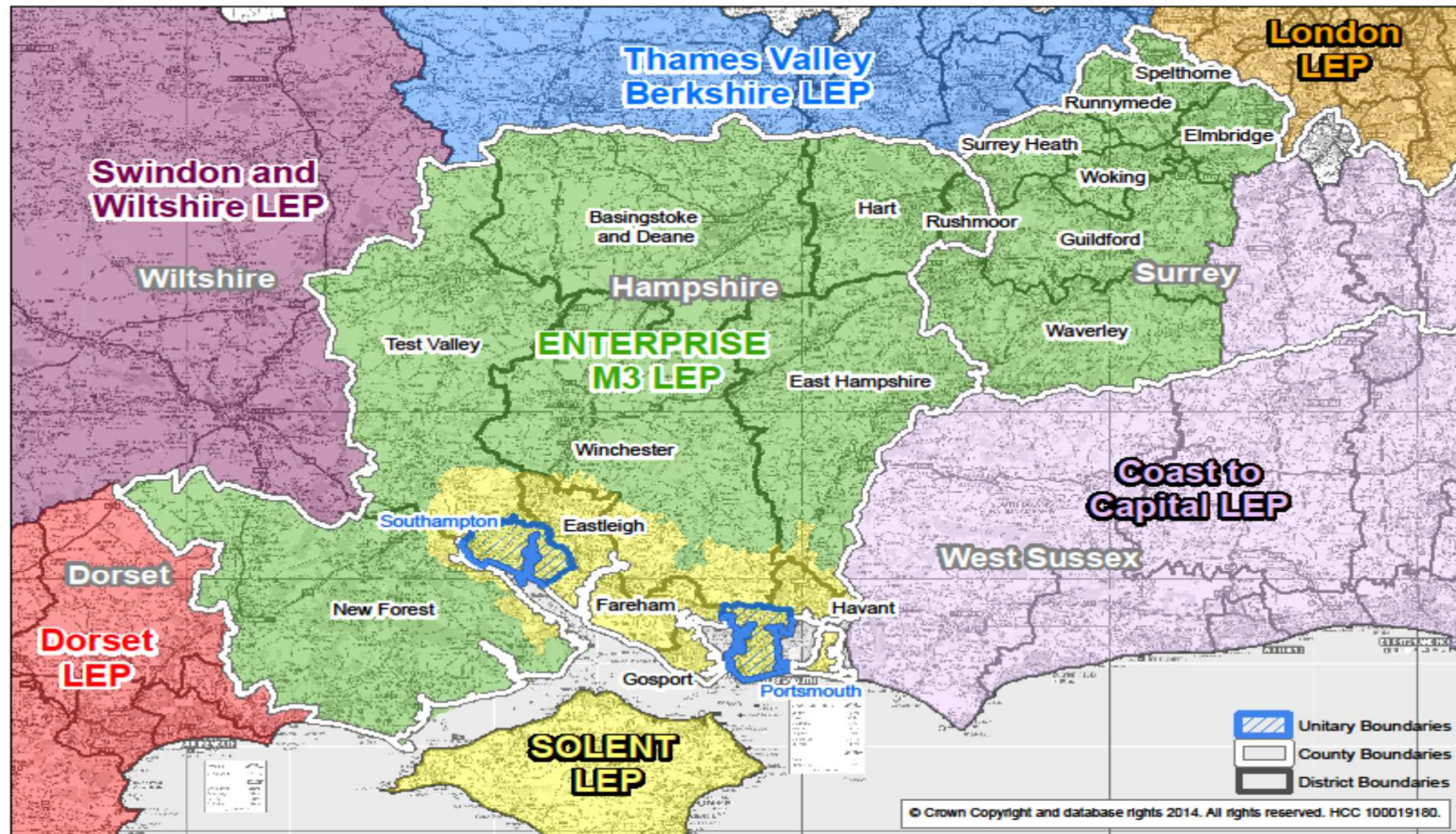


LEP Review

P&R Select Committee
1st November 2018

LEP Geography in Hampshire



LEP Review Context

- Mary Ney Review - 2017 - LEP governance and transparency
- Based on Nolan Principles of Public Life
- Aligns with local government legislation around transparency of decision making
- Publication of minutes and papers for key decision making meetings - Boards and other sub-committees
- Handling of confidential / commercially sensitive information
- Clear declaration of interests

