

Thames Valley Berkshire Local Enterprise Partnership Review

Committee considering report:	Overview and Scrutiny Management Commission
Date of Committee:	7 March 2023
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	13 February 2023
Report Author:	Katharine Makant
Forward Plan Ref:	

1 Purpose of the Report

The purpose of this report is to provide an overview of the functioning of the Thames Valley Berkshire Local Enterprise Partnership and consider its effectiveness in terms of how well it is delivering for West Berkshire, noting that the functions of LEPs are changing following a Government review that concluded in March 2022.

2 Recommendation

This report is primarily for information. However, there is the opportunity to consider changes to our current ways of working with the Thames Valley Berkshire LEP in order to inform its future role in West Berkshire and enable greater integration with the Council and its partners.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	The Council currently contributes £10,000 pa to the TVBLEP. An additional one-off contribution of £60,000 per local authority for 2022/23 was agreed by Berkshire Chief Executives to support the TVBLEP as it transitions into a new role linked to the Government's 2022 LEP Review.
Human Resource:	None
Legal:	None

Risk Management:	None			
Property:	None			
Policy:	The Council's support for the TVBLEP is set out in the Economic Development Strategy Refresh 2021.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Environmental Impact:		x		
Health Impact:		x		
ICT Impact:		x		
Digital Services Impact:	x			The TVBLEP seeks to improve digital infrastructure in the district in collaboration with partners in the pan-Berkshire Digital Infrastructure Group (DIG).

Council Strategy Priorities:	x			<p>The TVBLEP contributes to the following strategic priorities:</p> <ul style="list-style-type: none"> • Supporting everyone to reach their full potential • Supporting businesses to start, develop and thrive in West Berkshire • Developing local infrastructure, including housing to support and grow the local economy
Core Business:		x		
Data Impact:		x		
Consultation and Engagement:	Input has been sought from colleagues in the Environment Delivery Team and the Education Service as well as Economic Development Board.			

4 Executive Summary

4.1 This report sets out the background to the establishment of Local Enterprise Partnerships (LEPs) and to the Thames Valley Berkshire LEP in particular. It goes on to summarise and evaluate TVBLEP activities in West Berkshire – a more detailed evaluation is attached at Appendix B. The report ends by setting out the results of the 2022 Government Review, in which it signalled a new focus for LEPs linked to integration with its plans for local devolution.

5 Background

5.1 Local Enterprise Partnerships (LEPs) are non-statutory bodies responsible for local economic development in England. Set up in 2010/11, they were intended to be business-led partnerships bringing together the private sector, local authorities and academic and voluntary institutions. There are 38 LEPs in total, with boundaries designed to reflect functional economic areas. LEPs can take varying corporate structures but all must have a private sector chair and the majority of board members must be drawn from the private sector. A 2020 Government report found that the number of full time staff ranged from 0 (i.e. staff seconded from other organisations) to 520, with the median being 16.

5.2 LEPs were originally intended to be funded through leverage of private sector investment but over the years have had access to central pots of money to support their work locally, including the [Regional Growth Fund](#) and the [Growing Places Fund](#). Many have also received funding through [Local Growth Deals](#) and EU Structural Funds.

