

Local Enterprise Partnerships census

December 2016



National Audit Office



About this report

In March 2016, we published our value-for-money report on *Local Enterprise Partnerships* (LEPs). This report examined whether the Department for Communities and Local Government (DCLG) has funded and implemented Local Growth Fund Growth Deals in a way that is likely to deliver value for money. We also examined LEPs' progress in implementing their local assurance frameworks and assessed the transparency of LEPs to the public.

LEPs are business-led partnerships between the private sector and local authorities established with the purpose of steering growth strategically in local communities. There are 39 LEPs covering the whole of England.

In order to inform the findings of our study and gather information and views from LEPs, we conducted a national census. Our census was jointly designed and administered with the Government Internal Audit Agency. It was piloted with one LEP before being sent out nationally to all 39.

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Questions were sent in October 2015.

We received a 100% response rate from all LEPs by November 2015. In some cases LEPs did not answer all questions. Results are based on the responses of 39 LEPs unless indicated otherwise.

Results are self-reported by LEPs and have not been tested or verified.

We report on the aggregated responses and provide some qualitative analysis based on additional details provided by LEPs with their submissions. LEPs' responses were anonymised and so individual responses are not presented.

Due to rounding, responses may not total to 100%.

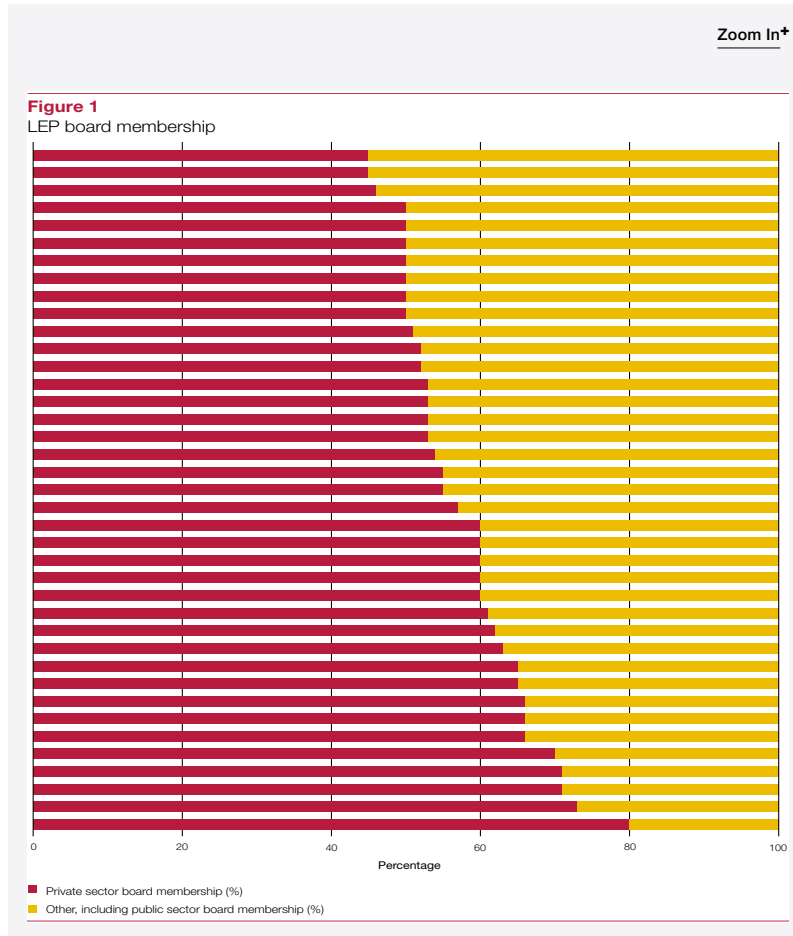
The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 785 people. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of £1.21 billion in 2015.



