

Cabinet Meeting on Wednesday 20 March 2024

Joint Enterprise Delivery Committee



Councillor Philip White, Deputy Leader and Cabinet Member for Economy and Skills said,

“Ensuring our businesses are at the heart of the conversation when local authorities make decisions that affect them is a priority to the county council and together with colleagues at Stoke-on-Trent City Council we will ensure that we build on the foundations put in place by the LEP. Through our new joint committee we will also be a strong voice for businesses across our area, with a focus on securing funding for infrastructure development and future economic growth, both from government and private investors.

“The committee will steer the work of the growth hub, careers hub and the newly established Local Visitor Economy Partnership, which will champion the county and city across the UK and internationally.”

Report Summary:

The imminent closure of the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) and integration of its responsibilities into the upper tier authorities has created a need to consider how these functions are managed and decisions made across the Staffordshire and Stoke-on-Trent geography. This report sets out the key points for consideration to create a new Joint Committee for Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SoTCC) to take all decisions, within existing budget and policy frameworks, arising from the winding down and cessation of the SSLEP. Recommended Terms of Reference for establishment and operation of the Joint Committee are appended to this report and contain further detail.

In advance of the Joint Committee being established, decisions are required on the use of the SSLEP reserves for three key economic programmes: the Stoke-on-Trent and Staffordshire Growth Hub, Careers Hub and recently announced Local Visitor Economy Partnership (LVEP). The use of funding for these programmes relates to their continuity, enhancement and establishment, as set out within the report.

Recommendations

I recommend that Cabinet:

- a. Endorses the approach to form a Joint Enterprise Delivery Committee with Stoke on Trent City Council (“Joint Committee”).
- b. Agrees the Terms of Reference for the Joint Committee.
- c. Agrees to appoint the Leader of the Council and Deputy Leader and Cabinet Member for Economy and Skills to the Joint Committee.
- d. Delegates all necessary authority to the Assistant Director for Skills and Employability in respect of transferring the Careers Hub to Staffordshire County Council as the accountable body.
- e. Delegates authority to the Deputy Chief Executive & Director for Corporate Services to sign the Asset Transfer Agreement to formally transfer the SSLEP reserves to SCC as the Accountable Body for the LEP, with the reserves to be managed through the Joint Committee
- f. Once the SSLEP reserves are formally transferred to SCC as accountable body, Cabinet agrees that the following funds are immediately ring-fenced (subject to Cabinet approval at Stoke-on-Trent City Council):
 - i. SSLEP reserves of £298,250 and £425,934 are allocated to the Stoke-on-Trent and Staffordshire Growth Hub and Careers Hub respectively as a rolling contingency, thereby allowing an additional year of these services to be funded should national grants not be provided in 2025/2026, or any subsequent year.
 - ii. SSLEP reserves of £324,130 are allocated to be spent on the establishment and work programme of the Staffordshire & Stoke-on-Trent Local Visitor Economy Partnership (LVEP).

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Recommendations of the Deputy Leader and Cabinet Member for Economy and Skills

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Local Member Interest:

N/A

Report of the Director for Economy, Infrastructure and Skills

Reasons for Recommendations:

The Joint Enterprise Delivery Committee

1. For the last decade, the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) has acted as an important organisational means of bringing together businesses and local leaders to drive economic growth across the area. It has also been responsible for the management and delivery of several major funding streams from central government. In March 2022 we received guidance that following the review of LEPs, most of their responsibilities would transfer to local and combined authorities, with the primary role for LEPs in the future being to provide the voice of business for their respective areas. However, at Spring Budget 2023, the Chancellor stated that the Government was 'minded to' end the national funding of LEPs from 1st April 2024 and this decision was confirmed on 4th August 2023. Over recent months work has been progressing on the integration of the functions of the SSLEP to the upper tier local authorities, in-line with Government guidance.
2. The SSLEP has already agreed in principle to the closure of the company by the end of the financial year and in its absence the governance for making decisions related to the LEP responsibilities to be integrated within the local authorities has had to be considered. It is recommended that a Joint Committee is established which can make decisions on these responsibilities that are to be delivered across Staffordshire and Stoke-on-Trent, based upon SCC's and SoTCC's existing shared services (e.g. Archives and Coroners).
3. The Terms of Reference for the Joint Committee, which Cabinet are recommended to agree, set out the intention for two members of each council to be appointed to the Joint Committee with one member of each council needing to be present for any decision to be quorate. It is recommended that the Leader of the Council and Deputy Leader and Cabinet Member for Economy and Skills are appointed given their remit as directors of the SSLEP and the responsibilities of the Joint Committee.

