting Building Fund (GBF), or Growing Places Fund (GPF) money remaining to spend?

No.

22. If so, how much do you expect to have unspent by fund (£m) by April 2024? If you plan to cease operations should core funding end in 24/25, how do you propose to deal with any unspent funding?

n/a

23. Has the LEP been a Grant Recipient for European Regional Development Fund (ERDF)? If so, what arrangements will be made to retain the project audit trail in an accessible format until December 2033 in line with the contractual agreement?

No.

24. What implications would there be if hosting arrangements for Careers Hubs sat outside of LEPs? e.g. Local Authorities. –

The Careers Hub is a part of our Growth Hub which we propose to continue to support through with the assistance of EZ programme business rate retention income. That said the LEP has tasked the Growth Hub with developing a commercially sustainable Skills programme. Hosting arrangements would be best left where business input may most effectively be achieved.

Proposals for a local place based governance model are being put in place to ensure continuation of core LEP services.

25. Do you currently oversee the operations of an Enterprise Zone? *The following four questions relate to the operations of Enterprise Zones. If you do not currently oversee the operations of an Enterprise Zone, please skip ahead to question 29.*



Yes, Enterprise Zones are a LEP programme as specified in the Budget 2011, the government's Plan for Growth (March 2011) and the subsequent Secretary of State signed MOU's.

26. If yes, what local arrangements (i.e. MoUs/contracts) are in place to determine how the growth in retained business rates generated by an Enterprise Zone site are distributed?

Original MOU signed March 2016. Subsequent MoU agreed with Buckinghamshire Council and signed July 2022 to guide the operational delivery plan for Enterprise Zone covering the period 2021/26.

27. Are there any other MoUs or contracts pertaining to the management of the Enterprise Zone that we should be aware of (including where borrowing has taken place against the future receipt of retained rates)?

Yes Buckinghamshire Council - loan agreements relating to Enterprise Zone infrastructure – Silverstone Core Utilities Trench, Silverstone Sports Engineering Hub, Westcott Innovation Centre and Westcott Roundabout .

28. What are your receipts/income from property/land, including 'evergreen' investments?

None.

29. Do you have any liabilities that are being funded using Enterprise Zone income to borrow money, for example, to fund infrastructure development over several years? If so, can you please provide details?

Yes – details to be provided see Q26.

30. What major assets do you own or have a financial or contractual interest in (e.g. land, buildings, data and knowledge assets, etc.)?

Outstanding loan agreements

Silverstone Heritage Centre £857k

Westcott Innovation Centre £1.6m

Silverstone Sports Engineering Hub £2m

Visit Bucks £38k

Broadband Gainshare £675k (subject to change)

31. What local agreements are in place to determine how assets are managed and appropriately transferred or disposed of?

LEP Board.

32. Are there any other impacts in the event of LEPs no longer receiving core funding, or the transfer of LEP functions, that you would like to make us aware of?

Transfer of function an role would be a LEP board decision.

Function may not be delivered as costs likely to increase.

#### Section 4: Questions for MCAs, the GLA, and Areas with new deals

**Please only complete this section if you represent a Mayoral Combined Authority, the Greater London Authority, or an area that has agreed a devolution deal.**

33. Were the cessation of Local Enterprise Partnership (LEP) core funding from 2024/25 to apply to MCAs, the GLA and Devolution Deal areas how would this affect your plans for integration?
34. How would the cessation of LEP core funding affect your subsequent delivery of remaining functions (e.g. Careers Hubs, Growth Hubs)?
35. How would it affect your provision of a business voice to influence key economic decisions?
36. Do you currently oversee the operations of an Enterprise Zone? *The following two questions relate to the operations of Enterprise Zones. If you do not currently oversee the operations of an Enterprise Zone, please skip ahead to question 38.*
37. If yes, what local arrangements (i.e. MoUs/contracts) are in place to determine how the growth in retained business rates, generated by an Enterprise Zone site, are distributed?
38. Are there any other MoUs or contracts pertaining to the management of the Enterprise Zone that we should be aware of? (including where borrowing has taken place against the future receipt of retained rates).
39. What local agreements are in place to determine how any LEP-owned assets are managed and appropriately disposed of?
40. What have been your key lessons learned from the integration process to date, which would be helpful for others to consider if transferring functions?

#### Section 5: Questions for Local Authorities (LAs)

**Please only respond to this section if you represent a Local Authority.**

41. Are you an accountable body for a Local Enterprise Partnership (LEP)? If so, which?
42. How would you plan to incorporate the voice of private sector leaders in support and growth of local economies and highlighting economic opportunities? Would you be minded to continue a relationship with the LEP (if they continued) or put in place a new arrangement?
43. Would your authority be able to take on the remaining LEP functions (Careers Hub, separately funded Growth Hub, ongoing monitoring of the Local Growth Fund, Getting Building Fund, ERDF etc)? If your whole county geography or functional economic area covers more than one upper tier local authority, would you be able to do it on behalf of other local authorities? What governance would you need e.g. joint committee?
44. Were your LEP seeking to continue as a separate organisation what would be the implications of this for your area?
45. Were your local LEP to cease operations, what successor arrangements would you need to consider putting in place in supporting HMG activity in driving co-investment in site development, business growth, and innovation, as well as providing a local focus in responding to economic shocks?
46. How would you ensure that co-operation is maintained in adjoining and economically linked local authority areas?
47. Do you agree that, where a devolution deal is not agreed or in negotiation, the Growth and Careers Hub geographies should be based on a sensible geography as defined by the Levelling Up White Paper i.e. over a sensible functional economic area and/or a whole county geography, even if this involves more than one upper tier local authority working together?
48. Do you currently oversee the operations of an Enterprise Zone? *The following two questions relate to the operations of Enterprise Zones. If you do not currently oversee the operations of an Enterprise Zone, please skip ahead to question 50.*
49. If yes, what local arrangements (i.e. MoUs/ contracts) are in place to determine how the growth in retained business rates, generated by an Enterprise site, are distributed?
50. Are there any other MoUs or contracts pertaining to the management of the Enterprise Zone that we should be aware of (including where borrowing has taken place against the future receipt of retained rates)? How would you propose to handle retained rates in the event of the LEP ceasing operations?
51. In the event of a LEP ceasing its operations, what are your plans for any LA staff who are currently based in the LEP or any of its subsidiaries?
52. In the event of a LEP ceasing its operations, will this have any impact on plans for any joint ventures with the LEP?

53. Should your local LEP choose to continue as a separate organisation, would you have any plans to fund it?

54. Are there any other impacts in the event of LEPs no longer receiving core funding that you would like to make us aware of?

## Section 6: Public Sector Equality Duty Assessment [mandatory]

The following questions have been drafted to review how this potential policy decision meets the Government's legal duty under the Equalities Act 2010 to:

1. Eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a particular protected characteristic and people who do not share it.
3. Foster good relations between people who share a particular protected characteristic and people who do not share it.

The Duty covers the protected characteristics of **age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation**.

55. If LEP core funding were to end in 2024/25, what impact might this have on the three elements of the public sector equality duty (numbered points above)? **N/A**

56. If LEP core funding were to end in 2024/25, how could the impacts on the three elements of the public sector equality duty (numbered points above) be mitigated for those with protected characteristics? **N/A**

57. Are there any programmes or initiatives that you think are noteworthy in terms of servicing users (both beneficiaries of programmes and activities and LEP employees) with protected characteristics (in **bold** above)? How would these be impacted by the end of core funding? **N/A**