Interactive

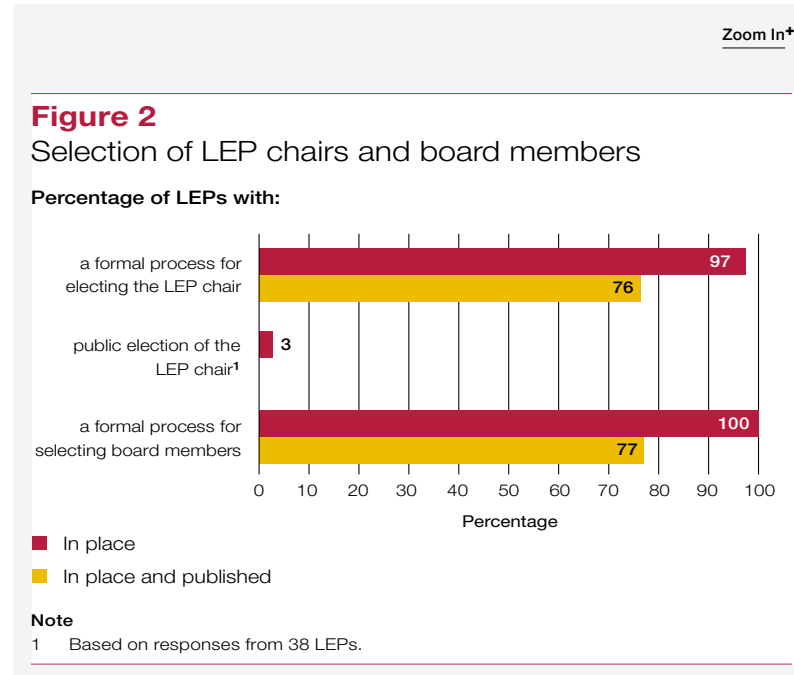
For full iPad interactivity, please view this PDF in iBooks or GoodReader

LEP board membership



Private sector board membership ranges from 45% to 80%

Average private sector board membership is 58%



LEPs most commonly elected their chair via board nomination.

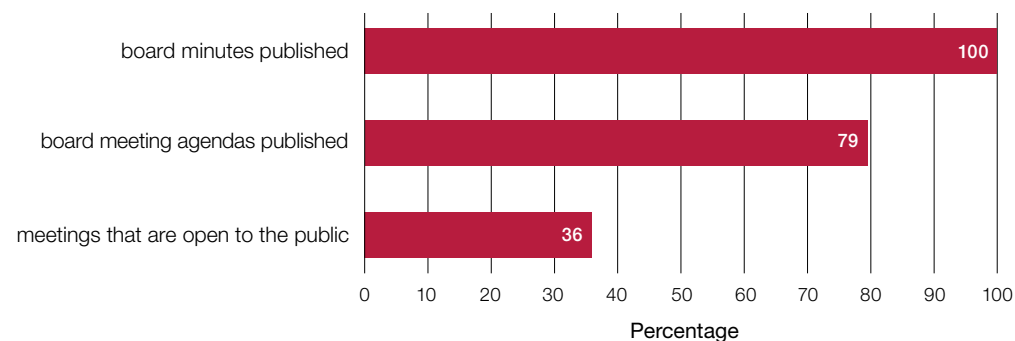
Recruitment to LEPs' boards was typically managed through public advertisement, particularly for private sector members. Public sector board members were often nominated by their organisations. A small number of LEPs indicated that recruitment to their boards was managed externally by consultants.

Most LEPs indicated that they review board membership every 1–3 years.

Transparency of board decisions

Figure 3
Board meetings

Percentage of LEPs with:



LEPs generally indicated that they published minutes and agendas of board meetings every 1–2 months depending on how often they were held.

LEPs expressed different views on holding meetings that are open to the public. Some felt that these would hinder their ability to discuss confidential and sensitive matters openly. Others said that while meetings were not open to the public, members of the public could request observer status or send in questions.

LEP staff numbers

Average (median) full-time equivalent staff employed by LEPs: 8

Range of full-time equivalent staff employed by LEPs: 0–80

Average (median) full-time equivalent staff seconded to LEPs: 1

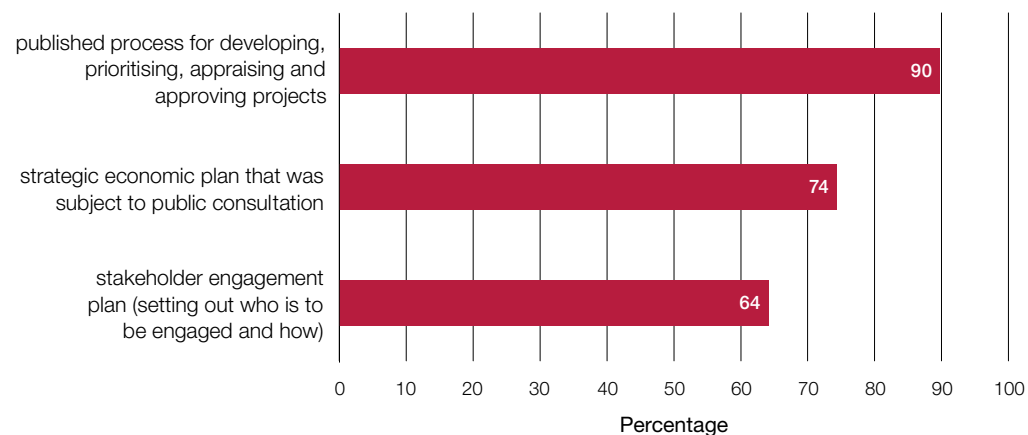
Range of full-time equivalent staff seconded to LEPs: 0–27

