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Dear Member

## **CABINET - FRIDAY, 2 FEBRUARY 2024**

I am now able to enclose, for consideration at the Friday, 2 February 2024 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
7.	<b>Local Enterprise Partnership (LEP) Transition Plan</b>	(Pages 2 - 22)

Yours sincerely

Lisa Antrobus  
Clerk

**Meeting:** Cabinet **Date:** 2<sup>nd</sup> February 2024

**Wards affected:** All Wards

**Report Title:** Local Enterprise Partnership (LEP) Transition Plan

**When does the decision need to be implemented?** 1<sup>st</sup> April 2024

**Cabinet Member Contact Details:** Cllr Chris Lewis, Cabinet Member for Place Development and Economic Growth, [chris.lewis@torbay.gov.uk](mailto:chris.lewis@torbay.gov.uk)

**Director Contact Details:** Alan Denby, Director of Pride in Place, [alan.denby@torbay.gov.uk](mailto:alan.denby@torbay.gov.uk)

## 1. Purpose of Report

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1.1 This report is seeking Cabinet approval of the Heart of the South West (HOSW) Local Enterprise Partnership (LEP) Integration Plan and the transfer of LEP functions to the Council as set out in the plan by 1st April 2024. This decision will be implemented by entering into agreements with Somerset, Devon and Plymouth Councils to underpin the transfer of functions and fair distribution of assets and resources ensuring no Council is placed at a disadvantage or is required to deliver additional responsibilities without sufficient revenue and capital resource to discharge the responsibilities. The agreements will be finalised by the end of March 2024 in advance of any transfer of function and final sign off of these agreements is proposed to be delegated to the nominated Directors and Cabinet Member in the recommendation.

## 2. Reason for Proposal and its benefits

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- 2.1 In the Spring Budget Statement 2023 Spring Budget 2023 Government set out its intentions regarding the future of Local Enterprise Partnerships (LEPs). It expressed a minded to decision to withdraw central funding from LEPs and transfer LEP functions into upper tier local authorities or combined authorities.
- 2.2 Following an information gathering exercise, Government confirmed in August 2023 it would cease its sponsorship and core funding of LEPs from April 2024 and provided technical guidance on integrating functions into upper tier authorities or devolved administrations. The guidance indicated that the transfer of assets was a local matter for LEP Boards and their accountable bodies to resolve.
- 2.3 Government invited local authorities to develop and submit a draft integration plan in November with the intention that the integration of functions would be completed from 1<sup>st</sup>

April 2024. Wherever possible, government expects local authorities to work together to deliver LEP functions across whole county geographies or functional economic areas with a minimum population of 500,000, in line with the geography principles set out in the Levelling Up White Paper. In areas where there is not yet a devolution deal either agreed or under negotiation, government expects LEP functions to be exercised by the respective upper tier local authority or authorities.

2.4 The decision to approve the LEP Integration Plan will support the continuation and strengthening of the Councils ability to deliver with its partners the following strategic objectives and priorities of Torbay Council:

- We want Torbay and its residents to thrive.
- We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.
- We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

### 3. Recommendation(s) / Proposed Decision

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3. It is recommended that Cabinet:

- a) Approves the proposed Integration Plan and the Heart of the Southwest Local Enterprise Partnership (HOTSWLEP) transfer of functions into the Council by 1<sup>st</sup> April 2024.
- b) Delegates to the Director of Pride in Place in consultation with the Cabinet Member for Place Development and Economic Growth and the Director of Finance a transfer arrangement and agreements with Somerset, Plymouth and Devon councils that cover operational implementation of the LEP functions, and the allocations of LEP residual funding, resources, and assets to the four upper tier councils.
- c) Delegates to the Director of Pride in Place in consultation with the Cabinet Member for Place Development approval of any minor changes to the Integration Plan.
- d) Approves the submission of a business case for Torbay, including Plymouth and Devon to bid for transitions funding from Government up to £240,000.

