



## EAST STAFFORDSHIRE BOROUGH COUNCIL

## REPORT COVER SHEET

<b>Title of Report:</b>	Review of the Council's Economic Partnerships across Staffordshire and the West Midlands	To be marked with an 'X' by Democratic Services after report has been presented
<b>Meeting of:</b>	Corporate Management Team 21/07/20	X
	Leader and Deputy Leaders 27/07/20	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group 05/08/20 & 06/08/20	X
	Council 17/08/20	
	Scrutiny Community Regeneration, Environment and Health and Well Being Committee [DATE]	



<b>Is this an Executive Decision:</b>	NO	<b>Is this a Key Decision:</b>	YES
<b>Is this in the Forward Plan:</b>	YES	<b>Is the Report Confidential:</b>	NO
<b>If so, please state relevant paragraph from Schedule 12A LGA 1972:</b>	n/a		

**Essential Signatories:**

**ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE**

Monitoring Officer: **Angela Wakefield**

Date ..... Signature .....

Chief Finance Officer: **Sal Khan**

Date ..... Signature .....

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Council**

**Date: 17/08/20**

**REPORT TITLE: Review of the Council's Economic Partnerships  
across Staffordshire and the West Midlands**

**PORTFOLIO: Regeneration and Planning Policy**

**HEAD OF SERVICE: Andy O'Brien**

**CONTACT OFFICER: Thomas Deery Ext. No. x1664**

**WARD(S) AFFECTED: All**

**1. Purpose of the Report**

- 1.1. To update on the current landscape around Local Enterprise Partnerships (LEPs) and Mayoral Combined Authorities, such as the West Midlands Combined Authority (WMCA).
- 1.2. To propose that East Staffordshire Borough Council joins the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) in addition to the Council's membership of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in terms of:
  - 1.1.1. Formally joining the SSLEP operational partnership, building on existing strong working relations;
  - 1.1.2. Becoming a member of Stoke-on-Trent Local Enterprise Partnership Ltd, the SSLEP company;
  - 1.1.3. Accepting an offer from SSLEP to represent southern Staffordshire on the Board.

**2. Background**

- 2.1. In June 2010, the Government invited businesses and Councils to come together to create Local Enterprise Partnerships that reflected the functioning economic geography of areas across England.
- 2.2. In August 2010, Cabinet considered three LEPs: the GBSLEP, the SSLEP, and the Derby, Derbyshire, Nottingham, and Nottinghamshire LEP. Cabinet voted to exclusively join GBSLEP, following consultation with Council and after several meetings. This was following a request to understand and choose the most suitable economic geography from the then Secretary of State, Rt. Hon Eric Pickles MP (now Lord Pickles).
- 2.3. Three other Staffordshire Council's also joined GBSLEP; Cannock Chase, Lichfield, and Tamworth. Unlike ESBC, these Councils subsequently joined the SSLEP as secondary members.
- 2.4. The geography of East Staffordshire is included within the boundary of SSLEP as Staffordshire County Council are members. As such, East Staffordshire, Cannock, Lichfield, and Tamworth became the 'transitional area', meaning that area that transitions between the two LEP boundaries.
- 2.5. It has been previously confirmed by Government officials that Government considers East Staffordshire to already be members of both LEPs given Staffordshire County Council covers East Staffordshire borough, this position is also reflected in the Government's 2018 review into LEP arrangements.
- 2.6. Additionally, in June 2016, Local Authorities across the West Midlands came together to create a Mayoral Combined Authority in the West Midlands Combined Authority (WMCA), with Andy Street as the elected Mayor.
- 2.7. The GBSLEP were invited to join the WMCA and so consequently, as a GBSLEP member ESBC were invited to become 'non-constituent' members of the WMCA. At the time, ESBC did not decide to join, however two of the transitional area authorities did; Cannock and Tamworth.
- 2.8. In 2018, Government launched the 'Strengthened Local Enterprise Partnerships' review, which set out a number of governance changes for LEPs including:
  - 2.8.1. Establishing a separate legal entity (incorporation of a company), independent of the accountable body;
  - 2.8.2. Establishing a representative Board of up to 20 persons with two thirds from the private sector and at least a third made up by women;
  - 2.8.3. Defined term limits for Chairs and Deputy Chairs, with greater consultation of the business community prior to appointments.
- 2.9. As Government consider East Staffordshire to be within the SSLEP geography, they have confirmed that ESBC is entitled to sit on the SSLEP Board if offered a position.

