

Record of Decisions

Local Enterprise Partnership (LEP) Transition Plan

Decision Taker

Cabinet on 02 February 2024.

Decision

That:

- a) The proposed Integration Plan and the Heart of the Southwest Local Enterprise Partnership (HOTSWLEP) transfer of functions into the Council by 1 April 2024 be approved;
- b) Delegated authority be given to the Director of Pride in Place in consultation with the Cabinet Member for Place Development and Economic Growth and the Director of Finance to agree transfer arrangements 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) Delegated authority be given to the Director of Pride in Place in consultation with the Cabinet Member for Place Development and Economic Growth approval of any minor changes to the Integration Plan; and
- d) The submission of a business case for Torbay, including Plymouth and Devon to bid for transitions funding from Government up to £240,000 be approved.

Reason for the Decision

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.

Implementation

This decision will come into force and may be implemented on 14 February 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

In the Spring Budget Statement 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.

Subsequently the 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

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.

An Integration Plan has been agreed with Government and developed by the upper tier authorities with engagement from the Heart of the South West LEP's executive. An opportunity to develop a bid in the form of a business case for up to £240,000 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 was proposed.

At the meeting Councillor David Thomas proposed and Councillor Steve Darling seconded a motion that was agreed unanimously by the Cabinet, as set out above.

Alternative Options considered and rejected at the time of the decision

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 to move forward with devolution at separate timescales.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None.

Published

6 February 2024

Signed: _____ Date: _____
Leader of Torbay Council on behalf of the Cabinet