

# Heart of the South West LEP

## INTEGRATION PLAN

### INTRODUCTION AND GUIDANCE

Government has [confirmed](#) that Local Enterprise Partnership (LEP) core functions – namely, business representation, local economic planning, and the delivery of Government programmes where directed – from April 2024 should be delivered by local authorities.

This template is intended to aid the process of integration and inform the direction of any future government funding. This document should be read in parallel with the [guidance](#) published on the integration of LEP functions into local and combined authorities on 4 August 2023. Government expects decisions on the transfer and delivery of current LEP functions to be made locally.

Government expects functions to be delivered over current or potential devolution deal geographies so far as possible. Outside of areas with an agreed devolution deal, it is expected that functions will be exercised by the upper tier local authority, working with other upper tier local authorities as appropriate. Where multiple upper tier local authorities operate within an area, only one return is necessary. The authority which submits the return on behalf of the whole area should ensure all upper tier local authorities have agreed to the return and copy it to the LEP Chair.

It is recognised that the formal process of transferring any assets, loans, investments, or liabilities between existing LEP(s) and local democratic institutions will require agreement between both parties. All parties must follow the relevant laws and regulations that apply, including having due regard for the Public Sector Equality Duty.

Any commercially sensitive information may be submitted in parallel to the main integration plan. The use of annexes is also recommended for non-sensitive issues where more detail is required.

Completed plans should be sent to the central LEP Integration inbox ([LEP.Integration@levellingup.gov.uk](mailto:LEP.Integration@levellingup.gov.uk)), copying all relevant parties (all upper tier local authorities and LEP Chair) and the relevant Area Lead in the Cities and Local Growth Unit.

The deadline for submission of this plan to Government is **23:59hrs on Thursday 30 November 2023** or earlier if possible, to help inform future funding decisions.

## SECTION 1: CORE INFORMATION

Core details and current arrangements	
<b>1.1 Name of LEP which is to be integrated.</b>	Heart of the South West Local Enterprise Partnership
<b>1.2 Name(s) of upper tier authority or authorities into which LEP functions are being integrated.</b>	Devon County Council Plymouth City Council Somerset Council Torbay Council
<b>1.3 Current relationship with the LEP</b>	Each upper tier local authority has representation on the LEP Board and its sub-committees and each deliver services on behalf of the LEP via a Service Level Agreement.  Somerset Council are the Accountable Body for the LEP.
Integration leads	
<b>1.4 Contact details for integration leads</b>	<u>Senior Responsible Officer:</u> Jason Vaughan, Executive Director – Resources & Corporate Services (Section 151 Officer) <a href="mailto:Jason.vaughan@somerset.gov.uk">Jason.vaughan@somerset.gov.uk</a>  <u>Operational contact:</u> Melanie Roberts <a href="mailto:Melanie.roberts@somerset.gov.uk">Melanie.roberts@somerset.gov.uk</a>

## SECTION 2: GEOGRAPHY

### Geography

#### **2. Please set out the proposed geography for the delivery of LEP functions from April 2024.**

Answers should confirm whether the proposed geography is coterminous with the current LEP geography. If not, answers should confirm that the proposed geography constitutes a functional economic area (FEA), with reference to the size of population, local travel to work areas (TTWAs) and any other relevant drivers of the local economy.

Where multiple upper tier local authorities operate across the proposed geography, you should confirm the governance arrangements and that service provision will be ensured across the whole geography – no authority should be left out and all parties should agree the arrangements.

The intention is to transfer functions, activities and assets to the four upper tier local authorities within the LEP area (Devon County Council, Plymouth City Council, Somerset Council and Torbay Council). However, the functional economic areas will not revert to the authority boundaries; upper tier local authorities undertake to continue to work together collaboratively and supportively on the appropriate footprint for the activity or function.

Somerset and Devon are over the 500K population threshold; Torbay and Devon are progressing with a devolution deal; and Plymouth will continue to work in partnership across the area. All areas will work in partnership on economic intelligence sharing and sharing market insight; maintaining the delivery footprint for the growth hub; the careers hub will continue delivery on the existing footprint across Devon/Plymouth/Torbay and Somerset and will share best practice; and will work collaboratively on the development of economic strategies. In line with the government guidance there will not be a gap in delivery, or strategy development, in Plymouth.