LEP Assets

4. Government guidance is very clear that LEP assets need to remain in the public domain and therefore reserves that have been built up by SSLEP are to be transferred to SCC as the Accountable Body for the SSLEP and managed through the Joint Committee. This has been agreed by the SSLEP, including the principles as to how these reserves are to be used, namely:

- a. The assets are used to fund any necessary work on the dissolution of the SSLEP and integration of its functions into the local authorities.
 - b. Resources are used to fund the establishment and running of the future business voice function, as necessary.
 - c. Resources be used to safeguard and enhance the future of the current LEP functions as appropriate, including the Growth Hub and Careers Hub.
 - d. In accordance with the principle with which resources have been provided to the LEPs, any remaining assets are to be used to fund economic growth activities across Stoke-on-Trent and Staffordshire.
5. However, in advance of the Joint Committee being established decisions are required on the use of the SSLEP reserves for three key economic programmes: the Stoke-on-Trent and Staffordshire Growth Hub, Careers Hub and recently announced Local Visitor Economy Partnership (LVEP). The use of funding for these programmes relates to their continuity, enhancement and establishment, as set out in the remainder of the report.

Growth Hub

6. The national network of Growth Hubs are a Department for Business and Trade (DBT) led programme that helps businesses and entrepreneurs to unlock their potential by providing access to tailored business advice, online services, and routes to funding. The Growth Hubs have been led by LEPs and aim to promote business support services to Small and Medium Enterprises (SMEs), which are generally less able to access relevant programmes, by creating a simplified and attractive first entry point for them to access the support they need to survive and thrive.
7. An additional function of the Growth Hub model is to act as a bridge between national level policies and local level business support needs. This includes promoting national schemes into local businesses as appropriate. Growth Hubs are locally led and responsible for bringing together the local, national, public, and private sector bodies involved in the business support system in an effective manner with the local business at the centre.
8. The Growth Hub has delivered many positive outcomes, but more recently issues including uncertainty over resources, the review of LEPs and subsequent Government decision to no longer provide funding to LEPs from April 2024 has undoubtedly affected the effectiveness of the

Hub. The transfer of the Stoke-on-Trent and Staffordshire Local Enterprise Partnerships (SSLEP) functions to the local authorities has led to Staffordshire County Council, working with Stoke-on-Trent City Council, to recently take over temporary responsibility of the Growth Hub.

9. The Growth Hub receives core funding which has fluctuated since its inception and provides the Hub with the capacity to deliver its contracted objectives and services. The 2023/24 Growth Hub core grant is £298,250 and each year detailed conditions of receiving the grant funding are agreed with the Department of Business & Trade. These conditions are expected to be replicated for 2024/2025 and beyond.
10. The funding of the Growth Hub is an issue, not just in the interim for this financial year but also in the longer-term. The one-year settlements of core funding undoubtedly affect the Growth Hubs sustainability and therefore potentially its effectiveness. Consideration therefore needs to be given as to how we can put the Growth Hub on a sound financial footing, enabling longer-term planning, aiding the recruitment of staff and contractors to deliver the programmes which enable the core conditions of funding to be met.
11. It is therefore recommended that LEP reserves of £298,250 are held as a contingency for the operation of the Growth Hub, allowing an additional year to be funded should the DBT grant not be available for 2025/2026 or any subsequent year. This will enable a two-year strategy for the Growth Hub to continue its services, enabling certainty and effectiveness which in turn will create confidence. In the event of Government ceasing funding for Growth Hubs, the rolling contingency would also allow SCC and SoTCC time to plan a new first point of contact service for Staffordshire and Stoke-on-Trent businesses if it were decided this is required.

