

From: Mark Dance, Cabinet Member for Economic Development
Barbara Cooper, Corporate Director of Growth, Environment & Transport

To: Growth, Economic Development and Communities Cabinet Committee – 15 November 2018

Subject: Strengthened Local Enterprise Partnerships (LEPs) Update

Classification: Unrestricted

Past Pathway of Paper: Growth, Economic Development and Communities Cabinet Committee – 5 September 2018

Future Pathway of Paper: None

Electoral Division: All

Summary:

Local Enterprise Partnerships (LEPs) are a core component of the Government's plan for driving local economic growth. To strengthen the LEPs in preparation for their role in developing Local Industrial Strategies, the Government commenced a review of LEPs in 2017.

In July 2018, the Government published the outcomes of their review in the report '*Strengthened Local Enterprise Partnership*'. This report set out a series of Government commitments alongside several reforms to leadership, governance, accountability, and financial reporting that the Government will work with LEPs to implement before April 2019.

The Government also asked LEPs to come forward with considered proposals for LEPs' geographical boundaries by 28 September 2018, and to submit a plan for implementing the reforms by 31 October 2018. This report updates the Cabinet Committee on this latest activity.

Recommendation:

- The Cabinet Committee is asked to note this update.

1. Background to the LEP Review

- 1.1 Local Economic Partnerships (LEPs) are partnerships between businesses, local authorities, and the Higher and Further Education sector. LEPs were set up by the Government in 2010 to drive local economic growth.
- 1.2 In August 2017, Jake Berry MP (Minister for the Northern Powerhouse and Local Growth) and Margot James MP (then Under-Secretary of State for Small Business) wrote to advise the LEP Chairs that there would be a Ministerial review of the future role and responsibilities of the LEPs. The letter explained that the Government wanted to explore ways of putting all LEPs on a more consistent legal footing.

2. Government's Findings

2.1 The findings of the Government's LEP Review were published on 24 July 2018 in a report entitled "Strengthened Local Enterprise Partnerships". The full report can be found at:

<https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>.

2.2 A report was taken to the Growth, Economic Development and Communities Cabinet Committee on 5 September 2018, which highlighted the key reforms included in the LEP Review. This report can be viewed at:

<https://democracy.kent.gov.uk/documents/s85960/Item%2011%20-%20Strengthened%20Local%20Enterprise%20Partnerships%20LEPs.pdf>

2.3 In summary, the core reforms proposed by government are:

LEP Role:

The LEPs' role must focus on the following four activities:

- Developing an evidence-based Local Industrial Strategy by early 2020;
- Identifying and developing local investment opportunities;
- Using their convening power to bring partners together to drive forward economic growth; and
- Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

LEP Leadership & Composition:

- Two-thirds of board members should be from the private sector.
- The maximum LEP board size should be capped at 20 members, with the option to co-opt up to 5 additional board members with specialised knowledge for the maximum of one year.
- The gender balance must be improved. The Government wants women to make up at least 33% of LEP boards by 2020, rising to 50% by 2023.
- Each LEP must consult widely and transparently with the business community, before appointing a new Chair and Deputy Chair.
- LEPs must introduce defined term limits for Chairs and Deputy Chairs.

LEP Accountability & Transparency:

- A new National Assurance Framework for LEPs will be published which LEPs must abide by.
- LEPs must become companies with a separate legal personality.
- LEPs must identify a single Accountable Body.
- LEPs must actively participate in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- LEPs should arrange and properly promote Annual General Meetings.
- LEPs must set out exactly who is accountable for spending decisions, appointments, and overall governance locally in its schemes of delegation and partnership agreements.

LEP performance & resources

- LEPs must produce an annual delivery plan and end-of-year report.
- The LEP secretariat must be independent of local government.
- There will be regular peer review to assess and improve LEP performance, supported by the LEP Network.
- The Government will introduce mid-term review sessions.

3. LEP Geography

- 3.1 While the Government set out the reforms described above, the Review did not stipulate the geographical boundaries for LEPs. Rather, the Government asked LEPs and local stakeholders to come forward with considered proposals by 28 September 2018 on geographies which best reflect real functional economic areas.
- 3.2 Engagement with local partners and stakeholders was crucial to inform the geography response. Meetings were held with the Kent Leaders, the Kent and Medway Business Advisory Board, the Growth, Economic Development and Communities Cabinet Committee, and the Kent and Medway Enterprise Partnership (KMEP) to seek their views. Further engagement with universities and further education colleges took place in parallel.
- 3.3 The substantive feedback received from the local engagement exercise was that the question of geography cannot be separated from the question of governance – they are inextricably linked.
- 3.4 The overwhelming preference of the local respondents was to retain the South East LEP's current geography, subject to the government agreeing that SELEP will continue to work on the principle of subsidiarity, so it can retain its federated board model with local decision-making.
- 3.5 KMEP wrote a letter expressing this view to the SELEP Chairman and copied to the Secretaries of State. This letter can be found in **Appendix A**.
- 3.6 The SELEP Strategic Board met on 28 September. At this meeting, they endorsed the SELEP geography response that can be found in **Appendix B**.

4. LEP Implementation Plan

- 4.1 **Appendix C** contains the draft implementation plan presented to the SELEP Strategic Board on 25th October for approval. This plan sets out how SELEP intends to implement the governance reforms. While the SELEP Strategic Board requested some minor changes be made to the narrative, the overall substance of the final response being sent to Government on 31st October is expected to be broadly similar to the content in the draft. The only exception where the response may differ substantially is with reference to gender balance reform, as this reply is being rewritten; several SELEP board members wanted a more definitive line to be taken, including the addition of a diversity target to achieve within the next three years.
- 4.2 In summary, the implementation plan that SELEP intends to submit will include:
- A commitment to produce an annual delivery plan for SELEP's Strategic Board to consider on 22nd March 2019, and to write an end of year report at the end of 2019/20.