## Appendices

Appendix 1: HoSW LEP Integration Plan

## 1. Introduction

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- 1.1 Local Enterprise Partnerships (LEPs) have played an important role in supporting local economic growth since 2011. LEPs have brought together businesses, educators, and local government, locally and cross-regionally, working towards the government's ambitions to support regional growth. Since the publication of the [Levelling Up White Paper](#), government has made strong progress on extending devolution across England and remains committed to empowering local leaders by integrating LEP functions into local democratic institutions.
- 1.2 The HOTSWLEP was established in 2011 covering Somerset, Devon, Plymouth, and Torbay. HOTSWLEP is a privately-led organisation with a Board of private and public directors and Somerset Council acts as its Accountable Body. Whilst incorporated as a CIC, the LEP is a dormant company and has filed nil returns with Companies House since established. Somerset Council has reported the LEPs funding and assets within its accounts. All public spend administered by the LEP Board and its Operational and Investment Committee is governed by an Assurance Framework and by Somerset Council's Standing Orders. DLUCH monitor the LEPs compliance and performance against this Assurance Framework.
- 1.3 The Integration Plan has been agreed with Government and developed by the upper tier authorities with engagement from the HOTSWLEP's executive. The Integration Plan has been developed in accordance with the technical guidance issued by the Department of Levelling Up, Communities and Housing (DLUCH). An opportunity to develop a bid in the form of a business case for up to £240,000 (based on each area being above 500,000 population). was included in the latest guidance to local authorities and approval to submit a funding case for Torbay in partnership with Devon and Plymouth Councils is proposed.
- 1.4 Whilst LEPs can choose to continue to operate as a private entity, the functions of business representation, strategic economic planning, and responsibility for delivering Government directed programmes are required to be transferred to a top tier local authority, or top tier authorities, or combined authorities as part of a devolution deal depending on local circumstances.
- 1.5 Details of the functions to be transferred have been set out in the paper and cover business voice, economic planning, and specific government programmes such as the Growth Hub and Career Hub. The four upper tier authorities have considered alternative options as set

out in this report and the recommended approach is considered to achieve a smooth transition that meets Government's stated timescales. Affected staff have been consulted by their employer and local authority staff have been engaged. Legal advice and engagement with the Community Interest Company Regulator have been undertaken by Somerset Council as the LEP's Accountable Body.

- 1.6 A consultation is currently underway to establish a Combined County Authority (CCA) covering Devon and Torbay. At the point that a CCA is established it is expected that the majority of LEP functions transferred to the Council will transfer into the CCA. The current timescale for the establishment of the CCA is expected to be December 2024 and remains subject to the outcome of the current consultation, Cabinet and Full Council decisions and secondary legislation.

## 2. LEP Integration Plan

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- 2.1 Having considered the guidance from Government, and the progression of a devolution arrangement for Devon and Torbay, the upper tier authorities within Somerset, Devon, Torbay and Plymouth agreed for LEP functions to transfer to each of the Councils and to develop and submit a single integration plan. Whilst functions would transfer to each authority, the Councils will continue to collaborate building on the strong working relationships held to ensure functions are delivered across an appropriate functional economic area. All Councils have existing economic departments and can align LEP functions alongside these Services.
- 2.2 The attached plan provides for a collaborative and smooth transition, within the timetable set down by Government whilst recognising some of the complexity of moving to a different delivery structure. It also recognises the development of a devolution arrangement in only part of the area. As significant partners within the LEP and already operating several of its functions, programmes and activities, the teams within the four local authorities are well placed to ensure continuity of contracts and that momentum is maintained. The partners, the LEP and its Accountable Body have worked through current LEP commitments and contracts, supporting the continuation of several valued programmes and activities, and aligning these with local authority priorities.

### 2.3 LEP Functions to transfer

- 2.3.1 The Plan covers the following core functions as defined by Government and which will transfer on 1<sup>st</sup> April:
- Business Voice
  - Strategic Planning and Evidence
  - Government Directed Programmes

In addition, the LEP Board has developed other significant projects and programmes and these will also transfer.

- 2.3.2 The business voice will continue through the establishment of Economic Growth Boards in each of the local authority areas. In Devon it is proposed to work with Torbay to set up a Business Council to act as the Economic Growth Board for the two local authorities. The Devon and Torbay Business Council will be part of the shadow governance arrangements to support the creation of the CCA. It will work and engage with the existing Growth Board in Plymouth and alongside new arrangements being established in Somerset.
- 2.3.3 The private sector Board Members who sit on the LEP Board have all been recruited for their skills and expertise through an open process. They have played a key role in guiding the LEP and its achievements and these individuals will be approached and asked to consider continuing to work with the local authorities through the Growth Boards and Devon and Torbay Business Council.
- 2.3.4 The remit of the proposed shadow Devon and Torbay Business Council will include:
- shape and support an economic evidence base and provide insight to underpin Economic Strategies and setting of growth / sector priorities.
  - have oversight of the development, and implementation, of Economic Strategies, including sector development activities
  - have an overview of monitoring, and reporting, of LEP legacy projects and programmes – including capital schemes, business support and digital skills, supporting accountability and reporting into Government.
  - provide peer support and networking and support joint strategic outcomes across the four local geographies with the Boards collectively meeting at least twice a year.
- 2.3.5 In terms of economic planning and evidence base, work will be undertaken to support a new economic strategy for Devon and Torbay building on current economic plans and the LEP's Build Back Better Strategy. Priorities set out in the Local Industrial Strategy will also be revisited and updated considering new and emerging sectoral opportunities. The current economic performance, challenges and global context will form the basis of setting a new evidence business, alongside business insights from across the business sector and consideration of national policy. As stated above economic strategy and planning will be guided by the proposed Devon and Torbay Business Council. The economic development services from Torbay and Devon already have expertise and staff who are responsible for undertaking economic analysis, strategy development and implementation. These teams

will work together to support the shadow Business Council oversee the drafting of revised economic plans.

