



Cheshire and Warrington Local Enterprise Partnership Overview and Scrutiny Committee

Date: Thursday 6 September 2018

Time: 3.00pm

Venue: Wyvern House, The Drummer, Winsford, CW7 1AH

Chair: Councillor Ben Powell (Cheshire West and Chester Council)

Membership: Anne Boyd (Deputy), Guy Butler, Vacancy, Councillor John Kerr-Brown (Warrington Borough Council) and Councillor Harold Davenport (Cheshire East Council).

Officer Contact: Bryan Magan, Head of Democratic and Member Services, Warrington Borough Council, Tel: 01925 442120, E-mail: bmagan@warrington.gov.uk, or Julian Joinson, Principal Democratic Services Officer, Warrington Borough Council, Tel: 01925 442112, E-mail: jjoinson@warrington.gov.uk

AGENDA

Agenda Item		Lead	Timings
Open Meeting - Items during the consideration of which the meeting is expected to be open to members of the public (including the press)			
1.	Apologies for Absence	Chair	3.00pm
2.	Declarations of Interest	Chair	3.00pm
3.	Minutes of the Meeting held on 7 June 2018	Chair	3.05pm
4.	General Governance/Constitutional Matters: Report attached <ul style="list-style-type: none">• Terms of Reference• Membership	Chair	3.10pm
5.	Public Participation To receive questions from members of the public in accordance with governance procedure rule 6. A total period of 15 minutes will be allocated for members of the public to speak at Panel meetings. Each member of the public shall be limited to a	Chair	3.15pm



	<p>period of up to 5 minutes speaking.</p> <p>Members of the Public may speak on any matter relating to the work of the Committee. During public speaking time, members of the public may ask questions of the panel and the Chairman in responding to the question may answer the question, may decline to do so, may agree to reply at a later date or may refer the question to an appropriate person or body.</p> <p>Questions will be asked and answered without discussion. In order for officers to undertake any background research members of the public who wish to ask a question at a Panel meeting should submit the question at least a day before the meeting.</p> <p>Members of the public are to be able to put questions direct to Committee via social media platform Twitter: @candwlep</p>		
6.	A formal question and answer session with the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate within a 15 minute open session	Chair	3.30pm
7.	Review of Engagement – Report attached	Chair	3.45pm
8.	Strengthened Local Enterprise Partnerships – Report attached	Chair	4:00pm
9.	<p>Developing Cheshire and Warrington’s Local Industrial Strategy Evidence base – Verbal update from Philip Cox</p> <p>Cheshire & Warrington Local Enterprise Partnership (C&WLEP) is seeking to appoint consultants to update the evidence base for the sub-region to support development of a Local Industrial Strategy, and support the development of thinking around that strategy and engagement with key stakeholders.</p>	Chair	4:15pm
10.	Work Programme - attached	Chair	4.30pm
11.	<p>Future Meeting Dates (3pm at Wyvern House)</p> <ul style="list-style-type: none"> • 6 December 2018 • 7 March 2019 	Chair	4.35pm

Agenda Item 3



Cheshire and Warrington Local Enterprise Partnership Overview and Scrutiny Committee 7 June 2018

Present: Councillor B Powell (Chair), A Boyd, G Butler and Councillor J Kerr-Brown

Also In Attendance: B Magan, Head of Democratic and Member Services, Warrington Borough Council providing support for the Cheshire and Warrington LEP

9. Apologies

Apologies for absence were received on behalf of Cllr H Davenport and C Thompson.

10. Declarations of Interest

11. Minutes

The minutes of the meeting of the Scrutiny Committee held on the 1 March 2018 were received as a correct record

Task Group Members agreed to review the Terms of Reference and Quorum which is currently set at 4 members

12. Issues arising from the Training Session held on 16 April 2018

Task Group Members welcomed the training session – it was thorough and added value and helped raise awareness and understanding of the workings of the LEP and the potential role of the Scrutiny Committee.

Task Group Members discussed the agenda setting process for the Scrutiny Committee and AGREED that -

- (1) Future draft agenda and minutes be cleared by the clerk through the Chair and Deputy Chair for all future meetings in advance of distribution;
- (2) Without circumventing existing LEP procedures in relation to complaints, the TOR of the Committee be reviewed to potentially include a role around encouraging and receiving and dealing with feedback and suggested items for the work programme;
- (3) Future Scrutiny Committee meetings include
 - a facility to receive public questions and feedback within a 15 minute open session (a minimum period of notice being required of the questions to allow

enough time to answer the question and use of the LEP's existing Twitter and social media accounts to facilitate this process);

- a formal question and answer session with the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate within a 15 minute open session

13. Review of Private Sector Engagement – Scoping Document

Task Group Members commented that the content and proposed approach detailed in the report was thorough and sensible and AGREED that

- (1) the scope should read 'Review of Engagement' to ensure that the process was holistic

(Note: In this respect Task Group Members expanded the scope of the review as detailed in paragraph 6.1 to be proportionate across various sectors and include public sector and partners organisations and not limit it to private sector business which will ensure that the review has depth and breadth of engagement)

- (2) a Task Group consisting of Councillor B Powell, A Boyd and G Butler oversee the work of the project;
- (3) the Task Group will commission an external organisation (university research teams) to undertake the review which will require an approved budget
- (4) the lines of inquiry and methodology to include 2 case work studies with the output to the report being published as public output and transparent highlighting any improvement areas;
- (5) the amended scope of the review was to be signed off by the chair and deputy chair; and
- (6) the timescales as detailed in paragraph 10 be adjusted to 6 December 2018

(Note: in making the decisions above the Task Group Members noted that this review will add value to the LEP's future work programme of developing a stakeholder communication plan through its soon to be appointed PR and Communications Manager as detailed in paragraph 5.3 to the report)

14. Work Programme

The Scrutiny Committee received and considered a work programme report and AGREED

- (1) The Action Plan from MHCLG Performance Letter item could be covered in any future QA sessions as part of the new structure and format of meetings (Note: In discussing this matter members identified the need to access any comparable data and analysis and for this LEP to be in a position to voluntarily publish its own letter resulting from the Annual Conversation).
- (2) The Dashboard Item was to be removed from the work programme

15. Future Meeting Dates

Decision – To note the following schedule of meetings, commencing at 3.00pm, at Wyvern House (subject to availability)

- 6 September 2018
- 6 December 2018
- 7 March 2019

THIS PAGE IS LEFT BLANK INTENTIONALLY



**Cheshire and Warrington Local Enterprise Partnership
Overview and Scrutiny Committee**

**Title: General Governance / Constitutional Agenda Item: 4
Matters**

Prepared by: Julian Joinson, Principal Democratic Services Officer, Warrington Borough Council for the Cheshire and Warrington Local Enterprise Partnership **Date of Report: 06.09.18**

A. Executive Summary

At the last meeting of the Scrutiny Committee members agreed to review and revise the **Terms of Reference** (see Minute 12 (2) & (3) meeting 7 June 2018 agenda item 3). This report presents the amended TOR document for approval by the Committee. The amendments are highlighted and reflect the discussion at the previous meeting. The structure and content of the agenda has also been amended to reflect these changes.

The Scrutiny Committee is also informed that Carol Thompson has, due to other commitments, resigned from her position as member of the Committee. This report seeks to agree how best to fill this vacant position.

B. Recommendations /Actions Requested

1. To approve the amended TOR document at Appendix One; and
2. To consider how best to fill the vacant position on the Committee following the resignation of Carol Thompson.

C. Details

1. Background

- 1.1 The TOR for the Scrutiny Committee was amended at the Scrutiny Committee meeting held on 7 June 2018 meeting (minute 12 (2) & (3) refers).
- 1.2 The attached TOR document has been amended to reflect the discussion and agreement at the 7 June meeting. Section 6 relating to procedures at meetings is highlighted to identify the changes and amendments to practice. The agenda for this

meeting has been adjusted to reflect these amendments.

- 1.3 The resignation of Carol Thompson from the Committee leaves a vacancy and five remaining members. The Committee is asked to take a view on how best to fill this vacant position.
- 1.4 An appropriate induction programme should be provided when the vacant position is filled.
- 1.5 In considering how to appoint and the timetable involved it is worth noting that in accordance with the TOR each member will be appointed for a period of 18 months (Note: Council members are normally appointed annually within the constitutional terms of their local authority procedures and practices). Given that existing Committee members started in March 2018 and given the period it will take to appoint this might offer an ideal opportunity to stagger appointments which will enhance the ability to retain skill and experience and knowledge and continuity when vacancies arise on the Committee.
- 1.6 The Committee is asked to note that the quorum for holding a meeting is four members being required to be present to make the meeting quorate.



Agenda Item 4 Appendix One

C&WLEP Scrutiny Committee Terms of Reference

1. Membership

It is proposed that the committee has a membership of six, made up of three Local Authority representatives and three private sector representatives. These must not be board members of the LEP.

Chair: To be a representative from a Local Authority on an annual rotating basis

The Chair will be appointed at the first meeting of the committee for a period of one year. After this time a new chair should be appointed every year.

The Members of the committee

are:

~~Carol Thompson~~

Guy Butler

Anne Boyd

Councillor John Kerr-Brown Warrington Borough

Council Councillor Harold Davenport - Cheshire East Council

Councillor Ben Powell - Cheshire West and Chester Council

Each member will be appointed for a period of 18 months (Note: Council members are normally appointed annually within the constitutional terms of their local authority procedures and practices).

2. Overview of the Role of the committee:

The Scrutiny Committee's function is to increase transparency of the decisions made by the LEP and to give further assurance by providing an independent committee that is able to explore and interrogate the rationale for decisions made. The Committee will not have the power to delay or refer back the LEP's decisions, but it will be able to

publicise its conclusions and make recommendations for improvements to the LEP's decision making processes. Its remit will therefore be very similar to the Public Accounts Committee. The committee will be able and make recommendations for improvements to the decision-making process if appropriate.

The Agenda for the committee should be broadly set at the beginning of each year and will consist of long-term review of LEP programmes but will also allow enough flexibility and time for a review of other significant decisions as they arise in the year.

The terms of reference will be reviewed annually to ensure they align with government policy around accountability and transparency.

3. Objective of the Scrutiny Committee

The objective is to make positive recommendations for how future decisions of the LEP can be effectively implemented.

All the deliberations of the committee will be held in public and made public in order to help transparency with regard to how and why decisions have been made by the LEP board and committees.

4. Terms of Reference

The Scrutiny Committee is specifically charged with:

- Review the decision making of each of the sub-committees and Board of the LEP to ensure due process has been followed and there is a transparent audit trail.
- Review the progress of the programmes that the LEP manages including but not limited to: Local Growth Fund, Growing Place Fund, European Programme and the Growth Hub. The committee should identify and/or consider issues raised, promote best practice and make recommendations for improvement if appropriate.
- Review the implementation of the Strategic Economic Plan and identify opportunities for improvement.
- Review the output and outcome information of the programmes to ensure that the LEP activities are having a beneficial impact on the economy of the LEP area.
- To make recommendations for consideration to the Board and or committee with respect to the discharge of any functions.
- Review and advise the LEP board on matters of transparency, ensuring that the LEP is meeting the highest standards of transparency and, in particular, the required standards as set down by the Central Government.
- To commission and review mid-term and end of term evaluations of programmes

and projects.

