



Economic Growth Board

Date	23 September 2022
Report Title	LEP Integration Update - Progress Report
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Report has been considered by	Directors of Economic Development [24/9/22]

Recommendations

Economic Growth Board are recommended to:

1. Note progress to date.
2. Note the status of the LEP integration plan
3. Confirm next steps, including key recommendations to inform final paper that goes to WMCA Board.

1 Purpose

- 1.1 To provide the Economic Growth Board (EGB) with an update on progress towards LEP integration.

2 Background

- 2.1 The Levelling Up White Paper (LUWP) and subsequent [letter](#) set out the process for LEP integration. The work has been overseen by the EGB, supported by a Task and Finish Group (15th September) as well as the Directors of Economic Development. In addition, we have held several bi-lateral meetings with LAs and LEPs to inform the paper. The formal plan needs to be submitted to government in January 2023. The final plan will be brought to EGB on 2nd December and the CA Board in January ahead of submission.
- 2.2 The WMCA has confirmed that it will not be able to provide core funding to LEPs or Growth Hubs but will instead take on new accountabilities for key functions (as set out in the LEP integration letter). We expect government funding for core activities will be cut in future – with core funds anticipated at c£750k pa – to be transferred to WMCA. Funding for core Growth Hub activity has yet to be confirmed for 2023/24. Our expectation is that this will be similarly reduced (c£750k) and will need to be managed through the CA, who will be accountable for delivery. However, we expect this to link into wider proposals for business support, to include funding through UKSPF, with the majority of delivery expected to be at local level.



2.3 Update on individual LEP positions

At the time of writing, Board meetings are likely (but not confirmed) to be postponed and moved to a later date following the death of Her Majesty The Queen.

Black Country LEP

- A detailed transition plan will be agreed by the Black Country LEP Board on 19/9.
- The Black Country LEP expects to close, with the Growth Hub and CEC functions/staff to transfer to CA/LAs. The details of this, including all TUPE implications is being worked up with the Black Country LEP.

Coventry and Warwickshire LEP

- At the time of writing, there is no formal direction, however, Coventry and Warwickshire LEP are anticipating a Board decision on 19/9/22.
- Coventry and Warwickshire LEP anticipates closure by March 2023, with a new Coventry and Warwickshire delivery vehicle, funded through LAs across Coventry & Warwickshire.
- WMCA will explore funding and TUPE implications for the whole CWLEP group, particularly around the Growth Hub and CEC activity in Coventry, following the Board decision.

Greater Birmingham and Solihull LEP

- Greater Birmingham and Solihull LEP is working towards a Board decision on 22/9.
- The GBSLEP Board will consider a transitional year, where the LEP will continue activities supported by existing EU and residual funding. There will be no core funding for CEC and Growth Hub activity from March 2023.
- The management of the Greater Birmingham and Solihull Enterprise Zone is expected to transfer out of GBSLEP by March 2024
- CEC activity will transfer to the WMCA and local authorities.
- The future of Growth Hub activity will be informed by discussions with two LAs (Birmingham City Council & Solihull Metropolitan Borough Council), including on the use of UKSPF.
- WMCA will explore funding and TUPE implications – particularly around Growth Hub and CEC activity.

3 Key issues outstanding

3.1 There are 5 broad areas to be resolved:

- a) Each LEP to formally confirm the detail of future arrangements, including the plan for legacy activities (to be determined locally).
- b) The need to confirm future monitoring and assurance arrangements, where the WMCA will be accountable for this function, but where the expectation is that this activity may primarily sit with local authority partners.
- c) The detailed nature of TUPE as the above functions are integrated, including the implications for Growth Hubs, where TUPE to LAs/other partners may also apply.