Each upper tier local authority will continue to engage with, and support, the Great SW objectives. Examples of activity, led and delivered by the upper tier local authorities, across the Great SW geography include Maritime SW, Defence and Security cluster, Future Farm Resilience programme and Energy. The upper tier local authorities will continue to lead on this activity across the area.

Economic Growth Boards and a Local Authority Officer Group will hold the accountability for partnership working across the area:

- The business voice, through Economic Growth Boards, will build on LEP good practice and expertise (see section 3). This may include folding the relevant LEP board members into the new structures. An agreed, shared approach will encourage Economic Growth Board members to sit on wider economy function boards (ie. Great SW, sector boards such as Defence Cluster, Freeport Board etc). The Economic Growth Boards will oversee the delivery of economic plans and, in the terms of reference, there will be a requirement that Boards collaborate.
- The upper tier local authorities commit to continue and strengthen collaboration on economic intelligence, inward investment, sector support and business support delivery through an officer group with senior representatives from each of the authorities. The officer group will develop an MOU, will meet regularly and agree delivery based on the relevant economic footprint which will vary for each activity. They have agreed to continue to support the HotSW wide growth hub, subject to funding, and sector support will be delivered on the most appropriate footprint which will be typically wider than a local authority geography.

## SECTION 3: BUSINESS VOICE

Current and future activity

**3. Please set out how you intend to embed a strong, independent, and diverse local business voice into local decision-making across the area.** Answers should cover the following points:

- (a) Proposed model & governance structure** (e.g., a stand-alone business board, sub-board, or other structure)
- (b) Membership** (including the mix, balance and diversity of independent business members and any other partners drawn from outside of the business community)

There is an agreed approach across the four upper tier local authority areas to establish three Economic Growth Boards to ensure a strong, meaningful and diverse business voice. The Boards will recognise and build on existing structures across the local geographies.

Terms of Reference for the Economic Growth Boards, operating in an advisory capacity, are being drafted. Terms of reference across all Boards will include setting out:

- Purpose and role;
- Compliance and code of conduct;
- Membership, including recruitment and selection processes.
- Duration of appointments; and
- Frequency of meetings

The Boards will meet frequently and will have common core roles of:

- shape and support an economic evidence base and provide insight to underpin Economic Strategies and setting of growth / sector priorities
- have oversight of the development, and implementation, of Economic Strategies, including sector development activities
- provide strategic oversight of LEP legacy projects and programmes (such as capital schemes, business support and digital skills activity), supporting accountability and reporting into Government;
- advise the relevant Upper Tier Local Authority/ies on the management of any LEP legacy funds, including the use of monies returned from Growing Places Fund loans;
- provide strategic positioning into and collaborate with the Great South West Pan-Regional Partnership to further local economic priorities;
- build and maintain effective strategic relationships and connections with other Economic Growth Boards in the Heart of the South West on common evidence-based needs and priorities, including quarterly joint business facilitated events focusing on common strategic items such as infrastructure and labour market.

Similarly, all Boards will include representation from:

- Businesses, with sector, size and geographical spread;
- Business Representative Organisations;
- FE and training providers;
- The Voluntary, Community, Faith and Social Enterprise (VCFSE) sector; and
- Local Authority / ies

It is the intention to draw on the expertise, skills, and capacity of current LEP Board members as part of an open appointment process, applying Nolan principles, to recruit businesses onto Boards

Individual Economic Growth Boards will have the flexibility to add to these common arrangements to reflect their own specific local context and considerations.

Each upper tier local authority has an economic strategy, or similar, and the Economic Growth Boards will provide strategic oversight of work to review and update their strategies. This will build on the work already done including the LEP's Build Back Better Plan and previous evidence base created to support the Local Industrial Strategy. It is important to recognise the work already done by the LEP and this will be aligned and updated to reflect the changing global and national economic context and new opportunities including priority key sectors. The Boards will also provide strategic positioning into the Great SW and, through this, ensure there is alignment between local and regional policy and activity. In line with the recent guidance, development of strategies t will include the:

1. Analysis of the main underlying competitive advantages and strengths of areas, as well as opportunities for strategic connections across regions.
2. Opportunities for growth over the next 10 years, and visions for what would happen if these opportunities were successfully grasped in this period. Outputs and measurables will include the base line data and targets for growth.
3. Top public and private sector investment priorities - this has to be in the 3 year delivery plans but looking at the guidance this will need to be accelerated.