2.3.6 The LEP is currently responsible for key functions directed and funded by Government. These include the HOTSW Growth Hub and Careers Hub. Both of these services are delivered by the Devon County Council under a contract from Somerset Council. In the case of the Careers Hub this is delivered for Devon, Plymouth and Torbay, with Somerset operating its own Careers Hub. Devon County Council already employs the staff delivering these services. As set out in the Integration Plan the current arrangements are proposed to continue for the duration of the committed funding to deliver a seamless set of services. The Councils will work together to secure further and extended national funding.

2.3.7 The LEP has commissioned several business support and skills programmes that will continue beyond March 2024. These include a Digital Business Support Programme and a Digital Skills Programme. Devon County Council is delivering these contracts across the HOTSW area. As set out in the Integration Plan these will continue under the current arrangements, with performance and monitoring of these contracts being undertaken by the Growth Boards and shadow Devon and Torbay Business Council.

2.3.8 There are several sector support programmes being delivered by the LEP via local authority partners. These include:

- Marine sector
- Food and Farming sector
- Aerospace and Aviation sector
- Nuclear sector
- Clean Growth sectors

The local authority partners are developing a position on each of these which will be set out as part of the local authority agreement by the end of March and considering sufficient residual LEP funding being available. Staff employed by local authority partners or through the LEP are being engaged by their employer as part of this process.

## **2.4. Proposed approach to transfer of LEP assets and resources.**

2.4.1 The distribution of any capital and revenue sums will be distributed in a fair and equitable way between local authority partners. Once the assets and revenue sums have been finalised the authority partners will set this out in an agreement. Any sums transferred will support the delivery of economic priorities developed by the shadow Business Council.

## 2.5. Next Steps.

2.5.1 Milestones to prepare for the transition of functions is set out in the proposed Integration Plan. The key next steps are:

February	<ul style="list-style-type: none"><li>• Local Authority Cabinet decisions will be taken to approve the integration plan.</li><li>• Continuation of communication with projects, contractors and key stakeholders outlining end date of funding/contracts and continuity arrangements as appropriate.</li><li>• Economic Growth Boards / Shadow Business Council developed.</li><li>• Local Authority Officer Group operational with agreements on operational implementation and asset allocation developed.</li><li>• Accountable Body to confirm end of contracts and Service Level Agreements; confirm continuity arrangements for legacy programme management and Accountable Body services as appropriate.</li></ul>
March	<ul style="list-style-type: none"><li>• Closure of ceased functions including website and social media.</li><li>• Functions and activities will transfer to appropriate upper tier local authorities by 31 March 2024 underpinned by local authority agreements.</li></ul>
April/May	<ul style="list-style-type: none"><li>• Accountable Body to confirm end of year financial outturn and transfer outstanding legacy funding.</li><li>• Completion of returns and assurances to Government, as appropriate.</li><li>• Continuation of PMO function for monitoring and reporting against investment programmes as appropriate.</li><li>• Continuation of relevant Accountable Body functions.</li><li>• Review process for submitting business case for ongoing Growth Hub funding.</li></ul>

## 3. Options under consideration

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3.1 The following options were considered by the Council and its partners to support the integration of LEP functions as directed by government:

- a) Retain the LEP until devolution arrangements are in place across the area.  
This option was not considered viable given that there are different devolution arrangements moving forward at different timescales across the Heart of the South West area. This would create a staggered integration process creating uncertainty for businesses, staff and local authorities. This would also not meet the intentions set out by Government in its guidance. Further the process and timescales for the devolution proposals in Devon and Torbay remain subject to consultation, Council sign off and



legal processes. The current timescales could therefore slip leaving uncertainty for staff, contractors and local authority partners.

- b) Transfer the functions to one local authority partner to deliver on behalf of all four partners. This option was discounted as it would not support the Devon and Torbay devolution arrangement and proposals emerging in Somerset. Meeting the criteria of a functional economic area was also set out by government, and broadly Devon and Somerset can be considered functional areas, with blurred boundaries. The recommended approach recognises local variations across the two broad functional economic areas and provides the opportunities of collaboration and generating economies of scale. It also supports the whole area move forward with devolution at separate timescales.

## 4. Financial Opportunities and Implications

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- 4.1 Agreement on the transfer of assets and resources is under development by the Council and its local authority partners. The principle of the agreement is that no local authority is placed at a disadvantage and that no additional costs or financial burdens are taken on by any local authority partner. A fair and equal distributions of assets to support the delivery and implementation of the Integration Plan is proposed.
- 4.2 The current estimate is that there will be sufficient revenue residual revenue funding to support the continuation of the directed Government services, namely the Growth Hub and Careers Hub up to their current contract terms. The partners will work together to secure ongoing resources for the HOTSW Growth Hub and enter into a new agreement for the delivery of this Service with the County Council once funding is secured.
- 4.3 The proposal includes bidding for Government funding to support the integration and transfer of LEP assets. Currently there is no information on the timescales or requirements to apply through submitting a business case. Devon County Council would qualify to apply with a population of over 500,000 and it is proposed to do so in partnership Torbay Council and Plymouth. This would offset transitional cost, including legal and financial support, setting up a shadow Devon and Torbay Business Council, transferring web-based services and setting up ongoing monitoring and reviews with DLUCH.
- 4.4 There may be redundancy costs for some current members of the LEP staffing complement. Any such costs once known will be netted off from the revenue funding held by Somerset Council before the distribution of remaining funds to each partner under the agreed allocation methodology.

