

Kate Hallett
Department for Business, Energy and Industrial Strategy (BEIS)

Dear Kate,

Creation of new LEP for the Cambridgeshire Region

Thank you for participating in the Governance Group which is supporting the Shadow Board to create the new Local Enterprise Partnership (LEP) for our area.

I am writing to update you on how the Shadow Board is progressing the development of the new LEP and some of the key points which are emerging.

The Shadow Board has been set up to deliver the new LEP. It is a distinct and separate body from the Greater Cambridgeshire and Greater Peterborough LEP, which as you know is currently being wound down.

The Mayor was determined that we needed an entirely new LEP, one which operated as a private-public sector partnership, focused on the key sectors that drive growth in our area. It should have a mutually constructive relationship with the Combined Authority and the Mayor, as was articulated in the report to the Combined Authority Board in December 2017

Meetings of Shadow Board

The Shadow Board is intending to meet fortnightly to ensure that a revised, more effective private-public partnership is delivered. It essentially has 3 main functions:

- (1) to ensure that a newly constituted LEP is established
- (2) to put in place a comprehensive, single governance framework across the new LEP and the Combined Authority,
- (3) to ensure the Accountable Body and funding arrangements are in place to ensure that the new LEP can drive forward the areas ambitious growth plans under the Local Industrial Strategy

The Governance Group is an officer support group assisting the Shadow Board in delivering these tasks and it will also continue to meet fortnightly.

The Shadow Board will become the new LEP Board from the 1 April and is working to the following key milestones:

Date	Action
Mid-February	Shadow Board established

1 April	New LEP established (reduced membership) with full governance framework. Recruitment begins for new Board members
End June	Private sector chair appointed
June – September	Board fully recruited and induction of new members of LEP completed
September	End date for fully constituted Board

Shadow Board Chair

I am pleased to advise that the Combined Authority has appointed Cllr Charles Roberts to Chair the interim Shadow Board. Cllr Charles Roberts is the leader of East Cambridgeshire District Council and the Deputy Mayor of the Combined Authority. Cllr Roberts is also a highly respected local businessman and his CV is attached.

Cllr Roberts was asked by the Mayor, and the Combined Authority Board, to lead the development of the new LEP as he is committed to the belief that local economic growth is achieved through strong business led partnerships.

Through the Shadow Board, supported by the officer Governance Group, Cllr Roberts intends to create

- a new strategic partnership with local businesses,
- underpinned by a strong and effective governance framework,
- supported by a lean organisation (along similar lines to the Combined Authority), and
- under the leadership of the private sector.

The Shadow Board will create a new LEP from the 1 April, to take effect immediately upon closure of the existing LEP company. This will ensure that the assets, liabilities and more importantly, the staff can transfer to the Combined Authority and the existing business of the LEP can be continued with as little disruption as possible. I am certain that you will agree that this is vital to begin restoring the confidence of businesses, and of the Government, in our area.

In this regard, I know that there was some concern expressed about Cllr Roberts assuming the Chair of the interim Shadow Board as a public sector member. I fully appreciate that the LEP Board must be chaired by a member of the business sector, however these arrangements are a temporary measure with a defined end period.

Cllr Roberts is working, at pace, to ensure that we will have a suitably qualified and experienced private sector Chair of a fully compliant LEP Board by the end of June 2018. Cllr Roberts is well placed, with his experience in business and understanding of the principles of

good governance, to ensure that we establish a new LEP to meet all the requirements of the Assurance Framework. The primary objective is that we should have a LEP where the principles of good governance are so embedded that the Board members can use their time on the Board to guide and influence our continued economic success in the region.

New LEP structures

Following on from the first meeting of the Governance Group, one of the key issues is the structure of the new LEP. Initially it was intended to establish the new LEP as a company limited by guarantee, where the Combined Authority would be the guarantor.

We have reconsidered this position following on from a discussion with Kate Hallett at the first Governance Group meeting. We understand that guidance regarding the structure of LEP's is currently in development and therefore it is far preferable to build a LEP with the flexibility to adapt to emerging guidance.

Having considered the structure of LEP's in other areas there are a number of examples where the LEP has assumed an informal partnership arrangement when working in conjunction with the Combined Authority.

Given also that the Combined Authority is also currently waiting for the outcome and finding of the Independent Economic Commission which may include a review of its economic geography, we may also want flexibility in the boundaries of the current LEP geography. An informal partnership arrangement offers the greatest scope in this regard.

Future developments

The Shadow Board held its first meeting on the 22 February and agreed that its papers should be made public. I am therefore enclosing a copy of the Shadow Board papers and minutes and intend to place these on the Combined Authority website.

I shall ensure that you are kept fully informed of progress as the development of the new LEP proceeds.

Yours sincerely,

Kim Sawyer