- A commitment to consult widely and transparently with the business community before appointing a new Chair and Deputy Chair. The exact process for achieving this will be presented to the SELEP Strategic Board in advance of 28 February 2019.
- A commitment to all private sector board members having a three-year term limit, with the ability to reappoint for a further three years.
- A statement by SELEP expressing its concern about the proposed reduction in local authority representation, and a proposal to retain its current membership of 28 Board Members.
- A target to achieve a 60% male: 40% female split in SELEP's private sector representation by 2021. (This is not in the draft plan included in the appendix, but rather a proposal of the SELEP Chairman that was agreed by the SELEP Strategic Board when it met on 25th October).
- A commitment to consult on the model of support provided by the Secretariat that will best support the SELEP board.
- A commitment to adopting a legal personality for SELEP. However, to ensure due diligence and proper process is followed, SELEP requests the government permit a longer timeframe for implementation.
- The retention of a single accountable body. (Essex County Council has agreed to continue to act as SELEP's accountable body).
- A commitment to hold Annual General Meetings that are open to the public and businesses to attend.
- A commitment to update the local LEP Assurance Framework as changes are made. This document already sets out exactly who is accountable for spending decisions, appointments, and overall governance locally.
- A reflection of the current arrangements, whereby local panels (such as the Cabinet Committee) can invite a SELEP representative to attend their meetings to allow scrutiny of decision-making. SELEP states future scrutiny arrangement will be dependent on the option selected for the legal personality, but it will work the County and Unitary Councils and the Accountable Body to agree these.

5. Financial Resources

- 5.1 The Government is offering up to £200,000 to each LEP to implement their reforms (subject to the Government being satisfied by the LEP's proposals on geography, implementation, and additional funding). Each LEP was asked to itemise how it will spend this additional funding, and the SELEP submission can be found in **Appendix D**.

6. Summary and Next Steps

- 6.1 In terms of next steps, the onus now shifts to the Government to provide its thoughts on the SELEP geography and implementation response. No comments have been made by Ministers to date on SELEP's responses. However, civil servants have confirmed that no other geography submissions were received by Government for the area covered by SELEP.
- 6.2 In addition to awaiting to the Government's response to the SELEP proposals, we await the publication of the National LEP Assurance Framework which is due this Autumn. Also, a consultation on the UK Shared Prosperity Fund is due to be launched before the end of 2018.
- 6.3 Finally, the Cabinet Committee may recall from September that the County Councils' Network were intending to submit a letter to the Secretaries of State regarding the LEP Review. This letter has now been submitted, making a powerful case to retain the local authority representation on Local Enterprise Partnerships. This letter has been signed by 25 Leaders of County Shire authorities, and we also await developments that may arise from this submission.

7. Recommendation:

- 7.1 The Cabinet Committee is asked to note this update.

8. Report Authors

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A partnership between the business community and local government
& a federated arm of the South East Local Enterprise Partnership

Christian Brodie
Chairman of the South East LEP
c/o Essex County Council
County Hall, Market Road
Chelmsford CM1 1QH

27 September 2018

Dear Chris

Strengthened Local Enterprise Partnerships

Ahead of tomorrow's SELEP strategic board meeting, at which we will be discussing the SELEP's response to MHCLG's *Strengthened Local Enterprise Partnership* report, we want to update you on the outcome of the discussion we had at the Kent and Medway Economic Partnership (KMEP) board on Monday 24 September.

The Strengthened LEP report as you know deals with two intrinsically linked issues for SELEP – governance and geography.

The origins of some of the accountability reforms clearly flow from the recent NAO reports which have been very critical about some LEP practices. A swift response to those is clearly an important means of ensuring the continued credibility of LEPs, and we would agree that SELEP should play its part, building on the action we have already been taking in response to the deep dive earlier this year. We can also see a case ahead of the preparation of Local Industrial Strategies, and allocation of future funding to review some of the LEP geographies and boundaries that perhaps seven years after their creation no longer make sense.

The changes however proposed by MHCLG to board membership and the size of board, have raised significant concern with KMEP business, education providers, and local authority members, which we want to report back.

Whilst MHCLG's report acknowledges that local authorities are critical to LEPs because they provide political accountability, community knowledge, and the capability of project delivery, it was strongly felt by all KMEP members that the direction of travel marginalises the local authority role. By placing local authority leaders in a one third minority, the proposed 'reforms' would therefore fundamentally undermine and dilute political accountability rather than strengthen it. This would seem at odds with the thrust of past NAO LEP reviews. Business leaders represented on KMEP were also very concerned at being asked to take on more responsibility for decisions that they have no public mandate for, or even the ability to effectively manage risk in the way that local authorities can do.

Our local authorities have made a huge contribution in setting the pace, working with businesses and educators to prioritise, and then deliver highly complex infrastructure projects that unlock jobs, houses and economic growth. In many cases this has involved significant capital contributions from local authorities, the astute use of S106 contributions and, of course, the skills and resources of their in-house teams to deliver projects to time and budget.

Our local authority members have also worked effectively with the existing governance arrangements, which are based on parity with business members, with the Chairman being required to be a business representative and having the casting vote. Whilst SELEP was not a geography chosen by any of us, we have worked together sensibly and intelligently to make it a success. The view of KMEP members was 'if it's not broke, why fix it?'

The clear and unanimous recommendation from KMEP was that the SELEP should resist the proposed changes to board membership and size in the strongest possible terms and maintain the current SELEP geography and governance arrangements that we have made to work.

