

<b>Local Members Interest</b>
Nil

## **Corporate Overview and Scrutiny Committee – Tuesday 17 January 2023**

### **Scrutiny Review of the Stoke-on-Trent and Staffordshire Local Enterprise Partnership 2021-22**

#### **Recommendation(s)**

I recommend that:

- a. Members consider the information contained in the report to hold to account the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) for the delivery of its objectives in 2022.
- b. Members consider lessons learned for the delivery of economic growth in the SSLEP geographic region and how this might help shape this area of work, and in particular cooperation among partners, in the future.

#### **Report of Alun Rogers, Chair - Stoke-on-Trent and Staffordshire Local Enterprise Partnership**

### **Summary**

#### **1. What is the Overview and Scrutiny Committee being asked to do and why?**

- 1.1 The primary purpose of the meeting is for Councillors to explore the work the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) has undertaken over the last year. It is an opportunity to question the LEP Chair and hold them to account for the delivery of outcomes set out in the SSLEP Annual Delivery Plan, which is produced with reference to the various strategic documents that govern the LEP's work and is attached at Appendix 1 to this report.
- 1.2 The Committee may also wish to make recommendations as to how the work of the LEP is progressed in the future. As such it is important for Members to note that the Government launched a national review of LEPs in Spring 2021. While this concluded in February 2022, more details regarding the outcome of the review and future funding are still to be determined.

## Report

### 2. Background

- 2.1 The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) was formed in 2011, with a remit to bring together local public sector authorities, businesses, and other bodies to work together to drive economic growth and prosperity within the region. The SSLEP was established as a company limited by guarantee (rather than an unincorporated partnership) in April 2019, as required by Government. The Company Board, which is the LEP's main decision-making authority, comprises 15 Directors, currently 9 from the private sector and 6 the public sector. Both Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SOT) are represented on the Board, as well as representatives from the District and Borough Councils within Staffordshire.
- 2.2 All LEPs are required to agree and publish Assurance Frameworks setting out their governance arrangements, and which are in line with the National Local Growth Assurance Framework (NLGAF) published by Government. The national framework states that "the LEP should participate in relevant Local Authority scrutiny arrangements to guarantee the effective and appropriate democratic scrutiny of their investment decisions". The SSLEP's Assurance Framework sets out that this scrutiny will be carried out annually by a joint meeting of relevant Local Authorities (including representation from District and Borough Councils), which will be hosted on a rotating basis by Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SOT). This is the fourth of these sessions, with the previous session being hosted by Staffordshire County Council in 2021. Minutes of that meeting can be accessed [here](#).

### 3. Strategic Framework

- 3.1 Since 2011 the LEP has produced, as directed by Government, several strategic documents setting out its ambitions for the region and designed to drive its approach to economic development. The Strategic Economic Plan (SEP) was initially agreed in 2014 and refreshed in 2018. The current SEP can be viewed [here](#).
- 3.2 The LEP's central ambition as outlined in the SEP is to grow the economy by 50% and generate 50,000 new jobs by 2024 (10 years on from first publication of the SEP).

- 3.3 As of 1 January, 2020, total jobs in the SSLEP area increased by 52,000 between 2011-2020, an increase of 11% over the period. This growth in jobs has meant more jobs for local residents to access within the LEP area.
- 3.4 The revised SEP recognised that increasing productivity and supporting the creation of a greater proportion of high-value, high-wage job opportunities, while ensuring residents could take advantage of those opportunities, would be vital to the continued development of the economy.
- 3.5 In terms of growing the economy the total GVA in the SSLEP area has increased by £5.1bn between 2011-2020, an increase of 27% over the period. The main growth during this period has been seen in the services sector (over £4bn) driven by health and social care, logistics and wholesale and retail sectors, with the production sector increasing by £640m and construction by £370m over the period.
- 3.4 In December 2018 Government required all LEPs to lead the development of a Local Industrial Strategy (LIS) for their area. These were long term plans, aligned to the National Industrial Strategy. The SSLEP LIS was developed with local business and local authority leaders, Keele and Staffordshire Universities, and local colleges and was agreed in March 2020. The full LIS and an Executive Summary can be accessed online, [here](#).
- 3.5 In March 2021, Government announced the replacement of the National Industrial Strategy with a renewed vision articulated in a Plan for Growth. This was followed, in June 2021, with an announcement that the role and function of LEPs would be reviewed at national level.
- 3.6 In March 2022, the Government set out the conclusions of its LEP review in a 13-page [letter](#) to LEP chairs and combined authority mayors.

This letter built on the ['Levelling Up' White Paper](#) which was published in February 2022 and marked the beginning of the transition of LEPs' functions and roles into local democratic institutions. This included the outline of a series of 'integration pathways' for LEPs to follow depending on the devolution approach their local government colleagues would decide on.