- To liaise with other LEPs over the development and dissemination of best practice.

5. Reporting

The committee will report to the LEP board and sub-committees with recommendations as appropriate.

6. Meetings

The committee will meet quarterly and the meetings will be open to the public. The minutes of the meeting and Agenda will be published on the LEP website.

Draft agenda and minutes to be cleared by the clerk through the Chair and Deputy Chair for all future meetings in advance of distribution.

Without circumventing existing LEP procedures in relation to complaints, the TOR of the Committee include the potential role around encouraging and receiving and dealing with feedback and suggested items for the work programme.

Future Scrutiny Committee meetings include

- a facility to receive public questions and feedback within a 15 minute open session (a minimum period of notice being required of the questions to allow enough time to answer the question and use of the LEP's existing Twitter and social media accounts to facilitate this process);
- a formal question and answer session with the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate within a 15 minute open session.

7. Conflicts of interest

Conflicts of interest should be declared at the start of each meeting and will be dealt with in accordance with the LEP's Conflicts of Interest Policy.

8. Quorum

The meeting will require four members to be present to be quorate.

Last amended by Bryan Magan 03.08.18

THIS PAGE IS LEFT BLANK INTENTIONALLY



**Cheshire and Warrington Local Enterprise Partnership
Overview and Scrutiny Committee**

**Title: Review of Private Sector Engagement –
Scoping Document**

Agenda Item: 7

**Prepared by: Julian Joinson, Principal Democratic
Services Officer, Warrington Borough Council for
the Cheshire and Warrington Local Enterprise
Partnership**

Date of Report: 06.09.18

A. Executive Summary

The Committee received a report at its June Meeting and agreed a scope to review the effective engagement of private sector stakeholders by C&WLEP. This report presents the Invitation to Tender document and proposed timeframe for the research project.

B. Recommendations /Actions Requested

The Scrutiny Committee is being asked to approve the Invitation to Tender Document for immediate commencement of the project in accordance with the timetable contained in the ITT document

C. Details

1. Background

1.1 The Committee has previously noted that effective engagement with key stakeholders is essential to providing the right infrastructure, skilled workforce and economic conditions necessary to respond to and support local businesses in the immediate and longer term.

1.2 The Committee as previously identified engagement as a key review theme for it to pursue. The Committee has expressed an interest in understanding how successful the C&WLEP is in communicating with the private sector and, in particular, with small and medium enterprises (SMEs), who might have less of a profile within the work of the LEP as compared to large scale or multi-national businesses. The work of the

Scrutiny Committee will provide a fresh insight into stakeholder engagement and will be particularly valuable to the C&WLEP as it seeks to better understand those who benefit from its economic development activities and who may use its business services directly.

- 1.3 The Committee has previously approved a scope document to review how the C&WLEP can ensure that its engagement activities with private sector businesses are effective.

2. Invitation to Tender

- 2.1 The document at Appendix One provides a draft Invitation to Tender document for approval by the Committee to allow officers to commence the research project. Upon approval by the Committee work will be undertaken with immediate effect to seek interest from appropriate research bodies to undertake the work.

3. Conclusions

- 3.1 External engagement is central to the role of the C&WLEP. The research findings will assist the Scrutiny Committee and C&WLEP Board to ensure that its methods of engagement are responsive and inclusive of all sectors, and underpin both its strategic planning activities and its operational decisions and direct services offer.



Review of Private Sector Engagement

Invitation to tender

6 September 2018

1. Purpose

Cheshire & Warrington Local Enterprise Partnership (C&WLEP) is seeking to appoint research consultants to support the C&WLEP Scrutiny Committee to undertake a review of effective engagement of private sector stakeholders in Cheshire.

2. Background and context

2.1 The role of the C&WLEP is to promote and deliver strategic economic development across the sub-region, in a way that is sustainable and which benefits as many local communities as is possible. It undertakes this using funding from a variety of sources, including local authorities, DCLG, BEIS, Growing Places Fund, Local Growth Fund, Enterprise Zone funding and various European Monies. The detailed delivery of its aims are currently being programmed through a number of underpinning strategies and plans, which will focus on the following areas:-

- Transport;
- Skills and Education;
- Energy;
- Quality of Place;
- Digital;
- Housing; and
- Science and Innovation

2.2 Effective engagement with key stakeholders is essential to providing the right infrastructure, skilled workforce and economic conditions necessary to respond to and support local businesses in the immediate and longer term.

2.3 The C&WLEP Scrutiny Committee has identified engagement as a key review theme for it to pursue. The Committee wants to understand how successful the C&WLEP is in communicating with the private sector and, in particular, with small and medium enterprises (SMEs), who might have less of a profile within the work of the C&WLEP as compared to large scale or multi-national businesses. The Scrutiny Committee believes that the research being commissioned in this document will be particularly valuable to the C&WLEP as it seeks to better understand those who benefit from its economic development activities and who may use its business services directly.

Engagement

2.4 The refreshed Strategic Economic Plan (SEP), published in July 2017, indicates the C&WLEP's commitment to engagement, expressed in the following terms:

“The C&WLEP team has already engaged widely as part of the refresh process and will continue to do so as we move forwards, making sure that the SEP is a ‘living document’. Ensuring that the ‘voice of business’ is heard and properly reflected in strategy and policy is a key role for the C&WLEP and one which we continue to take seriously.”

Central to delivering the SEP is the need to understand what it is that businesses are most concerned about and how the C&WLEP can make a difference.

- 2.5 The C&WLEP's business demography analysis has found that the C&WLEP is home to 150 large, 590 medium, 3,365 small and over 32,000 micro enterprises.
- 2.6 The C&WLEP should consider how it will engage across the full spectrum of businesses, which are listed below, based upon the main private sector Standard Industrial Classification (SIC) codes:-
- Arts, entertainment, recreation and other services;
 - Agriculture, forestry & fishing;
 - Production;
 - Construction;
 - Motor trades;
 - Wholesale;
 - Retail;
 - Transport and Storage (inc. postal);
 - Accommodation and food services;
 - Information and communication;
 - Finance and insurance;
 - Property;
 - Professional, scientific and technical; and
 - Business administration and support services.

It may, therefore, be necessary to understand the market share of each of these sectors to understand the where best to target any engagement activity.

Legislation and Guidance

- 2.7 The C&WLEP is required to carry out engagement with the business sector on the SEP and the various supporting policies being developed. The National Accountability Framework (revised November 2016) requires LEs to:-
- ensure that there is ongoing local engagement with public and private sector stakeholders to inform key decisions and set out how they will evidence effective engagement;
 - ensure that there is local engagement with and feedback to the general public about future Local Enterprise Partnership strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced;
- 2.8 CWLEP's Growth Programme Assurance and Accountability Framework (revised 22 February 2018) states that:-

"The CWLEP will ensure that it continues to engage members of the public and other key stakeholders in the development of its key strategies and investment priorities. The

nature of this engagement will be set out in the CWLEP Stakeholder Communications Plan.”

2.9 A report by Centre for Local Economic Strategies (CLES) and Federation of Small Businesses (FSB): *The Future of Local Enterprise Partnerships: The Small Business Perspective* (September 2014) presented the findings of a study undertaken into the relationship between SMEs and LEPs. It noted that small businesses were crucial to the UK economy in terms of jobs, output, and growth and that LEPs were the vehicle chosen by Government in England to stimulate jobs and growth at the sub-national level. Yet its findings suggested that small business involvement in LEPs had been questionable in many areas.

2.10 The CLES/FSB report recommended, *inter alia*, that:-

“All LEPs should have a clearly defined mechanism for facilitating communication between the board and the small business community. This should include a named individual on the board with responsibility for small business issues. Such an individual would be expected to have relevant experience and the demonstrable support of the local small business community.”

2.11 Rt Hon Sajid Javid MP, in a speech on 28 March 2017, to leaders of Local Enterprise Partnerships (LEPs) about the important role they have to play in growing the UK economy, said:-

“...as you look at the opportunities for expansion and diversification, it’s important that you don’t neglect the basics. For example, there are still too many businesses, well over half in fact, who say they’re not aware of their LEP. And of course there’s also a difference between a dim awareness and active engagement.

I hear a lot of positive feedback from businesses, particularly larger ones, about the support they get from LEPs and the growth hubs you’ve created. But I want you to ask yourselves whether you’re doing enough to communicate with smaller businesses, with those outside the LEP bubble.

Are you talking to people who don’t have a lobby group to speak for them?

Are you meeting the needs of everyone in your area, or just the ones who reach out to you?...”

Where C&WLEP Engages Well

2.12 At the very simplest level it could be argued that engagement with the various sectors is built into the C&WLEP Board by the appointment of representatives of key sectors. There are currently 15 members of the Board and this number has increased from the original 8 representatives, as the role and statutory responsibilities of the C&WLEP have developed over time. The current membership has a range of experience drawn from diverse sectors as follows:-

- Motor industry;
- Local authorities;
- Technology and innovation;
- Pharmaceuticals;
- Agriculture;
- Education;
- Regeneration;
- Youth services;
- Legal services;
- Telecommunication;
- Transportation; and
- Leadership consultants

2.13 As part of its private sector engagement activities the C&WLEP has held business breakfasts for the sector. C&WLEP has also delivered presentations at appropriate business events. Furthermore, direct consultation has been undertaken with a few specific businesses or sectors.

2.14 Business Support and SME growth is a core element of the growth plan. The C&WLEP has made good progress in bringing together all the representative business organisations to form a fledging federation.

2.15 Direct support to the business sector has largely been via the Cheshire & Warrington Growth Hub. Since September 2016 the Growth Hub, has been operated on behalf of the C&WLEP by Blue Orchid Enterprise Solutions Ltd. The Hub provides a First Stop Shop to provide impartial, clear and expert support to help local businesses get the best support and advice, for both start up business and those wishing to grow. It provides and also co-ordinates the wide range of business offers and funding opportunities across Cheshire and Warrington and aims to connect local businesses with high quality support from local professional businesses, local and national government and academia.

2.16 The contract with Blue Orchid expired in March 2018. However, Government funding is likely to be available until 2022. The C&WLEP Board has decided that it would like to bring the business advice portal physically and legally inside the C&WLEP, with the objective of creating a well-known and trusted portal for business support, co-ordinating activity, making referrals and capturing local intelligence. It will, therefore, be necessary to disaggregate Blue Orchid's business advice portal from their other activities and transfer these into the C&WLEP. One advantage of the proposed new arrangements is that the C&WLEP should have better access to direct feedback about what types of queries are being raised by SMEs.