With kind regards

Geoff Miles MA DL

KMEP Chairman,
SELEP Vice-Chairman &
Business Advisory Board
Chairman

Paul Barrett

Chairman & Managing
Director, Canterbury 4
Business & Barretts Motor
Group

James Beaton

Partner, Cripps LLP

Miranda Chapman

Director, Pillory Barn Design
Ltd

Gavin Cleary

CEO, Locate in Kent

Sarah Dance Director,

Sarah Dance Associates &
Chairman of Kent's Cultural
Transformation Board

Nick Fenton

Chairman of Kent Developers
Group & Board Member of
Locate in Kent

Richard Finn

Managing Director, Richard
Finn Ltd

Andrew Metcalf

Director, Maxim PR

Jane Ollis

Chair, Kent IOD (Institute of
Directors)

Jon Regan

Director & Chairman, Hugh
Lowe Farms Ltd & Weald
Granary Ltd

Paul Thomas

Development Land Services Ltd
& Chairman of the Maidstone
Economic Business Partnership

Paul Winter

Chairman of Wire Belt Company
Ltd & Chairman of the Kent and
Medway Skills Commission

Professor Rama

Thirunamachandran

Vice-Chancellor, Canterbury
Christ Church University

Simon Cook

Principal, Mid-Kent College,
representing Kent and Medway
FE Colleges

Paul Carter CBE

Leader Kent County Council

Cllr Simon Cook

Leader Canterbury City
Council

Cllr Jeremy Kite

MBE

Leader Dartford Borough
Council

Cllr Keith Morris

Leader Dover District Council

Cllr David Monk

Leader Folkestone & Hythe
District Council

Cllr David Turner

Leader Gravesham Borough
Council

Cllr Martin Cox

Leader Maidstone Borough
Council

Cllr Peter Fleming

OBE

Leader Sevenoaks District
Council

Cllr Andrew Bowles

Leader Swale Borough Council

Cllr Bob Bayford

Leader Thanet District Council

Douglas Horner DL

Kent Ambassador

Jo James

Chief Executive, Kent Invicta
Chamber of Commerce

Rodney Chambers

OBE

Cabinet Member Medway
Council

Cllr Gerry Clarkson

Leader Ashford Borough Council

Cllr Nicolas Heslop

Leader Tonbridge and Malling
Borough Council

Cllr David Jukes

Leader Tunbridge Wells
Borough

Letter copied to:

- Rt Hon James Brokenshire MP - Secretary of State for Housing, Communities & Local Government
- Rt Hon Greg Clark MP - Secretary of State for Business, Energy and Industrial Strategy
- Jake Berry MP - Parliamentary Under-Secretary (Housing, Communities and Local Government)

APPENDIX B – SELEP’s geography response
Covering Letter



County Hall
Chelmsford
Essex
CM1 1QH

By email
Rt Hon Greg Clark MP
Rt Hon James Brokenshire MP

28th September 2018

Dear Secretaries of State

South East LEP and the LEP Review: geography

The South East LEP Strategic Board have discussed how the LEP responds to the 'Strengthened Local Enterprise Partnerships' document, known widely as the LEP Review, and have today moved to endorse the submission of a 'no change' geography position on the basis of being able to have a meaningful conversation with Government around maintaining board memberships and governance structures appropriate to a LEP of our size and influence.

We respectfully request that the SELEP Chairman and senior members of the Strategic Board are able to meet with senior representatives of Government over the coming weeks to discuss how we can work together to build on the success that we have collectively had to date.

Yours Sincerely

The Undersigned

Name	Position	Signature
CHRISTIAN BRODIE	Chair SELEP	
GRAHAM PETERS	VICE-CHAIR SELEP CHAIR TEAM EAST SUSSEX	
	Leader Eastbourne Borough Council	
	Leader of Kent County Council	
ALAN JARRETT	LEADER MEDWAY COUNCIL	



CHRYSTIE BAILEY	DIRECTOR, METAL CULTURE LTD. (OPPORTUNITY SOUTH CEO)	
SIMON COOK	LEADER CANTERBURY CITY COUNCIL	
TOM CUNNINGHAM	CABINET MEMBER Economic Development Braintree District Council	
Jo James	Chief Executive Kent Invicta Chamber of Commerce	
Josua Horner	Business representative Kent and Medway Sector Partnership	
GERMAN RAZZI	GROUP PRINCIPAL AND CHIEF EXECUTIVE OF THE EKC GROUP CHAMP - SKILLS ADVISORY GROUP	
Peter Chowney	Leader, Hastings Council	
DAVID BURCH	DIRECTOR OF POLICY ESSEX CHAMBERS OF COMMERCE	
PERRY GARDNER	business rep for economy (SOUTH ESSEX) CHIEF of Thurrock Business Board	
MARK COXSHALL	Cabinet member Regional Planning Thurrock Council	
CLIVE SOPER.	F.S.B Federation of Small Business	
JOHN LAMB	MEMBER BRAINTREE B.C.	



KEVIN GENTLEM	ESSEX COUNTY COUNCIL	Kevin Bentley
Rob Fleming	Leader Sevenoaks DC	[Signature]
Keith Skazier	Leader East Sussex County Council	K. S.
PAUL THOMAS	BUSINESS BOARD MEMBER KENT & MEDWAY ECONOMIC PARTNERSHIP	[Signature]
DAVID KATWEN	CHAIR CITY BUSINETS BOARD (Partner BZIKETT LOWE LLP)	[Signature]
IAIN NALIN	VC ANGLIA RUSKIN UNIVERSITY	[Signature]
GEORGE C KIEFER	VICE CHAIR SELEP ESSEX SOUTHERN & THURROCK (BUSINESS)	[Signature]
GEOFF MILLS	VICE CHAIR SELEP KENT CHAIR KENT + MEDWAY ECONOMIC PARTNERSHIP (BUSINESS)	[Signature]

Geography proposal response

LEP Name: South East

Please outline the LEP’s plans to address the geography recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

Proposals should be submitted to LEPpolicy@communities.gsi.gov.uk **no later than 28 September 2018**, copying in your Area Lead.

Geography

Recommendation:

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**. ...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.

