**Stoke-On-Trent & Staffordshire LEP:**

**Preparing for change in a period of uncertainty**

**Introduction**

##### In March 2021 Government announced a review of LEPs through their Budget statement. The review will consider the future role, relationships, funding and geography of the 38 LEPs across England.

##### An early proposition paper has established in-principle agreement for evolved LEPs to:

##### fulfil a strategic role, providing place-based economic expertise and insight to central and local government and helping secure long-term inclusive growth at the local level as part of the Plan for Growth

##### identify key local sectors and industries, and to design and deliver interventions to make them more competitive, making the most of local opportunities

##### deliver a programme of joined-up, expert and tailored business advice and support for local businesses

##### As part of this reform it has been made clear that, at least for the short-term, investment for major infrastructure schemes will be directed through Local Government rather than LEPs. Government also wishes to see greater consistency across the LEP Network and Growth Hub Network nationally.

**Purpose of this paper**

##### As Stoke-On-Trent and Staffordshire LEP (SSLEP) transitions from administering major programmes of investment, towards an enabling/developmental role, the purpose of this paper is to take stock of our current position and to set out a series of options and recommendations for consideration.

**Scope of this paper:**

This paper sets out the strategic changes facing the LEP and Growth Hub and focuses on five policy areas within our current business, setting out our current position, options, risks and recommendations in the context of emerging changes. Those areas are:

1. Strategy
2. People
3. Finance
4. Governance
5. Partnerships

**Strategic Changes:**

As part of the National LEP Review three new functions have been determined (in headline terms). They are:

* **FUNCTION ONE**: To fulfil a strategic role, providing place-based economic expertise and insight to central and local government and helping secure long-term inclusive growth at the local level as part of the Plan for Growth
* **FUNCTION TWO**: To identify key local sectors and industries, and to design and deliver interventions to make them more competitive, making the most of local opportunities
* **FUNCTION THREE**: To deliver a programme of joined-up, expert and tailored business advice and support for local businesses, ensuring they can play their full part in the Plan for Growth. A consistent, quality, offer should be available throughout the country. *It is not yet determined how the LEPs role in relationship to business support will align to the role of its Growth Hub.*

At the same time, the network of Growth Hubs is being reviewed in light of the LEP Review, National Review of Growth Hubs and the wider Business Support Reform agenda.

The review will consider the following key areas, on the understanding that LEPs will continue to exist and evolve:

* + Purpose and function
  + Geography
  + Relationship with LAs
  + Implementation and funding

A policy approach has already seen much of the large-scale investment managed by LEPs transferred to Local Government (e.g. Community Renewal Fund, Levelling Up Fund) and most of the existing major programme funds have now been allocated.

The Review is anticipated to be completed in principle by Summer Recess (July 2021) although the detailed discussions will likely continue through to Autumn 2021, with implementation expected from April 2022.

LEPs geographies are expected to remain intact, with a focus on removing remaining areas of overlap. Growth Hub geographies remain open to discussion as colleagues explore the potential for a national core offer on business support for SMEs, with local provision in many physical locations across the country. If the support were to be a standardised offer, then how those local offices are grouped may be less dependent on matching functional economic areas. However, more bespoke locally tailored programmes on top of a core offer would best be delivered across a functional economic area.

There is no current suggestion that the core funding allocations for both LEPs and Growth Hubs would change at this stage.

Whilst focusing largely on the strategic changes influenced by Government policy, we must of course recognise that the needs of businesses and nature of business support have changed significantly over the past 12-18months and must be considered in future planning.

**Policy Area 1: Strategy**

Context (National):

In Spring 2021 Government announced its new Plan for Growth as part of the Budget Statement. The Plan builds upon elements of the Industrial Strategy, including continuation of existing Sector Deals and reviewing the Grand Challenges and missions through the upcoming Innovation Strategy. It incorporates challenges and opportunities resulting from the global pandemic, new global trade opportunities post-Brexit, and the Prime Minister’s commitment to a Green Industrial Revolution.

Published by HM Treasury ‘Build Back Better – Our Plan for Growth’ sets out a wide range of economic interventions and stimulus, focusing on 3 key pillars of investment; infrastructure, skills and innovation. These pillars are underpinned by three further objectives; Levelling-up, Driving Green Growth (Net Zero) and supporting the vision for Global Britain.