As devolution arrangements are established the Economic Growth Boards will evolve into a Business Council to support the work of a Combined County Authority.

## SECTION 4: PROJECTS, PROGRAMMES AND SERVICES

Current and future activity

**4.1 Please list the projects, programmes and services currently delivered by the local LEP.**  
*In each case you should indicate whether, subject to receiving equivalent funding, the upper tier local authority/authorities would continue to undertake each activity.*  
*Where a different set of functions/services is being delivered for a neighbouring area, you should repeat the exercise for that area.*  
*You do not need to include LEP activity delivered in a private capacity.*

Title	Short Description	Will the activity continue once the LEP is integrated? (subject to future funding)	
		Yes	No
Government Functions			
Growth Hub	<p>Growth Hub delivery performance has recently been, independently reviewed by DBT, and bench marked with other similar arrangements. The HOTSW Growth Hub is a high performing service and there is no case to make significant changes over the next financial year. A continuation of the Service requires further investment from local authority partners funded from LEP legacy resources which are proposed to transfer on 31<sup>st</sup> March 2024.</p> <p>Our intention is to ensure a seamless provision across Devon, Plymouth, Somerset and Torbay and continuation</p>	x	<input type="checkbox"/>

	<p>of an important service to businesses. Therefore, we will continue the current delivery model during 2024/25. Somerset Council will remain as the Accountable Body and Devon County Council will continue to deliver the Growth Hub Service* including the employment of staff.</p> <p>Any transitional arrangements into devolved structures will be developed and implemented by 31 March 2025, including any funding apportionment that is needed with the aim of ensuring a smooth transition and a seamless service.</p> <p>A review of the level of programme management oversight that is required will be conducted between now and March 2024 as part of developing the budget and LEP funding transfer to upper tier authorities.</p> <p>Governance and monitoring of the performance of the Service will be undertaken by the Growth Boards with the Growth Hub team providing written reports for each Board meeting as required and an amalgamated report will be presented where the Growth Boards all come together.</p> <p>* Growth Hub Service defined as: Information, Diagnostic and Brokerage Service for All; Digital Business Support; Peer Networks.</p>		
Careers Hubs	<p>Continue the Service until Sept 2024 operating as a Somerset service and a Devon, Plymouth and Torbay service.</p> <p>LAs intent is to continue the service from sept 2024 subject to funding being available and will explore transitional arrangements in liaison with the CEC, application of LEP legacy funding and recognising any devolved administrations put into place.</p> <p>There will remain a Somerset Service and a solution for Devon, Plymouth, and Torbay.</p>	x	<input type="checkbox"/>
Enterprise Zones	<p>The LEP's function and role in any Enterprise Zone will transfer to the relevant local authority from 31<sup>st</sup> March 2024.</p> <p>Enterprise Zones each have their own governance, and these will continue with the membership of the LEP ceasing and being replaced where required by the local authority. The performance of the Enterprise Zones can be reported into the proposed Growth Boards as required.</p>	x	<input type="checkbox"/>
Local Activity			
Sector Development	<p>Different parts of our local economy have different sectoral strengths, and some of these are recognised on a broader peninsula level. Recognising this variation and significance of sectors how each local authority partner we will take forward current identified opportunities using LEP legacy funds, and subject to costs/benefits assessment is set out in the CONFIDENTIAL appendix.</p>	<input type="checkbox"/>	<input type="checkbox"/>