90% of LEPs indicated that in addition to the staff they employ or have seconded, they are able to draw on any additional staff resource. LEPs indicated that additional staff resources were usually drawn from local authority partners.

Stakeholder engagement

Figure 4
Stakeholder engagement

Percentage of LEPs with a:



LEPs generally indicated that processes for developing, prioritising, appraising and approving projects would be found in their assurance frameworks or on their websites.

LEPs consulted on their strategic economic plan in a variety of ways, including full public consultation, calls for evidence and engagement with local stakeholders and members of the business community.

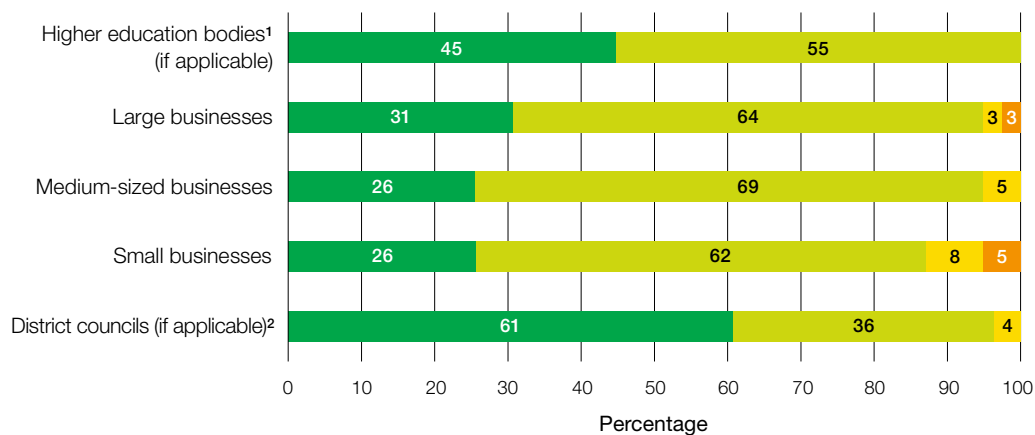
Several LEPs said that their stakeholder engagement plans were under review. When these were in place they tended to be internal or published communications and marketing plans. Other LEPs said that while they had no overarching plan, they engage with stakeholders on a case-by-case basis.

Engagement of other bodies in the LEP

Figure 5

View on the engagement of other bodies in the LEP

Percentage of LEPs agreeing/disagreeing that following bodies play an appropriate full and active role in the LEP



- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Notes

- 1 Based on responses from 38 LEPs.
- 2 Eleven LEPs indicated that this question was not applicable.

Several LEPs said that they had good representation from bodies such as universities and higher education with their representatives sitting on their boards.

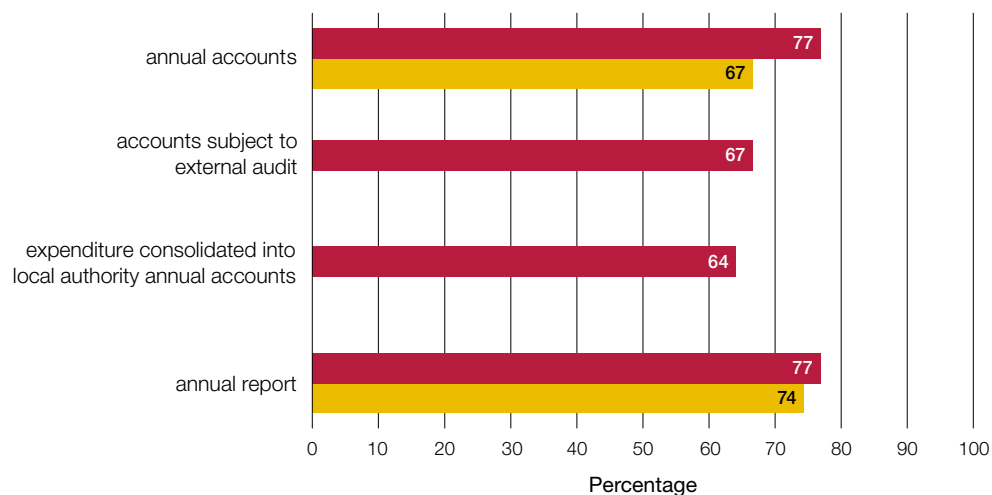
One LEP raised the point that it can be difficult to engage with small businesses due to the number of them and their ability to dedicate time to LEP activities. Some LEPs have business representative bodies on their boards.