Careers Hub

12. In 2014, the Department for Education (DfE) established the Careers and Enterprise Company (CEC) to be the strategic co-ordinating function which connects schools and businesses together as part of the DfE programme for careers education system change. The CEC mission is to help every young person to find their best next step. The CEC programme has evolved and the Stoke-on-Trent & Staffordshire Careers Hub is now part of a national network of Careers Hubs.
13. The Stoke-on-Trent & Staffordshire Careers Hub is the vehicle for careers system change locally, driving progress against the Gatsby Benchmarks, positioning careers with equality against other curriculum subjects and

shifting the view to impact the local hub vision of; 'school improvement through the lens of careers – building a talent pipeline for business recruitment'. Locally, the Hub is supported by a network of businesses and over 80% of schools and colleges have been engaged in the Hub and the ambition is to engage all schools and colleges in the future.

14. The Hub has also established a network of careers leaders and business ambassadors that as a community of practice enables and encourages collaboration, professional development and provides opportunities and sources of support from businesses.
15. The Hub has supported careers system change through delivery of key projects that have led to improved careers education and employability skills. This includes Frameworks to improve and align Careers and Employer Competencies, providing Teacher Encounters with industry, promoting apprenticeship and technical education, and projects that support wider school improvement.
16. Funding for the Careers Hub has evolved from a LEP sponsored project to one that is supported and enabled by match funding from the City and County Councils. The current cost of the Hub staffing and operation is £387,824. The CEC grant for the academic year 2023/24 for staffing is £257,934. The Local Authorities match funding is split with the City Council providing £25,000 and the County Council £100,000, in part reflecting the distribution of schools and colleges but with the City as an Education Investment Area receiving additional funding to offset this and therefore reducing its match funding requirement.
17. In addition, each year the Hub has local funds to deliver against priorities which is £68,000 this year and has also received an additional grant of £100,000 for a pilot of Experiences with Employers. Both of these grants are fully funded by CEC and subject to annual changes in priorities and allocations agreed by CEC and DfE.
18. Currently, SoTCC is the accountable body for the Careers Hub for the 2023/24 academic year. For the 2024/25 academic year, the accountable body role will be transferred to the County Council, along with the TUPE transfer of Careers Hub staff into our Skills and Employability team by September 2024. This will mean that SCC will act as the accountable body for all the responsibilities transferred to the local authorities from the SSLEP. It is therefore recommended that Cabinet agrees to delegate all necessary authority to the Assistant Director for Skills and Employability in respect of transferring the Careers Hub to the County Council.

19. The funding of the Careers Hub relies on predominantly grant funds from CEC to maintain its staffing and network, its programme of projects along with match funding from both the City and County Council. Each year, CEC provides an indication allocation and priorities for the next academic year in the spring. The rolling one-year grant funding does create some uncertainty with staffing, particular with the delivery of one-year projects.
20. It is therefore recommended that LEP reserves of £425,934 are held as a contingency for the operation of the Careers Hub, allowing an additional year to be funded should the CEC grant not be available for the 2024/25 academic year or any subsequent year. This will provide continuity for the Careers Hub to continue its services for a further academic year, enabling certainty and effectiveness with businesses, schools and colleges engaged in the Hub. In the event of Government or CEC ceasing funding for the Careers Hub, the rolling contingency would also allow SCC and SoTCC time to plan a new careers service for Staffordshire and Stoke-on-Trent schools and colleges if it were decided this is required.