6 Supporting Information

Introduction

- 6.1 The Thames Valley Berkshire LEP (TVBLEP) is a company limited by guarantee, set up in 2011. It has 22 members of staff (as at 31 March 2022) and an office in Green Park, Reading. There are 14 Directors on the LEP Board, including the LEP Chief Executive, 8 from the private sector, 2 from the education sector, 2 representing local authorities and 1 representing the community. Council Leader Cr Lynne Doherty represents the Local Authority Leaders on the Board. Scrutiny is provided by the LEP Forum, which consists of 1 representative from each of the Berkshire local authorities, 4 business organisations and 1 community representative. Portfolio Holder for Finance and Economic Development Cr Ross Mackinnon represents the Council on the LEP Forum.
- 6.2 From the officer side, TVBLEP is supported by the Berkshire Public Services Network (Chief Executive Nigel Lynn), the Place-making Board (Acting Executive Director, Place Eric Owens) and the Berkshire Economic Development Officer Group (BEDOG, Economy Manager Katharine Makant).
- 6.3 The wide-ranging activities of the Thames Valley Berkshire LEP are set out in a number of documents which are all available on its [website](#), including the 2021 Recovery and Renewal Plan and the Delivery Plan for 2022/23.
- 6.4 Following its establishment in December 2011 the LEP received Government Core funding to provide a strategic economic view on transport and infrastructure. This was further enhanced with the LEP receiving an allocation of Local Growth Funds (£142m) (LGF) and Getting Building Fund (£7.5m) (GBF) to invest in transport and infrastructure in Berkshire. Both funds are now fully allocated and have closed.
- 6.5 A change of policy direction in Government in 2020/21 saw the move to centrally held funding for future infrastructure and transport projects open to local authorities to bid for in competitions. As such the requirement for LEPs to provide infrastructure and transport strategic support has been wound down and at the end of 2021/22 Government ceased requiring LEPs to deliver on this activity other than oversight and monitoring of LGF/GBF projects to completion.
- 6.6 In 2022/23 the local authorities agreed to provide additional funding for Berkshire LEP in order to continue 'business as usual' in line with 2021/22 activity. During this year Berkshire LEP has continued to provide strategic infrastructure and transport support using the funding provided for within the additional £300k funding received from the unitary authorities contained in a Service Level Agreement.
- 6.7 This section of the report presents an evaluation of Thames Valley Berkshire LEP's activities, including commentary on its delivery of these activities in West Berkshire. The full evaluation is attached at Appendix B, but a summary is set out below.

Central Co-ordination Role

- 6.8 The LEP provides the secretariat function to the LEP Board, LEP Forum and Place-making Board and attends and participates in the Berkshire Public Services Network

and BEDOG. The LEP also produces and reviews the Berkshire Recovery and Renewal Plan 2021 and the annual delivery and work plan. This work is fundamental to supporting the LEP's core business which is to drive economic growth.

- 6.9 Over the years, the LEP has played a vital programme management role in the securing and ongoing monitoring of projects funded by central government, such as Local Growth Funds (£142m across TVB), Growing Places Fund (£15m across TVB) and European Structural and investment funds (£25m across TVB).

Infrastructure and Place

- 6.10 The LEP has played a lead role in co-ordinating [the Berkshire Strategic Transport Forum \(BSTF\)](#) and [the Berkshire Local Transport Body \(BLTB\)](#), making the case for investment in the kind of transport infrastructure needed to support and grow the Berkshire economy. Membership of the Forum includes the six Berkshire local authorities and the Transport Authorities (rail, highways, bus and air travel sectors). The LEP Forum appointed the Berkshire Local Transport Body (BLTB) as the competent body to a) prioritise and b) implement transport capital schemes on the LEP's behalf. Elected members represent the six local authorities and the LEP nominates representatives from the private sector. The LEP also represents the voice of Berkshire on the sub-national body [Transport for the South East](#).
- 6.11 The LEP agreed three Growth Deals with the Government, worth a capital investment of £142.5m from the Local Growth Fund, to implement specific projects between 2015/16 and 2021/22. The LEP has funded five transport schemes in West Berkshire: Kings Road Link Rd in Newbury, new access roads for Sandford, the new A339 junction for LRIE and Newbury and Theale Station improvements.
- 6.12 Infrastructure funding is no longer being delivered through the LEP. Instead, the government has set up new funding streams designed to support local economic growth, including the Levelling Up Fund and the UK Shared Prosperity Fund. In the main, bids are submitted and administered by individual Councils although TVBLEP can provide support. West Berkshire Council submitted bids for Newbury Lido for the Levelling Up Fund in 2021 and 2022 but was unsuccessful, due in part to being designated a Priority 3 area in terms of deprivation. We were recently awarded £1m from the UK Shared Prosperity Fund and a further £598k from the Rural Prosperity Fund for projects including town centre regeneration, rural business support and community infrastructure. The advice from the LEP for our UKSPF bid was hugely valuable.
- 6.13 The [Berkshire Digital Infrastructure Group](#) (DIG) works with telecoms operators including Virgin Media O2, City Fibre, Gigaclear and Openreach Ltd to improve broadband, public access wifi and mobile coverage across Berkshire, with the aim of securing a 'Connected Berkshire'. The DIG Team is based in West Berkshire Council and Chief Executive Nigel Lynn chairs the DIG Board on behalf of the Berkshire Chief Executives. Economy Manager Katharine Makant represents the Council on the Board.
- 6.14 The Council is leading on the £1.7m Full Fibre to Schools project, funded by the LEP through the Getting Building Fund, to improve digital connectivity in more than 80 locations across Berkshire including schools, GP surgeries and libraries. The scheme launched in early 2022, with Birch Copse Primary School in Tilehurst one of the first schools to be connected. The Council is also leading on a £500k Digital Connectivity

Digital Accelerator (DCIA) project using government funding to improve 4G and 5G networks, including the use of small cell technology on street lamps in Beenham.