2.17 The C&WLEP could also learn from its past experiences, such as the good practice in relation to sector specific engagement during the development of its Skills and Education Plan, which included a full programme of meetings and workshops with universities, colleges, University Technical Colleges, secondary schools, local authorities, businesses, other training providers Careers Enterprise Company, National Apprenticeship Service, Inspiration Advisors and Federation of Small Businesses. Additionally the C&WLEP is already beginning to carry out engagement to develop its Local Industrial Strategy at the

Cheshire & Warrington Annual Conference on 15 June 2018.

2.18 In some instances engagement can be made directly with interested groups by virtue of the C&WLEP having its own Board Members appointed to external bodies. For example, a Member of the C&WLEP Board serves on the Board of Warrington and Co., Warrington's economic development and urban regeneration partnership.

2.19 The C&WLEP website "871" has been significantly improved in recent years and now includes a section clearly aimed at Helping Business. The site signposts businesses to information on the following:-

- Cheshire and Warrington Growth Hub;
- Apprenticeships;
- Cheshire Science Corridor Enterprise Zone; and
- Exports.

2.20 In addition there is clear a News section which includes information on Cheshire and Warrington, on the C&WLEP itself and blogs from key personnel. However, the potential to make the most of the website could be further explored.

Where C&WLEP does not Engage Well

2.21 There are a number of areas where C&WLEP could potentially do more to support businesses, particularly in the areas of inward investment and in promoting international trade. C&WLEP's website includes a link to the Department for International Trade's webpages, but there may be a case for a more local C&WLEP led offer. Options for these issues have not yet been fully explored with the sector.

2.22 Although the membership of the C&WLEP Board include a wide cross-section of experience (see paragraph 2.12), a valid question might be whether those individuals are in touch with and communicate effectively across the various networks of their wider sector colleagues. It may be that Board members are only able to effectively speak from the perspective of their own interests. Potentially, there will be a mixture of approaches to engagement across the Board. A survey of Board Members could identify the extent to which Members themselves believe that they are effective spokespersons for the sector and a Member Development session aimed at improving awareness of and techniques for cascading information could be one possible solution. Strengthening job descriptions for any new appointments to the Board by including the need for a commitment to sector specific engagement might also lead to improved communications.

2.23 The C&WLEP has developed a Stakeholder Communications Plan and the Chief Executive regularly meets with Chambers of Commerce. The Scrutiny Committee want to know whether the Plan and meetings are effective – an effective Plan would help to clarify its aims and ambitions, as well as identifying any gaps in relation to how it engages with both public and private sector stakeholders. This could be a key piece of work for the soon to be appointed PR and Communications Manager post, which is currently vacant.

A strong vision about how communication with stakeholders will be developed and maintained will help to ensure that all groups are included in future strategic planning and access to direct services. Making the most of links to press and sector specific periodicals could also help to raise the profile of the C&WLEP locally and Cheshire and Warrington nationally. The opportunity to raise the profile of the C&WLEP through sponsorship, e.g. Cheshire Business Awards, could also increase its profile. Making best use of the News section of C&WLEP's website would also help to ensure that news and information gets disseminated quickly to stakeholders.

2.24 The potential to improve links to representative groups such as the Chambers of Commerce and the Federation of Small Businesses perhaps needs to be explored.

2.25 In relation to 2.23 & 2.24 above the Scrutiny Committee, as part of this research project, want to understand better whether the LEP has an effective Stakeholder Communication Plan and whether the LEP's engagements with the Chambers of Commerce and the Federation of Small Businesses offer a useful means of engaging with the private sector.

3. Scope of Research Services

3.1 The overarching aim of this research work is to support the C&WLEP Scrutiny Committee to gather an appropriate evidence base and insight to help ensure that the C&WLEP's engagement activity with private sector businesses is effective

3.2 The Committee has appointed a Task Group consisting of Councillor B Powell and A Boyd and G Butler to oversee the work of the project and this group will receive the final report before submission to the full Scrutiny Committee.

3.3 The Key Lines of Enquiry will include

- What sort of engagement should the C&WLEP have with the private sector?
- How active should the C&WLEP be at seeking the views of the private sector?
- How might the C&WLEP ensure that it is obtaining views across all relevant sectors?
- How should C&WLEP Board members demonstrate that they are representative of and provide feedback to their sector?
- What level of resources should the C&WLEP commit to engagement of the private sector?
- How should the C&WLEP ensure that its brand is recognised consistently across the sub-region by all sectors and that its multi-faceted role, is understood?
- Are there any elements of the C&WLEP's role that need to be targeted to specific sectors, either as a strategic planner or as a source of advice or funding?
- What opportunities will arise from the planned inclusion of the Growth Hub within the C&WLEP structure?

3.4 Evidence Gathering - the C&WLEP is requesting the successful research team to

undertake a detailed analysis. The following initial broad methodology list has been agreed by the Scrutiny Committee but the Committee is also open to suggestion of other areas of study: -

- Interview the Chief Executive of C&WLEP;
- Identify business sectors which are significant in Cheshire and Warrington;
- Identify the business sectors the Committee feels that the C&WLEP may not be fully engaging with;
- Carry out a survey of SMEs to check their awareness of the C&WLEP is, role and services and how they might prefer to engage (consider from where the Committee might obtain a list of e-mail addresses of relevant businesses);
- Consider good practice by C&WLEPs elsewhere including methodology to include two case work studies with the output to the report being published as public output and transparent highlighting any improvement areas;
- Consider how Cheshire East, Cheshire West and Chester and Warrington Borough Council carry out engagement with businesses and whether C&WLEP activities can be dovetailed in.
- Carry out a survey of C&WLEP Board member’s perceptions of their own engagement activity.

3.5 Insight - the evidence base will help the Scrutiny Committee form recommendations to the C&WLEP Board in relation to the future direction of engagement strategy

3.6 Comparison and benchmarking - the C&WLEP Scrutiny Committee is keen to understand how we compare and benchmark against any best/good practice comparators in other areas. Consultants are asked to set out how they will identify suitable comparator group to enable useful benchmarking to be undertaken including presenting two case studies with an output report being published as public and transparent highlighting any potential improvement areas/examples.

4. Key deliverables

4.1 Reporting will be in PowerPoint slide decks or short working papers, rather than a single end-of- study report. There may be a requirement to make final presentation to the C&WLEP task Group. It is expected that final report/data will be presented in a public facing report at a meeting of the full Scrutiny Committee.

5. Timescales

06.09.18	Scrutiny Committee Approval for research project	
28.09.18	Deadline for submissions	
12.10.18	Panel shortlist meeting	
19.10.18	Interview (if required)	
02.11.18	Appoint Research team/consultants	
09.11.18	Inception Meeting	
10.11.18	Commence project (normally 3 months – extended due to Christmas holiday period)	

06.12.18	Officer Report to Scrutiny Committee	Julian Joinson
22.02.18	Research team final Report to be submitted to C&WLEP Scrutiny Committee 'Clerk' for publication into Agenda Papers in public domain	Julian Joinson
07.03.19	Scrutiny Committee Meeting discusses report and final presentation and recommendations in public domain	

6. Resources

- Market share - [Economic and Resident Baseline Appendix](#)
- CLES/FSB Report: [The Future Of Local Enterprise Partnerships: The Small Business Perspective \(September 2014\)](#)
- Cumbria LEP - [Engagement Strategy](#)
- Hertfordshire LEP – [Communications Strategy](#)
- Black Country LEP – [Strategic Marketing and Communications Plan \(draft\)](#)

7. Budget

A total budget of £10,000 (inclusive of expenses) has been identified for this commission.

8. Submission requirements

Bidders are required to submit tenders in an electronic format (i.e. MS Word/PDF) setting out the following:

- Approach and methodology to the commission
- Track record of undertaking similar commissions
- The proposed consultancy team, their qualifications, expertise and relevant experience
- Your approach to project management and quality assurance, including a project plan and timetable
- A breakdown of costs by task and team member and disbursements

Submissions should be sent via email to: [*****](#). The deadline for submissions is

We reserve the right to cancel the tender process. No work is guaranteed to be awarded under the tender process and C&WLEP is not responsible for any costs incurred as part of the bidding process.

All questions received, along with answers given will be posted on the C&WLEP website so that all bidders have the same information.

9. Assessment of tenders

Tenders will be assessed using the following weightings:

Question	Weighting
Understanding	20
Experience of similar work	20
Proposed approach to this work	25
Proposed team	15
Pricing	20

10. Scoring Principles

Criteria	Score
Failure to respond or irrelevant information provided which fails to meet the requirement.	0
Response is unsatisfactory partially meets the requirement(s)	2
Response is acceptable and meets the minimum requirement(s)	3
Response is good - better than merely acceptable.	4
Response is excellent, exceeds the requirement and gives added value.	5

11. Evaluation Process

- Each tender will be scored in accordance with the scoring principles stated above. Clarifications maybe sought in writing from the suppliers and scores adjusted accordingly.
- Full or partial proposals that in the opinion of the LEP are unrealistically low or not reasonable sustainable (in terms of Quality or Price) may be rejected.

- The weighted scores within each sub-criteria will be added together to arrive at the total score for this piece of work.

12. Confidentiality and Disclaimer

This ITQ is not an offer capable of acceptance, but represents a definition of specific requirements and an invitation to submit a response addressing such requirements.

Neither the issue of the ITQ to you, your preparation and submission of a tender, or the subsequent receipt and evaluation of your tender by Cheshire and Warrington LEP commits Cheshire and Warrington LEP to award a contract to you or any other bidder, even if all requirements stated in the ITQ are met. Cheshire and Warrington LEP is not responsible directly or indirectly for any costs incurred by your firm in responding to this ITQ and participating in Cheshire and Warrington LEP's procurement process.

All firms shall keep strictly confidential any and all information contained in this ITQ, and other information or documents made available to it by or on behalf of Cheshire and Warrington LEP in connection with this ITQ. The firms shall not disclose, nor allow any such information to be disclosed. Submission of a formal response to this ITQ will confirm your agreement to observe these confidentiality requirements.

Contact by the firms with Cheshire and Warrington LEP during the bidding process should only be with the individuals named in the email sent from Cheshire and Warrington LEP dated 25th July 2018 as the Cheshire and Warrington LEP contact. Respondents shall not offer or give any consideration of any kind to any employee or representative of Cheshire and Warrington LEP as an inducement or reward for doing, or refraining from doing, any act in relation to the obtaining or execution of this or any other contract with Cheshire and Warrington LEP.

13. Material Misrepresentation

Cheshire and Warrington LEP shall rely on the information provided by the bidder in relation to its offer. In providing the services as specified in the Invitation To Tender documents the successful bidder/tenderer shall comply with the contents of its offer as failure in this respect may constitute a material breach of contract.

14. Collusive Bidding

Collusive bidding is unacceptable by Cheshire and Warrington LEP. Any tenderer that is caught by Cheshire and Warrington LEP to be circumventing rules or the law during this tender process will automatically be disqualified from the tender process.