## 5. Legal Implications

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- 5.1 Legal advice was taken by Somerset Council on behalf of the local authority partners and the LEP. This has supported the approach to asset ownership and the approach to asset transfer.
- 5.2 There are a number of funding agreements between the accountable body and government, and with recipients of contracts and grant and loan agreements. There is work required to novate these to the receiving local authority and legal costs will be funded from the LEP legacy budgets to support this completing smoothly and in time for the transfer date of 1<sup>st</sup> April 2024. A number of contractual arrangements will continue as currently proposed and reducing the number of agreements that need to be amended.
- 5.3 HR advice has been undertaken by each employing authority. The proposed transfer of functions is not impacting on any staff employed by the Torbay Council and Plymouth University has determined that there is no TUPE applied to the core staff that they employ based on the Integration Plan.

## 6. Engagement and Consultation

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- 6.1 The LEP Executive and Board have had opportunities to comment on the Integration Plan and proposals from the local authority partners. Government officials have also been engaged in the development of the process and the Joint Scrutiny Committee have received updates and have offered comments to the LEP executive. The Integration Plans and guidance from government have been produced after periods of review and national engagement with the LEP Network, local authorities, devolved administrations and others, which HOTSWLEP Chief Executive and Chair have participated in.

## 7. Tackling Climate Change

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- 7.1 The integration of LEP functions is not deemed to have any negative environmental impacts. The work of the LEP has supported a number of net zero and sustainable programmes including skills, infrastructure and business support programmes. The proposal is to continue these programmes that remain live and contribute to a range of net zero outputs and outcomes. completed projects will also be monitored for the duration of funding agreements to ensure that all environmental impacts are monitored.

7.2 Promotion of net zero and sustainable business will be a core consideration in the development of any future Devon and Torbay Economic Strategies and delivery off future government funded programmes.

## 8. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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- 8.1 An Equality Impact Assessment is being prepared as part of the completion of the Integration Plan and is a requirement from Government to complete the LEP integration process. As part of the Governments consultation on the withdrawal of core funding to LEPs consultation was carried out to inform equality impact assessments. Information on potential impacts can be found at [Local Enterprise Partnerships: information gathering exercise - GOV.UK \(www.gov.uk\) Section 6](https://www.gov.uk/government/consultations/local-enterprise-partnerships-information-gathering-exercise).
- 8.2 The transition and continuation of the work, roles and responsibilities of HotSW LEP is critical in supporting the sustainable growth of the local economy, improvements in education and skills, the social well-being of all local residents and communities and is intended to have a **positive** impact on everyone regardless of protected characteristics.
- 8.3 When LEP responsibilities transfer, any negative impacts on staff and service users with protected characteristics will be mitigated because the local authority must adhere to the Public Sector Equality Duty. As part of the integration, the following will be considered:
- For service users of LEP legacy projects and services with protected characteristics - direct signposting to a support services will remain available.
  - There will be a review of business representation on the shadow Business Council to ensure the gender balance and representation of those with protected characteristics.
  - It is proposed that the Devon and Torbay Business Council will have a dedicated Diversity Champion, a member with a specific role for ensuring equal opportunities, promotion of diversity and corporate parenting roles of local authorities are at the heart of decision making in relation to economic strategy, economic activities and funded projects.
  - Alignment of HotSW LEP functions with the Employment & Skills Hub will enable opportunities for care leavers and care experienced adults for work experience / employment with the broadest range of employers.
- 8.4 A detailed Equality Impact Assessment is being prepared as part of the completion of the Integration Plan and is a requirement from Government to complete the process.

## 9. Cumulative Council Impact

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9.1 No cumulative impact has been identified by the local authority partners.

## 10. Cumulative Community Impacts

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10.1 No cumulative impact has been identified by the local authority partners.

# Heart of the South West LEP

## INTEGRATION PLAN

### INTRODUCTION AND GUIDANCE

Government has [confirmed](#) that Local Enterprise Partnership (LEP) core functions – namely, business representation, local economic planning, and the delivery of Government programmes where directed – from April 2024 should be delivered by local authorities.

This template is intended to aid the process of integration and inform the direction of any future government funding. This document should be read in parallel with the [guidance](#) published on the integration of LEP functions into local and combined authorities on 4 August 2023. Government expects decisions on the transfer and delivery of current LEP functions to be made locally.