Inward Investment	See CONFIDENTIAL appendix.	<input type="checkbox"/>	<input type="checkbox"/>
Business Leadership Group	Formal reporting route for the Growth Hub into the Board. This group will cease on or before 31 <sup>st</sup> March 2024.  Refer to Strategic Leadership section and governance proposals for the Growth Hub.	<input type="checkbox"/>	<b>x</b>
Peer Networks Programme	Established to enable SMEs to learn from other successful SMEs. This type of business support to continue where there is funding available from LEP legacy resources and will form part of the transfer of the Growth Hub function.	<b>x</b>	<input type="checkbox"/>
Finance Platform	The intent is that the contract will be completed by March 2024; an options report will be provided for local authorities. There is no agreement to continue funding at this stage and until options are reviewed.	<input type="checkbox"/>	<b>x</b>
Business Angels	Local authorities do not wish to see this continue beyond 31 <sup>st</sup> March 2024 and no function needs to transfer.  Any reporting or legacy requirements will be picked up as part of the Growth Hub going forward.	<input type="checkbox"/>	<b>x</b>
Tourism Data Hub	Local authorities intend for the current contract, funded by the LEP, to be completed with the contract awarded to Destination Plymouth from Somerset Council remaining as the contracting arrangements.	<b>x</b>	<input type="checkbox"/>
Skills Advisory Panel	The SAP will continue until 31 <sup>st</sup> March 2024, at which point each local authority will take forward its own arrangements linking this into LSIPs and Growth Board proposals. Any contracts held to support the labour market intelligence will cease on 31 <sup>st</sup> March and be replaced by the LSIP programme. There is no ongoing direct funding for SAPs.	<input type="checkbox"/>	<b>x</b>
Digital Skills Partnership	Local authorities see the DSP forming part of the proposed skills arrangements being put in place to replace the SAP. There are no ongoing contracts in place that need to be novated. There is no ongoing direct funding for DSPs.	<input type="checkbox"/>	<b>x</b>
Innovation Board	Innovation will form part of the proposed Growth Board structures being developed.	<input type="checkbox"/>	<b>x</b>

## SECTION 5: DELIVERY AND APPROVALS

### Governance of the integration process

#### 5.1 (a) What mechanisms will be in place to manage the integration process at the local level?

This Plan sets out upper tier local authority intentions to integrate LEP functions. It is subject to local governance processes and confirmation of funding from Government for ongoing delivery. Key milestones, subject to further guidance from Government, are set out below.

The overarching management of the integration process will be led by the Accountable Body S151 Officer. An Advisory Group, chaired by the Accountable Body, comprising of representatives from each of the upper tier local authorities, the LEP and Area Leads (Local Growth Unit) will ensure a smooth transition. This Group will oversee and manage risks. The LEP Board will be updated on progress.

The Accountable Body will manage the transfer of assets and novation of legal agreements to the receiving authority, as appropriate, within an agreed timescale.

The Advisory Group will be responsible for transition of functions and activities into the respective upper tier local authorities. The integration of appropriate functions, activity and assets into the local authority will be managed by a Senior Responsible Officer who will take responsibility for the function, activity and/or asset. They will be accountable through internal governance processes and their Economic Growth Board. Ongoing delivery will be scrutinised through internal governance arrangements and existing scrutiny committees. Functions/activity will be operationally managed by existing teams within the local authority.

Recognising the efficiencies of operating a single Programme Management Function (PMO), Devon County Councils will operate a PMO on behalf of all partners under an Service Level Agreement with each of the upper tier local authorities.

#### Key Milestones (subject to further guidance from Government):

November	<ul style="list-style-type: none"> <li>• Confirmation received from upper tier local authorities on target transfer date: agreed 31 March 2024.</li> <li>• Presentation on initial draft Integration Plan to Area Leads (Local Growth Unit) and LEP Executive Group.</li> <li>• Presented integration intentions to the LEP Board (27<sup>th</sup>).</li> <li>• Meeting with University of Plymouth regarding employer process for impacted individuals.</li> <li>• Local Authorities developed proposals for the Local Authority Officer Group.</li> <li>• Local Authorities developed proposals for the establishment of Economic Growth Boards to secure business voice.</li> </ul>
December	<ul style="list-style-type: none"> <li>• Initial communication to impacted individuals.</li> <li>• Accountable Body to seek independent accountancy advice on ownership of assets and agree next steps.</li> <li>• Accountable Body to confirm intentions, on transfer of assets, with CIC Regulator.</li> <li>• Accountable Body will confirm the balance sheet (forecast) and full details of assets; full employment implications and liabilities will be considered.</li> <li>• At risk notices to be issued through respective employers, if required.</li> <li>• Accountable Body to confirm contracts and Service Level Agreements due to end in March.</li> </ul>