This applies to any bidder who:

- a) Fixes or adjusts the amount of his bid by or in accordance with any agreement or arrangement with any other person, or
- b) Communicates to any person other than Cheshire and Warrington LEP the amount or approximate amount of his proposal (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the tender for instance) or,
- c) Enters into any agreement or arrangement with any other person* that he shall refrain from bidding or as to the amount of any bid to be submitted, or
- d) Offers or agrees to pay or give, or does pay or gives any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done, or causing or having caused to be done in relation to any Offer or proposed Offer for the Services or any act or omission will be disqualified (without prejudice to any other civil remedies available to Cheshire and Warrington LEP and without prejudice to any criminal liability which such conduct by a bidder may attract).

NB Sub-contracting is permissible where the bidder believes that this will enhance their proposal, however this must be clearly stated.

15. Bribery

Bribery means any offence under the Bribery Act 2010 or related Laws creating offences in relation to offering, promising or giving a bribe or requesting, agreeing to receive or receiving a bribe

The Contractor agrees with the Client that this Contract will operate on the basis of zero tolerance being shown towards any Fraud and/or Bribery. The Contractor shall take all reasonable steps, in accordance with Good Industry Practice, to prevent Fraud and Bribery by Staff and the Contractor (including its shareholders, members, directors) in connection with the receipt of monies from the Client and with the operation of this Contract.

APPENDIX 1 Form of Tender

Declaration by Tenderer

ITQ Title: Insert Contract Name

1. I, *[insert name]*, certify that I am the person duly authorised to sign tenders for and on behalf of *[insert company name]*, the tenderer, and having read the documents, offer to supply the goods, services or works:
 - as set out in the letter of invitation to tender, the specification and accompanying tender documents, samples and/or drawings.
 - under the terms and conditions indicated
 - at the price (or prices) specified in the attached tender documentation.

2. It is agreed that any or other terms and conditions of contract or any caveats, assumptions, reservations or exclusions that may be printed on correspondence emanating from the tender, or any Contract resulting from this tender, shall not be applicable to this tender or agreement.

3. I certify that this is a bona fide tender and that I have not fixed or adjusted the amount of the tender by, or under, or in accordance with any agreement with any other person. I have not done, and undertake that I will not do at any time before the hour and date specified for the return of the tender, any of the following acts:
 - Communicate to a person other than Cheshire and Warrington LEP, the amount or approximate amount of the proposed tender, except where the disclosure, in confidence, of the approximate amount of the tender was necessary to obtain insurance premium quotations required for the preparation of the tender
 - Enter into an agreement or arrangement with any other person that he/she will refrain from tendering or to the amount of any tender to be submitted
 - Offer, or pay, or give, or agree to pay any sum of money or valuable consideration, directly or indirectly to any person for doing, or having done, or causing to be done in relation to any tender or proposed tender, for the said work, any act or thing of the sort described above.

4. I further certify that the principles described in paragraph 3 have been, or will be, brought to the attention of all subcontractors, suppliers and associated companies providing services or materials connected with the tender and any contract entered into with the subcontractors, suppliers or associated companies will be made on the basis of the compliance with the above principles by all parties.

5. I understand that Cheshire and Warrington LEP reserves the right, unless the tenderer stipulates to the contrary in the tender, to accept such portion thereof as Cheshire and

Warrington LEP may decide. Cheshire and Warrington LEP is not bound to accept the lowest or any tender.

6. I have obeyed the rules regarding confidentiality of tenders and will continue to do so as long as they apply.

7. I can confirm that I accept that any breach of any of the conditions could lead to any tender being rejected or to the rescission of the Contract by Cheshire and Warrington LEP.

Authorised Signatory	
Date	
Name in BLOCK LETTERS	
Job Title	
Telephone Number	
E-mail address	

8. Please ensure that the form is completed and signed before being returned with any other supplementary information requested by the due date and time.



**Cheshire and Warrington Local Enterprise Partnership
Overview and Scrutiny Committee**

Title: Strengthened Local Enterprise Partnerships

Agenda Item: 8

Prepared by: Julian Joinson, Principal Democratic Services Officer, Warrington Borough Council for the Cheshire and Warrington Local Enterprise Partnership

Date of Report: 06.09.18

A. Executive Summary

The Ministry of Housing, Communities and Local Government issued the attached document in July 2018 which sets out the role and responsibilities of Local Enterprise Partnerships in driving local growth. It sets out how government and Local Enterprise Partnerships will work together to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

B. Recommendations /Actions Requested

To receive and comment on the document and consider what further reports, recommendations or actions the Committee would wish to recommend.

C. Details

1. Background

- 1.1 The Executive Summary can be found on pages on pages 4-8. The subsequent chapters of the paper provide detail on next steps and further detail on the reforms being asked of Local Enterprise Partnerships.
- 1.2 Local Enterprise Partnerships are being asked to clearly set out how they will adopt these changes. Up to £20 million of additional funding between 2018-19 and 2019-20 will be available to support the implementation of the changes identified in the document and embed evidence in Local Industrial Strategies.
- 1.3 Philip Cox Chief Executive C&WLEP will be available to answer questions in relation to the document.

THIS PAGE IS LEFT BLANK INTENTIONALLY



HM Government

Strengthened Local Enterprise Partnerships



© Crown copyright, 2018

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

July 2018

ISBN: 978-1-4098-5305-3

Contents

Executive summary	4
Introduction	9
Approach to the review	11
Role and responsibilities	12
Leadership and organisational capacity	15
Accountability and performance	19
Geography	22
Mayoral combined authorities	24
Managing the transition to strengthened Local Enterprise Partnerships	27
Annex – Advisory Panel Joint Statement	28

Executive summary

Since their establishment in 2010, Local Enterprise Partnerships have been integral to economic growth across England. Following the publication of our modern Industrial Strategy, that sets out an approach to ensuring prosperous communities throughout the country, we have reviewed our policy towards Local Enterprise Partnerships to ensure that they continue to support Government in meeting this ambition.

In the Industrial Strategy, Government committed to work with Local Enterprise Partnerships to bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries. It is critical that Local Enterprise Partnerships are independent and private sector led partnerships that are accountable to the communities they support. At the same time, it is important to set out a model that will underpin future national and local collaboration. This will be essential to the development of Local Industrial Strategies and in the context of the future UK Shared Prosperity Fund.

This document sets out the conclusions of our policy review. It includes a series of Government commitments alongside a number of additional changes that Government will work with Local Enterprise Partnerships to implement.

Role and responsibilities:

Over recent years Local Enterprise Partnerships have played a key role in convening local economic stakeholders to develop evidence-based economic strategies. They have helped to identify key investment opportunities and interventions with the potential to increase growth in towns, cities and rural areas across the country. Local Enterprise Partnership Chairs have also acted as authoritative advocates for their local economy.

Government will:

- Publish a **statement on the role and responsibilities** of Local Enterprise Partnerships. Local Enterprise Partnerships will focus on enhancing productivity. This will be achieved through the development and delivery of their Local Industrial Strategy.
- Publish a **further statement on Local Industrial Strategies** to guide locally-led work. This statement will be published over the summer. Government will aim to agree Local Industrial Strategies with all areas of England by early 2020.
- Commission an **annual economic outlook** to independently measure economic performance across all Local Enterprise Partnerships and the areas they cover.

Government will support all Local Enterprise Partnerships to:

- Develop an evidence-based **Local Industrial Strategy** that sets out a long-term economic vision for their area based on local consultation.
- Publish an **annual delivery plan and end of year report**. This will include key performance indicators to assess the impact of their Local Industrial Strategy, funding and interventions. It will inform objective assessment on Local Enterprise Partnership performance both nationally and locally.

Leadership and organisational capacity:

Successful Local Enterprise Partnerships are led by influential private and public sector leaders, acting as champions for their area's economic success. Since their formation Local Enterprise Partnerships across the country have benefitted from business expertise and acumen. They have created new partnerships between the public and private sector across administrative geographies that represent the diversity of local businesses and communities.

Local Enterprise Partnerships prioritise policies and actions on the basis of clear economic evidence and intelligence from businesses and local communities. Their interventions are designed to improve productivity across the local economy to benefit people and communities with the aim of creating more inclusive economies. To do this effectively Local Enterprise Partnerships must have robust governance arrangements that provide the operational independence to take tough decisions and hold local partners to account for delivery. This also requires Local Enterprise Partnerships to have the organisational capacity to fulfil their roles and responsibilities. They must have the means to prioritise policies and actions, and to commission providers in the public, private sector and voluntary and community sector to deliver programmes.

Government will:

- Increase **regular dialogue** with Local Enterprise Partnerships. This includes the **Prime Minister chaired Council** announced in the Industrial Strategy, as well as a **senior official sponsor** for every Local Enterprise Partnership from across government departments.
- Actively **work with Local Enterprise Partnerships to advertise opportunities** for private sector leaders to become a Local Enterprise Partnership Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website.
- Offer an **induction and training** programme for Local Enterprise Partnership board members and officers on working with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.
- Provide **up to £20 million between 2018-19 and 2019-20 in additional capacity funding to support Local Enterprise Partnerships** to implement the review and to provide the strategic and analytical capability needed to develop ambitious Local Industrial Strategies.

Government will support Local Enterprise Partnerships to:

- **Consult widely and transparently** with the business community before appointing a new Chair; and introduce **defined term limits** for Chairs and Deputy Chairs in line with best practice in the private sector.
- Establish more **representative boards of a maximum of 20 persons** with the option to co-opt up to five additional board members. Our aspiration is that two-thirds of board members should be from the private sector;
- **Improve the gender balance and representation of those with protected characteristics on boards** with an aim that women make up at least one third of Local Enterprise Partnership boards by 2020 with an expectation for equal representation by 2023, and ensuring all Local Enterprise Partnership boards are representative of the businesses and communities they serve.

- **Provide a secretariat independent of local government** to support the Chair and board in decision making.
- **Develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. This will be supported by **robust evaluation of individual projects and interventions**.

Accountability and performance:

Local Enterprise Partnerships already recognise that they must operate to the highest standards of accountability and transparency in the use of public funding. Government has strengthened its approach to assurance processes for the Local Growth Fund. Additional guidance has also been provided to Local Enterprise Partnerships on transparency.

We want to build on that progress and go further. We will clarify Government's approach to robust monitoring and intervention. This will be based on a standardised national framework that ensures Local Enterprise Partnerships remain autonomous and independent bodies with local decision making powers. Sitting alongside this, the Government will agree with the LEP Network how it will support Local Enterprise Partnerships to share best practice, undertake peer-review and work together as a sector to embed a culture of good governance and self-regulation.

Local Enterprise Partnerships operate on organisational structures that support local decision making and provide greater assurance over the management of public funding. These structures should enable clear lines of accountability for delivery with local partners, as well as democratic, public and business scrutiny of decision making.

Government will:

- Continue to maintain **overall accountability for the system** of Local Enterprise Partnerships and local growth funding, and implement in full the recommendations of the Ney Review and any future recommendations that may be made as the performance of Local Enterprise Partnerships is scrutinised and reviewed.
- Assess and publish annual performance against **quantitative and qualitative measures** set out within Local Enterprise Partnership delivery plans.
- Set out within a revised National Assurance Framework a clear statement on an **escalating approach to intervention** in any instances where Local Enterprise Partnerships demonstrate that they are found to be underperforming.
- Develop with the LEP Network and Local Enterprise Partnerships a **sector-led approach to assessing and improving performance** through regular peer review.