Local Visitor Economic Partnership

21. Staffordshire and Stoke-on-Trent have come together to deliver a nationally endorsed Local Visitor Economy Partnership (LVEP), with accreditation successfully secured in November 2023. As one of only 40 in the country, this is the nationally recognised function that Visit England and Central Government will choose to engage with in future. These functions are responsible for growing and sustaining the tourism and hospitality sector locally, regionally and nationally.
22. Securing a LVEP is proven to be more attractive to investors, attractions and operators and has greater influence and recognition from Government. Other destinations around the country are starting to benefit from joint working and attracting investment through these partnerships. Delivering a LVEP requires a strong commitment to partnership across a broad geography and this has been demonstrated by SCC, all eight Borough and District Councils and SoTCC to apply for accreditation to form the Staffordshire and Stoke-on-Trent LVEP.
23. The LVEP will ultimately be responsible for driving the development of our local visitor economy through a shared Growth Plan that aligns to existing relevant strategies across the geography. Up to this point, the LVEP has been reliant on existing capacity and resources provided by the local authorities, with contributions from both SCC and SoTCC being split evenly. Additionally, the District and Borough Councils have made contributions of £15,000 per annum whilst providing support through their relevant teams.

24. This level of capacity and resource is minimal and if the opportunities presented by the LVEP are to be maximised, additional resource will be needed. Given its economic focus and the fact the LVEP covers the Staffordshire and Stoke-on-Trent geography, there is therefore an opportunity to make use of the SSLEP reserves to ensure that the LVEP is resourced appropriately.
25. In considering the existing capacity and resource and what additionally is required to delivery an ambitious programme of work over a two-year period, it is recommended that a total of £324,130 of LEP reserves is allocated to spend on the LVEP as follows:
- a. A 2-year fixed term Business Convention Bureau Officer (total cost circa £108,540). This post will identify and convert business tourism leads and represent the LVEP and sector at trade events.
 - b. A 2-year fixed term, Business Development Officer (total cost circa £140,590) to oversee all LVEP investment activity related, membership, sponsorship, the Staffordshire and Stoke-on-Trent Convention Bureau (SSCB), advertisement, partnerships, and investments such as project development and funding bids.
 - c. A one-off activity budget to support the reboot of the SSCB of £25,000.
 - d. A one-off activity budget of £50,000 over two years to support the development and implementation of the LVEP Board activities across both Staffordshire and Stoke-on-Trent.
26. The Convention Bureau Officer post will work to attract, plan, and coordinate conventions, conferences, and meetings within the area. The Business Development Officer post is a strategic role whose primary goal will be to stimulate economic growth by attracting visitors, creating new tourism products and services and improving the overall tourism experience of Staffordshire and Stoke-on-Trent. The Convention Bureau Officer and Business Development Officer posts will be managed by SoTCC and SCC respectively, but both posts will be dedicated to the LVEP.

Legal Implications

27. Advice has been received from external advisers Bevan Brittan in respect of the legal implications of matters arising under the Agreement and that the work is ongoing to conclude matters in accordance with their advice.

Resource and Value for Money Implications

28. The LEP Core Reserve balance currently stands at circa £509,147. If the Growth Hub, Careers Hub and LVEP funding requests, as outlined in this report are approved, then total future funding request commitments against the unrestricted LEP Core reserve would equate to circa £1,048,314 leaving a funding shortfall of circa £539,167 which will be met from the current, estimated £1,350,481 unrestricted LEP Project Reserve balance.

Climate Change Implications

29. The Growth Hub is one of the key local services in providing advice to businesses, including on issues such as energy efficiency which are then directed to relevant programmes, funding opportunities, etc.

30. Other matters raised within this report have no direct climate change implications, although specific programmes considered and delivered through the various governance mechanism and services may have and this will need to be considered through the relevant decision-making processes as appropriate.

List of Background Documents/Appendices:

Appendix 1 – Draft Joint Enterprise Delivery Committee Terms of Reference

Community Impact Assessment

Contact Details

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