In parallel to the new strategy, Government continues to drive its Business Support Reform agenda, seeking to deliver a simplified, consistent offer that joins up public and private sector provision at both local and national level. Two key documents are influencing the future Business Support landscape going forward; each calling for greater simplification and consistency at a local level.

* Business Productivity Review 2019 <https://bit.ly/3xdMM70>
* NAO Review of Business Support 2020 <https://bit.ly/2S6xyRM>

A new ‘Levelling-up’ white paper is expected to be published in the Autumn and will supersede the long delayed devolution and recovery white paper, transferring levelling up policy from the Ministry of Housing, Communities & Local Government to Number 10 and Cabinet Office.

Context: (Local)

SSLEP published its Local Industrial Strategy in March 2020, setting out ambitions to become a ‘*hot spot of enterprise, ambition and business growth, where digital, transport and energy networks drive productivity and inclusion through innovation, inward investment and with a high quality of life’* . There were five key aims:

1. **Place**: Repurposed and revitalised town and city centres and highly successful rural areas, with a strong commercial and residential offer and excellent quality of life.
2. **Ideas**: Increased adoption and absorption by businesses of new techniques and technologies, with expanded existing centres of excellence in logistics, energy use and manufacturing.
3. **Business Environment**: A centre for start-up and growing businesses, with increasing productivity and enterprise levels, with more sustainable energy and resource use by firms.
4. **People**: Rising wages, skills levels and ambition. A place where providers and industry collaborate and residents get the training and digital skills needed to fulfil their ambitions.
5. **Infrastructure**: Further improvements to the transport, energy and digital networks, with the high quality, sustainable housing our communities need

In Summer 2020, in light of the global pandemic, SSLEP actively reengaged businesses to review priorities. A refreshed vision was determined (Economic Renewal – A Vision for 2030) : *Our ambition is to be a region to thrive and succeed based on a progressive & diverse economy led by our innovative and creative mix of digital, energy and advanced manufacturing through an inclusive vision for Stoke on Trent and Staffordshire to be the best place to live, learn, work and do business*.

Four broad themes emerged:

1. **Future Workforce** – providing satisfactory work for all with a pipeline of opportunities for progression, ensuring our businesses have access to the skills and talent they need to grow.
2. **Growing Business** – accelerating business evolution for start-ups and growing companies and creating a place of choice for inward investment.
3. **Innovation** – developing world class innovation and increasing demand and capacity for innovation across our whole business base.
4. **Place** – place-making and promoting the area as the best place to live, learn, work and do business

And a series of ambitions agreed:

|  |  |
| --- | --- |
| FUTURE WORKFORCE satisfying work & a pipeline of opportunity | **“Start Anywhere, Go Anywhere” -** Supporting individuals and businesses to achieve their aspirations whatever their starting point, through a comprehensive future workforce programme, including the following:   * **Progressive Skills -** Building on our broad package of investment in digital skills with a comprehensive, consistent and widely available range of training solutions, from short bite-size courses through to higher-level qualifications, to meet the emerging needs of our progressive economy * **Progressive Experience -** Working in collaboration with businesses and education providers to develop a LEP-accredited kitemark for high-quality work placements leading to good local jobs and apprenticeships   **Live Information** – Bringing together in one place a comprehensive directory of the provision and pathways available to our residents of all ages seeking training, development and career progression and for our businesses to showcase their offer |
| GROWING BUSINESS accelerating business evolution | **Innovative Start-Ups**   * Investing to stimulate growth in new enterprises that provide solutions to the problems identified by business and are innovating for the future * Working with our Growth Hub, as partners in our innovation ecosystem, to expand our offer of support to boost entrepreneurialism   **Evolving Businesses**   * Supporting businesses that want to grow. With our Chambers of Commerce and Growth Hub, we will develop a maturity model for local companies and invest in a segmented offer of business support through digital, technological and zero-carbon solutions   **Staffordshire for Business**  A strategic, inward investment campaign, in collaboration with ‘Make It’ and our Chambers of Commerce, to improve our marketing of the area as a great place to live, work and do business |
| INNOVATION world class innovation & adaptive businesses | **An Innovation Ecosystem**  **Innovation Leadership**   * Levelling up research and innovation with a partnership innovation lead to champion and drive changes through a programme of place-focused, coordinated activities   **Innovation Hub**   * Not another large expensive new build, but a “node” to connect other centres of innovation, incorporating physical meeting points and virtual/digital components as a focus for collaboration and networking   **Innovation Factory**   * Maker spaces that combine proof of concept areas with training for innovation and demonstrator venues for school, college and SME visitors to stimulate entrepreneurship skills and start up support   **Innovation Challenge Fund**  A nationally-funded, locally-managed scheme of grants and financial support for commercialisation of r&d and increased absorption of innovation by local businesses to improve productivity and enable growth |
| PLACE the best place to live, learn, work & do business | **5G Connected Region**   * Flagship proposal to create the UK and Europe’s first 5G connected region for urban and rural places * Innovation-led growth and raising productivity, skills and employment prospects * Integrated innovation and digital infrastructure ecosystem, from which our place-based interventions for Future Workforce, Growing Business and Innovation can be launched   **Levelling Up**   * Addressing those UK regional inequalities that are mirrored at a local level between places in our own area * Investing in places where populations live, work and do business, revitalising our town and city centres to respond to and drive the transformation of retail, leisure and new ways of working. |