Government will support all Local Enterprise Partnerships to:

- Have a **legal personality**, such as incorporation as companies, or mayoral combined authorities or combined authorities where they exist.
- Set out clearly and transparently the **responsibilities of the Chair, Board, Director, and Accountable Body**, including over spending decisions, appointments, and governance.
- Actively participate in relevant **local authority scrutiny panel** enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- Hold **annual general meetings** open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area.

Geography:

One of the great strengths of Local Enterprise Partnerships is their ability to bring together business and civic leaders across local administrative boundaries and provide strategic direction for a functional economic area. This will remain central to the success of Local Enterprise Partnerships; however, it is right to review the current geographic boundaries to ensure that they are fit for purpose for the expanded role we are proposing here.

Overlapping geographies emerged when Local Enterprise Partnerships were first formed on a voluntary basis. Since 2011, however, the context in which Local Enterprise Partnerships operate has altered significantly. They now oversee significant amounts of public funding and have an authoritative voice in shaping national and local policy. It is important that accountability for decisions and responsibility for investment is clear. On balance, Government considers that retaining overlaps dilutes accountability and responsibility for setting strategies for places and so will seek to ensure that all businesses and communities are represented by one Local Enterprise Partnership. Close collaboration between Local Enterprise Partnerships will replace overlapping responsibilities. In looking to remove overlaps, we will also need to ensure that Local Enterprise Partnerships are operating over a significant enough scale to provide the strategic direction and efficient delivery of future programmes.

Government will:

- Ask Local Enterprise Partnership Chairs and other 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.** Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Government will support all Local Enterprise Partnerships to:

- **Collaborate across boundaries** where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.

Mayoral combined authorities:

Government has supported local partners to establish mayoral combined authorities as democratically accountable bodies focused on driving growth. Part of the case for establishing these bodies over specific geographies is that these are functional economic areas that are conducive towards the development of strategy, policy and interventions. Government remains open to conversations with other local areas that wish to explore the potential for devolution, where clear local support and a strong economic case for doing so can be demonstrated.

Greater alignment and collaboration between mayoral combined authorities and Local Enterprise Partnerships is administratively efficient and leads to a greater economic impact, whilst still retaining private sector acumen in decision making. The precise nature of the relationship between these two institutions, however, will need to take account of the governance arrangements established for each area.

Government will:

- **Consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships** with a collaborative approach to agreeing a Local Industrial Strategy.

In mayoral combined authority areas, we will work with each Local Enterprise Partnership and mayoral combined authority to:

- **Ensure Local Enterprise Partnerships have a distinctive role in setting strategy and commissioning interventions** to drive growth, jobs and private sector investment.
- Require **Local Enterprise Partnerships and mayoral combined authorities to develop local agreements** which clearly set out roles and responsibilities and accountability.
- **Encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous geographies where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies.

The subsequent chapters of this paper provide detail on next steps and further detail on the reforms we will ask of Local Enterprise Partnerships in each of these areas. **Local Enterprise Partnerships will need to clearly set out how they will adopt these changes.** As referred to above, **we will provide up to £20 million of additional funding between 2018-19 and 2019-20 to support the implementation of these changes and embed evidence in Local Industrial Strategies.**

Introduction

The Industrial Strategy sets an ambitious, long-term vision to make Britain the world's most innovative economy, with good jobs and greater earning power for all. Every region in the UK has a role to play in boosting the national economy, driven by local leadership and ambitious visions for the future. We want to have prosperous communities throughout the country and strengthened Local Enterprise Partnerships will help deliver this vision in England.

Evolution of Local Enterprise Partnerships

Local Enterprise Partnerships are private sector led partnerships between businesses and local public sector bodies. They were announced in 2010 to bring private sector expertise into local economic decision making and to encourage collaboration and strategic decision making at a functional economic area. This was part of Government's ambition to shift power away from central government to local communities, citizens and independent providers, as set out in the Local Growth White Paper 2010.

Following the 2013 Spending Review Local Enterprise Partnerships acquired considerable new levers over growth – particularly funding to deliver the interventions that stimulate growth. Through three rounds of Growth Deals the Government is giving over £9 billion to help Local Enterprise Partnerships to deliver their investment priorities. Local Enterprise Partnerships also perform a strategic oversight function for EU Structural and Investment Funds.

Local Enterprise Partnerships have increased private sector involvement in economic decision making, encouraged greater collaboration between public sector leaders across administrative boundaries, and ensured that effective investments are made across areas in growth priority projects.

While Local Enterprise Partnerships have played an important role in supporting local growth, we know that performance has varied. Last year, Mary Ney (Ministry of Housing, Communities and Local Government Non-Executive Director) led a review into Local Enterprise Partnership governance and transparency. Government accepted all the review recommendations and made compliance with these a condition of funding for 2018 - 19. The Government has subsequently accepted in full the recommendations of the recent Public Accounts Committee report on Governance and departmental oversight of the Greater Cambridge Greater Peterborough Local Enterprise Partnership.

Reformed Local Enterprise Partnerships and the Industrial Strategy

The Industrial Strategy (published in November 2017) confirmed that the Government remained firmly committed to Local Enterprise Partnerships. As part of this commitment the Prime Minister agreed to chair a biannual 'Council of Local Enterprise Partnership Chairs'. This will provide an opportunity for Local Enterprise Partnership leaders to inform national policy decisions. The first of these meetings took place on 19th June 2018.

The Industrial Strategy stated that Government would work to strengthen Local Enterprise Partnerships to ensure that all parts of England stand ready to play their part in the growth of our economy after our exit from the European Union. The Government confirmed a

review of Local Enterprise Partnerships to deliver this objective, so that they are securely placed to drive growth through the development of the Local Industrial Strategies in partnership with areas, harnessing distinctive strengths to meet the Government's Grand Challenges and in the context of the UK Shared Prosperity Fund.

This document marks the conclusion of the Ministerial review of Local Enterprise Partnerships and sets out Government's expectations of their roles and responsibilities. Government will support Local Enterprise Partnerships to meet this level of ambition by working with them to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

Approach to the review

In November 2017 the Industrial Strategy announced a review into the roles and responsibilities of Local Enterprise Partnerships that set out to identify reforms to leadership, governance, accountability, financial reporting and geographical boundaries.

Ministers in the Ministry of Housing, Communities and Local Government; the Department for Business, Energy and Industrial Strategy; and Her Majesty's Treasury convened an advisory panel, comprised of experts from Local Enterprise Partnerships, business, local authorities and business representative organisations in order to obtain an overview of both issues and practice. The panel met four times in December, January, March and May and has agreed the joint statement included as an annex below.

Government has worked with the LEP Network and received submissions from them and other organisations to inform the development of these reforms. In addition, through the annual performance review process we have held discussions with each Local Enterprise Partnership on their growth ambitions and challenges. Government has also carried out a series of in-depth deep dives into Local Enterprise Partnerships' governance, accountability and transparency to help to identify best practice.

Government will implement the commitments set out in this document and will work with Local Enterprise Partnerships to take forward all the recommended actions we have set out in preparation for Local Industrial Strategies across England and in the context of the UK Shared Prosperity Fund.

Role and responsibilities

Cities, towns and rural areas across England face a range of economic opportunities and challenges. Over recent years, Local Enterprise Partnerships have assessed these local needs and tailored economic policy responses accordingly. They must continue to carry out this critical role.

The case for change:

Local Enterprise Partnerships were initially established to “provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area”^[1] Their roles and responsibilities were relatively unspecified in order to allow for arrangements reflecting different circumstances across the country. They replaced the former Regional Development Agencies which delivered poor value for money; covering sprawling government office regions, the Regional Development Agencies were distant and remote from local business, and the arbitrary regions had no connection with natural economic areas.

This approach has led to significant local innovation. However, we think there is more opportunity to share best practice across the country and provide clarity on where Local Enterprise Partnerships should focus activity. By being clearer on roles and responsibilities we intend to set out a well understood model that allows Local Enterprise Partnerships to make the most effective use of available resources and funding.

Evidence also suggests that the best economic strategies integrate all influential economic players into decision-making.^[2] Successful economies require more than a single institutional or leadership model – they are dependent upon strong networks and sustained partnerships.

Private sector leadership remains integral to the Local Enterprise Partnership model. Businesses provide essential market intelligence to inform local decision making. Councils are also critical. They provide political accountability and community knowledge. They support business growth through their statutory functions, investment in economic infrastructure, and wider role in creating quality places. Successful Local Enterprise Partnerships have also worked closely with universities, business representative organisations, further education colleges, the voluntary sector, and other key economic and community stakeholders. It is Government’s expectation that Local Enterprise Partnerships continue this collaboration in order to draw on the best local knowledge and insight.

In line with the Industrial Strategy, we will set all Local Enterprise Partnerships a single mission to deliver Local Industrial Strategies to promote productivity. This should include a focus on the foundations of productivity and identify priorities across Ideas, People, Infrastructure, Business Environment and Places. In certain parts of the country this may

[1]

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32076/cm7961-local-growth-white-paper.pdf

[2] <https://www.gov.uk/government/publications/future-cities-comparative-urban-governance>

involve an emphasis on skills whilst in others it may be land supply, congestion or working with relevant local authorities in the delivery of housing where it is a barrier to growth. In others, it may involve harnessing distinctive strengths to meet the Government's Grand Challenges. And for others, it may involve identifying weaknesses in productivity across their local areas or communities and promoting inclusive growth by using existing national and local funding, such as in isolated rural or urban communities. This focus will ensure the benefits of growth are realised by all and that there are the right conditions for prosperous communities in an area.

Local Enterprise Partnerships will support the supply of skills to an area as they respond to the Skills Advisory Panels programme, and will develop even stronger local labour markets and skills governance through Skills Advisory Panels (these will, where possible, use existing infrastructure). These boards will convene local employers, learning providers and other partners, to achieve a better alignment of the local employment and skills offer. This analysis will feed into the development of Local Industrial Strategies.

How Government will support this change:

We have reviewed our previous statement on the responsibilities of Local Enterprise Partnerships. Whilst Local Enterprise Partnerships will determine their own specific priorities, we are clear that they should focus their activities on the following four activities to support the development and delivery of their Local Industrial Strategy:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

We will publish a further **statement on Local Industrial Strategies** to inform locally-led development across the country. This will set out how Local Enterprise Partnerships will identify priorities across the foundations of productivity. As set out in the Industrial Strategy, Government intends to discuss the operation of Local Industrial Strategies in the devolved nations with the relevant devolved administration and other stakeholders.

In addition, Government will **commission an annual economic outlook** to measure and publish economic performance across all Local Enterprise Partnerships and benchmark performance of individual Local Enterprise Partnerships. We will work with academics, and think tanks and the LEP Network to further develop the scope of this work.