- d) The precise nature of the business voice in WMCA going forward, including future arrangements for representatives on various fora.
- e) Other policy and partnership issues – such as the integration of LEP responsibilities into County Councils (Warwickshire, Staffordshire, Worcestershire etc). Further detail is provided at Appendix B.

a) Future Arrangements

- 3.2 Each LEP will formally confirm the detail of future arrangements, including the plan for legacy activities at their Board meetings in September. The Board dates are noted in 2.2 above. The Board decisions will trigger any further work required.

b) Monitoring and Assurance, Management, and evaluation of local growth programmes

- 3.3 WMCA is clear that the responsibility for assets and opportunities (such as Enterprise Zones), including all risks and liabilities, will not transfer to the CA. However, the WMCA will be accountable for the future monitoring and assurance of these programmes.
- 3.4 Detailed conversations have begun with all partners regarding the details of how this will operate in future.

Black Country LEP (and Walsall Council as their accountable body). WMCA now has visibility of the key programmes and funds, long-stop dates and monitoring & evaluation requirements.

Greater Birmingham and Solihull LEP: Birmingham City Council is the accountable body and is currently undertaking a more detailed analysis of how it will take forward these activities, particularly around the Enterprise Zone. There may be a requirement for a formal MoU with ministerial sign off for the transfers of EZ responsibilities, income (NNDR retention until 2046) and liabilities from the Greater Birmingham and Solihull LEP to Birmingham City Council. The WMCA will still retain accountability for providing monitoring and assurance to HMG.

Coventry and Warwickshire LEP: Coventry City Council is the accountable body for CWLEP funded programmes and the CWLEP Growth Hub. There is a proposal for the accountable body capital programmes team to provide monitoring and assurance and management and evaluation for the remaining capital projects post March 2023. This is subject to CWLEP board approval on 19/09/22.

- 3.5 Additionally, as part of work on residual LEP programmes and funds, the WMCA and partners need to understand the legal, financial and monitoring implications of any long term 'evergreen'/loan-based funds, particularly those managed by private bodies.

c) TUPE

- 3.6 Discussions are underway with the CA and LEPs. Broadly, we are expecting TUPE to apply in those areas where LEPs have had core funding for functions that will transfer to WMCA (eg Growth Hubs and CEC). This will include understanding any TUPE implications for LAs, where functions may transfer to local level.

d) Business Voice in Decision Making

- 3.7 In the [“Integrating Local Enterprise Partnerships into local democratic institutions”](#) letter from HM Government (from DLUHC and BEIS), there are clear expectations that



the CA will need to “Embed a strong, independent and diverse local business voice into local democratic institutions,” potentially through the creation of a new Business Board. In the current structure, this is delivered by LEPs – through their Boards, and through their non-voting, non-constituent member status of the WMCA Board. As and when LEPs formally cease to exist they will no longer be non-constituent members of the WMCA.

- 3.8 The Economic Growth Board has previously agreed that the region has extensive business engagement in place and does not believe that a new Business Board would add value. This follows a recent WMCA Governance Review which sought to streamline the numbers of boards and associated decision-making groups, and which led to the establishment of the Economic Growth Board.
- 3.9 The details of current engagement are set out at Appendix A, and include diverse representation from across each locality, at thematic, sector/cluster, and local level. Over 100 businesses are represented across 45 formal and informal thematic groups (excluding LEP structures), which advise WMCA on policy and delivery. In addition, the CA and partners are establishing and/or strengthening cluster groups to provide strong business leadership on delivering our Plan for Growth. There are also a number of task and finish groups – eg Hospitality taskforce – to provide critical insight into key sectors.
- 3.10 In addition, the WMCA is working with each LEP to understand the detail of business groups that will come to an end if/when LEPs cease. We are keen to retain maximum engagement and identify new opportunities for members to serve, where appropriate. EGB will receive the following four recommendations as a result (Subject to confirmation from WMCA Governance team):
- *The EGB is recommended to agree that LEP-nominated private sector members of existing WMCA groups, excluding WMCA Board, have terms of service extended by a further year to support transition*
 - *The WMCA is keen to ensure that the voice of business is properly reflected within democratic structures. The Board is therefore recommended to agree that the Economic Growth Board will open up a place for an SME representative, where the process for recruiting is open and transparent, and reflects existing good practice.*
 - *To formalise the link between the Regional Business Council (RBC) and EGB, review the membership of the RBC, ensure the chair of the RBC attends EGB, and widen the membership of the RBC to include the Portfolio Holder for Economy;*
 - *In order to ensure that we have embedded the voice of the private sector, the Board is asked to agree to a review of private sector representation post integration (Autumn 2023).*