The premise of SSLEP’s approach to delivering this vision assumed ongoing management of investment programmes that would create the conditions for growth locally. The three core pillars of the approach are

* **Commissioning Intentions** - Building on the work of the LIS Sub-Groups, we’ve set out ambitious plans for transforming our economy over the next ten years. We’ll be refining and building on these to secure effective investment and deliver on our ambitions for Stoke-on-Trent and Staffordshire
* **A Pipeline of Projects (medium term)** - We’ve already started to build a pipeline of projects in collaboration with our local authorities, education providers and businesses, which are strategically aligned with our LIS and have identified the gaps that will drive our commissioning strategy
* **Accelerating Recovery (to 2022)** – We’re well underway with our immediate priority projects for the next 18 months that will accelerate recovery from Covid-19 and deliver the jobs, skills and infrastructure necessary to drive sustainable and inclusive economic growth

It is increasingly unlikely that LEPs will hold a commissioning function relating to major projects going forward. SSLEP therefore needs to reconsider how it might deliver its vision locally.

SSLEP’s Skills Advisory Panel (SAP) also produced a Local Skills Report published Spring 2021, highlighting priority growth sectors that require skills development. The aim of this report is to influence local partners to match the provision offer against employer skills demand and to feed local intelligence to central government, including the national-level [Skills and Productivity Board](https://www.gov.uk/government/groups/skills-and-productivity-board). The local vision for the SAP is ‘*to help deliver a diverse, inclusive and sustainable economy across Stoke-On-Trent and Staffordshire, developing local skills which enable more people to access higher value, better paid jobs across a wide range of priority and locally important sectors*’. The Plan has seven strategic priorities. Key sector skills have been prioritised for development as follows:

* **Digital**: Cross-cutting new tech and ways of working, increasing demand for higher digital skills
* **STEM**: Support Advanced manufacturing incl Aerospace/Automotive/Med-Tech, Agri-food and energy
* **Construction**: Trade skill gaps (site ready), higher skills gaps (architects/MMO advanced skills demand)
* **Health & Social Care**: skills gaps including nurses and care workers / skills to support increased digitalisation of services

SSPLEP currently has no strategic plan for the delivery of business support locally or strategy to support the delivery of Net Zero. Both Unitary Authorities locally have set out their plans for post-pandemic recovery and renaissance locally.

The needs of businesses are constantly evolving during and post-pandemic and a large number of new initiatives are being developed nationally.

Observations

* SSPLEP has a range of evidenced-based, visionary plans that focus on various priority sectors, although has no current related plan for its Business Support function (a key pillar for LEPs going forward)
* It is anticipated that LEPs will play a role in ensuring delivery of the Plan for Growth (PfG) locally. Whilst there is strong overlap, more work needs to be done to align LIS to PfG
* Two key pillars of the PfG not currently aligned with SSLEP LIS are Net Zero and Global Britain (international trade)
* The LEP must consider how strategies will be delivered in the absence of large-scale programme investment and with current limited staffing resource
* Evidenced-based strategy that links to local and regional strategy should be produced for Growth Hub and Net zero. This could reap substantial investment (e.g <https://bit.ly/3fItKjf> )
* There is potential to improve access to public and private sector business support offers available at a local and national level