Whilst SSLEP aligned with Integration Pathway n.2 i.e. 'Maintaining LEPs until a devolution deal is agreed', the Board and local partners

were eager to adopt a progressive approach, ensuring early alignment with the governance and strategic ambitions of Democratically-elected Leaders (DELs).

#### **4. Governance**

- 4.1 The SSLEP Company Executive Board is the primary decision-making body for the LEP, comprised of 15 Directors from the public and private sectors. The SSLEP Board is currently in the process of determining the new LEP structure with an aim to have this completed by early 2023.
- 4.2 Our Strategic Programme Management Group (SPMG) and Audit and Finance Committee continue to oversee delivery of the existing portfolio of projects and financial and risk management processes respectively.
- 4.3 SSLEP's overall performance, both in relation to delivery and governance is overseen at national level by the Department for Business, Energy and Industrial Strategy (BEIS). BEIS reviews LEP's annually, including their overall governance arrangements, and SSLEP is compliant with national standards. The outcomes of the most recent Performance Review held 3<sup>rd</sup> February 2022, were reported to the Executive Board and are available on the [SSLEP website](#) as part of that agenda.
- 4.4 The Scrutiny Committee may wish to note the following points from the Performance Review.
  - Following the resignation of a Board Member in summer 2021, the SSLEP had vacancies for 3 private sector board Members, which impacted compliance with private / public sector ratio guidance.
  - City Deal Carbon Emissions Reduction Targets to be reported as part of regular reporting to SPMG. Data from the SEND project will be available from late spring 2021. Data from the DHN will not be available for another 18 months.
  - CLGU to clarify future of NLGAF and provide updated assurance arrangements if required.

Further details on the aforementioned points can be provided on request.

- 4.5 As a result of the Government's LEP review, the Board is in the process of assessing and establishing future governance and the new LEP business model. This has already started to take shape with discussions with our LA partners and BEIS with regard to the transferring of the Legacy Funding Deals and Programmes: Getting Building Fund, Local Growth Deal, City Deal and ESIF into LAs. This is expected to be completed by 2022/23.

## **5. Operational Delivery**

- 5.1 In September 2021, the Board formally signed off on the 2021/22 Delivery Plan (Appendix 1) which was regularly reviewed. The Delivery Plan sets out how the LEP intends to balance existing delivery whilst implementing change and improvement. The Delivery Plan directly informs the work programmes of staff and supports the prioritisation of financial resources.

- 5.2 Within the context of the wider LEP review the CEO and Board agreed the following priority work: -

### Governance:

- Board Recruitment
- Review of Sub-Group structures
- Alignment of Growth Hub
- Full review of Assurance Framework following LEP review.

### Operations

- Ongoing programme management (see details of programmes below)
- Review of financial and human resources
- Review of existing accountabilities (Hatch Review)
- Insight Commission (to develop a local SITREP, including an extensive business survey, increasing the voice of business and providing granular level insight into the local economy, with a view to this becoming an ongoing commission managed by the LEP or alternative body in the future, providing valuable insight to all local partners concerned with economic growth.

### Stakeholder Engagement

- A significant element of the LEP's role was to build mutually beneficial relationships at a local/regional/national level whilst amplifying the voice of business and the brand of our place;
- The 2021/22 Delivery Plan provided detail of the extensive stakeholder engagement undertaken throughout the year.

## **6. Programme Delivery**

### **6.1 Local Growth Deal and Getting Building Fund**

6.1.1 The SSLEP is responsible for the delivery of a range of (primarily) capital projects. The two most significant programmes are the Local Growth Deal (LGD) and Getting Building Fund (GBF). The second of these being launched by Government after the initial COVID-19 outbreak specifically for 'shovel ready' schemes that could deliver outcomes swiftly to support economic recovery in the aftermath of the pandemic.

6.1.2 The Strategic Programme Management Group receives Bi-Annual updates on LGD and GBF (these Bi-Annual updates are also submitted to BEIS) so there is substantial oversight at both local and national level.

6.1.3 The quarter 1&2 22/23 summary reports for both programmes (as received by SPMG) are attached at Appendix 2 and Appendix 3. With further detailed information available on the SSLEP [website](#) as part of the SPMG agenda.

### **6.2 The City Deal**

6.2.1 The LEP also maintains oversight of two projects funded through 'City Deals' which were agreed at the time of LEP's creation, BEIS maintains direct oversight of both projects. And in the case of the District Heating Network funding goes directly to Stoke-on-Trent City Council. However, SPMG receives regular updates on both projects, given their links with the SSLEP. The latest position on both these projects was most recently reported to the SPMG in November 2022. Project updates for both Keele SEND and Stoke-on-Trent District Heat Network are attached as Appendix 4 & 5.

