

# HEY LEP Employment & Skills Board

25<sup>th</sup> April 2022

## Paper E – Integrating the functions of LEPs into local democratic institutions

### **1. Summary**

- 1.1. This paper updates the board on recent guidance from government on integrating Local Enterprise Partnerships into local democratic institutions (full guidance at appendix 1).

### **2. Recommendations**

- 2.1. The board notes the contents of the report and the implications for the LEP, the Employment & Skills team and the Employment & Skills Board.

### **3. Report**

#### **3.1. Integrating the functions of LEPs into local democratic institutions**

- 3.1.1. A letter providing guidance on the process for integrating the functions and role of LEPs into local democratic institutions following the policy announcement made in the Levelling Up White Paper has been published (see appendix 1).
- 3.1.2. The guidance builds upon the White Paper and LEP review and outlines government's plans for the evolution of LEPs. It marks the beginning of the transition of LEPs' functions and roles into local democratic institutions.
- 3.1.3. The guidance sets out the principles of future LEP policy but allows some flexibility to accommodate local circumstances. These local circumstances will shape the immediate next steps for LEPs as well as their future role.
- 3.1.4. The guidance does not set out how integration will play out for individual LEPs but does establish parameters and principles to guide LEPS and local democratic institutions, working with government, through the transition.
- 3.1.5. The guidance also details the level of core funding all LEPs are to receive for the financial year 2022/23. All LEPs will be funded at a rate of £375,000 for the 2022/23 financial year reflecting their revised role and functions subject to business case approvals. This equates to a reduction in funding of £125,000 compared to previous years.
- 3.1.6. The HEY LEP Executive Team is considering the implications of the funding settlement and liaising with local authorities regarding the establishment of a Combined Authority and the "folding in" of the LEP into this new local democratic model.

3.1.7. The guidance sets out the government's expectation that the functions of integrated LEPs will include:

- Embedding a business voice into local democratic institutions
- Strategic economic planning
- Continue to deliver a number of functions on behalf of government departments which at the present juncture include:
  - Growth Hubs
  - International trade and investment activity
  - Local Digital Skills Partnerships
  - Careers hubs
  - Local skills analysis via Skills Advisory Panels
  - Monitoring and assurance