

Meeting:	General scrutiny committee
Meeting date:	Tuesday 22 October 2019
Title of report:	MARCHES LOCAL ENTERPRISE PARTNERSHIP UPDATE
Report by:	Director for Economy and Place

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

This report provides an update on the achievements of the Marches Local Enterprise Partnership (LEP), its revised governance structure, current board membership and priorities outlined in its Strategic Economic Plan (SEP). It also provides a briefing on the role and purpose of the Annual Delivery Plan and its priority activities in order for the scrutiny committee to fulfil its function of making reports or recommendations to council or the cabinet on matters which affect the council's area or the inhabitants of that area

Recommendation(s)

That:

- (a) the committee consider the progress and performance of the Marches LEP and determine any recommendations it wishes to make to the executive; and
- (b) the committee determine any future elements for consideration in the future work programme.
- (c)

Further information on the subject of this report is available from

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Alternative options

1. There are no alternative options to the recommendations; it is a function of the committee to review and make recommendations on matters affecting the county or its inhabitants and is required as part of the Marches LEP's local Accountability and Assurance Framework (AAF).

Key considerations

2. The Marches LEP, one of 38 LEPs and established in 2011, supports economic growth across Herefordshire, Shropshire and Telford & Wrekin. Its vision is found at Appendix 1.
3. In April 2019 the Marches LEP joint committee was dissolved and is now operated as a company limited by guarantee (company number 11822614) in response to recommendations laid out in the 2017 national LEP Review.
4. A new chair, Mandy Thorn MBE, has just been appointed to succeed Graham Wynn OBE following an open recruitment exercise. The LEP board includes the Leaders of the three councils of Herefordshire, Shropshire and Telford & Wrekin as well as the chairs of Herefordshire Business Board, Shropshire Business Board and Telford Business Board. The chair of the Hereford Enterprise Zone is also a member of the LEP Board. The LEP Board is the LEP's ultimate decision-making authority and it comprises both public and private sector partners - a full breakdown of current LEP Board Members may be found at Appendix 2.
5. The LEP has agreed with each council that it will attend its relevant scrutiny panel twice a year from Autumn 2019 in order to provide an overview of activity undertaken and progress made. This approach is confirmed within the AAF. Mandy Thorn MBE, the Chair of the LEP Board and Gill Hamer, Director of the LEP, will attend the meeting of the committee to present the content of this report and answer questions.
6. In line with government requirements, the Marches LEP has developed an Annual Delivery Plan which sets out its workplan for financial year 2019/2020 and outlines its priority actions. A copy may be found here <https://www.marcheslep.org.uk/download/governance/Delivery-Plan-2019-2020-final.pdf>. Progress against the deliverables is reviewed regularly by the LEP team, Deputy Chair and Chair. Formal mid-year and end of year performance reviews are held with government (Department for Business, Energy & Industrial Strategy (BEIS) and Ministry of Housing, Communities & Local Government (MHCLG) to review achievements, to consider examples of good practice and identify areas for improvement. Priorities for 2019/2020 included the recruitment of a new private sector Chair (already achieved), maximising the delivery and impact of Growth Deal funded projects and developing a Local Industrial Strategy (LIS). A mid-year review was held on 18 September 2019 and progress towards achievements will be presented at the Scrutiny meeting.
7. The Marches LEP produced a Strategic Economic Plan (SEP) in 2014 which set out the area's priorities and provided the basis for successfully attracting £104 million in Growth Deal funding to the area. Projects within this funding are currently being delivered by partners and the Marches LEP has, this year, been supporting the development of NI-Park (Newport), the Midlands Centre for Cyber Security (Hereford) and the new engineering Higher Education Institute NMiTE (Hereford). The establishment and continued funding of the Marches Growth Hub to support new and existing businesses is also an important

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Marches LEP initiative. Projects that have directly benefited Herefordshire including support for skills, broadband and infrastructure programmes are laid out in the report at Appendix 3.

8. Following extensive consultation and research throughout 2018, the SEP was updated in 2019. A copy may be found at https://www.marcheslep.org.uk/download/economic_plans/strategic-economic-plan-update-2019/The-Marches-LEP-Strategic-Economic-Plan-2019.pdf. The updated SEP was approved by Herefordshire Council through a key decision in March 2019 (<http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5829>). Officially launched at a House of Commons reception on 8 May 2019 attended by Herefordshire Council representatives and local MPs, the SEP outlines opportunities agreed across the wider partnership for business growth, housing expansion, innovation and market town support.
9. The SEP includes information on the Marches' key sectors which have been classified as:
 - Core economic sectors:
 - Advanced manufacturing
 - Business and professional services
 - Food and drink
 - Emerging sectors:
 - Environmental technologies
 - Cyber security and resilience
 - Agri-tech
 - Innovative health and social care
 - Enabling sectors:
 - Visitor economy
 - Retail
 - Logistics
 - Construction
 - Health and social care
 - Education
 - Voluntary, community and social enterprise.
10. These sectors underpin the economic performance of the Marches and the core and emerging sectors provide the biggest opportunities for growth and productivity improvements.
11. The SEP is also underpinning work currently being undertaken to develop a Local Industrial Strategy (LIS). Each LEP is required to agree a LIS with government which builds on its local distinctive strengths and highlights how these can be maximised to support the regional, national and global performance of the UK. The Marches LEP is currently drafting its LIS which is based on economic evidence and has been shaped by consultation with businesses in its key sectors. Although not a bidding document, the LIS will help to influence government investment decisions by increasing awareness of our unique strengths in food and drink/agri-tech, component manufacture, environmental technologies/renewable energy production and cyber security. It will set out how we plan to boost productivity, support businesses to create good quality jobs and increase opportunities across the Marches through investment in skills, innovation and infrastructure.
12. Council partners, including the Economic Development team at Herefordshire Council, have contributed to the development of the LIS through business consultation events, leading research activities and formal review of emerging LIS priorities. The LIS process and findings to date were presented at the LEP Board Meeting on 24 September 2019 which the

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Leader of Herefordshire Council attended and with the business community at an event on 17 October 2019 at Hereford Racecourse.