	<ul style="list-style-type: none"> <li>• Develop transition plan setting out detailed processes and milestones for each activity.</li> </ul>
January	<ul style="list-style-type: none"> <li>• Government to confirm approval of the Integration Plan and confirm funding allocations to upper tier local authorities.</li> <li>• Accountable Body to confirm succession of decision making with the LEP Board.</li> <li>• Consider comments from LEP Board on the Integration Plan (19<sup>th</sup>).</li> <li>• Local Authority Senior Leadership Teams will review the Integration Plan.</li> <li>• Accountable Body to agree contracts to be novated and initial communications with contractors on intentions.</li> <li>• Mapping of key stakeholders and which will be affected through novation of contracts and funding agreements.</li> <li>• Local Authorities to commence work on equality impact assessments.</li> <li>• The Accountable Body will work with the LEP to manage the winding up process and that all actions will be taken to ensure that the CIC Directors discharge their duties correctly</li> </ul>
February	<ul style="list-style-type: none"> <li>• Budget implications (based on balance sheet forecasts and assets list) will be considered and incorporated into Local Authority budget management processes. This will require confirmation from Government on funding.</li> <li>• Local Authority Cabinet decisions will be taken to accept the transfer of assets and functions.</li> <li>• Continuation of communication with projects, contractors and key stakeholders outlining end date of funding/contracts and continuity arrangements as appropriate.</li> <li>• Economic Growth Boards developed.</li> <li>• Local Authority Officer Group operational with MOU agreed.</li> <li>• Accountable Body to confirm end of contracts and Service Level Agreements; confirm continuity arrangements for legacy PMO and Accountable Body services as appropriate.</li> <li>• Celebratory event of LEP achievements.</li> <li>• Capture the history and intent of each project funded through the LEP to ensure that the corporate knowledge is retained</li> </ul>
March	<ul style="list-style-type: none"> <li>• Closure of ceased functions including website and social media.</li> <li>• Functions and activities will transfer to appropriate upper tier local authorities by 31 March 2024.</li> </ul>
April/May	<ul style="list-style-type: none"> <li>• Accountable Body to confirm end of year financial outturn and transfer outstanding legacy funding.</li> <li>• Completion of returns and assurances to Government, as appropriate.</li> <li>• Continuation of PMO function for monitoring and reporting against investment programmes as appropriate.</li> <li>• Continuation of relevant Accountable Body functions.</li> <li>• Review process for submitting business case for ongoing Growth Hub funding.</li> </ul>

**5.1 (b) If the existing LEP is intending to formally cease operation and dissolve following its integration, who will be responsible for managing the transition and any legacy issues?**

The Accountable Body will be responsible for managing the transfer of assets and dealing with appropriate legacy issues relating to finance and legal matters where it has previously acted on behalf of the LEP.

The Accountable body will support the LEP Board into ensuring that Director Liabilities are considered and managed legally.

Approvals

<p><b>5.2 Has this integration plan been agreed by the relevant boards/persons in both the local LEP(s) and local authority/authorities?</b> Please copy all relevant parties (including the Chair of the local LEP(s)) when you submit this plan.</p>	<p>Yes <input type="checkbox"/></p>	<p>No <input type="checkbox"/></p>
<p>The upper tier local authorities have drafted the Plan and are in agreement with it. Full agreement will be sought through local Governance processes in February 2024 following a review in accordance with the guidance expected from Government in January 2024.</p> <p>The draft Plan was discussed with the LEP Board on 27 November. Further consultation will be undertaken with the LEP Board at its next meeting on 19 January 2024.</p> <p>This Plan, along with the confidential appendix, will be copied to the Chair of the LEP Board, upper tier local authorities and Area Leads (Local Growth Unit) in parallel to submission to Government.</p>		