Business Environment

- 6.15 The TVBLEP's [Berkshire Growth Hub](#) delivers business advice and supports small and medium enterprises¹ (SMEs) to achieve sustainable business growth. In the past, this included 121 clinics and structured programmes such as the High Growth programme (12 hours intensive support). These were well received but limited in scope, so the Growth Hub recently created a website to enable businesses requiring 'light touch' support to self-serve, allowing its business advisers to focus more intensive 121 support where it is most needed. Along with the other Berkshire local authorities, the Council through its UKSPF allocation is funding the Growth Hub to deliver a new programme for Business Start-ups, which launched this month. In 2021/22, 41 West Berkshire businesses were referred to the Growth Hub, of which 34 were start-ups and 7 were growing. In Q1 22/23, the Growth Hub responded to 47 enquiries from West Berkshire businesses, of which 11 were 'starting', 32 were 'running' and 1 was 'growing'.
- 6.16 TVBLEP runs a bespoke [Funding Escalator](#) programme which provides business loans and equity for high-growth SMEs in the form of an expansion loan scheme and short-term trade loan scheme. The programme is funded through the Growing Places Fund, a revolving (capital) loan fund worth £15m intended to stimulate economic activity. To date, the programme has supported 95 SMEs across Berkshire, including Newbury Mobility Ltd, Hogan Music and The Pot Kiln, Yattendon.
- 6.17 TVBLEP publishes the Berkshire Prospectus which includes three investment opportunities in West Berkshire – Newbury Town Centre and LRIE, Grazeley Solar Farm and Newbury Active Travel. It also responds on behalf of all Berkshire unitary authorities to Department of International Trade (DIT) enquiries regarding sector capability and supporting site/facility enquiries from 3rd parties. However, the value of this service to West Berkshire has been limited.

Employment & Skills

- 6.18 Through the Careers and Enterprise Company (CEC), the TVBLEP operates the [Berkshire Enterprise Advisor Network](#), enabling schools across Berkshire to be matched with an Enterprise Adviser, who is a local business person. 73 schools are now in the Network. It also operates [Careers Hubs](#) in five West Berkshire schools (The Downs, Little Heath, Willink, Brookfields and The Castle). Both these initiatives are aimed at ensuring greater employer engagement in education and better employment outcomes for young people. The LEP has been very supportive of our schools and has done great work for SEND young people and in providing labour market information.
- 6.19 [Berkshire Opportunities](#) is an online platform intended to provide a gateway into jobs, apprenticeships and training for the Berkshire workforce, including those leaving school with special educational needs or a disability (SEND). The platform aims to signpost to useful resources, careers and employability advice, highlighting priority sectors where

¹ An SME is defined as any organisation that has fewer than 250 employees and a turnover of less than €50m or a balance sheet total of less than €43.

there are recruitment shortages, including health and care and digital technology. It is difficult to assess the impact of the platform in West Berkshire.

6.20 As a key provider of further and higher education in West Berkshire, [Newbury College](#) has benefitted from £334k of the LEP Skills Capital Local Growth Fund for a Solutions Lab – a new learning space to enable the college’s engineering apprenticeships to research, design and develop components for their employers. The LEP contributed £425k to establish University Centre, Newbury, which now offers degrees and professional qualifications including in digital technology, engineering and education. Most recently, the LEP provided £475k to fund a Renewable Resource Training Facility which aims to increase the number of qualified plumbers and engineers qualified to install energy efficient systems.

Intelligence and data

6.21 The TVBLEP carries out research and provides a range of regional economic, business and skills data which is helpful in providing contextual information for developing local economic policies and funding bids.