How Local Enterprise Partnerships will support this change:

Government will work with Local Enterprise Partnerships to **develop Local Industrial Strategies. These will set out a collective and shared strategic course for the long-**

term. The first Local Industrial Strategies will be agreed with Government by March 2019. We will adopt a phased approach to working with places. We aim to **agree Local Industrial Strategies across England by early 2020.**

Building on the work already being developed across the country, all places should continue locally-led work in a range of areas, including: ensuring priorities are based on objective evidence, engaging with local stakeholders to build a focused set of priorities; and ensuring local ambitions are aligned to the national Industrial Strategy.

In addition, we expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.** These will be published and shared with Government and will include a set of headline outcome indicators based on local priorities to benefit people and communities, and a detailed and well developed understanding of the local economic evidence base across their area. These documents will inform objective assessments of Local Enterprise Partnership performance both nationally and locally. Local Enterprise Partnerships will need to work closely with key delivery partners, notably councils, to determine and agree the economic development priorities, interventions and funding that will be set out in their delivery plans.

We expect that these delivery plans would include how Local Enterprise Partnerships are investing existing Local Growth Fund awards, and delivering other local growth programmes such as Enterprise Zones and Growth Hubs. We will also expect that these delivery plans would include detail on how Local Enterprise Partnerships will work with local authorities to make the most of their existing levers to drive economic growth and ensure that the planning system is responsive to commercial development. They would also include details on the allocation of any other national and local funds, alongside approaches to monitoring and evaluation, and how the Local Enterprise Partnership plans for consultation and engagement with public, private and voluntary and community based bodies. Government will work with Local Enterprise Partnerships to develop a consistent approach to delivery plans that recognises different local priorities. These will be ready for April 2019.

The revised Local Enterprise Partnership Assurance Framework, to be published in early Autumn 2018, will provide further clarity on the development of Local Enterprise Partnership delivery plans.

Leadership and organisational capacity

The leadership that Chairs have provided has been central to Local Enterprise Partnerships' success. In the Industrial Strategy, Government set out a commitment to ensure that all Local Enterprise Partnerships are driven by influential local leaders, acting as champions for their area's economic success. Local Enterprise Partnerships provide a platform for businesses, local elected leaders, universities, skills providers and voluntary and community sector organisations to shape policies for their area, bringing in business expertise and acumen, as well as forming new partnerships between the public and private sector across existing administrative geographies.

Local Enterprise Partnerships must have the operational independence and organisational capacity to deliver on the roles and responsibilities set out in this document. They must have the means to prioritise policies and actions, and to commission providers in the public, private and voluntary sectors to deliver programmes. Local Enterprise Partnership board members should be provided with adequate support, coupled with proportionate governance requirements, to enable them to perform their role effectively.

The case for change:

The intention has always been that Local Enterprise Partnerships should be led by Chairs who are visible, active participants in the business community, supported by boards with a strong business and community voice.

Chairs must have a strong private sector background and experience of building effective organisations to ensure they are equipped with the skills needed to steer the work of a Local Enterprise Partnership. Chairs must be able to work collaboratively with a range of stakeholders, including local people, businesses and their representatives, elected officials, education institutions and voluntary and community sector bodies, holding stakeholders to account for delivery and ensuring tough decisions are taken. They must also act as an advocate for the place and be able to represent the concerns of its people, institutions and businesses, both locally and at the highest levels of Government.

As the role of Local Enterprise Partnerships evolves, it is increasingly important for Chairs to be strategic operators – able to interpret the external environment, articulate the Local Enterprise Partnership's position within it and amplify the board's stated ambitions. As Local Enterprise Partnerships invest significant amounts of public money, it is critical that Chairs have an eye on the detail and ensure that the correct processes are in place to provide assurance on both how funding is allocated and how it is managed. The support that they receive to carry out this greater strategic function must also be strengthened, including through the appointment of a Deputy Chair for each Local Enterprise Partnership.

The Industrial Strategy highlighted the role for communities in driving productivity across the country; Local Enterprise Partnerships must therefore be accountable to their area and representative of the communities they serve. We need to do more to improve the diversity of Local Enterprise Partnership Chairs and board members, both in terms of protected characteristics and also in drawing from a more diverse representation of sectors and all parts of their geography, with representation from more entrepreneurial and growing start-

ups and from the voluntary and community sector bodies who will often work with and deliver services on behalf of the most vulnerable in society.

As Local Enterprise Partnerships represent a broad coalition of interests and are responsible for allocating public funding, it is essential that recruitment exercises for Chair and board vacancies operate on the basis of merit, fairness and openness in line with the Nolan Principles. There must be consistent and publicly-outlined processes to enable effective recruitment of people who can bring new ideas and approaches, and help increase board diversity. Reflecting their broader role in promoting the development of prosperous communities, Local Enterprise Partnerships should look for board members who bring a range of expertise to their role, as the best do at present, for example business leaders who are also charity trustees, school governors or who lead social enterprises as well.

With a new enhanced role for Local Enterprise Partnerships, it is important these leaders possess the necessary skills and that their organisations have the capability to deliver on the fundamental task of generating local economic growth. This should include the ability to effectively gather and analyse evidence around the economic strengths, weaknesses and barriers to growth of the area; identify the priority areas for investment; and develop an investment plan to secure the necessary funding to take this work forward. To ensure effective and efficient focus on the priorities for local economic growth and to deliver impact, there should be robust monitoring and evaluation of programmes which is used to inform decisions around awarding, continuing or withdrawing funding.

How Government will support this change:

There will be an increase in regular **Government dialogue** with Local Enterprise Partnerships, to reflect their strengthened role. This includes the Prime Minister-chaired 'Council of Local Enterprise Partnership Chairs', which was announced in the Industrial Strategy. This will allow Chairs to identify key areas for action, inform national policy, and enable closer cooperation with Government on delivering the Industrial Strategy objectives. To complement this, each Local Enterprise Partnership will be supported by a senior official sponsor from across Whitehall, to provide additional guidance on working with Government.

Government will actively **work with Local Enterprise Partnerships to advertise opportunities** for private sector leaders to become a Local Enterprise Partnership Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website. This will help open up recruitment exercises to a broader pool of potential candidates, and at the same time underline the importance of the role to helping shape and deliver Government policy.

Some Local Enterprise Partnerships have proactively sourced formal support to build the capability of newly recruited board members. Government will build on this good practice and introduce an **induction and training** programme for Local Enterprise Partnership board members and officers, to ensure board members are adequately supported to provide challenge and direction to their Local Enterprise Partnership and understand how best to work with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.

To understand what support Local Enterprise Partnerships will need to implement these changes we will commission an independent benchmarking of the capacity and capability of all Local Enterprise Partnerships against best practice, so that performance requirements match resources available. In addition, **we are providing additional capacity funding in 2018 for each Local Enterprise Partnership that clearly sets out how they will adopt these changes and are ready to develop Local Industrial Strategies**. This funding will also help to strengthen Local Enterprise Partnerships' ability to more actively involve local communities and organisations in their activity. We will ask Local Enterprise Partnerships to develop an implementation plan before they receive their allocation of this funding.

How Local Enterprise Partnerships will support this change:

Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair**. This process, including members of the appointment panel, should be set out by the Local Enterprise Partnership in their local assurance framework. Government will support this by advertising vacancies and actively supporting recruitment into these roles but appointment to positions on Local Enterprise Partnership boards will remain a decision for the Partnership. In line with best practice in the private sector, Local Enterprise Partnerships will want to **introduce defined term limits for Chairs and Deputy Chairs** where these are not currently in place.

Businesses pay the taxes, create the jobs and provide the economic growth that will deliver the ultimate outcomes of the Industrial Strategy: higher living standards and higher levels of productivity. 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.¹

The composition of Local Enterprise Partnership boards is an important ingredient in their success. These boards must be able to take into consideration a breadth of interests of different local leaders and stakeholder groups to ensure that their growth strategies are relevant, representative and widely supported across their area. We want to ensure all Local Enterprise Partnership boards are truly representative of the communities that they serve. Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. 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

¹ 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.

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 2020.²

It is vital to ensure that local leadership has access to the advice and information they need to make informed and impactful decisions. Whilst local government representatives on boards can draw on the advice of their officials, other board members do not have the benefit of this level of support. Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

We are determined to help local areas learn from what works best and where, so that we can work together to refine and maximise the impacts of major investments. Government will support all Local Enterprise Partnerships to **develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. We will **require robust evaluation of individual projects and interventions**. The additional funding that Government is providing each Local Enterprise Partnership will help to develop this capability and we will work with the LEP Network to develop and share best practice.

The revised Local Enterprise Partnership Assurance Framework, to be published in the Autumn, will provide further clarity on the leadership and capability requirements set out above.

² <https://www.gov.uk/government/publications/ftse-women-leaders-hampton-alexander-review>

Accountability and performance

As autonomous local partnerships, Local Enterprise Partnerships are primarily accountable to the communities within their area. In practice, the full and active role of senior local authority representatives on these boards provides a strong and direct link back to local people and are one part of the Local Enterprise Partnership's democratic accountability. Whilst Local Enterprise Partnerships are individually accountable, Government remains accountable for the overall system and ensures appropriate mechanisms are in place to drive standards of accountability and performance across the network.

Case for change:

Government has awarded significant funding streams to Local Enterprise Partnerships, most notably the £9 billion through the Local Growth Fund. As this funding has increased, Government and Local Enterprise Partnerships have developed systems of governance and accountability to ensure that the devolved funding from central Government budgets is being managed effectively.

There have been criticisms around the accountability and performance of some Local Enterprise Partnerships. The level of transparency local partners want to see has been limited by the absence of comparability across differing Local Enterprise Partnership legal personalities and accountability frameworks. Furthermore, the significant differences in structures between Local Enterprise Partnerships contributes to the lack of consistency across the network. This has prevented Government from applying more targeted and transparent rules on performance. It has also meant that the public have been unclear on the role and the impact of Local Enterprise Partnerships in their areas.

Whilst Local Enterprise Partnerships have made significant progress in strengthening their accountability and transparency arrangements over the past few years, Government's greater ambitions for these institutions requires a renewed commitment to accountability and a strengthened approach to performance to ensure that Local Enterprise Partnerships operate to the highest standards.

How the Government will support this change:

Government's primary ambition is for Local Enterprise Partnerships to operate as a self-regulating sector, working with local partners and their peers through the LEP Network to drive improvements in governance and delivery and strive for excellence. The Government, the LEP Network and Local Enterprise Partnerships will develop a **Local Enterprise Partnership sector-led approach to assessing and improving performance through regular peer review**.

Although Local Enterprise Partnerships are locally accountable for their decisions, as the arbiter of the system and as the primary funding provider for Local Enterprise Partnerships, **Government will retain accountability and oversight over the system as a whole**. Local Enterprise Partnerships recognise the need to adhere to standards of transparency and accountability clearly set out in the National Assurance Framework. This is one element of the wider assurance system, which also comprises of Local Enterprise Partnership reporting to Government on agreed outputs, evaluation frameworks and

annual performance reviews. In January 2018 we issued best practice guidance in response to the recommendations of the Ministry of Housing, Communities and Local Government Non-Executive Director Review into Local Enterprise Partnership governance and transparency.