Options

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| Option no | Option | Resource implications | Risks |
| 1 | Do nothing | N/A | * Inability to delivery strategy through commissioning of resources – a new approach is required * Poor strategic fit nationally may affect ability to secure future investment to deliver aims. * Disconnected business support function * ‘behind the curve’ on net zero and international strategy * Potential disconnect between business need and support available |
| 2 | Create a plan for business support that supports delivery of the LIS/PfG and recommendations set out within the Skills Report | Board T&F  Staff resource  Consultancy support | * Potential for fragmentation of overall aims and/or competing visions which could hamper progress/ability to secure investment |
| 3 | Refresh the LIS, creating an integrated Plan for Growth that has Skills, Business Support, International Trade and Net Zero as key pillars and adds value to wider local strategy | Board T&F  Staff resource  Consultancy support | * Change in direction (Government Policy) |

Recommendation(s):

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| Recommendation | Timeframe |
| Refresh the LIS, creating an integrated Plan for Growth that has Skills, Business Support, International Trade and Net Zero as key pillars and adds value to wider local strategy | Sept 21 |
| Work with partners, providers and businesses to understand and assess local business support offer to inform future strategy and ensure that it is fit for purpose going forward | Oct 21 |

**Policy Area 2: People**

Context (National):

In July 2020 the Local Enterprise Partnerships Capacity and Capabilities Assessment was published by the Department of Business, Energy and Industrial Strategy (BEIS). The report highlighted the various approaches taken by LEPs and the disparity in available human resource across the country.

The report confirms that the average number of directly employed staff within a LEP is 16 FTEs. The median number of secondees, in addition to directly employed staff, is 2.

The median total staff resource (directly employed + secondees) is 20 FTE.

Staffing resource vary significantly based on geography and the context within they operate (eg MCA LEPs on average employ 35.5 FTEs vs 9 FTEs). The median total staff figure for Northern Powerhouse LEPs is 30 FTEs. The median total staff figure for Midlands Engine LEPs is 14.25 FTEs.

Context (Local):

SSLEP does not directly employ staff.

The following staff are employed as part of a small secretariat function (4.3 FTE) that serves the LEP Board and administers programmes of investment:

* 1 x Chief Executive Officer (1 FTE) employed by Staffordshire County Council as Accountable Body (37hrs p/w contract) 3-year fixed term post
* 1 x Programme Manager (0.8 FTE) employed by Staffordshire County Council as Accountable Body (37hrs p/w contract) permanent post
* 1 x Business Engagement Officer (1 FTE) employed by Staffordshire Chamber of Commerce (35hrs p/w) fixed term expiring 5 July 2021
* 1 x Strategy and Research Officer (1 FTE) employed by Staffordshire Chamber of Commerce (35hrs p/w) permanent post subject to funding
* 1 x Project and Governance Officer (0.5 FTE) employed by Staffordshire Chamber of Commerce (35hrs p/w) rolling monthly contract

Various contracts, working practices and line management arrangements are creating operational complexity and inequalities within the team. Feedback from the team suggests that they ‘don’t feel part of a team’ and don’t understand each other’s respective roles.

The following resources are seconded to the LEP but do not report directly to the Chief Executive.

* 1 x Senior Campaigns/Comms lead (0.4 FTE) employed by Staffordshire County Council (37hrs p/w contract). Funded by SSLEP
* 1 x Senior Manager responsible for SSLEP Growth Hub (c0.4 FTE of role attributed to Growth hub) employed by Staffordshire County Council (37hrs p/w contract). Funded by SSLEP

As Accountable Body Staffordshire County Council also provide the LEP with the following human resources of a flexible basis:

* 1 x Section 151 Officer
* 1x Accounts/Audit Officer

Wider stakeholders support the LEP on an informal basis which is greatly valued.

Observations

* SSPLEP has significantly less resource that its national and regional comparisons which could impede its ability to deliver against local strategy
* Current (secretariat) roles are administrative in nature which may need revising given the developmental requirement of LEPs going forward
* Inequalities exist within the team due to the nature of varied contracts across the team
* Uncertainty of forward contracts leaves SSLEP vulnerable to staff losses
* The LEP is in danger of losing a staff resource as their contract expires on 5th July 2021.
* Performance and time management of staff is challenging given various line management and contractual arrangements in place
* As part of the LEP evolution, reference has been made to a requirement to demonstrate ‘granular-level’ insight at a local level. SSLEP does not currently offer this function
* Current funding conditions from BEIS require that ‘The Growth Hub (including any sub-hubs) remains under the direct leadership and governance of the LEP’
* SSLEP needs to review its capacity and capability in light of its changing role. Senior recruits can work alongside Directors to ensure delivery of strategic goals
* See appendix 1 for new role details and example benchmarks