Government expects functions to be delivered over current or potential devolution deal geographies so far as possible. Outside of areas with an agreed devolution deal, it is expected that functions will be exercised by the upper tier local authority, working with other upper tier local authorities as appropriate. Where multiple upper tier local authorities operate within an area, only one return is necessary. The authority which submits the return on behalf of the whole area should ensure all upper tier local authorities have agreed to the return and copy it to the LEP Chair.

It is recognised that the formal process of transferring any assets, loans, investments, or liabilities between existing LEP(s) and local democratic institutions will require agreement between both parties. All parties must follow the relevant laws and regulations that apply, including having due regard for the Public Sector Equality Duty.

Any commercially sensitive information may be submitted in parallel to the main integration plan. The use of annexes is also recommended for non-sensitive issues where more detail is required.

Completed plans should be sent to the central LEP Integration inbox ([LEP.Integration@levellingup.gov.uk](mailto:LEP.Integration@levellingup.gov.uk)), copying all relevant parties (all upper tier local authorities and LEP Chair) and the relevant Area Lead in the Cities and Local Growth Unit.

The deadline for submission of this plan to Government is **23:59hrs on Thursday 30 November 2023** or earlier if possible, to help inform future funding decisions.

## SECTION 1: CORE INFORMATION

Core details and current arrangements	
<b>1.1 Name of LEP which is to be integrated.</b>	Heart of the South West Local Enterprise Partnership
<b>1.2 Name(s) of upper tier authority or authorities into which LEP functions are being integrated.</b>	Devon County Council Plymouth City Council Somerset Council Torbay Council
<b>1.3 Current relationship with the LEP</b>	Each upper tier local authority has representation on the LEP Board and its sub-committees and each deliver services on behalf of the LEP via a Service Level Agreement.  Somerset Council are the Accountable Body for the LEP.
Integration leads	
<b>1.4 Contact details for integration leads</b>	<u>Senior Responsible Officer:</u> Jason Vaughan, Executive Director – Resources & Corporate Services (Section 151 Officer) <a href="mailto:Jason.vaughan@somerset.gov.uk">Jason.vaughan@somerset.gov.uk</a>  <u>Operational contact:</u> Melanie Roberts <a href="mailto:Melanie.roberts@somerset.gov.uk">Melanie.roberts@somerset.gov.uk</a>

## SECTION 2: GEOGRAPHY

### Geography

#### **2. Please set out the proposed geography for the delivery of LEP functions from April 2024.**

Answers should confirm whether the proposed geography is coterminous with the current LEP geography. If not, answers should confirm that the proposed geography constitutes a functional economic area (FEA), with reference to the size of population, local travel to work areas (TTWAs) and any other relevant drivers of the local economy.

Where multiple upper tier local authorities operate across the proposed geography, you should confirm the governance arrangements and that service provision will be ensured across the whole geography – no authority should be left out and all parties should agree the arrangements.

The intention is to transfer functions, activities and assets to the four upper tier local authorities within the LEP area (Devon County Council, Plymouth City Council, Somerset Council and Torbay Council). However, the functional economic areas will not revert to the authority boundaries; upper tier local authorities undertake to continue to work together collaboratively and supportively on the appropriate footprint for the activity or function.

Somerset and Devon are over the 500K population threshold; Torbay and Devon are progressing with a devolution deal; and Plymouth will continue to work in partnership across the area. All areas will work in partnership on economic intelligence sharing and sharing market insight; maintaining the delivery footprint for the growth hub; the careers hub will continue delivery on the existing footprint across Devon/Plymouth/Torbay and Somerset and will share best practice; and will work collaboratively on the development of economic strategies. In line with the government guidance there will not be a gap in delivery, or strategy development, in Plymouth.

Each upper tier local authority will continue to engage with, and support, the Great SW objectives. Examples of activity, led and delivered by the upper tier local authorities, across the Great SW geography include Maritime SW, Defence and Security cluster, Future Farm Resilience programme and Energy. The upper tier local authorities will continue to lead on this activity across the area.

Economic Growth Boards and a Local Authority Officer Group will hold the accountability for partnership working across the area:

- The business voice, through Economic Growth Boards, will build on LEP good practice and expertise (see section 3). This may include folding the relevant LEP board members into the new structures. An agreed, shared approach will encourage Economic Growth Board members to sit on wider economy function boards (ie. Great SW, sector boards such as Defence Cluster, Freeport Board etc). The Economic Growth Boards will oversee the delivery of economic plans and, in the terms of reference, there will be a requirement that Boards collaborate.
- The upper tier local authorities commit to continue and strengthen collaboration on economic intelligence, inward investment, sector support and business support delivery through an officer group with senior representatives from each of the authorities. The officer group will develop an MOU, will meet regularly and agree delivery based on the relevant economic footprint which will vary for each activity. They have agreed to continue to support the HotSW wide growth hub, subject to funding, and sector support will be delivered on the most appropriate footprint which will be typically wider than a local authority geography.