Well performing Local Enterprise Partnerships are critical to creating successful local economies. To help ensure Local Enterprise Partnerships are performing to their highest standard there need to be clear expectations both from Local Enterprise Partnerships themselves and from Government around overall Local Enterprise Partnership performance and the performance of individual programmes. These will be used to support decisions around the level of control held over future funding programmes. The Government will set out more detail on how this system could work in due course.

Government will publish a statement regarding its approach to intervention in a revised National Assurance Framework where there are instances of non-compliance or underperformance. This will ensure that any intervention is proportionate and provides the appropriate levels of support to rectify issues. In the majority of cases, our intervention will be minimal as the sector matures and self-regulates to effectively address underperformance at the local level and through the network of Local Enterprise Partnerships. Where there are significant concerns, we will proceed using a spectrum of options ranging from regular, minuted performance meetings, the agreement of action plans with milestones and risk based deep-dives. In the most extreme instances, this could include direct intervention to express the Government's loss of confidence in the Local Enterprise Partnership by withholding or withdrawing funding.

The performance of each Local Enterprise Partnership differs based on the individual circumstances of their place. Each Local Enterprise Partnership's **overall performance will be held to account through measures agreed in their delivery plans**. The Government will work with Local Enterprise Partnerships to ensure that they have these plans in place by April 2019.

Government will continue to monitor Local Enterprise Partnerships through annual performance reviews and quarterly monitoring of data returns for major growth programmes to monitor risk. Performance assessments will be grounded in the three themes encompassing the objectives of a Local Enterprise Partnership: 'Governance', 'Delivery' and 'Strategy'. In order to strengthen this system, we will introduce a mid-year review session with each Local Enterprise Partnership. This will enhance the existing annual performance review meetings and will focus significantly on strategic direction whilst also providing a forum for Government to highlight concerns with senior Local Enterprise Partnership officials.

How Local Enterprise Partnerships will support this change:

Government will **support all Local Enterprise Partnerships to have a legal personality**. Where they are not already incorporated as companies, Local Enterprise Partnerships that are not in mayoral combined authorities or combined authorities should take steps to become companies. Where Local Enterprise Partnerships are integrated within mayoral combined authorities and combined authorities exist, they may elect to use this legal personality. This new legal structure should be in place by April 2019, ahead of any release of further local growth funding. Ensuring that all Local Enterprise Partnerships

have a legal personality reflects their more prominent role in local growth, that they are their own business-led organisations and will allow them to enter into legal commitments to take on further responsibilities in the future.

Local Enterprise Partnerships will continue to be individually accountable for the allocation of funding and the delivery and evaluation of projects, with Section 151 Officers (or equivalent) maintaining accountability for the proper conduct of financial affairs within the Local Enterprise Partnership. Local Enterprise Partnerships and Accountable Bodies are responsible for the success and day to day operations of the Local Enterprise Partnership. In addition, the revised National Assurance Framework will provide further clarity on the role of the Section 151 Officer and Accountable Body with regards to governance and financial oversight. Local Enterprise Partnerships will want to identify **a single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

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 be properly promoted.** This provides Local Enterprise Partnerships with the opportunity to update the wider public on progress on growth plans and its ambitions for future growth and ensure the communities that they represent can understand and influence the economic plans for the area. 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.

Local Enterprise Partnerships must be clear on who in their organisation is responsible for their activity – and who ought to be held to account. **We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance** locally. Schemes of delegation must be clear and the Partnership should explicitly address the accountability arrangements and relationships between the Board, Chair, Local Enterprise Partnership CEO, Accountable Body and Sub-Boards (in MCA areas this should also include the Combined Authority Board and the Mayor).

The Government will **support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight**, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions. We want this to provide an opportunity to Local Enterprise Partnerships to engage local partners and independent experts – such as academics - when developing their strategies, whilst reassuring their partners that taxpayers money is being put to best use.

This legal framework and additional detail on assessing performance within the National Assurance Framework will provide a greater level of clarity for all partners whilst ensuring that Local Enterprise Partnerships remain independent, private sector led institutions.

The Government will continue to provide guidance on the accountability requirements and assurance and performance management process for Local Enterprise Partnerships.

Geography

A strength of Local Enterprise Partnerships from the outset was their ability to bring together public and private sector leaders across functional economic areas to set a strategic vision and make decisions that transcend local administrative boundaries. However, in certain parts of the country, the benefits of this geographic scale have been tempered and the geographic boundaries have not provided the clarity needed to businesses and communities.

It is essential that communities served by Local Enterprise Partnerships are able to see a single vision and a compelling plan for their area. This will ensure that each Local Enterprise Partnership is in the best position to identify and align local interventions that maximise their economic impact.

The case for change:

When Local Enterprise Partnership geographies were first decided in 2011 they had a more strategic role with limited delivery responsibilities. Since then, the context in which they operate has changed greatly; as Government has committed over £9 billion from the Local Growth Fund to Local Enterprise Partnerships through three rounds of competitive Growth Deals.

To be fit for purpose as their roles and responsibilities are expanded once again, we need to ensure that Local Enterprise Partnership geographies provide simplicity, accountability and practicability. Whilst in most areas the existing arrangement has worked in practice, greater clarity and consistency is required if they are to meet Government's increased ambition. It is therefore the right time to revisit geographic boundaries.

The recent Public Accounts Committee inquiry into Local Enterprise Partnership assurance processes was clear that we need to provide clarity and accountability on how we deliver value for taxpayers' money. Local Enterprise Partnership accountability practices have been addressed throughout the wider review. The removal of overlaps forms a component part of a wider initiative to make these organisations more transparent, consistent and robust in the way that they allocate funding to drive growth across the country.

We must ensure that decision-making and delivery operate at the most appropriate geographical levels that maximise efficiency and effectiveness. In a number of instances since 2011, Local Enterprise Partnerships have amended their original boundaries, including the successful merger of Northamptonshire Local Enterprise Partnership and South East Midlands Local Enterprise Partnership, and we would expect any consideration of geographical changes to consider the most effective size and scale to operate over.

There is no universally accepted approach to measuring or defining functional economic areas and boundaries vary depending on the method used.³ However, we acknowledge

³ For example housing market definitions <https://www.gov.uk/government/publications/future-cities-comparative-urban-governance>, compared to labour market containment definitions

that economic geographies often cross administrative boundaries and we want to see continued collaboration between Local Enterprise Partnerships and local authorities where this is the case.

How the Government will support this change:

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.**⁴ We will **encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** 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.

We recognise that Local Enterprise Partnerships are independent bodies and will have to work closely with local stakeholders to reconfigure their geographies to meet the future roles and responsibilities of Local Enterprise Partnerships. Once any changes to Local Enterprise Partnership boundaries have been agreed, we will work with each Local Enterprise Partnership 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. This will simplify the allocation of future growth funding and rationalise the increasingly complex local growth landscape.

How Local Enterprise Partnerships will support this change:

Local Enterprise Partnerships should build on the strength of their existing partnership working to collaborate on common issues. Whilst we are removing all instances in which two or more Local Enterprise Partnerships geographies overlap, this is not to say that local partners should not participate in the development of other Local Enterprise Partnerships' strategies. The Government **expects collaboration between Local Enterprise Partnerships** where interests are aligned when developing strategies to maximize their impact across their different objectives. This helps to ensure a more efficient use of resources and secure a better outcome than operating in isolation. This collaboration need not be restricted to neighbouring Local Enterprise Partnerships and will be particularly important where partnerships share a common interest or particular themes, for example, aerospace technologies.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangestotraveltoworkareas/2001to2011>, and variations of each.

⁴ This will also include removing any situation in which a lower tier or unitary authority is covered by two Local Enterprise Partnerships whose geographies do not overlap.

Mayoral combined authorities

Since 2012, City Deals, Growth Deals and Devolution Deals have shifted power and funding to local areas to enable them to take strategic decisions about local priorities. These deals have enabled places to develop long-term plans and create the right conditions for prosperity.

Both Local Enterprise Partnerships and mayoral combined authorities are seeking to drive growth at a strategic economic geography, through place-based and locally-controlled policies and funds. It is essential that these bodies work together to respond to future opportunities and challenges.

The case for change:

The election of six mayors in mayoral combined authority areas in May 2017 was an historic step in the Government's mission to deliver an economy that works for everyone, and the seventh city region mayor was elected in Sheffield City Region in May 2018.⁵ The Government and local leaders agreed a 'minded to' deal with North of Tyne at Budget 2017. On 20 July 2018 all of the authorities consented to deal. As a result the Government will proceed to lay the orders in Parliament. Government remains open to conversations with other local areas that wish to explore the potential for devolution, where clear local support and a strong economic case for doing so can be demonstrated.

In all of these areas, Local Enterprise Partnerships and local authorities have worked together effectively throughout the process of negotiating and implementing devolution deals. In this, Local Enterprise Partnerships have taken a distinct role from that of the mayoral combined authority, providing private sector expertise and challenge to drive and inform strategy and investment decisions, including on local growth funding, business support and skills.

It is crucial at this point to ensure that investors, businesses and the public have a clear understanding of the relationships between Local Enterprise Partnerships and mayoral combined authorities as they take on an ever greater strategic role. The relationship between these bodies reflects local priorities and varies from place to place. Government is committed to working with Local Enterprise Partnerships and mayoral combined authorities to ensure clarity and transparency on their respective roles and responsibilities, address potential inefficiencies and help strike the right balance between integrated decision-making and delivery on the one hand, and appropriate challenge and scrutiny on the other.

How Government will support this change:

Government will **consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing Local Industrial Strategies**. As set out in the Industrial Strategy, places in England with a Mayoral combined authority will have a single Local Industrial Strategy led by the mayor

⁵ Government signed the Cornwall devolution deal in July 2015. The content of this section does not apply to Cornwall as this deal does not include a Mayoral Combined Authority.

and supported by the Local Enterprise Partnership. To ensure the maximum buy-in of key local stakeholders, we will expect mayoral combined authorities to work in partnership with their Local Enterprise Partnership to jointly develop and agree these strategies.

How Local Enterprise Partnerships and mayoral combined authorities will support this change:

To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we **will support Local Enterprise Partnerships and mayoral combined authorities to 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.