- 2.10. Although the Government review asks LEPs to consider proposals for removing overlap areas, it also requires a greater collaboration across boundary areas and alignment with Mayoral Combined Authorities, where applicable. As of 2020, the removal of overlaps has not been implemented.

### **3. Contribution to Corporate Priorities**

- 3.1. The Council's membership of any regional economic partnership is relevant to the delivery of all of the Corporate Priorities, but is particularly important to the priority of Community Regeneration.

### **4. Update on the Emerging Dynamic Between GBSLEP and WMCA**

- 4.1. On 10<sup>th</sup> June 2020, Government invited all LEPs to submit proposals for capital projects that could be delivered within 18 months, to quickly stimulate local economies.
- 4.2. Separately, it was confirmed to the Council that East Staffordshire could submit proposals to both GBSLEP and SSLEP, as Government viewed East Staffordshire as being in both LEPs.
- 4.3. Appendix 1 shows the Secretary of State's response to GBSLEP's submission on 1<sup>st</sup> July 2020, along with the WMCA and other LEPs in the West Midlands. Appendix 2 shows the follow up email from Tim Pile, Chair of GBSLEP, to the Local Authorities in GBSLEP.
- 4.4. These documents highlight the emerging paradigm whereby Mayoral Combined Authorities will lead of regional economic growth over LEPs. In practice, this means that although Tamworth and Cannock are 'non-constituent' fee paying members of the WMCA, they are still excluded from the GBSLEP/WMCA allocation of funding from Government, in addition to East Staffordshire and Lichfield, who are members of GBSLEP.
- 4.5. It is difficult to know at this stage what this will mean for the future of GBSLEP, but it seems clear that Government will look to the WMCA to lead on regional economic growth via devolution and allocations of funding, instead of the LEP.
- 4.6. Allied to that, the Government has, in July, promised a White Paper on Devolution and Growth to be published in early Autumn. The Government is proposing, where there is local demand and agreement, to extend the roll out of Mayors, Combined Authorities and Unitarisation to all parts of England starting in the North.
- 4.7. It is not possible for East Staffordshire to become constituent members of the WMCA and it is appropriate to assume that Government does not recognise non-constituent membership in the same way. As such, the Council will not be able to access this kind of funding through GBSLEP or WMCA.
- 4.8. This is a significant example of how the GBSLEP's role within regional economic growth is being diminished and overshadowed by the WMCA and it

leads to real questions as to whether the LEP can actually function in its own right or whether it is being pushed into a secondary position underneath the WMCA.

- 4.9. From the Council's perspective, the potential implications of a diminished, or even abolished, GBSLEP are significant. It would leave East Staffordshire as the only area in Staffordshire, and possibly the West Midlands, without any strong regional representation for economic growth. It may even lead to fewer opportunities to access funding and support both for regeneration and economic development in the medium and long term.
- 4.10. Separately, in the short term, GBSLEP has suggested that it may be looking to bring forward a third round of the Strategic Economic Plan Enabling Fund for Towns and Local Centres revenue projects, which is particularly aimed at revenue projects that will lead to capital investments, such as feasibility studies. This would be sourced from the LEP's own funds as opposed to any devolved grants from Government.
- 4.11. The Council has already secured grants from the previous rounds of this fund for the Burton Regeneration Strategy (£25,000), Station Street designs (£12,000), and the forthcoming Uttoxeter Masterplan (£20,000). As such, if a third round of the fund is launched, it may be appropriate to submit a further bid for additional feasibility work related to the emerging Towns Fund proposals in order to support the development of business cases.

## **5. Proposal to join SSLEP partnership, company and Board**

- 5.1. At this time, Staffordshire does not have a Mayoral Combined Authority and so the primary body for regional economic growth is the SSLEP.
- 5.2. With the exception of East Staffordshire, all Local Authorities in Staffordshire are members of the SSLEP partnership, including the County Council and Stoke-on-Trent City Council, with some also being members of the SSLEP Board.
- 5.3. In Appendix 2, the Chair of GBSLEP confirmed that Government funding for the transitional area had been allocated to SSLEP. Therefore, the Council will need to work more closely with the SSLEP and so naturally would benefit from strengthening its engagement with SSLEP on this basis.
- 5.4. Becoming members of the SSLEP partnership does not entitle a Local Authority to become a member of the SSLEP Board and the Government review on governance means that it will no longer be possible for all Local Authorities to sit on LEP boards moving forwards (see 2.8.).
- 5.5. The Council has been invited to formally become a member of the SSLEP Board and has been provisionally allocated one of the 4 seats on the Board reserved for 8 District/Borough Local Authority members. The Articles of Association for SSLEP are included at Appendix 3.

