

Agenda Item 6

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<b>Title:</b>	<b>Place Based Integration Programme</b>
<b>Purpose:</b>	<b>To provide an update on the Government response to the Buckinghamshire Place based integration proposals and to consider the framework and criteria needed to support the establishment of a Pooled Investment Fund. The report also provides an update on the status of a number of potential investment propositions that may be considered suitable for the fund once established.</b>
<b>Recommendation(s):</b>	<b>That members note the current Government position in relation to LEPs and locally led economic development initiatives and consider the framework and potential criteria that they would want to see incorporated into a new Pooled Investment Fund for Buckinghamshire.</b>
<b>Impact on Risk Register:</b>	<b>Government has indicated that it is minded to withdraw central government support for LEPs from April 2024. The need for a forward thinking and integrated support programme for Economic investment providing the capacity to generate future income will be essential in maintain and growing key support services for Buckinghamshire businesses.</b>

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At the January LEP Board meeting it was agreed in principle to move towards a new Buckinghamshire Place Based Growth Model and to transfer Broadband Gainshare Funds to be used as part of a Pooled Investment Fund (PIF).

It was also requested that a joint letter be sent from the LEP Chair and Leader of Buckinghamshire Council to DLUHC Secretary of State (cc BEIS Secretary of State) questioning whether there would be any objection/impediment to progressing an accelerated path to early integration of the LEP in preparation for a County Deal agreement. To date there has been no formal response from Government to this request, although through discussions with representatives from the Cities and Local Growth Unit we have been notified that a positive response has been drafted to this request and is awaiting dispatch.

Furthermore, as part of the Budget Speech on March 15<sup>th</sup> the Chancellor announced that:-

*‘The government is committed to empowering democratically elected local leaders at every opportunity. To this end, the government intends for the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future. Therefore, the government is minded to withdraw central government support for LEPs from April 2024. DLUHC and the Department for Business and Trade will now consult on these proposals, before confirming a decision. The government will publish an updated policy position to confirm next steps by the summer.’*

This announcement indicates that the positive and proactive steps that have been taken by Buckinghamshire partners to develop an Integrated Place Based Governance model is clearly in step

with current government policy and that the transition process that we are intending to undertake should be well received and will help to take control investment in economic infrastructure where future funding from Government is unlikely.

Correspondence was received on March 17<sup>th</sup> outlining how Government intends to work with local areas to determine how the functions currently undertaken by LEPs are best delivered at a local level in future. In addition, a four-week information gathering exercise has opened to gain a fuller understanding of the implications of this funding change.

The aim of the consultation exercise is to fully understand the implications of an end to Government core funding if this were to happen. Government are particularly interested 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

A copy of this letter is attached as **Appendix 1** to this report.

We have also received separate confirmation of the core LEP Funding of £250k for 2023/24. See **Appendix 2** for which LEPs will be expected to deliver against current commitments in relation to the monitoring and evaluation of capital programmes, the management of the Enterprise Zone programme, Growth and Skills Hub programmes and the collection and analysis of local economic intelligence.

Partner organisations across Buckinghamshire including the Healthcare Trust, Universities and Council have also been considering the new Place Based Growth Model. A workshop featuring the prospective Growth Board Members and working group Chairs was held on March 16<sup>th</sup> to help develop a collective sense of purpose, understand individual and organisational roles in developing and delivering the priorities for Buckinghamshire, understanding of the new boards and governance and identify the immediate next steps and milestones to make this happen.

As part of this process Andrew Smith in his role as the Chair of the proposed Enterprise & Investment Board set out some of the main steps that he thought would be needed to establish the Pooled Investment Fund, these included:-

- Clarity around any current restrictions on available and future funds.
- Appetite for risk – including capital, loan or equity investment.
- Compliance with necessary statutory financial or other regulations.
- Review of Board and Executive skills to manage the funds and investment programme.
- Development of the detailed criteria for investment.

To advance this process we wanted to initiate a board discussion on the issues that may need to be considered including the following points:-

- Strategic Impact & Alignment with Strategic Objectives including Buckinghamshire Vision, Bucks Local Industrial Strategy, Economic Recovery Plan, Net Zero and Place based agenda.
- Enables accelerated development of the Buckinghamshire Enterprise Zone, generating direct financial return on investment.
- Match Funding commitment & security.
- Productivity Benefits Realised.
- Development of International Connections, Inward Investment Trade Benefits.
- Skills and Education Improvements – linked to Local Skills Improvement Plan priorities, engineering etc.
- Levelling Up or Regeneration Impact.
- Employment Job Creation & Protection.
- Access, connectivity, transport links / services.
- Proposition deliverability & timescales.
- Likely return on Investment.

To help in this process the LEP Executive have commenced an initial scoping exercise to identify potential investable propositions. Examples of initial ideas will be shared with the board to assess how they may be developed and assessed as potential investable propositions.

**Board members are asked to:**

**Note the current Government position in relation to LEPs and locally led economic development initiatives and consider the main criteria that they would want to see incorporated into a new Pooled Investment Fund for Buckinghamshire.**