Carbon Net Zero

6.22 This is an emerging area of work by TVBLEP which could play a similarly valuable role as the Berkshire Local Transport Body and Berkshire Strategic Transport Forum currently do for transport. In 2021, the LEP commissioned a Research Gap Analysis of the Berkshire Carbon Net Zero strategies, which made a number of recommendations. The report is available [here](#). The central organisation of this work is very much needed as no one local authority has the capacity to take it on.

6.23 Through the LEP and European Structural Funds, Berkshire businesses can apply for [Low Carbon Workspaces](#) grants to cut their emissions. Berkshire Labels in Hungerford and Hi-Fi Cinema in Aldermaston are among the businesses awarded grants.

7 Government Review of LEPs

7.1 The Government announced the outcome of the LEP review on 31st March 2022. Its letter and accompanying guidance explained that the publication of the Levelling Up White Paper marked a turning point in local growth policy linked to a new devolution framework. It stated that its priority in the LEP review was to balance the accountability of local growth institutions, its objectives on devolution and the need to retain a local, independent, business voice.

7.2 The Government’s stated intention is to ‘re-wire’ the system by integrating the role and functions of LEPs into its plans for devolution. Where devolved institutions do not exist in an area, the Government will continue to support LEPs (subject to future funding decisions) in order to ensure there is an independent business and stakeholder voice.

7.3 In Berkshire, high level discussions are underway but no decisions have yet been made on the future of the LEP. Therefore, it is expected that Government core/transition funding for the LEP in a reduced form and local funding of £10k per authority will continue for the financial year 2023/24, pending future funding decisions.

- 7.4 In June 2022, the LEPs announced that in future their focus will be on the digital economy, science and innovation and international trade, with a commitment to supporting the Government's UK Digital Strategy through the establishment of Digital Skills Partnerships.

8 Conclusion

OSMC is invited to review the information set out above and to provide comment.

9 Appendices

Appendix A – Equalities Impact Assessment

Appendix B – Evaluation of TVBLEP Activities in West Berkshire

Background Papers:

Link to Thames Valley Berkshire Local Enterprise Partnership website

<https://www.thamesvalleyberkshire.co.uk>

Letter outlining Government guidance on integrating LEPs into local democratic institutions dated 31 March 2022 <https://www.gov.uk/government/publications/local-enterprise-partnerships-integration-guidance>

Subject to Call-In:

Yes: No:

- | | |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| The item is due to be referred to Council for final approval | <input type="checkbox"/> |
| Delays in implementation could have serious financial implications for the Council | <input type="checkbox"/> |
| Delays in implementation could compromise the Council's position | <input type="checkbox"/> |
| Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months | <input checked="" type="checkbox"/> |
| Item is Urgent Key Decision | <input type="checkbox"/> |
| Report is to note only | <input type="checkbox"/> |

Wards affected: ALL

Officer details:

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Appendix A

Equality Impact Assessment (EqIA) - Stage One

What is the proposed decision that you are asking the Executive to make:	N/A
Summary of relevant legislation:	N/A
Does the proposed decision conflict with any of the Council's priorities for improvement? <ul style="list-style-type: none"> • Ensure our vulnerable children and adults achieve better outcomes • Support everyone to reach their full potential • Support businesses to start develop and thrive in West Berkshire • Develop local infrastructure including housing to support and grow the local economy Maintain a green district • Ensure sustainable services through innovation and partnerships 	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Name of Budget Holder:	N/A
Name of Service/Directorate:	Development and Regulation
Name of assessor:	Katharine Makant
Date of assessment:	8 August 2022

Is this a ?		Is this policy, strategy, function or service ... ?	
Policy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	New or proposed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Strategy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Already exists and is being reviewed	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Function	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Is changing	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Service	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

(1) What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	Seek OSMC comments on the Annual Progress Report for Annual Progress Report on the Economic Development Strategy Refresh 2021
Objectives:	As above

Outcomes:	OSMC feedback
Benefits:	Improved monitoring and evaluation

(2) Which groups might be affected and how? Is it positively or negatively and what sources of information have been used to determine this?

(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation)

Group Affected	What might be the effect?	Information to support this
All groups	More inclusion and equality	The EDS Refresh seeks to empower everyone to enter the workplace.
Further Comments:		

(3) Result

Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(4) Identify next steps as appropriate:

EqIA Stage 2 required	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Owner of EqIA Stage Two:	
Timescale for EqIA Stage Two:	

Name: Katharine Makant

Date: 8 August 2022