Information required in geography proposal:

All LEPs should outline their response to the Government’s recommendations on geography no later than **28 September 2018**.

Those LEPs proposing geography changes should provide detail of the proposed changes. In your response you should outline why these changes would be suitable for your local area. These proposals should include timescales for the transition to different geographies. LEPs should work with the LEP Network and neighbouring LEPs to ensure a shared understanding of the geography changes being proposed exists.

For LEPs who are proposing no changes you should respond briefly outlining why no change is required. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. All LEPs should aim to have revised geographies (if required), by **spring 2020**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The South East Local Enterprise Partnership (SELEP) proposes **NO CHANGE** to its current geographical borders, which encompass the local authority areas of Essex County Council, Thurrock Council, Southend-on-Sea Borough Council, Medway Council, Kent County Council and East Sussex County Council.

There are currently two areas of overlap within the SELEP geography. Uttlesford District Council is also within the Cambridgeshire and Peterborough CA area and Lewes District Council is also within the Coast to Capital LEP. SELEP's Strategic Board and partners agree that these two areas should become the sole responsibility of SELEP in terms of the LEP agenda and the future operation of UK SPF.

It is our clear understanding that **Uttlesford DC**, previously shared with Greater Cambridge Greater Peterborough (GCGP) LEP, will default to Essex and therefore SELEP, as the former LEP in Cambridge will be aligning to the MCA area as per the recommendation in the LEP Review. Local conversations support this assertion.

In respect of the **Lewes DC** area, SELEP Strategic Board strongly supports the inclusion of the area within our border and encourages Government to respect the county boundaries. SELEP will continue to support the initiatives for growth that Coast to Capital LEP has so ably put into place over the last eight years, including the same level of support for the Newhaven Enterprise Zone. The previous arrangement has, in particular, served Newhaven well, with both SELEP and Coast to Capital having invested funding into the area. Newhaven is a key target for improving life outcomes, employment opportunities and wider regeneration which supports not only the town but surrounding communities. This was recognised by the Enterprise Zone designation for Newhaven – which has acted as a further catalyst for wider regeneration projects and additional investment.

SELEP are clear that in seeking to remove geographical overlaps and given the needs in Newhaven particularly around skills and infrastructure, it should remain wholly in SELEP. The review makes reference to respecting county boundaries, which is also pertinent here, as is the need for strong alignment and partnership between the Local Transport Authority, Local Education Authority and the recently merged East Sussex College Group.

While Coast to Capital LEP is seeking to retain Lewes within its area, our working relationship with Coast to Capital LEP, underpinned by joint work across a range of areas, is very positive. To that end, both LEPs are committed to working constructively with Government and with



each other whatever the outcome of resolving the overlap.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Following agreement by Government, SELEP will need to agree a cut over for responsibilities and projects that are currently in flight in the overlap areas but led by the Cambridgeshire Peterborough CA and Coast 2 Capital LEP. These will be bi-lateral agreements made between SELEP and each of the other two LEPs that work best for the projects and responsibilities in each area. Transfer of responsibilities will be complete by 31 March 2020.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The main risk that would prevent achieving the approach set out by SELEP would be a lack of a decisive response on the overlap issue, in particular if there is no resolution of border between SELEP and Coast to Capital LEP. SELEP will continue its dialogue with Coast to Capital LEP and push to expedite issues locally wherever possible, but ultimately Government will need to make a final decision.



Overlaps: Lewes District Council area

One of the principal elements of the Government's review of Local Enterprise Partnerships (LEP) is the need for each LEP to respond to the review with proposals to remove any overlaps. For SELEP, this is pertinent for two areas, namely Uttlesford District in Essex, and Lewes District in East Sussex, and we are clear that both should remain in its administrative area.

Lewes District

Lewes District is one of five districts in East Sussex, and currently resides in two LEPs, Coast 2 Capital and SELEP. We note that the review recognised the importance of traditional county borders.

This arrangement has, in particular, served Newhaven well, with both SELEP and Coast 2 Capital having invested funding into the area, with the resulting benefits starting to be realised. Newhaven is a key target for improving life outcomes, employment opportunities and wider regeneration which supports not only the town but surrounding communities. This was recognised by the Enterprise Zone designation for Newhaven – which has acted as a further catalyst for wider regeneration projects and additional investment.

While we recognise the benefit of being in both LEPs has brought to Lewes District we consider that in moving forward with the aspirations outlined in the LEP review, Lewes district should remain wholly in SELEP.

The district covers a number of settlements, and the county town of Lewes is located in the South Downs National Park, although much of the focus for growth and regeneration is centred on Newhaven, where a strong alignment and partnership between the Local Transport Authority, Local Education Authority and the recently merged East Sussex College Group is delivering real dividends to the area. The County Council, for example, has recently secured Local Growth Funding to complete the funding package to enable the delivery of the

Newhaven Port Access Road which is a crucial element of the achievement of the area's regeneration, and is the catalyst for unlocking wider economic potential, including the Enterprise Zone.

The Enterprise Zone will create around 55,000m² of new commercial floor space for employment use over the course of the next 25 years. It will refurbish a further 15,000m² of existing commercial floor space and will create and sustain around 2,000 jobs.

Building on recent developments including the construction of the Operations & Maintenance base for the Rampion offshore wind farm, the nearly complete flood defence work, as well as the £2.5 million Newhaven Growth Quarter which provides new supported space for start-ups and emerging businesses, the Enterprise Zone provides new opportunities for rapidly expanding businesses across a number of sectors including, research and development, manufacturing and creative industries.