4 Next steps / Flightpath to decision

- 4.1 Economic Growth Board on 23rd September will agree a clear position on each of the above to allow further detailed operational planning. This will ensure a draft of the LEP Integration Plan is brought to EGB on 2nd December, and CA Board on the 13th January ahead of submission to Government later that month.
- 4.2 Forthcoming key meetings:

*meetings moved due to the period of National Mourning.



<i>What</i>	<i>When</i>	<i>Decisions/Actions required</i>
Directors of Ec Dev	24 Aug (papers published 22/8)	Agree outstanding issues, direction of travel and timeline for resolution of issues.
Economic Functions Taskgroup	w/c 12 th Sept	
LEP Boards	22 nd Sept*	Decisions on integration
EGB	23 rd Sept (papers published 15/9).	Agreement on matters raised in this paper
LEP Execs/WMCA	Fortnightly	Close working arrangement
Mtg with LEPs	11 th October	
LA/LEP/WMCA meetings	October	Workshops for detailed planning/identification of issues
Directors of Economic Development	21 st September 21 st October 2022 25 th November 2022 4 th or 22 nd December 2022	Further input and joint working
Economic Growth Board	2 nd December 2022	Integration Plan agreement
CA Board	13 th January 2023	Final Sign off Integration Plan and submission

4.3 Informal conversations with HMG have taken place and whilst they are content with progress, they expect an update during September.

5 Financial Implications

5.1 There are significant, but as yet uncOSTed, implications arising from the integration of the LEPs and staff into the WMCA. The loss of LEP contributions towards the WMCA will also have a financial impact. These will be factored into decisions.

6 Legal Implications

6.1 LEPs are Non-Constituent Members of the WMCA in the constitution. Their integration will mean that the WMCA's constitution will need to be amended to reflect this change.

7 Equalities Implications

7.1 There are no further equalities implications flowing from the contents of this report.



8 Inclusive Growth Implications

8.1 LEP Integration should enhance inclusive growth opportunities across the region.

9 Geographical Area of Report's Implications

9.1 WMCA Area / three LEP geography

10 Schedule of Background Papers

Appendix A. [Draft] Embedding the private sector in WMCA advice and decision-making

West Midlands Boards and Working Groups

Please Note: table updated 12-09-22. CA team continuing to update.

Boards	Advisory	Decision-making	Accountabilities	Business representative organisations	Employer representatives, including SMEs	Membership process – eg. by invitation, applications etc	Summary of focus
WMCA Boards							
Investment Board		x	WMCA Board	LEPs (3)			To make investment decisions, or recommendations for the WMCA Board as appropriate, relating to applications made in accordance with the Investment Program.
Economic Growth Board		x	WMCA Board	LEPs (3) Chambers of Commerce (1)		EGB may recommend adding to (or varying) the membership of the Board in order to better fulfil its functions in driving green and inclusive economic growth or to reflect organisational changes in the region or nationally.	To provide strong, democratically accountable leadership to the strategic oversight of the region's approach to driving green and inclusive economic growth.
Housing and Land Board	x		Housing and Land Board			Officers from all constituent and non-constituent authorities are represented. Also representation from Environment Agency and Homes England.	Officer group feeding into Housing and Land Board
Transport Delivery Committee	x		WMCA Board				To provide oversight of operational delivery of transport across the West Midlands.
Skills Advisory Board	x		DfE	Chambers LEPs (3)	ParentPay (Chair of Digital Skills Partnership) Balfour Beatty (Chair of Construction Taskforce)	Employers are selected as Chairs of the skills taskforces that the CA has established	The priority functions of the Board to: <ul style="list-style-type: none"> increase the quality of local-level skills and labour market analysis strengthen links between local employers and skills providers