13. The Marches LEP also has, alongside the three councils, involvement in the allocation and prioritisation of the European funding that is allocated to the Marches region. A report detailing the impact of European funding is attached as Appendix 4.

Community impact

14. In accordance with the adopted code of governance, Herefordshire Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining, the right mix of these is an important strategic choice to make sure outcomes are achieved. The council needs robust decision-making mechanisms to ensure our outcomes can be achieved in a way that provides the best use of resources whilst still enabling efficient and effective operations and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development and review.
15. The SEP includes a new vision for the Marches LEP which clearly sets out the aspiration that the Marches is '*an inclusive place that enables residents from all communities to thrive and develop*'.
16. With this aspiration in mind, all proposed interventions within the SEP and actions outlined in the Annual Delivery Plan are focused on housing, connectivity, economic growth, business and job creation and raising skills levels across the Marches LEP area. There is particular emphasis on the urban areas of Hereford, Shrewsbury and Telford but consideration is also given to how market towns can be supported in order to drive economic growth across communities.
17. The SEP and the wider work of the Marches LEP will support the delivery of the Herefordshire Council Corporate Plan through the achievement of the priority to "*Support the growth of our economy*", specifically by '*supporting economic growth and connectivity (including broadband, local infrastructure, transport and economic development)*'. *The priorities of the Marches SEP and Invest Herefordshire Economic Vision are aligned, supporting the growth of the local economy*.

Equality duty

18. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

19. The public-sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are

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paying ‘due regard’ in our decision making in the design of policies and in the delivery of services. The actions and work plan of the LEP considers Equality and is committed to Equality through its schemes and work programme.

Resource implications

20. There are no new financial implications for Herefordshire Council. This work is being undertaken within Marches LEP resources – this includes a cash contribution of £23,163 and an in-kind contribution of £166,978 (the costs of staff employed on the Hereford Enterprise Zone) which enable the drawdown of BEIS/MHCLG funding for the LEP.
21. Having a clearly articulated LIS will allow the Marches LEP to make the case to government for funding to support economic growth and it will be used to prioritise opportunities for funding under the UK Shared Prosperity Fund.

Legal implications

22. The scrutiny committees remit is two fold. Firstly to review the actions taken by the LEP and then as a consequence if there is anything arising which would be the responsibility of this council’s executive, to make any recommendations.

Risk management

1. Performance against the Annual Delivery Plan is formally reviewed by government. A performance rating is awarded to each LEP and the process provides an opportunity to highlight examples of good practice to share across the LEP network. The process also enables the identification of areas for improvement.
2. Each LEP has been required to respond to recommendations outlined in the national review of LEPs – failure to do so could result in sanctions, including the restriction of funding, being applied by BEIS and MHCLG. Feedback from BEIS and MHCLG confirms that the Marches LEP is not at risk of this and changes to the Marches LEP governance structure meet the requirements. Attention does, however, still need to be paid to improving the diversity of Board Membership in line with LEP Review recommendations and ensuring that its work is scrutinised by the three Local Authorities in the LEP area.
3. Financial risk to Herefordshire Council and other local authority partners is limited through the use of Shropshire Council as the LEP’s accountable body and the LEP maintaining adequate reserves to meet all anticipated financial liabilities. Specialist legal advice has been commissioned to identify any issues arising as the result of the LEP having become a company limited by guarantee.

Consultees

4. The Marches LEP consults regularly with public and private sector partners to inform its work programme. Specific consultation is undertaken as required to support different work streams, e.g. consultation informed the process for the recruitment of the new Chair and there has been significant business consultation to develop the LIS.

Appendices

Appendix 1 - Marches LEP Vision

Appendix 2 - LEP Board Membership

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Appendix 3 - Marches LEP Investment in Herefordshire Infrastructure, Skills and Innovation

Appendix 4 – Marches European Structural and Investment Funds 2014-2020

Appendix 5 – Presentation to Committee– 22 October 2019

Background papers

Marches LEP Strategic Economic Plan 2019

https://www.marcheslep.org.uk/download/economic_plans/strategic-economic-plan-update-2019/The-Marches-LEP-Strategic-Economic-Plan-2019.pdf.

Marches LEP Delivery Plan 2019 – 2020

<https://www.marcheslep.org.uk/download/governance/Delivery-Plan-2019-2020-final.pdf>

Glossary of terms, abbreviations and acronyms used in this report.

AAF	Accountability and Assurance Framework
BEIS	Department for Business, Energy & Industrial Strategy
DEFRA	Department for Environment, Food & Rural Affairs
DfT	Department for Transport
DWP	Department for Work & Pensions
ERDF	European Regional Development Fund
ESF	European Social Fund
ESFA	Education and Skills Funding Agency
ESIF	European Structural and Investment Fund
EU	European Union
FEI	Further Education Institution
GVA	Gross value added (productivity measure)
HEI	Higher Education Institution
HGTA	Herefordshire Group Training Association
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
LIS	Local Industrial Strategy
MCCS	Midlands Centre for Cyber Security
MHCLG	Ministry of Housing, Communities & Local Government
NMiTE	New Model in Technology and Engineering

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RDPE	Rural Development Programme England
SEP	Strategic Economic Plan
SLR	Southern Link Road
SME	Small or medium sized enterprise

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