Options

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| Option no | Option | Resource implications | Risks |
| 1 | Do nothing | Originally planned £171,988 draw on reserves | * Loss of staff due to expiring/ short term contracts * Insufficient resource to deliver local ambitions and national remit * Limited ability to lead and manage resources across various contracts |
| 2 | Plug gaps in staffing resource on a needs basis as they arise  Benefits:  Mitigates risk of changing future agenda | On case-by-case basis | * Reactive rather than proactive * Administratively costly (time and money) * Could leave us ill-prepared to deliver future strategy * Could affect our position for competitive future funding |
| 3 | Phase plan for future needs and recruit (fixed-term) resources  Benefits:  Competitive advantage of preparing early for change  Cost and time-effective recruitment  Mitigated by fixed term contracts | Comprehensive budget planning. Additional £64,783 draw on reserves (assuming Oct start for new posts) | * LEP Review: change in direction nationally |
| 4 | Employ staff directly  Benefits:  Control over own T&Cs and costs  Unified team with consistent operational leadership  Mitigated by fixed term contracts | Unknown costs incurred establishing own policies/ procedures  Potential savings  Human resource required to manage  Legal costs to transition 4.3 FTE | * Potential inability to offer competitive T&Cs * Time and resource costs unknown |
| 5 | Create a single team with consistent T&Cs within Staffordshire County Council as Accountable Body  Benefits:  Same as employing staff directly | Potential additional costs to cover T&Cs  Legal costs to transition 1 FTE | * Subject to agreement by Accountable Body |
| 6 | Create a single team with consistent T&Cs within Staffordshire Chamber of Commerce  Benefits:  Same as employing staff directly | Potential additional costs to cover T&Cs  Legal costs to transition 1.8 FTE | * Subject to agreement by Accountable Body * Potential conflict of interest for Chamber given Board role and current role as provider of GH services * Loss of key personnel (unable to match T&Cs of StaffsCtyCouncil) |

Recommendation(s):

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| Recommendation | Timeframe |
| Create single integrated team to ensure consistent T&Cs, leadership and management | By October 21 |
| Build capacity to deliver current/future role given changing nature of investment and emerging role. Specifically developmental roles that will strengthen relationships within Staffordshire, Midlands Engine and Government:   * Investment: to secure funding to deliver local SSLEP ambitions and support Districts to secure investment for strategic projects * Developmental roles: Sector development (need prevalent within existing LIS, Skills Report and future PfG), Organisational development (to continue to strengthen governance, provide consistency across all meetings and develop our people/culture) * Insight: to ensure high quality insightful data that informs local and national policy * Comms: to further raise the profile of SSLEP and ensure daily digital dialogue with businesses and stakeholders | Commence on phased basis July 21 (Board T&F group to develop/test roles) |
| Ensure direct operational management and government of any roles funded by SSLEP (Marketing Campaigns and Growth Hub) | June 21+ |

Examples from other LEPs:

Innovation Director NE LEP: [Support available to develop innovation projects in preparation for future funding opportunities - North East Local Enterprise Partnership (northeastlep.co.uk)](https://www.northeastlep.co.uk/updates/support-available-to-develop-innovation-projects-in-preparation-for-future-funding-opportunities/)

Access to Finance Director GBS LEP: [£500k Investment Secured By Birmingham Tech Company | News (gbslep.co.uk)](https://gbslep.co.uk/news-and-events/news/500k-investment-secured-by-birmingham-tech-company-that-bridges-language-gaps/)

Midlands Engine Investment Funding: [EkkoSense secures Midlands Engine Investment Funding investment to accelerate global expansion | D2N2 (d2n2lep.org)](https://d2n2lep.org/ekkosense-secures-midlands-engine-investment-funding-investment-to-accelerate-global-expansion/)

**Policy Area 3: Finance**

Context (National):

LEP finances are typically managed by an Accountable Body (nominated Local Authority partner) who, through their designated S151 Officer, oversees and administers public funds to ensure probity, good financial management, legal and (funding) contract compliance.