SELEP has operated with a federated model for some time now, and this has enabled effective delivery of growth programmes across what is a large area. This means that Team East Sussex (the Economic Partnership for East Sussex) has worked hard to forge relationships to enable the delivery of the growth programmes. The Team East Sussex Board has the leaders of each of the five District and Borough Councils, alongside business leaders, skills providers and the voluntary and community sector. It is widely recognised that effective economic growth and regeneration relies on strong relationships, and partnerships between the public and private sector, which is something that Team East Sussex enjoys. For Lewes District to not be a part of that would have an adverse impact on the area's growth, and the opportunity costs are such that it presents a significant risk to the continued growth of East Sussex.



Implementation plan response

LEP Name: South East Local Enterprise Partnership (SELEP)

Please outline the LEP’s plans to address the recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit (LEPpolicy@communities.gsi.gov.uk), [copying in your Area Lead](#). The plan should outline the changes that the LEP is making to ensure that it meets the recommendations set out in the LEP review. It should also outline any key milestones, risks and issues.

Note: Unless the LEP is making significant changes and needs to provide additional detail, Government does not expect the response to each recommendation to exceed 300 words.

DRAFT



Roles and Responsibilities

Recommendation:

We expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.**

Information required in implementation plan:

Within the implementation plan, the LEP should outline its plans to draft and publish an annual delivery plan by **April 2019** and an end of year report at the end of the **2019-20 financial year.**

Government will work with LEPs to develop qualitative and quantitative measures to report against. As you develop your Local Industrial Strategy, Government expects the delivery plan and end of year report to be linked to the progress of your Local Industrial Strategy. The implementation response should provide a commitment to adopt and report against agreed key performance indicators.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The South East Local Enterprise Partnership (SELEP) delivery plan for 2019/20 will be drawn from the newly agreed SELEP Strategic Economic Plan (SEP), the agreed outputs of the current Local Growth Deal and other local strategies such as the Skills Strategy until Local Industrial Strategies are in place and agreed with Government.

The SELEP SEP is built upon a robust evidence base and we believe it puts SELEP in a strong position to develop a comprehensive delivery plan for 2019/20. The delivery plan for financial year 2019/20 will be presented to the SELEP Strategic Board for consideration at its meeting on 22nd March 2019.

SELEP is committed to adopting and reporting against key performance indicators (KPIs). These will be integral to our approach for the delivery plan for 2019/20 and the end of year report for 2019/20.

The annual delivery plan will include:

- A detailed and well developed understanding of the local economic evidence base
- The economic development priorities / headline outcome indicators based on local priorities to bring benefit to people and communities
- The interventions and funding investments that will be made in 2019/20
- The key performance indicators, which can be used to assess the impact of the interventions
- The delivery plan will also set out the steps that will be taken to create a Local Industrial Strategy



We look forward to working with Government to ensure that the KPIs developed are those that track whether success is being made ‘on the ground’. The SELEP Board may choose to track additional KPIs beyond the requirements of Government. This will be considered once the KPIs required by Government are known. SELEP is committed to performance reporting which is clearly rooted in bringing value and evidencing the impact for the South East of economic growth programmes.

Performance against KPIs will be reported on a quarterly basis to Strategic Board meetings.

The South East Local Enterprise Partnership (SELEP) has produced an annual report every year up until 2016/17. We will build on this track record to develop our end of year report for 2019/20. This will be presented to the SELEP Strategic Board for consideration at its meeting in June 2020.

This will be followed by sharing the annual report more widely across the Federated areas of SELEP and at the Annual General Meeting in the summer of 2020.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- 7th December 2018**, SELEP Strategic Economic Plan (SEP) to be approved by Strategic Board
Timing to be provided by Government, Strategic Board to consider / agree with Government KPIs
- 22nd March 2019**, SELEP annual delivery plan to be considered by Strategic Board
- 5th April 2019**, annual delivery plan as considered by Strategic Board to be placed on SELEP website
- 28th June 2019, 4th October, 6th December, 20th March 2020** reporting of KPIs to SELEP Strategic Board
- June 2020** (date tbc), Annual Report for consideration by Strategic Board
- Summer 2020** (date tbc), sharing Annual Report at SELEP Annual General Meeting

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Delays from Government in developing KPIs;
- Engagement with the KPIs, for example if the KPIs do not resonate locally there could be limited engagement with the delivery plan amongst partners locally;



Resourcing requirements to track, present and planning in terms of the KPIs.

In terms of mitigations, for us, it is minimal as Government response times are beyond SELEP's control. As in section above 'LEP response', we look forward to working with Government to ensure that the KPIs developed are those that track whether success is being made 'on the ground'.

Leadership and Organisational Capacity

Recommendation:

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**.

Information required in implementation plan:

Within the implementation plan, you should outline your LEP's draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by **28 February 2019**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

Our Strategic Board is strongly of the opinion that our federated model gives us the unrivalled ability to reach out to businesses across the South East and engage and consult with the business community on a range of issues. We will use this extensive reach to ensure that there is comprehensive consultation with the business community before appointing a new chair and deputy chair.

Our approach of appointing a new Chair previously has previously included a twofold approach;

- Local engagement with the business community, working through and with the Federated Boards, our relationship and reach to local businesses. We will look to build this process and we will put into place an agreed, written process for any future appointments of the Chair.
- The appointment of an expert executive recruitment agency that is able to both utilise its own networks from a national pool of appropriate candidates and those networks established by SELEP. The agency would approach and encourage potential candidates to put themselves forward to apply for the role. We will expect the agency to engage with local Boards and groupings to develop a wide and representative long-list.