## SECTION 3: BUSINESS VOICE

Current and future activity

**3. Please set out how you intend to embed a strong, independent, and diverse local business voice into local decision-making across the area.** Answers should cover the following points:

**(a) Proposed model & governance structure** (e.g., a stand-alone business board, sub-board, or other structure)

**(b) Membership** (including the mix, balance and diversity of independent business members and any other partners drawn from outside of the business community)

There is an agreed approach across the four upper tier local authority areas to establish three Economic Growth Boards to ensure a strong, meaningful and diverse business voice. The Boards will recognise and build on existing structures across the local geographies..

Terms of Reference for the Economic Growth Boards, operating in an advisory capacity, are being drafted. Terms of reference across all Boards will include setting out:

- Purpose and role;
- Compliance and code of conduct;
- Membership, including recruitment and selection processes.
- Duration of appointments; and
- Frequency of meetings

The Boards will meet frequently and will have common core roles of:

- shape and support an economic evidence base and provide insight to underpin Economic Strategies and setting of growth / sector priorities
- have oversight of the development, and implementation, of Economic Strategies, including sector development activities
- provide strategic oversight of LEP legacy projects and programmes (such as capital schemes, business support and digital skills activity), supporting accountability and reporting into Government;
- advise the relevant Upper Tier Local Authority/ies on the management of any LEP legacy funds, including the use of monies returned from Growing Places Fund loans;
- provide strategic positioning into and collaborate with the Great South West Pan-Regional Partnership to further local economic priorities;
- build and maintain effective strategic relationships and connections with other Economic Growth Boards in the Heart of the South West on common evidence-based needs and priorities, including quarterly joint business facilitated events focusing on common strategic items such as infrastructure and labour market.

Similarly, all Boards will include representation from:

- Businesses, with sector, size and geographical spread;
- Business Representative Organisations;
- FE and training providers;
- The Voluntary, Community, Faith and Social Enterprise (VCFSE) sector; and
- Local Authority / ies

It is the intention to draw on the expertise, skills, and capacity of current LEP Board members as part of an open appointment process, applying Nolan principles, to recruit businesses onto Boards

Individual Economic Growth Boards will have the flexibility to add to these common arrangements to reflect their own specific local context and considerations.



Each upper tier local authority has an economic strategy, or similar, and the Economic Growth Boards will provide strategic oversight of work to review and update their strategies. This will build on the work already done including the LEP's Build Back Better Plan and previous evidence base created to support the Local Industrial Strategy. It is important to recognise the work already done by the LEP and this will be aligned and updated to reflect the changing global and national economic context and new opportunities including priority key sectors. The Boards will also provide strategic positioning into the Great SW and, through this, ensure there is alignment between local and regional policy and activity. In line with the recent guidance, development of strategies t will include the:

1. Analysis of the main underlying competitive advantages and strengths of areas, as well as opportunities for strategic connections across regions.
2. Opportunities for growth over the next 10 years, and visions for what would happen if these opportunities were successfully grasped in this period. Outputs and measurables will include the base line data and targets for growth.
3. Top public and private sector investment priorities - this has to be in the 3 year delivery plans but looking at the guidance this will need to be accelerated.

As devolution arrangements are established the Economic Growth Boards will evolve into a Business Council to support the work of a Combined County Authority.

#### SECTION 4: PROJECTS, PROGRAMMES AND SERVICES

Current and future activity

**4.1 Please list the projects, programmes and services currently delivered by the local LEP.** In each case you should indicate whether, subject to receiving equivalent funding, the upper tier local authority/authorities would continue to undertake each activity. Where a different set of functions/services is being delivered for a neighbouring area, you should repeat the exercise for that area. You do not need to include LEP activity delivered in a private capacity.

Title	Short Description	Will the activity continue once the LEP is integrated? (subject to future funding)	
		Yes	No
Government Functions			
Growth Hub	<p>Growth Hub delivery performance has recently been, independently reviewed by DBT, and bench marked with other similar arrangements. The HOTSW Growth Hub is a high performing service and there is no case to make significant changes over the next financial year. A continuation of the Service requires further investment from local authority partners funded from LEP legacy resources which are proposed to transfer on 31<sup>st</sup> March 2024.</p> <p>Our intention is to ensure a seamless provision across Devon, Plymouth, Somerset and Torbay and continuation of an important service to businesses. Therefore, we will continue the current delivery model during 2024/25. Somerset Council will remain as the Accountable Body</p>	<b>x</b>	<input type="checkbox"/>

