

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
COMMITTEE**

DATE: 08 APRIL 2022

**REPORT TITLE: FUTURE ARRANGEMENTS FOR LOCAL
ENTERPRISE PARTNERSHIP**

DIRECTOR: INTERIM DIRECTOR OF LAW

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Purpose of Report

1. The Government White Paper "Levelling Up the United Kingdom", was published on 2 February 2022. It proposed changes to the current framework for the governance and funding of LEPs. The proposals were detailed in subsequent ministerial correspondence sent on 1 April 2022. This report sets out the proposals for the next steps proposed by the LEP following its meeting on the 30 March.

Recommendation

2. The Committee is asked support the recommendation from the LEP that a working group, comprising representatives from the Combined Authority, the LEP, North Somerset and a representative from the three other Unitaries to consider options and proposals to bring before the respective bodies in the early summer.

Background / Issues for Consideration

3. The LEP is a non-statutory body, a business led partnerships with representatives from the local authorities and others to promote economic development in this area. The overarching purpose of the LEP is to be a mechanism for the constructive partnership between the business community, universities, the Unitary Authorities and the West of England Combined Authority to deliver the strategic economic plan for the region.
4. The LEP covers the area of four Unitary Councils, Bath and North East Somerset, Bristol City Council, South Gloucestershire and North Somerset. The

West of England Combined Authority covers the same area less North Somerset. The LEP and the Combined Authority are not wholly coterminous.

5. The recommendations of the LEP are currently reviewed and approved by the Joint Committee of the Four Unitary Councils and the West of England Combined Authority.
6. The accountable body, which oversees delivery and provides assurance to government of due diligence and process is the West of England Combined Authority.

Recent Developments

7. The recent white paper Levelling Up the United Kingdom included proposals in relation to the future of LEPs. It included proposals for those areas where a LEP is not coterminous with a Combined Authority.
8. The arrangements in the case of a LEP (such as the West of England LEP), which includes the area of a combined authority but extends beyond it are set out on the Minister's letter. This essentially provides that where a LEP is not coterminous it is for local solution. In particular it provides

“Pathway III: Finding a local solution where one or more (M)CA or institution with devolved powers for the purpose of hosting a county deal covers only part of the LEP area, leaving part(s) of the LEP area outstanding

“Integrating LEP functions and roles into (M)CAs ... may create boundary issues in some areas. We will engage with local partners to understand the range of possible outcomes for LEP integration in such cases, which we will consider on a case-by-case basis through the integration plan process guided by local preferences. If an (M)CA ... cuts across a LEP area and only part of the LEP area is integrated, leaving another part outstanding, we will consider each case against the following guiding principles. We will want to hear from local partners on their preferred local solution for dealing with any outstanding areas. We expect that each local solution will provide a template for other LEPs in similar circumstances to consider. Any outstanding overlaps between LEP geographies must be removed as part of the preferred local solution.”

It goes onto say

“[A]... neighbouring (M)CA ...but not a LEP – may, in some instances, be able to ‘serve’ the outstanding area. It will be for the (M)CA ...to ascertain whether this arrangement is legally feasible, considering, for example, the formal powers conferred by its devolution deal. Where it is

feasible, a proportionate mechanism should be agreed for the outstanding area to be able to input into decision-making processes which have a bearing on its local economy. This mechanism should be jointly developed between the (M)CA ... and the council(s) covering the outstanding area.”

9. The effect of these statements is that there appear to be a number of options open to the Combined Authority, North Somerset and the LEP in terms of future arrangements. The appropriate arrangements for final consideration will require significant work and commitment in order to meet the government timescales as set below:

“LEPs in areas where there are existing (M)CAs can be integrated over the coming year. Where integration can happen quickly, and if integration plans can be developed, given proper consideration and approved, mitigating any consequences for neighbouring areas and managing any implications for staff, where relevant, we will work with local partners to give effect to the integration of LEP functions and roles at the earliest practicable opportunity, subject to HMT business case approval. This will require submission of an integration plan before 29 July 2022. There will be a second opportunity to submit an integration plan, by 27 January 2023, where more time is needed.”

It is suggested that the parties work to the earlier date (submission of an integration plan before 29 July 2022) if at all possible to demonstrate commitment and to avoid the issue becoming an ongoing distraction to delivery.

10. The LEP considered its response on the 30 March, after the White Paper but before the details in the ministerial letter.
11. The LEP considered at the meeting on the 30 March that the Government proposals pose a number of questions which will need careful consideration for all stakeholders including
- What should be the broad purpose and role of the LEP in future?
 - What should be the preferred geographical footprint of the LEP?
 - What would be its preferred governance and accountability arrangements in future?
 - How will the funding arrangements work?
12. The LEP further considered that these were questions which are best worked up in consultation and discussion with the Combined Authority, the LEP, North Somerset and a representative from the three other Unitaries to consider options and proposals to bring before the respective bodies in the early summer.

13. The Board resolved to recommend to the Combined Authority Committee and the Joint Committee that a working group, comprising representatives from the Combined Authority, the LEP, North Somerset and a representative from the three other Unitaries to consider options and proposals to bring before the respective bodies in the early summer.

Background papers:

[Levelling Up the United Kingdom White Paper \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Integrating Local Enterprise Partnerships into local democratic institutions – a letter of 31 March from the Department of Levelling UP, Housing and Communities.

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