

Report to: Leader and Lead Member for Strategic Management and Economic Development

Date of meeting: 14 March 2024

By: Director of Communities, Economy and Transport

Title: SELEP transition – update scheme of delegations to officers

Purpose: To approve updates to the Lead Member’s scheme of delegations to reflect any changes to responsibilities as a result of the closure of the South East Local Enterprise Partnership and the integration of relevant functions into East Sussex County Council.

RECOMMENDATIONS: The Leader and Lead Member is recommended to:

- (1) Agree the delegations to Officers set out in Appendices 1 and 2;**
 - (2) Agree to enter into a transition agreement with Essex County Council and the other South East Local Enterprise Partnership Upper Tier Local Authorities to give effect to the transfer of Local Enterprise Partnership Functions; and**
 - (3) Delegate authority to the Director of Communities, Economy and Transport to agree the terms of such agreement.**
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1 Background Information

1.1 In January 2024, the Leader considered a report relating to future of the South East Local Enterprise Partnership (SELEP) and the proposal for Local Enterprise Partnership (LEP) functions to be transferred from Essex County Council (as the accountable body) to East Sussex County Council with effect from 1 April 2024. Since then, the Council has been taking steps to implement the transition in accordance with the East Sussex Integration Plan.

1.2 A working group comprising senior officers from the Council’s Communities, Economy and Transport department as well as Business Services and Governance Services departments have formulated a provisional framework of approvals and processes for when LEP functions transfer to the Council. Additionally further discussions have been held with SELEP, Essex County Council as the accountable body for SELEP and all the upper tier local authorities (UTLA) around the legal framework of the transition.

1.3 In March 2015 the Council entered into a Framework Agreement with SELEP and the 5 other SELEP UTLAs to set out the roles and responsibilities of each party. To give effect to the transfer of responsibilities from Essex County Council as the accountable body for SELEP to the respective UTLAs, it is proposed that the parties enter into a ‘Transition Agreement’. The Council has had the opportunity to review and comment on the draft Transition Agreement. The parties are working together to agreeing the final terms of the Agreement and it is imperative that it is in place by the end of March 2024 to ensure an effective transition by 1 April 2024.

2 Supporting Information

2.1 With effect from 1 April 2024, as a consequence of the closure of SELEP and the anticipated transfer of responsibilities to the Council, there are additional functions the Council will be required to take on. The Government has issued guidance setting out the primary LEP responsibilities that UTLAs such as the County Council will be responsible for; these are: business representation, strategic economic planning and delivery of government programmes. There are a range of ancillary back-office functions that will also be necessary as a result of the transfer of responsibility for these functions.

2.2 There is also an indication from Government that the Council could be expected to act as the accountable body for the funding streams that are emerging post-SELEP, as demonstrated with some of the projects funded from the local Levelling Up Partnerships (LUPs). This would likely mean that the County Council would be responsible for ensuring that any expenditure is spent legally and in accordance with any government reporting guidance issued as well as continued monitoring of project activities, outputs and outcomes.

2.3 The transition work undertaken has included a review of the governance arrangements required to ensure the timely undertaking of these functions from 1 April 2024. The Leader is recommended to delegate to officers the functions set out in Appendix 1, for Director of Communities, Economy and Transport, and Appendix 2, for Chief Finance Officer, with any amendments highlighted. Note that any changes in red are those recommended by Governance Committee on 5 March 2024 and those in green relate to changes outlined in this report. If the Leader agrees these delegations, Full Council will be asked to update the Scheme of Delegations to Officers in the Council's constitution accordingly.

3 Conclusion and Reasons for Recommendations

3.1 Central Government confirmed in August 2023 that they will no longer fund the national network of LEPs from 2024/25 and that LEP functions should be integrated into the constituent UTLAs. The production of the Transition Agreement is the mechanism to give effect to this transfer and the Leader and Lead Member is therefore recommended to agree that the County Council enters into this Agreement. To ensure that the Agreement is completed by the transition date of 1 April 2024 it is recommended that the Leader and Lead Member delegates authority to the Director of Communities, Economy and Transport to agree the terms of the Agreement.

3.2 To facilitate operational effectiveness once the LEP functions have transferred to the Council, The Leader and Lead Member is recommended to agree the delegations to officers set out in Appendix 1 and Appendix 2 of this report.

RUPERT CLUBB

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Local Members

All

BACKGROUND DOCUMENTS

None