LEP sources of income typically include:

* Core grant from Government
* Match funding from Local Authorities/Local partners
* Management fees attributed to large scale infrastructure programmes
* Programme funding (eg Skills Advisory Panel)
* Bank interest accrued from large scale infrastructure programmes
* Any return on investments made (ie Enterprise Zone income/ Growing Places Fund recycled funds/interest.)
* Capacity and programme funding for the Growth Hub

Many of these income streams relate directly to large scale capital funding programmes that will cease to be delivered through LEPs as accountability shifts to Local Government partners. LEPs need to consider how they and their Growth Hubs will be funded as part of the LEP Review. As they shift from their role as Grant distributor, they will need the skills and capacity to bid for funding to ensure delivery of local ambitions.

Context (Local):

SSLEP receives limited (but valuable) contributions from local partners (Staffordshire County Council and Staffordshire Chamber of Commerce), as well as a range of in-kind contributions and support. Over the past 18months, SSLEP has also introduced management fees attached to grants distributed locally.

Financial reserves at 1/4/21 stand at £844, 969 (incl redundancy reserve).

SSLEP has no capacity in-house capacity to identify and secure funding to deliver against its strategic aims.

Observations

* SSLEP currently has no Reserves Policy in place
* VAT is currently charged on salary costs as payments move between the Accountable Body to fund staff. Recovery of this VAT should be explored given that some peers have successfully recovered some payments
* Given the shifting responsibility regarding large scale capital grants, SSLEP needs to
  + Adopt a proactive approach to identifying and securing income to deliver against its strategic aims
  + Ensure that it has the skills and capacity to identify and secure regional and national funding streams elating to strategic priorities
* SSLEP must formally approve Growth Hub budgets and related spend
* Ongoing discussions regarding future funding is taking place as part of the LEP Review

Options

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| Option no | Option | Resource implications | Risks |
| 1 | Do nothing | N/A | * Reactive - income will depend wholly on national allocations * Ability to deliver local strategy hampered |
| 2 | Commission external support to support bid writing/income generation | £unknown | * Potential piecemeal approach to securing investment * Inhibits relationship-building which is key in identifying and attracting investment |
| 3 | Appoint an internal (fixed-term) resource to build relationships with prospective funders and secure investment | £65k+ oncosts | * Failure to deliver impact (income targets defined/ target relationships etc) |
| 4 | Use reserves (as set out within budget proposals) to invest in organisational development | Reserves reinvestment as set out within budget | * Reduces available resources / future protection, however risk mitigated by proposal to appoint on fixed term contracts |
| 5 | Maintain current reserves position | N/A | * New income dependent on allocations made by Government * Large financial resource whilst small human resource to support delivery of strategy |

Recommendation(s):

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| Recommendation | Timeframe |
| Invest reserves as per budget proposals to build in-house capability to develop relationships and secure investment to deliver local strategy | June 2021+ |
| Explore VAT recovery | Sept 2021 |
| Ensure necessary approvals, oversight, operational management and scrutiny of Growth Hub budget | June 2021+ |
| Create a Reserves Policy that sets out the basis upon which (financial reserve) decisions will be made | Sept 2021 |

**Policy Area 4: Governance**

Context (National):

A key tool in LEP Governance is the Assurance Framework. The initial ‘Local Enterprise Partnership National Assurance Framework’ was produced in 2014, prompted by the delegation of decision-making of the £12 billion Local Growth Fund to LEPs. It is a tool to guide local decision-making to support accountability, transparency and value for money and sets out what government expects LEPs to cover in their local assurance frameworks. It was revised in November 2016 to reflect policy and expectations of LEPs at the time in relation to accountability

# In 2019 the National Local Growth Assurance Framework replaced all previous versions and expanded to set out government’s guidance for places that are required to develop their own local assurance framework (including Mayoral Combined Authorities with a Single Pot as well as LEPs)

The Framework sets out specifics in relation to Board diversity and balance which needs to be considered as part of any recruitment process.

The LEP Review has set out the principles on the new role of LEPs going forward;

* **FUNCTION ONE**: To fulfil a strategic role, providing place-based economic expertise and insight to central and local government and helping secure long-term inclusive growth at the local level as part of the Plan for Growth
* **FUNCTION TWO**: To identify key local sectors and industries, and to design and deliver interventions to make them more competitive, making the most of local opportunities
* **FUNCTION THREE**: To deliver a programme of joined-up, expert and tailored business advice and support for local businesses, ensuring they can play their full part in the Plan for Growth. A consistent, quality, offer should be available throughout the country

LEPs will need to consider the implications of change in relation to Governance and Assurance locally.