							<ul style="list-style-type: none"> increase the continuity of output across the country, with all areas publishing Local Skills Reports
Wellbeing Board	x		WMCA Board				To support the West Midlands Combined Authority to achieve its ambitions of improving health and wellbeing outcomes for its residents by adding value to the work that already goes on within individual localities.
Environment and Energy Board	x		WMCA Board	Chair is founder of Encaft		Members of the Board can nominate one substitute to attend and act on their behalf, if they cannot attend. This needs to be agreed in advance with the Monitoring Officer.	To help the WMCA become 'best in class' in terms of the delivery of 'clean, inclusive and resilient growth'.
PSR and Inclusive Growth Board	x		WMCA Board	LEPs (3)			To advise Combined Authority Board on Public Service Reform strategy and policy.
WMCA Employer Fora							
Regional Business Council	x		None		Members: NEC Group, Birmingham Airport, Jaguar Land Rover, Lloyds, Cadent, Gymshark, Gowling, Eon, Aston Villa, National Express, PWC, Birmingham Airport, Coventry FC, Coventry Building Society, Cagent, the Rigby Group, Kier, Pet- Xi, Pertemps, National Express, and Deloitte		To consider the latest economic picture and advise the WMCA on actions needed to address challenges
Economic Impact Group	x		None	LEPs (3) FSB Chambers MakeUK CBI Institute of Chartered Accountants	Members: Balfour Beatty, WMG, PWC, DPD, Deliveroo, NEC Group, Merlin Group, JLR, BT, Create Central Solihul Touchwood, Avison Young, Pinsent Mason, Birmingham Airport, The Wilderness, WMGC, GB Training, Lloyds Banking	By invitation.	Fortnightly dialogue with region's BROs and businesses to raise issues and inform CA policy



				England and Wales Midlands Aerospace Alliance	Group, HSBC, InnovateUK, British Business Bank and Bank of England, Goldman Sachs		
WMCA Thematic Boards							
Commercial Property Taskforce	x		Housing and Land Delivery Board	CWLEP	Members: Segro, Lendlease, Hermes, Harworth Group, Stoford Developments, Prologis, Legal and General, IM Properties, Muse Developments, St Modwen, MEPC and M&G		The Forum acts like a taskforce in shaping WMCA's commercial property work, providing insight into the opportunities and risks associated with commercial property development. Members provide expert opinion on specific matters such as funding bids to HM Government and the Investment Prospectus.
Future Homes Taskforce	x		Housing and Land Delivery Board	UKGBC NHF Homes England Dudley MBC	Members: L&G, Midland Heart, Cast Consultancy, Travis Perkins, Lendlease, Innovare, and Elements Europe		Provides technical expertise, commercial insight and critical steer to development of Future Homes Strategy which is intended to set out a single, coherent approach to achieving the shared ambition across the region of increasing new housing supply, establishing the West Midlands as an exemplar in the take up of AMC, responding to the 2041 zero carbon agenda, developing new skills and working practices and improving the environmental sustainability of new homes.
Public Land Taskforce	x		Housing and Land Delivery Board		Members: Legal & General, Lovell, MEPC, St. Modwen, Segro, Sigma Capital, Urban Splash, Wallis Real Estate, Willmott Dixon, Wilton Capital Advisors, Arup, Cast Consultancy and Useful Projects		To create an expert public land taskforce to work alongside WMCA to support public sector partners in unlocking the potential of public land.
Town Centre Taskforce	x				Members include: Arup, Warwick Arts Centre, Toolbox Group, Lendlease, Hammersons, Lendlease, GT, L&G, WTF Pirton,		An overarching aim to support WMCA and its partners on town centre redevelopment, repurposing and regeneration.