- 5.6. In taking up a seat on the SSLEP Board, the Council could enhance its regional economic partnerships in Staffordshire at a time when those partnerships in the West Midlands may be dwindling and potentially influence further regional economic strategy in the County.
- 5.7. Similarly, the Council will not only be representing East Staffordshire on the SSLEP Board, it will also specifically be representing southern Staffordshire (i.e. the transitional area) as well as being one of a few Local Government representatives for the whole of the County.
- 5.8. Neither joining the SSLEP partnership nor taking up a seat on the Board requires the Council to leave the GBSLEP and so it is possible to be involved with both LEPS, subject to any future implementation of the LEP review and a realignment of LEP geographies. As previously mentioned, Government currently see the Council as being a member of both LEPS anyway.
- 5.9. Similarly, this proposal will not impact any existing agreements with GBSLEP, such as the Local Growth Fund agreement for the Washlands project.

**6. Financial Considerations**

*This section has been approved by the following member of the Financial Management Unit: Anya Murray*

- 6.1. There are no significant direct financial implication associated with the Council’s partnership of SSLEP, other than a £1 contribution fee that enables the Council to become members of the limited company entity for SSLEP by acquiring a share of the company, shown below.

Revenue	2020/21	2021/22	2022/23
SSLEP Membership Contribution (share purchase)	£1		

- 6.2. There are indirect implications insofar as that the Council will be able to better influence economic policy at a Staffordshire level, such as the Local Industrial Strategy or Strategic Economic Plan.
- 6.3. Similarly, by being members of the SSLEP partnership, the Council will be better placed to submit capital bids for funding from the LEP, such as for Local Growth Fund (LGF) monies.

**7. Risk Assessment and Management**

- 7.1. The main risks to this Report and the Council achieving its objectives are as follows:
- 7.2. **Positive** (Opportunities/Benefits):

7.2.1. The opportunity to have a greater influence in the direction and decisions of the SSLEP, particularly with an appointment to the Board of Directors.

7.2.2. The benefit of greater alignment with Staffordshire County Council, who are members of SSLEP as well as being the accountable body. ESBC's Board membership of SSLEP will support greater synergies in economic development and regeneration.

7.3. **Negative** (Threats):

7.3.1. The ongoing Government LEP Review may conclude that Council's in more than one LEP must only be in one. A decision to join the SSLEP Board may suggest to Government that the Council has a preference of SSLEP, however Government do already view the Council as being in both LEPs.

7.3.2. The forthcoming white paper may affect the future of the Borough Council, as an entity.

7.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8. **Legal Considerations**

*This section has been approved by the following member of the Legal Team:  
Angela Wakefield*

8.1. The main legal issues arising from this Report are as follows.

8.2. The Council will need to appoint a director to the Stoke-on-Trent and Staffordshire Local Enterprise Partnership Ltd company.

9. **Equalities and Health**

9.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

9.2. **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

10. **Human Rights**

10.1. There are no Human Rights issues arising from this Report.

11. **Sustainability** (including climate change and change adaptation measures)



11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

11.2. Please detail any positive/negative aspects:

11.2.1. Positive (Opportunities/Benefits

11.2.2. Negative (threats)

## 12. **Recommendation**

12.1. That Council delegates to the Deputy Leader for Regeneration and Planning Policy the approval of arrangements relating to East Staffordshire Borough Council:

12.1.1. Formally joining the SSLEP operational partnership, building on existing strong working relations;

12.1.2. Becoming a member of Stoke-on-Trent Local Enterprise Partnership Ltd, the SSLEP company;

12.1.3. Accepting an offer from SSLEP to represent southern Staffordshire on the Board.

## 13. **Appendices**

13.1. Appendix 1: Secretary of State Letter to WMCA & LEPs

13.2. Appendix 2: Tim Pile, Chair of GBSLEP, email

13.3. Appendix 3: SSLEP Articles of Association