Context (Local):

SSLEP will build on its strong foundation to further evolve its governance and operations to fulfil the functions of LEPs required by Government going forward.

Some local insight is available at a local level but is often secondary data produced on a quarterly/annual cycle that would not fulfil the ‘granular-level’ insight required within function one.

Relationships with the Growth Hub have improved in the past 12 months through Chairmanship of the Growth Hub Steering Group, but more must be done to fulfil the requirements of funding which includes:

* Direct (operational) leadership
* Governance and assurance regarding Growth Hub finances and operations
* Alignment of Growth Hub activity to local evidence-base and strategy

SSLEP current produces a Delivery Plan and an Improvement Plan as part of its contractual requirement. Performance management focuses on programme delivery and finances. Board sub groups are supported by a variety of staff who administer meetings.

Observations

* SSLEP currently has 2 current vacancies within its Board
* Adopting an annual business cycle could assist with forward-planning and the introduction of a mid-year review would enable the LEP to remain agile and alert to changes to the macro environment
* An integrated business and improvement plan could be helpful in operationalising the strategy, linking planned activity to allocated human and financial resource and providing clear objectives to Board subgroups
* Enhanced team capability at an operational level can work alongside board to deliver strategic ambitions locally.
* Board subgroups will need to be reconsidered in light of any strategy change. Directors may wish to create a subgroup that measures progress against local strategy/business plan. Consistent administration function across all subgroups could improve communication and ensure strong compliance to the Assurance Framework.
* The Board Assurance Framework may need to be revisited in light of strategic and operational changes.
* Given the impact of the pandemic on young people, Director may wish to introduce a Youth Board to involve young people in shaping the future locally
* Growth Hub provision needs to be fully understood by the Board to ensure that any changes emerging from the LEP Review are assessed for impact
* Additional resource is required to enhance local insight that demonstrates a ‘granular-level’ understanding of local business and economy
* See appendix 1 for example of Governance to Operational workflow.

Options

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| Option no | Option | Resource implications | Risks |
| 1 | Do nothing | Director time | * Potential lack of understanding of progress made against local strategy * Inefficiencies in relation to forward-planning * Inconsistent support at Board subgroups * Some Directors heavily involved in operational activity * Inadequate local insight * Lack of input from potential young/ future entrepreneurs into local strategy |
| 2 | Maintain current leadership and governance of Growth Hub | unknown | * Potential breach of Growth Hub funding agreement * Potential disconnect between LEP evidence and strategy vs targeted delivery of business support |

Recommendation(s):

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| Recommendation | Timeframe |
| Review the Local Assurance Framework in light of changing role and any improvement areas cited within APR | Sept 2021 |
| Utilise annual business cycle to ensure efficiency of business planning and budgetary process and that learning is captured to influence future improvements | June 2021 |
| Create an annual Business Plan that incorporates any improvements. The Plan should operationalise the strategy, linking to human and financial resource/plans and contain smart objectives/KPIs for delivery by Board subgroups and operational staff. | Oct 2021 (6 month initially) |
| Ensure that balance and diversification targets are factored into NED recruitment | Sept 2021 |
| Align Growth Hub in operational and governance terms to ensure compliance with funding agreement | June 2021 |
| Create a new Organisational Development Manager post to strengthen governance and planning and to ensure consistency across all Board subgroups/operational team work programmes | Commence recruitment in July 2021 |
| Commission insight support to work with partners to agree and enact new standards that will inform local strategy | June 2021 |
| Review Board subgroups in light of strategy changes | Sept 2021 |
| Involve young people in decision-making through shadow appointments and/or involvement at subgroups | Jan 2022 |

**Policy Area 5: Partnerships**

Context (National):

##### LEPs are business-led partnerships between local authorities and local private sector businesses.  They play a central role in determining local economic priorities and undertaking activities to drive economic growth and job creation, improve infrastructure and raise workforce skills within the local area.

##### LEPs actively seek out partnerships to enable delivery of local goals. These include partnerships with local leaders of industry (including SMEs), educational institutions and the public sector. LEPs also work in partnership with their peers, at a regional level (e.g. Midlands Engine) and at a national level via the LEP Network.

