

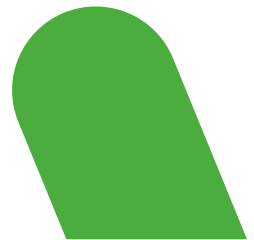


Cheshire and Warrington
Local Enterprise Partnership

DRAFT

FUTURE ROLE, STRUCTURE AND FUNDING OF THE CHESHIRE AND WARRINGTON LEP

Submission to Cities and Local Growth Team



BACKGROUND

- The Levelling Up White Paper set out the Government's long term ambition to create Combined Authorities across the whole of England, with LEPs merged into these new organisations
- In the interim, in areas without CAs, the Government wants to see greater integration between LEPs and democratic institutions whilst retaining a strong independent business voice
- Over past six months, the Cheshire and Warrington LEP has worked closely with its LAs, its Board, non-executive private sector members of its sub-committees and its Scrutiny Committee to review its role and structure
- The proposals set out in these slides set out the role of the LEP, its structure and how it will be financed from the beginning of 2023/4 until it is merged into a future combined authority if one is established
- They build on the strong relationship that the LEP and the three LAs have enjoyed over the past ten

years and the sub-region's track record of successful delivery

- Further work will be undertaken during the remainder of 2022/3 on the detailed implementation of these proposals

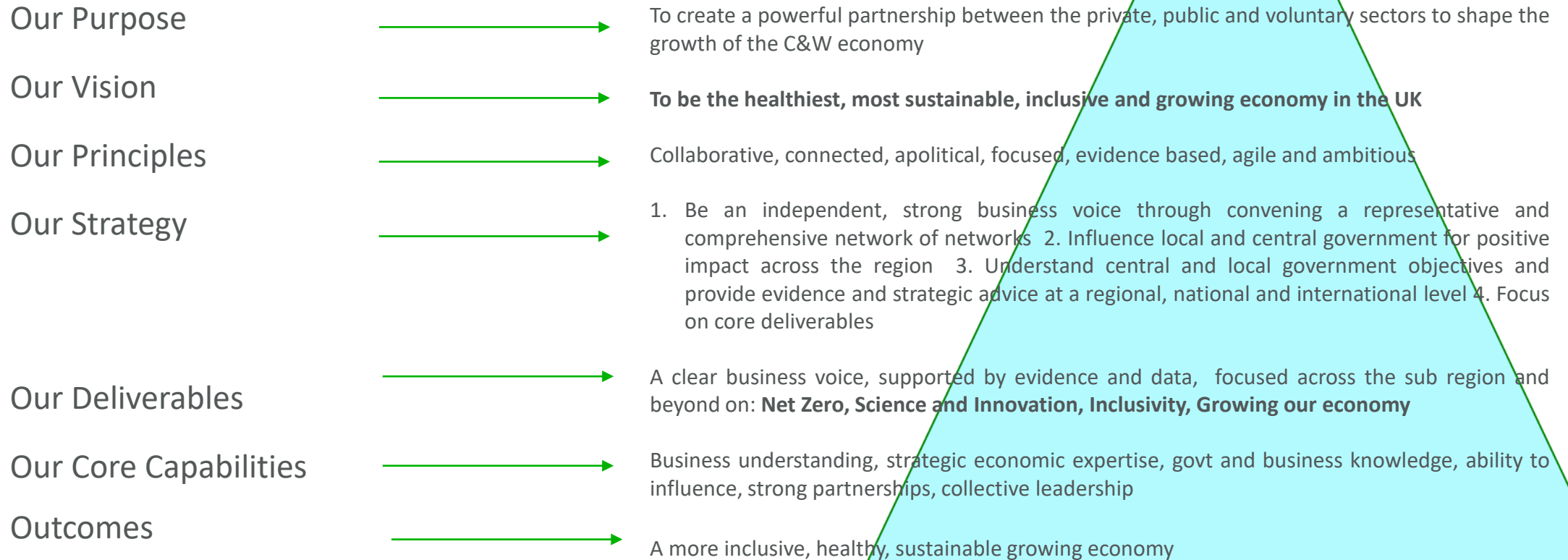


ROLE OF THE LEP

- To provide a clear business voice supported by evidence and data, to advise and influence central and local government to make C&W the healthiest, most sustainable, inclusive and growing economy in the UK
- To use its convening power to create a powerful partnership in Cheshire and Warrington between the public, private and voluntary sectors, working together to make C&W the healthiest, most sustainable, inclusive and growing economy in the UK
- To provide leadership at the functional economic area level and to work with colleagues across boundaries on issues such as innovation and net zero
- To be responsible for ensuring the successful delivery of sub-regional economic programmes in C&W, including Marketing Cheshire, the Science Corridor Enterprise Zone and C&W's £200 million suite of investment funds
- Provide direct support to the LAs by providing a Programme Office, horizon scanning for funding opportunities; and providing policy and other support to portfolio holders if a shadow CA is formed
- To provide sub-regional capacity for scarce specialist resources.



