

RECORD OF EXECUTIVE DECISION

Tuesday, 19 March 2024

Decision No: (CAB 23/24 43683)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Economic Development
SUBJECT:	Solent Local Enterprise Partnership Integration into the Solent Unitary Authorities
AUTHOR:	Matthew Hill

THE DECISION

- (i) To delegate authority to the Chief Executive, following consultation with the Leader and Executive Director for Corporate Services (and S151 officer), to agree the final details of the transfer of LEP functions to the UTLAs, including future governance arrangements.
- (ii) To approve in principle the proposed draft governance structures attached as Appendix One that demonstrate how SCC plans to work with our sub-regional partners to achieve our economic growth ambitions which will need to be outlined in an updated Solent 2050 Strategy.
- (iii) Subject to the agreement of PCC and IOWC, to agree that PCC is confirmed as the Accountable Body for the new a new joint UTLA Board, with the Leader of SCC acting as the first board chair.
- (iv) SCC agrees that the existing LEP funding, should be disaggregated to the three Solent UTLAs and be pooled (subject to the agreement of Isle of Wight Council and Portsmouth City Council), for the benefit of economic growth of the sub-region, defined as the combined geographies of the three Solent UTLAs.
- (v) Agree that, subject to the three Solent UTLA area being recognised by the Government as an area for LEP Integration, with appropriate legal due diligence, to delegate authority to the Chief Executive, following consultation with the Leader to determine whether SCC will become a Member of Solent Partners (SP). This agreement to be conditional on all three UTLAs agreeing to become Members of Solent Partners in conjunction.
- (vi) To agree that SCC should not appoint a Director to the Board of Solent Partners to ensure that there is no conflict of interest with the wider governance needed for the new LEP integration arrangements. The three UTLAs will seek appropriate requirements, within the articles of Solent Partners, to ensure representatives of the three Solent ULTAs are entitled to observe board meetings.
- (vii) To delegate authority to the Chief Executive, following consultation with the Leader to work with all sub-regional partners to develop an agreement on how to deliver economic growth for the functional economic area and

- take ownership of the Solent 2050 strategy.
- (viii) To support the creation of a Solent Economic Partnership, inviting adjacent Districts and Boroughs, Hampshire County Council (HCC), and other key public sector stakeholders to participate, to enable Local Authorities leaders and the private sector to have an opportunity to discuss and support economic growth in the Solent sub-region.
 - (ix) To approve the proportional disaggregation of existing assets held by the SLEP to the Accountable Body (PCC) on behalf of the Upper Tier Local Authorities, including HCC (subject to the agreement of the three Solent unitary UTLAs).

REASONS FOR THE DECISION

1. The Government have stated that all core funding for LEPs will cease, with the core LEP functions being transferred to democratic control. The Government have set criteria for the return of these functions and the recommendations in this report enable an appropriate mechanism to be put in place to achieve the Government's policy requirements.
2. While current guidance is clear that LEPs can continue in a private capacity, the Solent LEP has confirmed that they intend to cease operating as soon as possible after 31st March 2024 and have set up an alternative company, Solent Partners, with aspirations to continue to support the economic development agenda in the Solent. This report therefore notes that assets and resources built up with public money will need to be retained in the public domain.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. The following options have all been considered and rejected in favour of our submitting an Integration Plan to Government across the geography of the three Solent UTLAs and in partnership.
2. The option to do nothing has been rejected on the basis that the Government is proposing to devolve the core functions and responsibilities of the LEPs to upper tier local authorities or combined authorities.
3. The option of SCC to act unilaterally was rejected on the basis that the new arrangements will be devolved to the sub-region, and it is a requirement for UTLAs to act in partnership or to at least to collaborate on delivery across sub-regions.
4. That the new arrangements be formed on a county wide basis of Hampshire and the UTLAs of SCC, PCC and IWC. This option was not supported by the three UTLAs as in their view it ignores the clear Functional Economic Area (FEA) across the Solent sub-region which has consistently been recognised by Government with the creation of the SLEP and the Solent Freeport. As established partners the three UTLAs will work together to bring about the integration of the LEP functions across the three unitary authorities.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 19 March 2024

Decision Maker:
The Cabinet

Proper Officer:
Claire Heather

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*