We have set out five themes below which we would want to see addressed in these agreements:

- **Advisory and challenge function:** how local partners will ensure that there is a strong, independent voice for the Local Enterprise Partnership in the decision making process within mayoral areas, and that the Local Enterprise Partnership Chair and Board are able to draw directly on appropriate support and expertise from staff.
- **Alignment of decision-making across a clear geography:** how local partners will work together to ensure a clear, transparent decision-making process which minimises the impact of differences in organisations' geographical boundaries. To assist with clarity and transparency, we would encourage areas to move towards coterminous Local Enterprise Partnership and mayoral combined authority boundaries, but recognising that this will not be possible in all cases.
- **Accountability:** how the formal accountability relationship between the Local Enterprise Partnership and the mayoral combined authority will work. We would expect local partners to designate the mayoral combined authority as the formal Accountable Body for the Local Enterprise Partnership in terms of handling public money.
- **Efficiency and corporate identity:** how the Local Enterprise Partnership and the mayoral combined authority will work together in their approach to staffing, branding and other resources and assets.
- **Overview and scrutiny:** how the Overview and Scrutiny Committees of the mayoral combined authority and local authorities will interact with the Local Enterprise Partnership.

A move towards more aligned geographies would greatly strengthen democratic decision making and scrutiny between the Local Enterprise Partnership and mayoral combined authorities. We will **encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies.

As agreed with Government, the London Local Enterprise Partnership is chaired by the Mayor of London and operates through the Greater London Authority (GLA) which acts as its accountable body for funding provided by Government. All decisions must comply with the GLA's corporate governance, financial, legal and procurement frameworks and processes. We will work with London Economic Action Partnership to implement the changes outlined in this document as relevant.

The revised National Local Enterprise Partnership Assurance Framework and revised Single Pot Assurance Framework, to be published in the autumn, will provide further clarity on the requirements for mayoral combined authorities and Local Enterprise Partnerships in these areas.

Managing the transition to strengthened Local Enterprise Partnerships

We want to ensure that Local Enterprise Partnerships maintain their momentum and move quickly to implement these changes and formally establish themselves in their new form.

This document has set out a plan for reform, to ensure Local Enterprise Partnerships continue to drive growth and remain credible organisations locally and nationally. This provides Local Enterprise Partnerships with defined role and responsibilities, and provides clarity on activities and objectives to deliver on the ambitions of the Government's Industrial Strategy.

We will write to Local Enterprise Partnership Chairs to communicate the importance of the review and will work with them to develop revised proposals on geography by 28 September 2018 and a detailed plan for implementing the changes outlined in this document before 31 October 2018 at the latest. In order to deliver their role effectively, Local Enterprise Partnerships need financial support. As referred to above, to support Local Enterprise Partnerships in implementing these changes and embed evidence in Local Industrial Strategies, we will provide up to £20 million of additional funding between 2018-19 and 2019-20 to support Local Enterprise Partnerships to adopt these changes.

We will update the National Local Enterprise Partnership Assurance Framework so that these changes are included within Local Assurance Frameworks ahead of April 2019. The National Assurance Framework will be an essential part of our wider Local Enterprise Partnership assurance system to ensure that Local Enterprise Partnerships have in place the necessary systems and processes to manage devolved funding from central Government budgets effectively.

We recognise that some reforms will take longer to implement, particularly as we leave the European Union and Government considers key funding arrangements such as the UK Shared Prosperity Fund. We will work with these Local Enterprise Partnerships to ensure these reforms are implemented in a measured way and with least disruption to existing programmes.

This document has set out a step change in approach for both Local Enterprise Partnerships and Government. We will continue to work with Local Enterprise Partnerships to understand how the network can identify and apply best practice and develop a programme of training for Local Enterprise Partnership boards and executive teams. This will be supported by regular engagement from senior government officials, to ensure Local Enterprise Partnerships and all parts of Government work strategically together to deliver economic growth and prosperity across the country.

Annex – Advisory Panel Joint Statement

The Industrial Strategy made clear Government “remains firmly committed to Local Enterprise Partnerships”, but that “performance has varied” across the country. The Industrial Strategy set out that Government will review Local Enterprise Partnerships.

To inform this review Ministers in MHCLG, BEIS and HMT established an external advisory panel. The panel met four times between December 2017 and May 2018 to discuss LEP best practice and opportunities for reform. The panel also provided advice on best practice in comparable private and public sector organisations.

Following these discussions and other engagement with officials, the advisory panel agrees that ministers should consider the following statement in concluding the review:

- LEPs provide a rich partnership of private sector organisations, local government, education – including universities – and other key local institutions and will be central to the delivery of the Industrial Strategy, driving growth and productivity across England. These partners each make unique and critical contributions to the LEP model, ensuring its distinctive role, which the ministerial review of LEPs should recognise and promote. To ensure LEPs are credible organisations locally and nationally, working with stakeholders from across the public and private sector, LEPs should have a clear and simple mission, focused on strategy-setting and the prioritisation of resources. Partnership working is the key determinant of a successful LEP and should be promoted across the country, so LEPs can set effective strategies for long term change and economic improvement.
- The panel recognises the important recommendations of Mary Ney’s Review of Local Enterprise Partnership Governance and Transparency and agrees that LEPs should have consistent, formalised and transparent governance arrangements. All LEPs should have the institutional capacity and capability to develop and maintain a robust evidence base to support and monitor the strategic vision and performance of an area. The review could consider how local authorities support LEPs, and how LEPs and other bodies such as the LEP Network collaborate to share best-practice and promote effective peer review within the sector.
- To ensure LEPs maintain a culture of constructive challenge and bring strategic leadership for growth across their area, they should have a distinctive role from individual local government institutions, including combined authorities. LEPs should not crowd out or duplicate business organisations, which represent businesses at the local level, and the LEP review should consider how Government can ensure these distinct roles are maintained. The review should ensure that the accountable body role undertaken by a local authority is facilitated in appropriate membership arrangements and recognises the risk management role that body fulfils on behalf of the LEP. The review could also consider increasing the proportion of private sector members on LEP boards, but should remain cognisant of the need for clear accountability.
- Effective boards represent the diverse communities and businesses of their economies, and those local bodies which contribute to growth. The best LEP boards draw on the expertise of an area’s business leaders and enable these individuals to

engage with local and national government, and the education and skills sector, to identify, articulate and invest in economic priorities and support innovation. All LEPs should engage small- and medium-sized business leaders as well as larger firms in their governance, and be representative of their areas' communities. Government and LEPs should show leadership on promoting diversity on boards and in effective decision-making.

- LEPs' activities should work towards targeted key performance indicators and effectively evaluate the impact of their projects, programmes and investments. The panel recognises the importance of local autonomy and differentiation, and that LEPs should hold themselves to account and be held to account by others on the basis of their performance against these measures. Transparent performance measures and expectations could be accompanied by a more nuanced range of actions and support from Government with regards underperforming LEPs. It is vital to provide stakeholders with confidence that all LEPs can deliver on the core roles and responsibilities set out for them.
- It is important to ensure LEP boundaries provide clarity and transparency in decision making and recognise functional economic areas, whilst seeking to optimise opportunities for cross-LEP collaboration where common economic priorities are evident.

The terms of reference the advisory panel considered as part of the ministerial review were:

- Define with greater clarity the strategic role of LEPs in driving growth and productivity for business; people; ideas; infrastructure; and place.
- Strengthen business leadership and corporate governance to ensure that LEPs remain diverse private sector-led organisations that can shape and challenge local economic decision making, through the adoption of best practice.
- Establish clear accountability through rigorous financial reporting and enforcement of transparency in decision making.
- Assess the impacts of boundary overlaps to ensure clarity, transparency and representation of functional economic areas.
- Improve organisational capability and planning certainty, including looking at options for a common incorporation model; how LEPs are resourced and the standardisation of organisational structures and reporting.
- Define the relationship between LEPs and Local Authorities, as well as new organisational structures such as Mayoral Combined Authorities.

The panel members were:

- Dr Adam Marshall – Director General of the British Chambers of Commerce
- Cllr Anne Western – Leader of the Labour Group, Derbyshire County Council, and Vice-Chair of the Local Government Association's People and Place Board
- Cllr Bob Sleight OBE – Deputy Mayor of the West Midlands Combined Authority and Leader of Solihull Council
- Christine Gaskell MBE – Cheshire and Warrington Local Enterprise Partnership Chair and representative of the LEP Network Management Board

- Professor Diane Coyle CBE – Bennett Professor of Public Policy, University of Cambridge, and Co-Chair of the Industrial Strategy Commission
- Cllr Gordon Birtwistle – Councillor and former MP for Burnley
- Cllr Judith Blake – Leader of Leeds City Council
- Professor Judith Petts CBE – Vice Chancellor of University of Plymouth and Heart of the South West Local Enterprise Partnership Board Member
- Cllr Manjula Sood MBE – Deputy Mayor of Leicester City Council
- Martin McTague – Policy Director at the Federation of Small Businesses
- Mary Ney – Non-Executive Director at the Ministry of Housing, Communities and Local Government, and former Chief Executive of the Royal Borough of Greenwich
- Sherry Coutu CBE – Chair of the Scale-Up Institute, Chair of the Financial Strategy Advisory Group, University of Cambridge, and Non-Executive Director for the London Stock Exchange Group
- Stephen Greenhalgh – Joint Managing Director of J&J Omerod PLC



Overview and Scrutiny Committee - Work Programme 2018/19

Subject	Details	Comments	Date
7 June 2018			
Engagement	To include details of the Engagement Plan, who did LEP engage with, how often, how could that be strengthened and what stakeholders were not sufficiently engaged	Scoping document provided	7 June 2018 ✓
6 September 2018			
Review of Engagement	To consider the Invitation to Tender (ITT) documentation for consultants to undertake research in support of the review		6 September 2018
Strengthened Local Enterprise Partnerships	To consider the Ministry of Housing, Communities and Local Government's document issued in July 2018 following the policy review of LEPs and any consequential implications for Cheshire and Warrington		6 September 2018
Developing Cheshire and Warrington's Local Industrial Strategy Evidence base	To consider a report on C&WLEP's intention to seek to appoint consultants to update the evidence base for the sub-region to support development of a Local Industrial Strategy, and support the development of thinking around that strategy and engagement with key stakeholders.	Verbal update from Philip Cox	6 September 2018
Budget Update/Amendments	To consider the LEP Board's update of its Budget for 2018/19	A report on the Budget is not due to be presented to the LEP Board until October 2018. Philip Cox may be in a position to provide a brief update under the Q/A Item.	6 September 2018

6 December 2018			
Review of Engagement	Update as to progress on the research		6 December 2018
7 March 2019			
Review of Engagement	Final report and presentation from the research and consideration of initial recommendations to C&WLEP		7 March 2019
Standard Items			
General Governance / Constitutional Matters	To keep under review the Committees membership and Terms of Reference		As appropriate
Public Participation	To receive questions from members of the public in accordance with governance procedure rule 6	15 minutes open session. Individual public speakers limited to 5 minutes each.	All Meetings
A formal Question and Answer Session	To submit questions to the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate.	15 minute open session (Committee members only)	All Meetings
Not Yet Allocated to a Specific Meeting			
Agility of decision-making	To include the balance between making investment decisions in a timely way, while maintaining standards of good governance		TBA

Deleted Items from Previous Version

- Action Plan from MHCLG Performance Letter (possibly to be considered under Q/A Item)
- Dashboard

Version 2 – 6 September 2018