LEP Review 2018

- Demonstrates long term commitment to LEPs (additional £20M capacity funding for 2018/19 and 2019/20)
- Evidence based local industrial strategies to determine a 'long term economic vision' for their area
- Future 'growth and infrastructure' funding to be routed through LEPs
- Annual delivery plan and end of year report (objective assessment of LEP performance)

LEP Review – Governance Requirements

- Boards to be maximum of 20 with at least two thirds private sector (plus gender balance 50/50 by 2023)
- Legal status - incorporation as company
- Geographies - remove overlaps plus potential wider changes e.g mergers
- Greater collaboration across LEP boundaries
- Clear responsibilities for Chair, Board, Directors, Accountable Body
 - AGMs (open to public)
 - participate in local authority scrutiny panel
- Less impact on Solent LEP (already established as a company) but EM3 LEP has to make significant changes

Enterprise M3 - governance

- HCC endorsed and confirmed as accountable body
- Nature of legal entity
- Alternative models for employment of staff
- Mechanisms for financial transactions and minimising VAT liabilities
- Board director responsibilities/liabilities
- Review of current assurance framework
- Appointment of external auditors
- Review of existing service level agreements between HCC and LEP - finance, HR, legal, etc
- Likely to be a very disruptive process of conversion

Local Industrial Strategies

- One per LEP area to be agreed with Government by early 2020
- Evidence based
- Government has defined key challenges to be addressed:-
 - Focused, place based strategy built on specialisms and strengths of the area
 - Where each LEP area can help to drive UK productivity and economic growth
- Related to future funding allocations (e.g. UK Prosperity Fund)
- Related to parallel initiatives such as 'Sector Deals'

Solent LEP – Emerging Future Focus

- Establish a clear, ambitious, long term vision for the area (responding to current economic performance issues and challenges)
- More coherent approach to planning and infrastructure
- City to city connectivity
- Giving more priority to the cities as economic drivers
- Focus on Marine Sector, and coastal partnerships (e.g. with Dorset LEP)
- Solent Enterprise Zone at Daedalus

Enterprise M3 – Emerging Future Focus

- Annual growth target 4% (declared in SEP)
- Key focus on digital tech - infrastructure and skills
- Build on 5G knowledge base at University of Surrey
- Improving connectivity to Heathrow
- Vibrant town centres
- Grade A office space
- Enterprise Zone (Basing View, Whitehill/Bordon, Longcross)
- Greater connectivity with Thames Valley Berkshire area
- More collaborative working with neighbouring LEPs

Hampshire LEPs Performance

Funding to Date	Local Growth Fund	Growing Places Fund	European Funds
Enterprise M3 LEP	£219M	£22M	€46M
Solent LEP	£183M	£18M	€43M

Annual Performance Rating 2017/18	Strategy	Delivery	Governance
Enterprise M3 LEP	Exceptional	Good	Exceptional
Solent LEP	Good	Good	Good



LEP Review - Geography

- Government Requirement through Review process nationally to remove 'overlaps' (whole districts in 2 or more LEPs) and 'split districts' (district split between LEPs - only affected Hampshire)
- Lots of discussion on options and different permutations
- Government guidance suggested a minimum economy and population size, and also a policy indication that the overall number of LEPs would be reduced;
- Main alternatives looked at in Hampshire were a greater integration between north Hampshire, northern Surrey and Thames Valley Berkshire area;
- A greater south coast integration between Solent and Dorset

LEP Review – Geography - Proposals

- Solent and EM3 LEPs submitted an agreed position primarily relating to resolving the ‘split districts’
 - Test Valley, Winchester and East Hants to be wholly in EM3 area
 - New Forest to be wholly in Solent Area
- Hampshire County Council position
 - Merge the two LEPs to form a new, single LEP covering the whole of the EM3 and Solent areas, encompassing all of Hampshire, Southampton, Portsmouth, Isle of Wight and a significant part of Surrey
- Government responses now awaited – no proposed LEP mergers in England