Annual reports and accounts

Figure 6

Accounts and annual reports

Percentage of LEPs with:



■ In place

■ In place and published

Note

1 The figures published here are different from those in our report *Local Enterprise Partnerships* as the census figures are self-reported, whereas the figures in our report were based on a review of all LEP accounts.

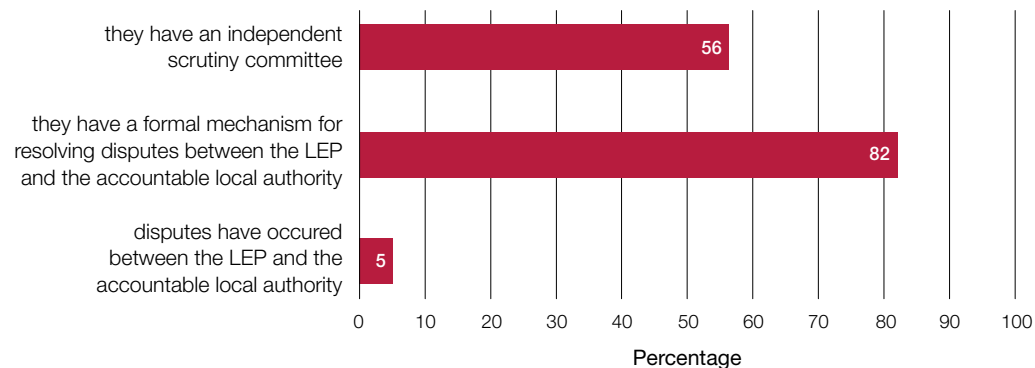
The way that LEPs account for income and expenditure, and whether they produce their own accounts, depends partly on their corporate structure. LEPs established as companies limited by guarantee are required to file annual accounts.

Scrutiny and resolving disputes

Figure 7

Scrutiny and disputes

Percentage of LEPs stating that:



LEPs generally indicated that they had good relationships with their accountable bodies. A large number of LEPs indicated that they use local authority scrutiny arrangements or committees to provide scrutiny of the LEP.

The way in which disputes are handled depends on the structure of a LEP. Some LEPs are subject to local authority or combined authority governance arrangements, whereas in other cases the LEP is a separate entity from its accountable body.

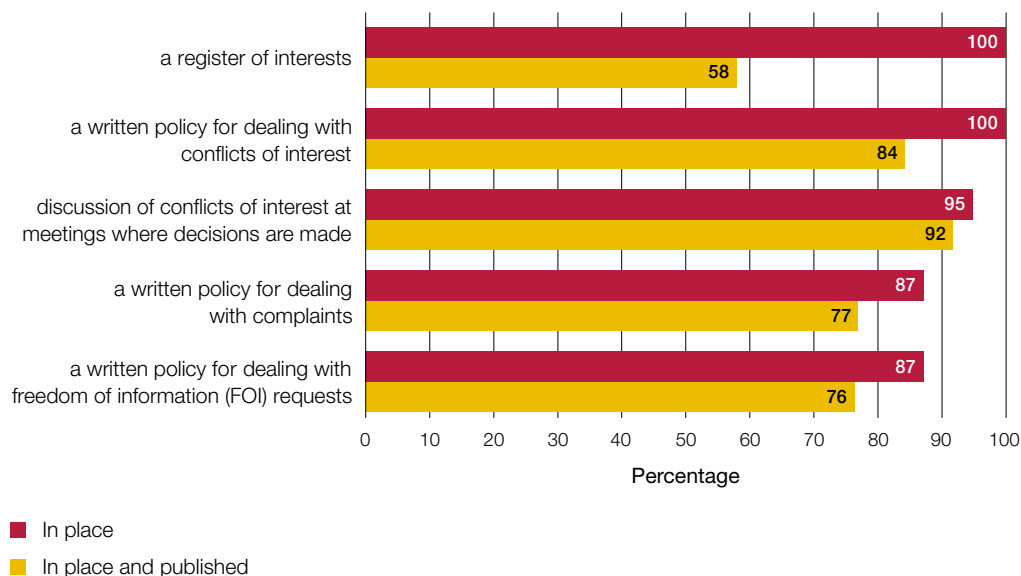


Conflicts of interest

Figure 8

Conflicts of interest, complaints and freedom of information

Percentage of LEPs with:



Note

1 Based on responses from 36–39 LEPs.

Conflicts of interest

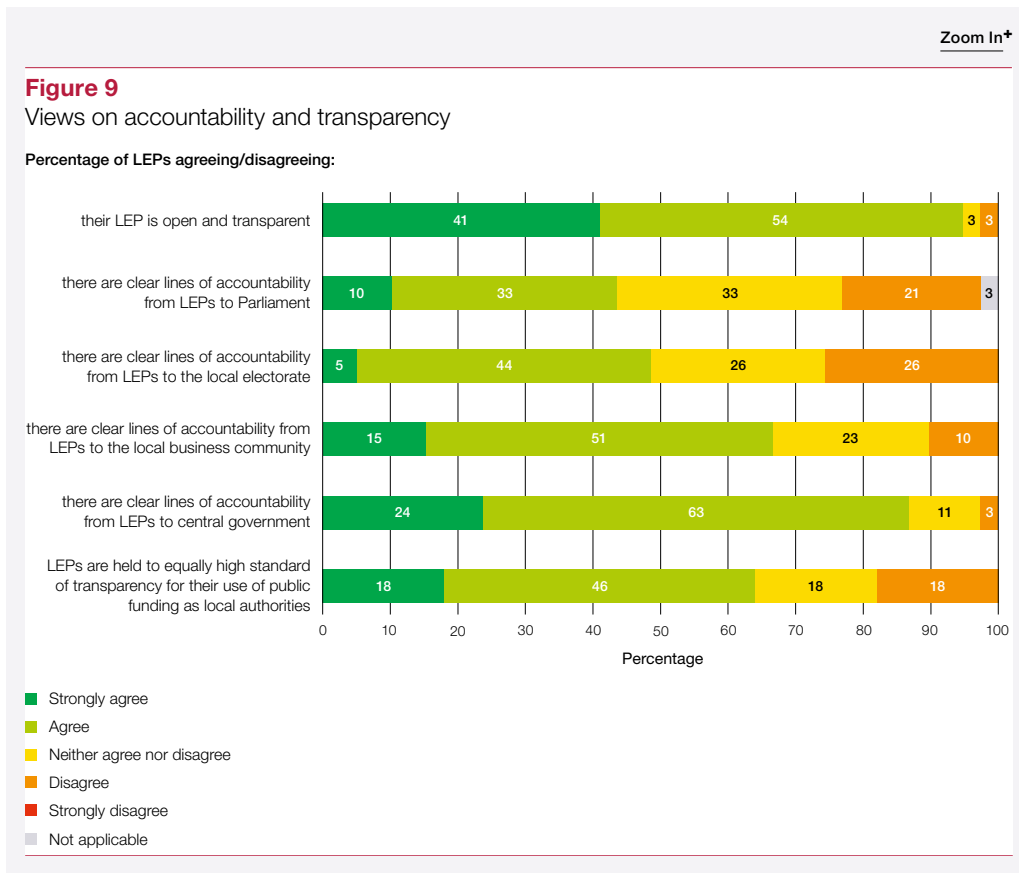
All LEPs said that they had a register of interests and a policy for dealing with conflicts of interest, although this was not always published. Many LEPs said their register of interests could be made available upon request. Several LEPs indicated that they had plans to publish this on their websites in the future. LEPs often referred to their assurance frameworks as the source of their conflicts of interest policies.

Complaints and freedom of information

LEPs often referred to their assurance framework or said that they relied on the complaints and FOI procedures of their accountable bodies. A small number of LEPs said that their procedures for dealing with complaints were under review at the time of our survey.

Some LEPs said that, as they were established as private companies, they are not subject to FOI. Other LEPs established as private companies said that they elected to comply with FOI requests nonetheless.

Accountability and transparency



Some LEPs said that a balance needs to be struck between being transparent and keeping the private sector engaged by minimising bureaucracy. Many LEPs stated that they were not required to be as transparent as local authorities due to their corporate structure. Some LEPs rely on structures within their accountable body and so have measures in place to ensure transparency to the same standard.