					Phil Jones Associates, MEPC and Arcadis		
West Midlands Housing Association Partnership Board	x				Members: Integer Advisor, Green Square Accord and housing associations.		To ensure everyone can live in a quality home they can afford.
Digital Coalition	x			One Walsall	Members: Digikick, Virgin Media, We are Digital, Stem Learning Limited, Learn Play Foundation.		To tackle digital exclusion in the region.
Digital Skills Partnership	x		DCMS		Parent Pay, Colmore Tang Construction Ltd, CISCO, Microsoft, BT, Birmingham Tech, Amazon, Application & Multi Cloud Services and cx-squared	By invitation.	This partnership aims to improve digital skills for people and organisations
Hospitality Taskforce				Birmingham Chamber of Commerce GBSLEP BID Manager	Members: Aston Villa FC, Purnell Restaurant, South Side District, Bourne Leisure, Malmaison, Digbeth Dining Club, Dishoom and Pet XI	Employer's can express interest via aeb.enquiries@wmca.org.uk	Work collaboratively to support and discuss the hospitality sector over the next four years, as part of the Mayor's job initiative scheme.
Construction Taskforce				CECA Midlands CITB	Members: Balfour beatty, BSS, Doocey Group, Galliford Try, HS2, Independent Lendlease, Macegroup, Morgan Sindall, Rmd kwikform, Stepnell, Tilbury Douglas, Willmott Dixon and Winvic		To provide strategic leadership and guidance to WMCA's approach to tackling skills issues in the construction sector in line with the WMCA's Regional Skills plan and construction sector action plan, and make recommendations to the WMCA Skills board; while exploring other ways of improving efficiency in the sector (e.g., innovation).
Cultural Leadership Board	x		Economic Growth Board WMCA Board WMCA Portfolio Holder for Culture		Members: 21 members representing different parts of the arts, culture & heritage sectors. Membership is by individual, not representing organisations.	<ul style="list-style-type: none"> • Chair direct appointment by the Mayor • Other members through an open recruitment process • Board established a number of working groups which also include non-board members 	The WMCA Cultural Leadership Board was established in 2019 as an advisory board consisting of members from the arts & cultural sector across the WMCA area.



Cultural Officers Group	x		Economic Growth Board WMCA Board WMCA Portfolio Holder for Culture	LEPs (3)	Members: Culture and/or tourism (or other relevant) officers constituent LAs + Telford & Wrekin and Stratford upon Avon as non-cons. Also three LEP's, representative from WMGC.	<ul style="list-style-type: none"> • Membership by direct appointments, not open to non LA or LEP • Chaired by WMCA • Have a terms of reference 	Bringing together LA's, LEP's and WMGC with a focus on regional aspects of cultural policy, heritage and tourism.
Innovation Board	x		WMCA	Make UK	Members: Thomas Dudley, Gen2Carbon, BruntwoodScitech, Intercity Technology and Forensic Pathways.		To drive overall levels of innovation, research and commercialisation success in the region.
Create Central Executive Board	x		Economic Growth Board WMCA Board			<ul style="list-style-type: none"> • Founder Members selected to remain as Executive Members will be approved by Create Central's Governance Working Group. • New Executive Members will be appointed by an open recruitment process managed by WMCA. • Membership will be approved by the Mayor of the West Midlands and the portfolio lead for Creative Industries following recommendation by WMCA Director of Strategy and the Chair of Create Central. 	To accelerate the growth of the West Midlands screen sector through dynamic privatesector leadership



						<ul style="list-style-type: none">Membership will reflect the screen sub-sectors and the WMCA geographical footprint.	
WM5G Board					Chair and member are from <ul style="list-style-type: none">Giff GaffNachural Group		
University Strategy Group	x		N/A	N/A	N/A	West Midlands regional universities.	To check in on key policy issues that impact Higher Education.
WM Bus Alliance Board					<ul style="list-style-type: none">Bus operators		Brings together bus operators, local councils, and other partners to work together to deliver high levels of passenger satisfaction and drive forward investment in our bus services.
Strategic Transport Board							
WM Rail Board of Directors							
Transport Delivery Committee							
Midlands Metro Limited							
Transport Operations Board							