A fully considered process will be presented to Strategic Board for their consideration and agreement prior to the deadline of 28 February 2019.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

November 2018 – January 2019, consult with stakeholders on how best to engage businesses on the issue of appointment of a future new chair of SELEP

February 2019 SELEP Board (meeting to be scheduled for early/mid February), present policy / process for consultation of the business community before appointing a new Chair

Start of 2019/20 for the new process for consulting the business community before appointing a new Chair

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Timelines are at risk given all the other workstreams that will be underway to meet the same February deadline
- The same set of resource will be required to deliver, and the possibility of back-fill or external addition is improbable given the unspecified response time on the additional £200k and lead time for sourcing this resource

Recommendation:

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.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by **28 February 2019**. LEPs should also plan to have a Deputy Chair in place by **28 February 2019**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP has already introduced two-year fixed term tenures for all business representatives. Currently these terms can be extended with agreement of the Board. This will be further refined to clarify the process of extension. Each term can be extended for a further two years with agreement from Strategic Board following a review by the appropriate Federated Board, and then a further two years with a further review by Federated Board and agreement by the Strategic Board. At this point the post can only be filled through a full open recruitment via the agreed process.

In the private sector a three year plus three year model is often adopted. The proposed two plus two plus model proposed allows for two performance review points rather than just the one and gives the option of increased renewal of Board membership.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

April 2019, the new defined terms for members will be added to the terms of reference for the SELEP Board.

At the end of 2019/20, the review of Board members that are already appointed will be done on a rolling basis, one third of applicable posts per year starting at the end of 2019/20

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- The main risk continues to be the short time lines, the number of changes required to be implemented over the same timelines and the inter-dependencies of those workstreams
- Should Government not respond in a timely manner on this and the earlier Geography submission the likelihood of these risks occurring will increase
- Delays in the release of guidance on National Assurance Framework will further endanger the likelihood of all workstreams reaching target completion dates

Recommendation:

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

Information required in implementation plan:

LEPs must be accountable to their area and representative of the communities they serve. Therefore, within the implementation plan, your LEP should outline any changes you plan to make to the composition of the board to meet the review recommendations. As part of this you should outline:

- how your LEP plans to increase the private sector board membership to 2/3 private sector.
- how your LEP will ensure that the board does not exceed a maximum of 20 persons.
- arrangements for co-opted members (if applicable).

You should outline how your LEP plans to achieve this board composition over time, for example, in phases. LEPs should plan to have implemented any changes needed to board composition by **the end of the 2019-2020 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP is led by business. The federated model which SELEP operates allows a far greater number of businesses to be engaged with the LEP than a standard model could ever hope to. We do not believe that quotas or arbitrary limits drive business engagement but robust governance arrangements and conversations with businesses on their own terms about the issues that matter to them and affect their day-to-day lives.

We are also unconvinced of the argument for limiting Board membership. We are unable to find any examples of restriction of membership in any other models of Board governance in the public or private sector. Our current model of 28 Board Members has not prevented us from making strong decisions or implementing change.

We are concerned about the reduction in local authority representation in the proposals. Local Authority partners have played a pivotal role in the success of LEPs to date and the potential reduction of their representation on the Board to one third of members may not only undermine the democratic mandate of an organisation allocating large values of public funding but also damage the relationship

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.

between LEPs and Local Authorities.

We are committed to having the right people at the table and, on that basis, we will look to retain our current membership. This is a Board of 28 permanent members. With 15 private sector representatives (54%), and 13 public sector representatives (46%). We believe this model, with a business majority and a balanced partnership position, provides proportionate representation of local authority members. SELEP has a track record of delivery.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Recommendation:

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.

Information required in implementation plan:

Within the implementation plan, your LEP should outline how you will demonstrate the work that you will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework.

All LEPs should aspire to achieve gender balanced boards. The implementation plan should include detail on plans to:

- Take action to ensure that at least one third of the LEP's appointed board members are women by **the end of the 2019-2020 financial year**.
- Take action to ensure equal representation of men and women on boards by **the end of the 2022- 2023 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP is totally committed to increasing diversity of its Board and other decision making panels. Limiting terms and number of terms held will assist in bringing through new talent. SELEP will not be using quotas but will work with businesses to engage female business owners/leaders to come forward.

SELEP will adopt a voluntary code of conduct to address gender diversity and best practice, with regard to search criteria for more diverse representatives across its Boards and working groups (based on FTSE 350 companies model).

The independent SELEP Secretariat will offer more support to those business owners who have not been involved before and that should hopefully include a wider diversity of candidate pool for new board members. We will work through our growth hubs to widen the pool of businesses interested in and enthused about how they can bring their skills to the LEP agenda.

SELEP will work with the Equalities and Diversity function of the Accountable Body to build an approach.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

March 2019 develop a voluntary code of conduct to address gender diversity and best practice

Work with Growth Hubs and Federated Board to identify next generation of Board members and offer support in building skills now

To report on progress / the timelines as per this recommendation to the Strategic Board quarterly

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Business stock is overwhelmingly SME and very much weighted towards the smaller end of the spectrum, greater uncertainty for the economic outlook may preclude involvement from some business owners.

Recommendation:

Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. You should outline the timeframe in which your LEP expects to have this secretariat in place.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP already has an independent Secretariat. Whilst the Secretariat are employed by a local authority, this is to reduce the overhead costs of employment. To ensure impartiality, a Chinese Wall is in place between the Secretariat and the rest of the Authority. The Secretariat are not responsible to Full Council and do not report to the Executive Director with responsibility for economic growth. The employment of staff is on a pay and rations basis and the SELEP Managing Director does not have a substantive post within the Essex County Council establishment and is accountable to the Chair and the Strategic Board for performance.

SELEP Secretariat has a strong commitment to be working across all areas of SELEP and works closely with the local authority leads, for example through the Senior Officer Group. We will look to develop these links further. This will include discussions about how the local leads could become more integrated into the Secretariat. To encourage greater engagement across the geography the Secretariat will explore different options around space sharing with partners so that Secretariat can have a physical presence in different parts of the geography on a regular basis.

The Secretariat believes that it can and does provide independent advice free of influence from the hosting authority and will continue to do so. SELEP Secretariat is the secretariat for all Board members and as a part of a refreshed Board induction process we will consult with our non local authority members to devise a model of support that works for them.