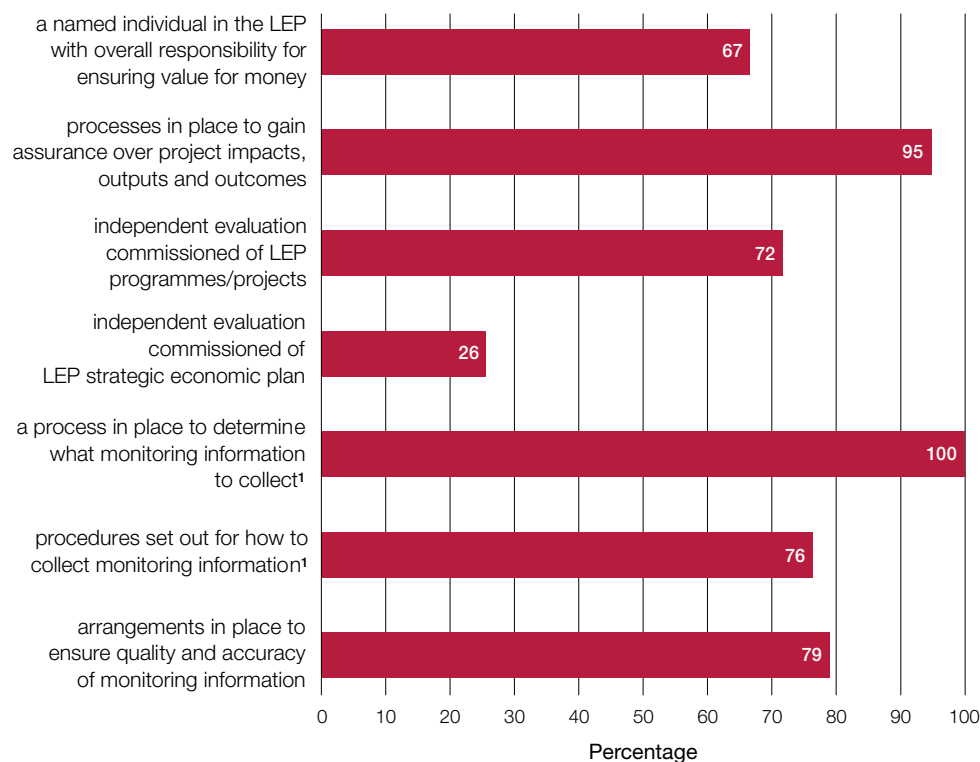
In terms of accountability to the electorate, several LEPs suggested that this was through board members who are part of public sector bodies, such as local authorities or combined authorities.

Monitoring and evaluation

Figure 10

Monitoring and evaluation

Percentage of LEPs with:



Note

¹ Based on responses from 38 LEPs.

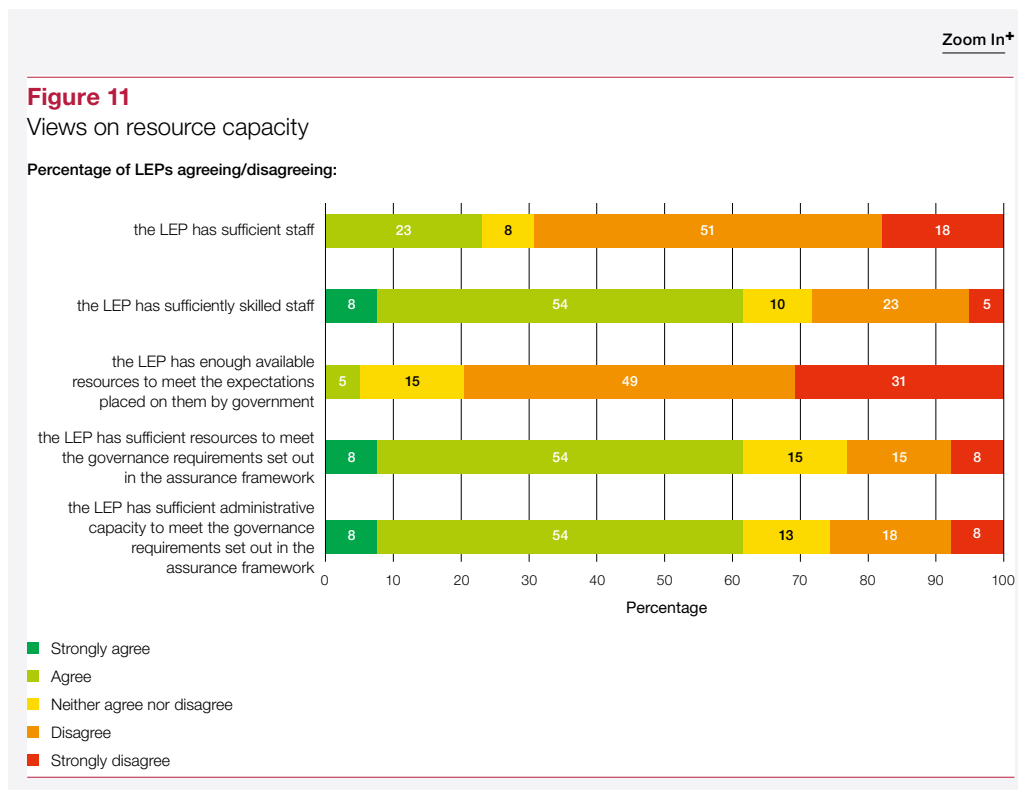
In accordance with the published requirements of assurance frameworks, all LEPs are required to have a named individual in the LEP with overall responsibility for ensuring value for money. In our census we found that the LEP chief executive was often responsible for ensuring value for money. In some LEPs this role was performed by a LEP director, the Section 151 officer of the LEP’s accountable body, or the chief operating officer.