Black Country Transport Officers Group							
TfWM Board							
Investment Panel	x		Investment Board		Commercial Member – Director of Investment & Commercial Activities or their nominee		The Investment Panel will support the Investment Board in making investment decisions and making recommendations on investment decisions.
Homelessness Taskforce	x				Housing associations Charities		To design out homelessness in the West Midlands.
Net Zero Infrastructure Board							
Energy Capital Partnership						All welcome, subject to some demonstrable commitment to WM Regional Energy Strategy (which could be financial) and willingness to represent specific parts of the sector	Oversight and responsibility for regional energy strategy.
Energy Capital Supervisory Board						Limited number of defined roles. Independent chair.	Agree priorities and recommendations into WMCA structures for consideration
Net Zero Infrastructure Delivery Panel						Membership made up of infrastructure delivery bodies, regulatory bodies and two or three net zero place advocates	Strengthen regional 'voice' in centralised UK energy system governance to enable cost-effective delivery of net zero
Energy Capital Executive						As made possible by budget allocation.	Deliver funded aspects of Regional Energy Strategy
Place-based activities						Varied local structures led by local bodies	Ensuring a Just transition to net zero of places across the West Midlands
Social Economy Taskforce							
WM Growth Company							
WMGC Board		X	WMCA Board; Investment Board; Economic Growth Board	MAKE UK	PwC; Bruntwood; Advanced; NEC; Black Country Living Museum; Westley Group; Deloitte	Drawn from local authorities and universities; private sector appointments are made by application.	Growing the economy through inward investment, capital investment and visitor attraction (including the Business & Tourism Programme).
Tourism Board							



LA Boards and Working Groups							
Dudley Economic Growth Board							
Walsall Economic Board					Members: Barhale, Home Serve, Enoch Evans, Fortel Group, ZF Lemforder, Autobase, Handelsbanken and Maloney Metalcraft		
Walsall Health and Economic Board						Includes members of both WEB and the Health and Wellbeing Board	To develop healthy workplace initiatives that benefit employers and their employees.
Walsall Employment & Skills Board				One Walsall	Black Country Training Provider Network		
Wolverhampton Towns Fund Board				One Walsall	Members: Jhoots Group, Vine Trust, Fairfax saddles and ZF Lemforder		
LEP structures							
Black Country LEP Board		x			Business Leads / owners.	Nominations/applications to vacant posts. Completing expression of interest form.	Being accountable for the management of any funding programmes that may be assigned to BCLEP.
Competitiveness and Enterprise Advisory Board	x			FSB BC Chambers Make UK	Liberty		
Place Making and Land Advisory Board							
People Theme Advisory Board							
Active Black Country Board							
CWLEP Board Other sub committees with similar membership: <ul style="list-style-type: none"> Finance and Governance Board Programme Delivery Board 		x			Business Leads / owners.		Being accountable for the management of any funding programmes that may be assigned to CWLEP.



CWLEP Planning and Housing Business Group	x				Members: JLL Real Estate, IDP and Framptons Planning		A strategic advisory body to the Board on all matters related to planning and housing.
CWLEP Culture and Tourism Group	x				Members: Belgrade Theatre, Warwick Castle, Electric Zoo, PR firm Advent communications and Compton Verney Art Gallery and Park		A strategic advisory body to the Board on all matters related to culture and tourism.
CWLEP Productivity and Skills Group	x			FSB	Pet Xi		A strategic advisory body to the Board on all matters related to skills, employment and productivity
CWLEP Transport and Infrastructure Group	x			FSB	Members, Birmingham Airport, Railway – Chiltern and Cross Country and PR firm Advent communications		A strategic advisory body to the Board on all matters related to infrastructure.
CWLEP SMEs Group	x			FSB	Members: PR firm Advent communications, Burgis and Bullock, Llyods Bank, HS2, NFU Mutual and Apex recruitment		A strategic advisory body to the Board on all matters related to SMEs.
GBSLEP Board Other sub committees with similar membership: <ul style="list-style-type: none"> • Programme Board • Scrutiny Board 		x			Business owners / entrepreneurs.		Being accountable for the management of any funding programmes that may be assigned GBSLEP.
GBSLEP Place Board	x				Members: Innovation Birmingham, Arcardis		
GBSLEP Employment and Skills Board					Innovation Birmingham, PTP Training and CX Squared		
GBSLEP Business & Innovation Pillar Board							