Government could allow for truly independent LEP Secretariats by providing sufficient funding for secretariats to operate without requiring additional funding from local authorities. Likewise, the requirement for local authority match funding for core funding from Government seems to be contradictory to a requirement for full independence.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Jan / Feb 2019, consultation with non-local authority stakeholders early in the new year

April 2019, new Board Induction pack launched at the same time as revised Board structure goes live

April 2019, Board members to go through an induction process on a rolling basis over the next 12 months

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Resourcing and timeline risk stills exist
- Government continuing to require contributions from local authorities to running costs of Secretariat could undermine the independence
- Insufficient funding of Secretariats in the future will limit capacity

Accountability and Performance

Recommendation:

Government will **support all Local Enterprise Partnerships to have a legal personality.**

Information required in implementation plan:

Within the implementation plan, you must outline your LEP's plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by **April 2019**². Government will provide further advice to LEPs on incorporation.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP's current arrangements with a Strategic Board, Accountability Board and Federated Boards work

² Where changes to geographies have been agreed, LEPs and Government will agree an appropriate timeframe for incorporation.

well and we believe can work within an incorporated model. SELEP is keen to maintain and develop further transparency in the way the LEP works and build on our strong track record of delivery.

SELEP commits to adopting a legal personality. However, it is necessary that proper process is followed, and due diligence completed. The establishment of private company is not onerous within itself, but there are many options and considerations to be made before the correct model of private company can be selected.

Work will begin on assessing the different options and working up potential models for both how the proposed options can interact with the Accountable Body and how transition can be made from the current arrangements. However, this work will be limited until a response is received from Government on both the geography submission and this second submission.

We cannot build governance structures within the new entity until we know that the proposal on Board composition is agreed.

There is much work to be done, but currently at the highest level we believe the workstream will flow as follows:

- Assessment of types of entity (currently underway with the LEP Network)
- Canvassing views from key stakeholders of what is acceptable; especially the Accountable Body
- Developing detailed models, including understanding the transactional flows of money, risk and responsibility, ownership and tax liabilities for a short list of options
- Developing outline transitional arrangements for each option, including identification of key risks during transition and post implementation
- Exploration of solutions required post implementation including financial systems, etc, so that a fully costed optional appraisal can be constructed for presentation to Board
- Consultation on potential options with key stakeholders
- Options presented to Board for decision (depending on options selected, there may be a requirement for decisions to be taken through local authority governance in advance of a Board decision, this will need to be tested)

Based on this workstream, which is drawn together based on previous experience of establishing other similar vehicles, it is estimated that it would take approximately **nine months** from the point at which Government makes a response through to a Board decision. There would need to be further period of implementation/transition following decision but it is not possible to quantify that period until the impact of potential options have properly been considered.

If a response is made before Christmas, the Board will be presented with options at their meeting in October 2019. If there are delays to receiving a response the decision point will necessarily slip too.

SELEP will ensure that a value for money model is selected and will work to limit the inevitable increase in overhead that will result from this change.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

The key milestones are as laid out above:

- Assessment of types of entity (currently underway with the LEP Network)
- Canvassing views from key stakeholders of what is acceptable; especially the Accountable Body
- Developing detailed models, including understanding the transactional flows of money, risk and responsibility, ownership and tax liabilities for a short list of options
- Developing outline transitional arrangements for each option, including identification of key risks during transition and post implementation
- Exploration of solutions required post implementation including financial systems etc so that a fully costed optional appraisal can be constructed for presentation to Board
- Consultation on potential options with key stakeholders
- Options presented to Board for decision (depending on options selected, there may be a requirement for decisions to be taken through local authority governance in advance of a Board decision, this will need to be tested)

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Work cannot begin in earnest until Government has made its response to both LEP Review submissions. Incurring costs for abortive work would contravene current Local Assurance Framework requirements
- **Substantial delays on response from Government will put the October 2019 decision deadline in jeopardy**
- A lack of guidance from Government may result in a structure that is not fit for future purpose
- Whilst the £200K additional funding is welcome, if this is restricted to application within the 2018/19 financial year it will be of little use. The additional costs are likely to be incurred post March 2018
- It is highly likely that this model will incur additional overheads over the current operating model. The functions of the Accountable Body will continue and require funding and the legal entity will also have an overhead cost. If these additional costs are not funded centrally this will reduce the operational capacity of the Secretariat
- Businesses' readiness and capacity to take on any new responsibilities they have as part of the move to a legal entity

Recommendation:

Local Enterprise Partnerships will want to identify a **single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

Information required in implementation plan:

Within the implementation plan, you must outline how your LEP plans to adopt a single Accountable Body within each area that is responsible for all Local Enterprise Partnership funding. You should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements³. LEPs should have a single Accountable Body in place by **Spring 2020**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The South East LEP already has a single Accountable Body, Essex County Council. At its Strategic Board meeting held on 25 October 2018, SELEP indicated its intention to continue in this arrangement with ECC and ECC confirmed it was also content to continue.

A timely response from Government on the proposed revision to overlaps is necessary so that planning can be put into place to manage those projects currently in flight in the overlap areas that are managed by the other LEPs – it is assumed that if there is to be one Accountable Body, this funding will have to transfer to Essex County Council.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

A single Accountable Body is already in place for current SELEP funding.

If the Government respond on the overlap issue in line with the SELEP's submission, SELEP Secretariat and Essex County Council will work with Coast to Capital LEP and GCGP LEP and their respective Accountable Bodies to transfer funding for projects in those areas. The timeline for this transfer cannot be stated until Government response on overlaps is known.

Key risks and/or issues

³ LEPs should outline where programmes, such as Enterprise Zones, will continue under existing Accountable Body arrangements.