### **6.3 European Funding**

6.3.1 European Structural and Investment Funds subcommittees were created in each LEP area which received a notional allocation of European Funding. Whilst their terms of reference have developed

since their inception in 2014, they fundamentally still follow the core principles of; providing advice to the Managing Authorities with regards to ESIF Funds strategies, calls, and outline and full applications have been fulfilled. The SSLEP Vice Chair, holds the position of the ESIF Sub-Committee Chair which is also administered by two officers, one from SoTCC and SCC on a need to basis.

Whilst this advisory role has now concluded, with local investment decisions having been taken, the structures will remain in place to provide a line of communication between local partners and the Managing Authorities regarding programme progress in the respective LEP area, from this the committee provide Bi-Annual summary for SPMG and A&F.

An updated report is attached at Appendix 6.

## **6.4 Growing Places Fund**

6.4.1 The Growing Places Fund (GPF) is a revolving fund providing loans to businesses that can demonstrate that they will generate economic growth in a short space of time with the right infrastructure in place. The most recent report is available at Appendix 7.

## **6.5 Ceramic Valley Enterprise Zone**

6.5.1 Since its launch in 2015, Ceramic Valley Enterprise Zone (CVEZ) has consistently contributed to Stoke-on-Trent and Staffordshire's continued economic growth, driving our move to high-value added sectors and raising productivity. By championing tirelessly, the benefits of locating in the heart of the UK, CVEZ has become one of the most successful EZs in the country.

6.5.2 Comprising six key sites along the strategic A500 corridor totalling 140 hectares, five are in Stoke-on-Trent ie: - (i) Tunstall Arrow; (ii) Highgate Ravensdale; (iii) Cliffe Vale; (iv) Etruria Valley and; (v) Chatterley Valley East. In addition, a further site, Chatterley Valley West, in Newcastle-under-Lyme. CVEZ has enabled redundant and neglected brownfield sites to be developed. Economic outputs achieved to date so far include:

- 78% in 6 years of 2025 target of 3.7m sq ft industrial space completed, under construction and planning approved

- 110.3 Ha of brownfield land remediated and/or regenerated by 2022
- 37 new businesses
- £32.13m GVA increase
- £92.53m of public investment
- £252.8m of private investment

## **6.6 Growth Hub**

6.6.1 The SSLEP has worked with its key strategic partners in recent months to strengthen Governance arrangements with its Growth Hub (GH) to ensure that it remains under its direct leadership and governance.

6.6.2 Following the conclusion of the LEP review, a new Head of Growth Hub was appointed in June 2022.

6.6.3 The LEP Review and Business Support Reform agenda has influenced future changes to the structure of the LEP and its Growth Hub. A substantial exercise has now been undertaken to map current business support functions to assess impact, address gaps and ensure simplicity for the businesses seeking access, to establish a digital solution for universal provision from Q3 of the 2022-2023 financial year.

The GH Business Plan, budget and intended spend forecast for the revised digital solution for universal provision will be formally approved by the LEP Board and audit and finance committee who will receive regular and timely updates in relation to performance, applying relevant scrutiny via SPMG sub-committee (who will receive business plan and budgets).

## **Priorities and Action Areas**

7.1 The activity undertaken by SSLEP continues to be linked to local strategic priorities. Working together with partners across the public, private and education sectors, the LEP aims to deliver a positive impact on the local economy.

## **8. Previous Overview and Scrutiny Activity**

8.1 The LEP was last scrutinised by Stoke-on-Trent and SCC Scrutiny Committees in January 2022.

## List of Background Documents/Appendices:

The appendices below can be viewed on the Stoke-on-Trent and Staffordshire Local Enterprise Partnership website here:

[www.stokestaffslep.org.uk/about-us/governance/](http://www.stokestaffslep.org.uk/about-us/governance/)

- Appendix One – 2021/22 SSLEP Delivery Plan
- Appendix Two – Getting Building Fund Q1 & Q2 2022/23 Report
- Appendix Three – Local Growth Deal Q1 & Q2 2022/23 Report
- Appendix Four – Keele SEND Project Update
- Appendix Five – DHN Project Update
- Appendix Six – European Funding Update
- Appendix Seven – Growing Places Fund Update
- Appendix Eight – Annual Report 2021/22

### Background Documents

- Stoke-on-Trent City Renewal Overview and Scrutiny Committee Minutes
- SSLEP Strategic Economic Plan
- SSLEP Local Industrial Strategy
- SSLEP Notes from Mid-Year Performance Review

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