Most LEPs indicated that they regularly report on project impacts, outputs and outcomes, often citing their assurance framework and monitoring and evaluation plans as the source of these processes. Some LEPs were still in the process of developing their monitoring and evaluation plans.

Many LEPs considered it too early to commission independent evaluation of their programmes, although several indicated that they intended to do so.

LEPs’ processes for collecting monitoring information were often set out in their monitoring and evaluation strategies and based on central government guidance and requirements. In some cases these processes and the processes for quality assuring the information were under review or being developed.

Resource and capacity



LEPs were generally positive about the skills level of their staff. However, they also expressed concerns about the overall sufficiency of staff levels in order to meet the expectations of government. A lack of revenue funding is often cited as a reason for this. Funding uncertainty has also made it challenging for LEPs to recruit and retain staff.

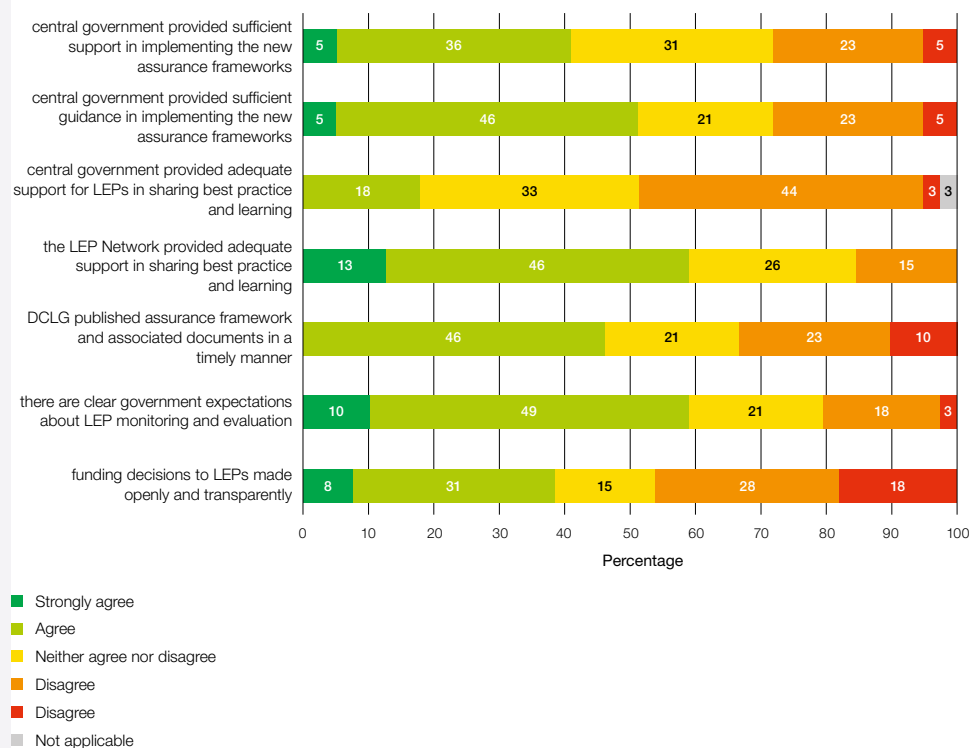
Several LEPs indicated that the role and remit of LEPs lacks clarity and/or has changed over time, and that this puts pressure on their capacity to deliver against government's expectations.