LEP BOARD PURPOSE PYRAMID



STRUCTURE AND COMPOSITION OF THE BOARD

- A smaller more agile and representative board will be created to offer incisive advice and influence to central and local government on the economic development of C&W
- The Board will continue to be chaired by a private sector representative, as per Government requirement. The Deputy Chair of the LEP will also continue to be Chair of Marketing Cheshire
- Leaders of three LAs will continue to have ex-officio membership of the Board
- Remaining members will be from private and third sectors, chosen to ensure Board as a whole is properly representative, diverse and inclusive of C&W's population and business geography
- Business representative organisations will have ex-officio representation on the Board.
- The existing LEP sub-committees will become a

network of business leaders consulted as issues and focused projects arise. It will initially be made up of non-executive members of LEP's existing sub-committees and could be expanded to cover a wider range of businesses, third sector etc.



EXECUTIVE ROLE OF THE LEP

- **Business Intelligence & Economic Strategy**

- Business intelligence – Using its Growth Hub to gather business intelligence to supplement that provided direct by Board members
- Economic strategy – providing analysis, policy development and leadership to support the Board, the LAs and the private sector in setting the direction and delivering the development of the C&W economy. Will also provide support to portfolio holders if a shadow CA is established
- Providing capacity to help address strategic capability gaps in C&W

- **Marketing Cheshire**

- Provide strategic leadership to the promotion of C&W as a great place to live, work, invest and visit

- **Programme Office**

- Horizon scanning for funding opportunities to

support economic development opportunities agreed between LEP and LAs. Becomes self funding through management fees from successful bids

- General principle that LEP should not be a programme delivery body, so will only deliver programmes during start up phase and only if they fully cover their costs. In short term this implies continuing delivery of Skills Bootcamps, but that Pledge should be transferred to another body
- Investment management of existing funding (GPF, EZ, Life Sciences Funds etc)

- **Central Support Team**

- Small team to provide finance, HR, office management and executive support

HOW THE LEP WILL ADD VALUE

- LEP is highly valued as partner of the LAs, including as member of sub-regional leaders' fora, and as a vehicle for engaging cross border with GM, LCR, North Wales, Mersey-Dee Alliance and other CAs across North
- Strong and influential voice with central and local Government through a combination of the expertise of Executive Team and the perspective offered by experienced, senior business figures.
- Only organisation set up to provide sub-regional outlook, leadership and convening power – the “functional economic area” at which central Government prefers to operate.



FUTURE SHAPE OF THE LEP BUDGET

- The next slide shows an initial high level draft budget. It is subject to discussion and agreement with the LAs and assumes that Government continues to provide funding at its 2022/3 (flat cash) level
- Turnover of the new LEP is around £4.5 million pa, similar to 2020/21, the last full pre-review year, albeit Covid affected, but is a very different, much more constrained organisation:
 - 25% of the budget is now dedicated to Skills Bootcamps, most of which is spent on contracts with training providers
 - Staffing costs are 20% lower in cash terms than in 2020/21, against the backdrop of 10% inflation
 - The Growth Hub, which had eight staff at the peak of the pandemic, will now have 2 – 3
 - £400k is allocated to meet the request from the LAs to provide a Programme Office. £250k of this is in the form of a fund to enable the production of business cases to support funding bids.
- An additional £100k is earmarked for Marketing Cheshire, reflecting the importance the LAs attach to its work
- An additional £270k pa is proposed to be drawn from EZ retained business rates to cover part of the costs of the Programme Office and the increased support for Marketing Cheshire. Intention is that the Programme Office will become self funding and will be reviewed after 2 years.



PROPOSED HIGH LEVEL STEADY STATE FUTURE LEP BUDGET

£000s	2020/21	2024/5 (Steady State)
Income		
Central Govt Core Grant (incl local match)	750	563
Retained Business Rates from EZ	1158	1430
Commercial Income for Mkt Cheshire	(45)	315
LA Contracts with Mkt Cheshire	391	399
Other (incl income for operational programmes)	2335	1798
TOTAL	4589	4505
Expenditure		
Business Intelligence & Economic Strategy	1589	1376
Marketing Cheshire	801	1117
Programme Office (incl. Bootcamps and investment funds)	809	1425
Corporate Support	845	566
TOTAL	4044	4484

