



GFirst Local Enterprise Partnership

Board Paper – 11th September 2018

Item	Implementing the Review of Local Enterprise Partnerships
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Supporting Papers	None
Confidentiality	The information is in the public domain
Purpose	To inform the Board of the new proposals from HM Government for LEPs to “supercharge economic growth and drive forward investment in local businesses across the country.”
Summary	<p>The publication of the <i>‘Strengthened Local Enterprise Partnerships’</i> review sees government delivering on its promise in the Industrial Strategy white paper to bring forward reforms to the leadership, governance and accountability of the 38 LEPs charged with kick-starting economic growth and creating jobs in their regions.</p> <p>Key points;</p> <ol style="list-style-type: none"> 1) 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. 2) 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. 3) We expect all Local Enterprise Partnerships will follow best practice within the sector and produce an annual delivery plan and end of year report.

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- 4) 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.**
- 5) 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.
- 6) 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.
- 7) 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 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.
- 8) Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.
- 9) Government will **support all Local Enterprise Partnerships to have a legal personality.**
- 10) Local Enterprise Partnerships will want to identify **a single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.
- 11) As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. **We will set an expectation that**

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	<p>these are open to the public and businesses to attend and properly promoted.</p> <p>12) We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.</p> <p>13) 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.</p> <p>14) Government will consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing a Local Industrial Strategy.</p> <p>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.</p> <p>Nationwide up to £20 million of additional funding will be available between 2018 to 2019 and 2019 to 2020 to support the implementation of these changes and embed evidence in Local Industrial Strategies.</p>
Implications, impacts or risks	Adoption of the LEP Review is not optional. Failure to do so would have a negative impact on GFirst’s performance rating with Government, and potentially, put future annual allocations of funds at risk.
Decision required	None – for information only
Recommendations	None

For further information on any points raised in this Board paper, please contact Dev Chakraborty.
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