Central support

Figure 12

Views on central support

Percentage of LEPs agreeing/disagreeing:



LEPs had mixed views about the support and guidance they received from central government. Many found the finance workshops held by government helpful, and found their relationships with contacts in the Department for Business, Innovation & Skills to be valuable – particularly in communicating funding decisions.

Some LEPs perceived the guidance and support to be ‘light touch’ and inconsistent, which led in some cases to a duplication of effort in, for example, developing assurance frameworks.

The role of the LEP Network was generally perceived to be positive in the context of the limited resources available to them.

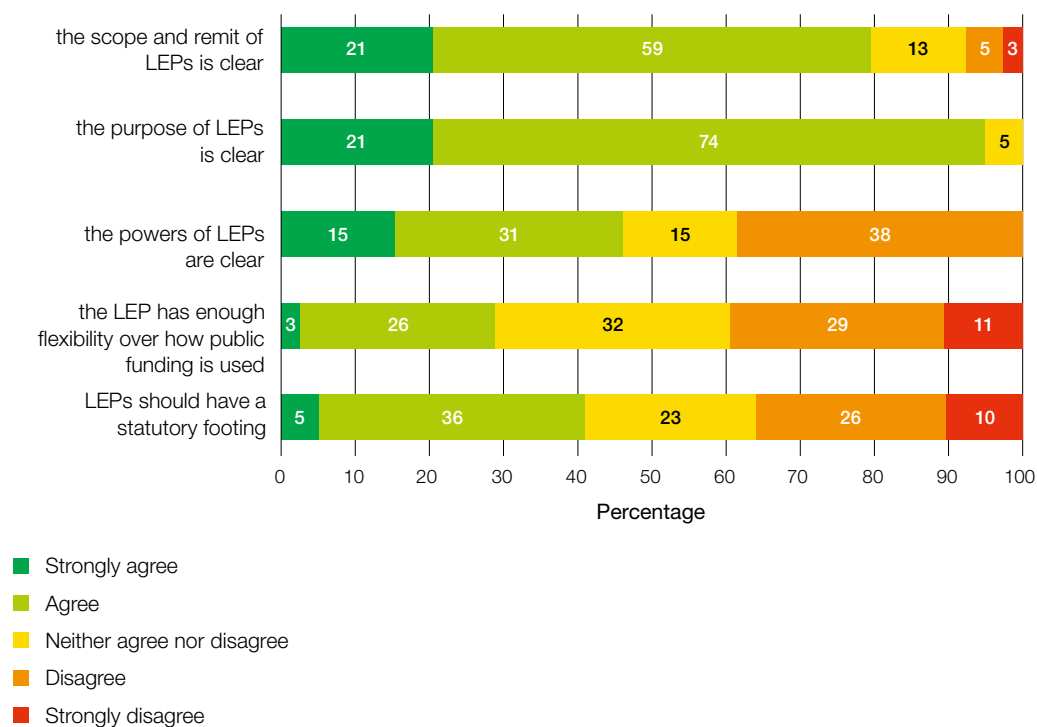
LEPs sometimes noted a lack of consistency in monitoring requirements, and said that these could be burdensome.

Scope, remit and powers

Figure 13

Views on scope, remit and powers of LEPs

Percentage of LEPs agreeing/disagreeing:



When commenting on the scope, remit and purpose of LEPs, many said that this has evolved over time or that there has been an element of 'mission creep'. Some LEPs commented on a lack of clarity and uncertainty over their role in the context of combined authorities and devolution.

Many LEPs again cited that there is an imbalance in the amount of funding they can use for revenue purposes as opposed to capital. Another area of inflexibility for some LEPs comes from a requirement to use Growth Deal funding for specific projects.

LEPs raised a number of advantages and disadvantages when asked whether they should have a statutory footing. Some argue that the lack of a statutory footing limits their influence, creates difficulties in funding arrangements and leads to a lack of clarity over the role and accountability of the LEP. Others argue that a statutory footing would risk disengaging the private sector or that that in the context of a combined authority it is not necessary for the LEP to have a statutory footing.