

CABINET MEMBER DECISION

Date of decision – 15 APRIL 2024

TRANSFER OF LOCAL ENTERPRISE PARTNERSHIP (LEP) FUNCTIONS TO THE COUNCIL

Relevant Cabinet Member

Councillor Marc Bayliss, Cabinet Member for Economy, Infrastructure and Skills

Relevant Chief Officer

Strategic Director for Economy and Infrastructure

Recommendation

- 1. The Cabinet Member with Responsibility for Economy, Infrastructure and Skills recommends:**
 - (a) The approval of the transfer of Worcestershire Local Enterprise Partnership (WLEP) functions set out in this report to the County Council from 1st April 2024**
 - (b) Acknowledgement of the commitments associated with the Government funding provided to support the LEP integration, including the functions.**
 - (c) The County Council maintains the current governance arrangements with respect to financial and decision-making powers related to the Worcestershire Local Enterprise Partnership, until March 2025, as a minimum.**
 - (d) Confirms that the Strategic Director for Economy and Infrastructure has delegated authority to exercise the Council's Local Enterprise Partnership functions as part of the function of Economic Development from the 1st April 2024.**

Background

- 2. The Levelling Up White Paper was released by Government in February 2022 and set out a very clear direction of travel for Local Enterprise Partnerships (LEPs). The White Paper made it clear that government anticipated that “all LEPs will eventually fully integrate into local democratic institutions in line with our mission to offer a devolution deal to everywhere that wants one by 2030”.**
- 3. At Spring Budget 2023, the Chancellor announced that the Government was ‘minded to’ withdraw central government support (core funding) for Local Enterprise Partnerships (LEPs) from April 2024 and transfer their functions – namely, business representation, strategic economic planning, and the delivery of government**

programmes where directed – to local authorities or where applicable Combined Authorities.

4. In preparation for LEP integration into Worcestershire County Council (WCC), the LEP Chief Executive was seconded from April 2022 to the role of Interim Assistant Director of Economy. Following a decrease in WLEP core funding from Government, an increase in the Council's base budget of £0.1m was approved for 2022/23 onwards to enable the role to be joint funded by WLEP core funding and local authority base budget.

5. The Government will now support local and combined authorities to take on the functions currently delivered by LEPs. Where not already delivered by a combined authority, or in areas where a devolution deal is not yet agreed, the Government expects these functions to be exercised by upper tier local authorities.

6. Alongside this decision, government have published technical guidance for LEPs and local authorities to support them through this policy change. Within this technical guidance the upper tier authority is free to continue the existing model, should it wish to do so.

7. The County Council has always operated as the Worcestershire LEP Accountable Body, therefore providing financial and legal oversight of decision-making process and ensure compliance with legal and statutory obligations. The Board and wider partners across local government, business and education remain committed to the partnership.

8. The Worcestershire LEP completes an Annual Performance Review across its three operational themes of Strategy, Governance and Delivery. The assessment by Government is that the Worcestershire LEP has met all the expectations set by the Assurance Framework and not raised any concerns about its operational processes.

9. Confirmation has been received that Central Government will confer responsibility on the County Council for LEP functions, and that Government will provide financial support for 2024-25. Funding beyond 2024-25 financial year is subject to future comprehensive spending reviews.

10. The proposals assume central government funding for Growth Hub, Careers Hubs through the Careers and Enterprise Company and Skills Bootcamps delivery will be committed to the council in 2024/25 and that funding beyond 2024/25 would be subject to future comprehensive spending reviews. The expectation for the County Council is that these operations continue to be managed in the current operational format for 2024/25 onwards, subject to government funding continuing.

11. Local Enterprise functions will be operationally overseen by the Strategic Director of Economy and Infrastructure as part of their Economic Development area of responsibility. As the delivery of the function is changing with the insourcing to the County following the government changes, it is recommended to update the delegation to officers to ensure continuity. The existing WLEP Board will continue to function but as a consultative forum to help inform decision by the Council on LEP functions. The practical scope of the officer delegation is as follows.

'To the holder for the time being of the post of Strategic Director for Economy and Infrastructure, in consultation with the Cabinet Member with Responsibility for Economy, Infrastructure and Skills, to take all decisions on behalf of the Cabinet acting as the Executive which are necessary to endorse and to implement the recommendations of the Worcestershire Local Enterprise Partnership (WLEP) Board in relation to the WLEP's functions. This delegation includes to undertake procurement approving orders up to the value of £5m. For the avoidance of doubt, this primarily relates to dedicated funding streams for LEP activities. It does not alter the decision-making governance for projects which the Council is to deliver or significantly contribute towards. These are matters for the Cabinet which remains responsible for the use of the Council's own financial resources and the delivery of the LEP supported projects.

Legal, Financial and HR Implications

12. Core Government Funding for WLEP has been confirmed at £240k for 2024/25, a marginal decrease from the £250k allocated for 2023/24. WLEP functions are also supported by contributions from the County Council's base budget (£190k per annum). This is not expected to change for 2024/25 and future funding of the WLEP's operations will be reviewed based on the availability of funding streams.

13. WLEP reserves are also held to support projects and operations undertaken by the WLEP, including a element for potential future redundancies. These have been generated by previous WLEP surpluses and receipt of WLEP grants. The total value of the WLEP general reserve and the reserve for projects (Growing Places Reserve) at the start of this financial year was £2.1m and forms part of the County Council's balance sheet.

14. The information contained within this report, and its subsequent decision to transfer responsibilities to the County Council, has no direct positive or negative financial implications for the County Council.

15. The LEP function is to be transferred to the Council, which is currently the Accountable Body for the WLEP. Continuity of service provision (where applicable by third parties) and TUPE implications require addressing as part of the transition.

16. Where identified employees carrying out the LEP function will TUPE to the Council in line with Transfer of Undertakings (Protection of Employment) Regulations 2006 and its amendment in 2014.

Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

17. An initial analysis of the impact of this transfer of LEP responsibilities, on the nine protected characteristics listed in The Equality Act 2010, has been undertaken. This analysis did not identify any potential differential or negative impacts requiring further assessment during implementation. Further information is provided in Appendix 1.

18. The Worcestershire Local Enterprise Partnership has operated since inception, using a well-established Local Assurance Framework (LAF), which has ensured

robust, open, and transparent governance arrangements and decision-making processes, which take our Public Sector Equality Duties into consideration..

19. WLEP have consistently satisfied central government's independent scrutiny of these arrangements on an annual basis, via the Annual Performance Review process.

20. This proposal to transfer LEP functions to the Council ensures continuity of the existing service arrangements; and as these are continuing delivery arrangements already in place via Worcestershire County Council as the accountable body for WLEP, there is no expected negative impacts related to sustainability or data protection.

Supporting Information

- Appendix 1 – Equality Impact Assessment analysis statement

Contact Points

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Strategic Director for Economy and Infrastructure) the following are the background papers relating to the subject matter of this report:

[Correspondence re Transfer of LEP core functions](#)

[Guidance re LEP integration functions into local democratic institutions](#)