	<p>and Devon County Council will continue to deliver the Growth Hub Service* including the employment of staff.</p> <p>Any transitional arrangements into devolved structures will be developed and implemented by 31 March 2025, including any funding apportionment that is needed with the aim of ensuring a smooth transition and a seamless service.</p> <p>A review of the level of programme management oversight that is required will be conducted between now and March 2024 as part of developing the budget and LEP funding transfer to upper tier authorities.</p> <p>Governance and monitoring of the performance of the Service will be undertaken by the Growth Boards with the Growth Hub team providing written reports for each Board meeting as required and an amalgamated report will be presented where the Growth Boards all come together.</p> <p>* Growth Hub Service defined as: Information, Diagnostic and Brokerage Service for All; Digital Business Support; Peer Networks.</p>		
<b>Careers Hubs</b>	<p>Continue the Service until Sept 2024 operating as a Somerset service and a Devon, Plymouth and Torbay service.</p> <p>LAs intent is to continue the service from sept 2024 subject to funding being available and will explore transitional arrangements in liaison with the CEC, application of LEP legacy funding and recognising any devolved administrations put into place.</p> <p>There will remain a Somerset Service and a solution for Devon, Plymouth, and Torbay.</p>	<b>x</b>	<input type="checkbox"/>
<b>Enterprise Zones</b>	<p>The LEP's function and role in any Enterprise Zone will transfer to the relevant local authority from 31<sup>st</sup> March 2024.</p> <p>Enterprise Zones each have their own governance, and these will continue with the membership of the LEP ceasing and being replaced where required by the local authority. The performance of the Enterprise Zones can be reported into the proposed Growth Boards as required.</p>	<b>x</b>	<input type="checkbox"/>
<b>Local Activity</b>			
<b>Sector Development</b>	<p>Different parts of our local economy have different sectoral strengths, and some of these are recognised on a broader peninsula level. Recognising this variation and significance of sectors how each local authority partner we will take forward current identified opportunities using LEP legacy funds, and subject to costs/benefits assessment is set out in the CONFIDENTIAL appendix.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Inward Investment</b>	See CONFIDENTIAL appendix.	<input type="checkbox"/>	<input type="checkbox"/>

<b>Business Leadership Group</b>	Formal reporting route for the Growth Hub into the Board. This group will cease on or before 31 <sup>st</sup> March 2024.  Refer to Strategic Leadership section and governance proposals for the Growth Hub.	<input type="checkbox"/>	<b>x</b>
<b>Peer Networks Programme</b>	Established to enable SMEs to learn from other successful SMEs. This type of business support to continue where there is funding available from LEP legacy resources and will form part of the transfer of the Growth Hub function.	<b>x</b>	<input type="checkbox"/>
<b>Finance Platform</b>	The intent is that the contract will be completed by March 2024; an options report will be provided for local authorities. There is no agreement to continue funding at this stage and until options are reviewed.	<input type="checkbox"/>	<b>x</b>
<b>Business Angels</b>	Local authorities do not wish to see this continue beyond 31 <sup>st</sup> March 2024 and no function needs to transfer.  Any reporting or legacy requirements will be picked up as part of the Growth Hub going forward.	<input type="checkbox"/>	<b>x</b>
<b>Tourism Data Hub</b>	Local authorities intend for the current contract, funded by the LEP, to be completed with the contract awarded to Destination Plymouth from Somerset Council remaining as the contracting arrangements.	<b>x</b>	<input type="checkbox"/>
<b>Skills Advisory Panel</b>	The SAP will continue until 31 <sup>st</sup> March 2024, at which point each local authority will take forward its own arrangements linking this into LSIPs and Growth Board proposals. Any contracts held to support the labour market intelligence will cease on 31 <sup>st</sup> March and be replaced by the LSIP programme. There is no ongoing direct funding for SAPs.	<input type="checkbox"/>	<b>x</b>
<b>Digital Skills Partnership</b>	Local authorities see the DSP forming part of the proposed skills arrangements being put in place to replace the SAP. There are no ongoing contracts in place that need to be novated. There is no ongoing direct funding for DSPs.	<input type="checkbox"/>	<b>x</b>
<b>Innovation Board</b>	Innovation will form part of the proposed Growth Board structures being developed.	<input type="checkbox"/>	<b>x</b>

## SECTION 5: DELIVERY AND APPROVALS

### Governance of the integration process

#### 5.1 (a) What mechanisms will be in place to manage the integration process at the local level?

This Plan sets out upper tier local authority intentions to integrate LEP functions. It is subject to local governance processes and confirmation of funding from Government for ongoing delivery. Key milestones, subject to further guidance from Government, are set out below.

The overarching management of the integration process will be led by the Accountable Body S151 Officer. An Advisory Group, chaired by the Accountable Body, comprising of representatives from each of the upper tier local authorities, the LEP and Area Leads (Local Growth Unit) will ensure a smooth transition. This Group will oversee and manage risks. The LEP Board will be updated on progress.

The Accountable Body will manage the transfer of assets and novation of legal agreements to the receiving authority, as appropriate, within an agreed timescale.

The Advisory Group will be responsible for transition of functions and activities into the respective upper tier local authorities. The integration of appropriate functions, activity and assets into the local authority will be managed by a Senior Responsible Officer who will take responsibility for the function, activity and/or asset. They will be accountable through internal governance processes and their Economic Growth Board. Ongoing delivery will be scrutinised through internal governance arrangements and existing scrutiny committees. Functions/activity will be operationally managed by existing teams within the local authority.