##### Within the LEP Review Government maintains its position that LEPs should be private-sector led, reflecting the voice of business at a local level.

Context (Local):

SSLEP is engaged in a wide range of partnerships across Stoke-On-Trent and Staffordshire. There is regular engagement with Midlands Engine and the wider LEP Network.

Observations

* A Stakeholder Engagement Plan could enable the Board and Operational team to engagement more effectively with clear purpose
* Feedback from local partners and business leaders could help the LEP to understand where it adds-value and therefore help the team to strengthen and improve
* Additional senior staffing resource would enable SSLEP to engage with local businesses, partners, peers, Midlands Engine and wider Government working-groups to strengthen relationships, influence change, raise profile and confidence, and identify available funding
* Whilst we are delivering powerful marketing campaigns, more can be done to engage stakeholders via digital channels (including listening)
* The new mandate from Government may provide an opportunity to rebrand LEP and Growth Hub services locally, to clarify the new role and ensure a strong local position.

Options

|  |  |  |  |
| --- | --- | --- | --- |
| Option no | Option | Resource implications | Risks |
| 1 | Do nothing | Currently impacting on all human resource | * Inefficient deployment of resource which could affect impact. * Potential missed opportunities * Low profile amongst regional and national peers * Lack of understanding of where local businesses and stakeholders wish to see improvement * Potential confusion around the role of the LEP locally |
| 2 | Commission support to deliver digital comms | Current support charged at £750+vat per day | * Costly / irregular (equates to 33 days per year compared to lower end of salary) * Hampers relationship-building * Inability to react to change/announcements promptly |
| 3 | Build capability within operational team to engage with stakeholders daily providing greater VFM in relation to volume and agility | 1 FTE (c.£30-35k) | * Good VFM * Helps to build relationships and profile * Agility to respond to news/announcements rapidly |

Recommendation(s):

|  |  |
| --- | --- |
| Recommendation | Timeframe |
| Develop a stakeholder engagement plan that segments stakeholders, enables targeted engagement and prioritisation of resource | Sept 2021 |
| Introduce an annual stakeholder survey that uses NPS scoring to assess areas for improvement | Introduce in Oct 2021 |
| Recruit in-house digital comms professional (fixed-term contract) to engage stakeholders, share case-studies and raise the profile of the LEP | Commence recruitment in July 2021 |
| Rebrand SSLEP and Growth Hub to relaunch the LEP’s new role and positioning locally | Autumn 2021 (once LEP Review is fully completed) |

**Final table/summary of recommendations**

*\*all actions will adopt a collaborative approach with local businesses, partners and stakeholders throughout*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Policy Area | Action\* | Cost | Local benefit | Review-related risk | Proposal |
| Strategy | Create Integrated Plan for Growth | N/A | H | L | Proceed |
| Review Business Support | N/A | H | L | Proceed |
| People | Create integrated team | ££ | H | M\* | Proceed \*subject to geography |
| Commission insight | £ | H | L |  |
| Recruit to new structure | ££ | H | M\* | Proceed \*subject to geography |
| Align Marketing and Growth Hub to ensure direct leadership and Governance | N/A | H | L | Proceed |
| Finances | Invest reserves | ££ | H | M\* | Proceed. Some elements \*subject to geography |
| Oversee GH budget | N/A | H | L | Proceed |
| VAT recovery | N/A | H | L | Proceed |
| Reserves Policy | N/A | M |  | Proceed |
| Governance | Assurance framework review | N/A | M | L | Proceed |
| Business Plan | N/A | H | L | Proceed |
| Board recruitment | N/A | H | L | Proceed |
| GH Governance | N/A | M | L | Proceed |
| Subgroup review | N/A | H | L | Proceed |
| Youth Board | N/A | M | L | Proceed |
| Partnerships | Stakeholder Plan | N/A | H | L | Proceed |
| Stakeholder survey/NPS | £ | M | L | Proceed |
| Rebrand | £ | M | M\* | Proceed \*subject to geography |

*Local Benefit Scores:*

*L- Negligible benefit M - Some benefit, laying foundations for future change*

*H - likely to accelerate delivery of strategy*

*Risk Scores:*

*L - Negligible risk, highly unlikely to change/action to enable change M - Some risk of change but functionally required regardless of future policy change H - Risk of change*