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Changes to the legal structure of the LEP will impact on the relationship with the Accountable Body and the Accountable Body must be content that any new structure does not increase the Accountable Body's risk exposure. If it does, ECC may choose to withdraw from the role and it would likely be difficult to find a replacement Accountable Body in those circumstances
- A clear decision on overlaps is required from Government as soon as possible so that discussions with other parties can commence. Any delay will put a transfer at risk.

Recommendation:

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 properly promoted.**

Information required in implementation plan:

Within the implementation plan, your LEP must commit to hold an annual general meeting; open to the public to attend. Your LEP should hold its first/next public Annual General Meeting in **the 2019-20 financial year.**

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.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP already exceeds the requirements for this recommendation. All Strategic Board, Accountability Board and (following inception) Investment Panel meetings are open to the public and businesses. SELEP conducts its business and makes its decisions with true openness and transparency.

From September 2018, Strategic Board meetings are recorded. All businesses and indeed members of the public are encouraged to attend any meeting of the SELEP. SELEP does not operate on a paid membership basis.

An annual general meeting has been held in previous years and plans will start shortly for the 2019 AGM. SELEP commits to extending this AGM by inviting directly all businesses engaged through the federated board structure and issuing an open invitation to all businesses through our extensive business network.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

The AGM is generally held in July for each year, the suitability of the timing of the 2019/20 meeting will be discussed and agreed with Strategic Board but will be held within that year.

At least 2 months notice of the AGM will be given.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The number of workstreams over the same timelines and the inter-dependencies of those workstreams.

Recommendation:

We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework. These arrangements should be put in place for **the 2019-20 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

SELEP already sets out clearly responsibilities of the Chair, Board, Director and Accountable Body within its local Assurance Framework. A revised draft National Assurance Framework is due in the autumn of this year. Following the issue of this document from Government, SELEP will review and update its local Assurance Framework.

The review will include a consideration of the responsibilities of all roles with the SELEP governance framework. As governance changes are implemented as we move through the LEP Review recommendation implementation, consequent changes to roles and responsibilities will be reflected in the local Assurance Framework.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Changes approved by February 2019 will be reflected in the Local Assurance Framework for financial year 2019/20, other changes will be reflected in later iterations.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- Currently there are no indications of revised requirements from the National Assurance Framework which have been shared with LEPs or Accountable Bodies. If these are numerous or onerous, this presents a risk to this workstream as the same members of staff will need to enact all changes
- Late issue of the National Assurance Framework will further endanger the ability to comply with expected timescales

Recommendation:

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.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer. LEPs and S151 Officers should refer to forthcoming guidance from CIPFA on the role of the S151 Officer.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The SELEP Accountability Board decisions are currently subject to scrutiny and call in by any of the constituent local authorities and SELEP believes that this offers the best of external and democratic scrutiny. SELEP has also been invited to attend scrutiny panels at a number of district councils and will always appear before such panels.

The future scrutiny arrangements will be dependent on the option selected for the legal personality, but SELEP will work closely with the Accountable Body, and the upper tier authorities to agree scrutiny and oversight procedures as that workstream develops.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

The SELEP Secretariat and the Accountable Body will work together to produce an oversight and scrutiny process. This will need to develop alongside changes to legal structures.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The key risks / issues we have identified are:

- The legal structure adopted by SELEP must be constructed in a way that allows full, democratic scrutiny of decisions, this is likely to complicate the legal personality workstream
- Currently it is not clear how an external scrutiny provision will work within a private company as private company structure does not allow for scrutiny for Board decisions, the Board's decision is final. There is a risk that adopting private company structures erodes levels of scrutiny and the Nolan Principles are endangered. We look forward to working with Government in addressing th

LOCAL ENTERPRISE PARTNERSHIP 2018-19 ADDITIONAL FUNDING FORM

LEPs should complete Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide enough level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review. These proposals should be submitted LEPpolicy@communities.gsi.gov.uk copying in your Area Lead.

1. Name of Local Enterprise Partnership	South East LEP (SELEP)
2. Key contact at Local Enterprise Partnership (name, email, and telephone number)	Adam Bryan, adam.bryan@southeastlep.com , 07884 475191
3. Name and address of Accountable Body	Essex County Council, County Hall, Chelmsford, Essex
4. Level of additional funding being sought (up to £200,000).	£200,000

5. Local Enterprise Partnership additional funding requirements.

Please set out in the table the key elements of the partnership's additional budgetary requirements by March 2019 to support the funding request of up to £200K.

£	Description – activities/resources	Why? The capability gap that it is addressing
£62,000	Interim Project Manager recruited by end of Nov 2018 – extending through to Sep 2019	There are multiple workstreams developing to be managed to implement the LEP Review recommendations. Currently there is no capacity within the Secretariat to manage this process. This additional resource will help mitigate the risk of over-extended resources
£12,000	Legal and other technical advice on incorporation	Whilst SELEP will utilise generic legal advice that has been procured via the LEP Network and will access other guidance from Government, it will be necessary to take advice on the specifics and the impacts of the potential options for SELEP
£15,000	Additional costs to be incurred by the Accountable Body	The additional workload resulting from the LEP Review within the Accountable Body will be recharged to SELEP. There is not sufficient funding within local authorities to absorb these costs.
£60,000	Recruitment of in-house data analyst in November/December to support the construction of LIS evidence base – through into financial year 2019/20	The requirement to construct an evidence base to support the LIS will need additional resource. The evidence base will be wider, broader and more detailed than anything produced before. This is a full cost, including on-costs
£51,000	Recruitment of in-house stakeholder support plus funding for stakeholder events, engagement and consultation	Additional capacity and capabilities required to support the development of a LIS evidence base and the early stages of LIS policy development
Total: £200,000		

6. Provide confirmation that the Local Enterprise Partnership has a clear plan of activity to implement and communicate reforms in alignment with the LEP review policy statement.

7. Signature of Local Enterprise Partnership Chair

Printed:

Date

8. Signature from section 31 accountable local authority

Date