Recognising the efficiencies of operating a single Programme Management Function (PMO), Devon County Councils will operate a PMO on behalf of all partners under an Service Level Agreement with each of the upper tier local authorities.

#### Key Milestones (subject to further guidance from Government):

November	<ul style="list-style-type: none"> <li>• Confirmation received from upper tier local authorities on target transfer date: agreed 31 March 2024.</li> <li>• Presentation on initial draft Integration Plan to Area Leads (Local Growth Unit) and LEP Executive Group.</li> <li>• Presented integration intentions to the LEP Board (27<sup>th</sup>).</li> <li>• Meeting with University of Plymouth regarding employer process for impacted individuals.</li> <li>• Local Authorities developed proposals for the Local Authority Officer Group.</li> <li>• Local Authorities developed proposals for the establishment of Economic Growth Boards to secure business voice.</li> </ul>
December	<ul style="list-style-type: none"> <li>• Initial communication to impacted individuals.</li> <li>• Accountable Body to seek independent accountancy advice on ownership of assets and agree next steps.</li> <li>• Accountable Body to confirm intentions, on transfer of assets, with CIC Regulator.</li> <li>• Accountable Body will confirm the balance sheet (forecast) and full details of assets; full employment implications and liabilities will be considered.</li> <li>• At risk notices to be issued through respective employers, if required.</li> <li>• Accountable Body to confirm contracts and Service Level Agreements due to end in March.</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop transition plan setting out detailed processes and milestones for each activity.</li> </ul>
January	<ul style="list-style-type: none"> <li>• Government to confirm approval of the Integration Plan and confirm funding allocations to upper tier local authorities.</li> <li>• Accountable Body to confirm succession of decision making with the LEP Board.</li> <li>• Consider comments from LEP Board on the Integration Plan (19<sup>th</sup>).</li> <li>• Local Authority Senior Leadership Teams will review the Integration Plan.</li> <li>• Accountable Body to agree contracts to be novated and initial communications with contractors on intentions.</li> <li>• Mapping of key stakeholders and which will be affected through novation of contracts and funding agreements.</li> <li>• Local Authorities to commence work on equality impact assessments.</li> <li>• Accountable Body to support LEP to develop their plan for winding down including communication channels (website, social media).</li> </ul>
February	<ul style="list-style-type: none"> <li>• Budget implications (based on balance sheet forecasts and assets list) will be considered and incorporated into Local Authority budget management processes. This will require confirmation from Government on funding.</li> <li>• Local Authority Cabinet decisions will be taken to accept the transfer of assets and functions.</li> <li>• Continuation of communication with projects, contractors and key stakeholders outlining end date of funding/contracts and continuity arrangements as appropriate.</li> <li>• Economic Growth Boards developed.</li> <li>• Local Authority Officer Group operational with MOU agreed.</li> <li>• Accountable Body to confirm end of contracts and Service Level Agreements; confirm continuity arrangements for legacy PMO and Accountable Body services as appropriate.</li> <li>• Celebratory event of LEP achievements.</li> </ul>
March	<ul style="list-style-type: none"> <li>• Closure of ceased functions including website and social media.</li> <li>• Functions and activities will transfer to appropriate upper tier local authorities by 31 March 2024.</li> </ul>
April/May	<ul style="list-style-type: none"> <li>• Accountable Body to confirm end of year financial outturn and transfer outstanding legacy funding.</li> <li>• Completion of returns and assurances to Government, as appropriate.</li> <li>• Continuation of PMO function for monitoring and reporting against investment programmes as appropriate.</li> <li>• Continuation of relevant Accountable Body functions.</li> <li>• Review process for submitting business case for ongoing Growth Hub funding.</li> </ul>

**5.1 (b) If the existing LEP is intending to formally cease operation and dissolve following its integration, who will be responsible for managing the transition and any legacy issues?**

The Accountable Body will be responsible for managing the transfer of assets and dealing with appropriate legacy issues relating to finance and legal matters where it has previously acted on behalf of the LEP.

The Accountable body will support the LEP Board into ensuring that Director Liabilities are considered and managed legally.

Approvals

5.2 Has this integration plan been agreed by the relevant boards/persons in both the local LEP(s) and local authority/authorities?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
<p>Please copy all relevant parties (including the Chair of the local LEP(s)) when you submit this plan.</p>		
<p>The upper tier local authorities have drafted the Plan and are in agreement with it. Full agreement will be sought through local Governance processes in February 2024 following a review in accordance with the guidance expected from Government in January 2024.</p> <p>The draft Plan was discussed with the LEP Board on 27 November. Further consultation will be undertaken with the LEP Board at its next meeting on 19 January 2024.</p> <p>This Plan, along with the confidential appendix, will be copied to the Chair of the LEP Board, upper tier local authorities and Area Leads (Local Growth Unit) in parallel to submission to Government.</p>		