

Report subject	<b>Dorset Local Enterprise Partnership</b>
Meeting date	15 January 2025
Status	Public Report
Executive summary	<p>Government has set out its expectation that Local Enterprise Partnerships (LEPs) will receive no further funding and provided guidance as to how their remaining functions should be integrated into Local Authorities. Council officers from BCP Council and Dorset Council (the accountable body for Dorset LEP) have worked through the detail, implications and necessary actions to support integration of functions where possible from Dorset LEP (DLEP).</p> <p>The DLEP board unanimously supported a report outlining this on 28th November 2024. Further work is now needed to ensure the actions identified in this report are completed on or before the end of March 2025, including the allocation of any remaining funds and how these will be split between the two Councils, facilitating the closedown of DLEP. This report sets out this work and next steps.</p>
Recommendations	<p><b>It is RECOMMENDED that Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>a) Approves the steps taken to integrate relevant LEP functions to BCP Council in line with Government guidance and contractual obligations;</b></li> <li><b>b) Approves the intent for the Council member of the LEP board to resign from it on or before end of March 2025;</b></li> <li><b>c) Delegates responsibility to the Chief Operations Officer, in consultation with the Portfolio Holder for Destination, Leisure and Commercial Operations to ensure:</b> <ul style="list-style-type: none"> <li><b>i) that this work is completed on or before 31st March 2025, and that it is cost neutral to the Council;</b></li> <li><b>ii) BCP Council receives its share of remaining DLEP funds, and all future Government funding sent to Dorset Council as its Accountable Body;</b></li> <li><b>iii) the creation of a new BCP Growth Board</b></li> </ul> </li> </ul>
Reason for recommendations	To follow government guidance and to establish a new BCP Growth Board to articulate and drive forward the local economic priorities and the growth agenda for Bournemouth, Christchurch and Poole.

Portfolio Holder(s):	Councillor Millie Earl, Leader BCP Council and Councillor Richard Herrett, Portfolio Holder for Destination, Leisure and Commercial Operations
Corporate Director	Glynn Barton, Chief Operations Officer
Report Authors	Chris Shephard, Head of Operations Strategy & Partnerships
Wards	Council-wide
Classification	For Decision

## Background

1. BCP Council and before it, Bournemouth Council and Poole Council, is a board member of Dorset Local Enterprise Partnership (DLEP), represented by the Leader of the Council. Dorset Council is also a board member and is its accountable body. In recent years, the Council has not funded DLEP, but since its inception over 10 years ago, has worked in partnership with its officers to  
*“Support the long-term resilience of the businesses, workforce and communities of Dorset - co-developing local strategies, driving economic growth and productivity, attracting funding and investment, working to transform careers education and helping shape a skilled, adaptable workforce”.*
2. For some time, Government has made it clear that is it minded to cease funding for the functions previously delivered by Local Enterprise Partnerships and the Business Board Network (previously known as the LEP Network).
3. In 2024/25 government awarded £260k via Dorset Council for the delivery of functions previously delivered by the LEP. Dorset Council and BCP Council took the decision to passport these funds to the LEP to continue delivery of these functions for the current financial year. It is likely that there will be no further funding for the delivery of these functions.
4. Government has also requested Local Authorities integrate LEP functions into business as usual but has not provided any additional funding to do this (other than for specific projects/programmes). It set out this guidance in [August 2023](#) and then further guidance in [December 2023](#).
5. This has resulted in a work programme, undertaken by officers from the two Councils, members of the DLEP executive team and some DLEP board members, to collate the information, consider the detail, the implications and contractual requirements, to present a clear plan to be considered by the DLEP board enabling integration or other outcome on or before March 31<sup>st</sup>, 2024.

## Devolution Current Position

6. To understand the steps taken to consider the integration of functions from DLEP into the two Local Authorities and the steps to follow, it is important to consider recent responses from BCP Council and Dorset Council in relation to Government's devolution agenda.

7. In the Autumn of 2024, BCP Council submitted an Expression of Interest to Government in response to a national request for areas to state their preference for devolution. BCP Council responded with a preference for a BCP geography only, with no mayor.
8. Dorset Council submitted also an Expression of Interest to Government stating its preference for devolution into an area to be administered on a “Wessex” level geography. The geographical coverage of this area includes the administrative areas of Dorset, BCP, Somerset, and Wiltshire.
9. Both Councils have made it clear that these positions are a starting point for further discussion, not an end, with the Government's [Devolution White Paper](#) having been released on 16th December 2024 providing further context for consideration.
10. These expressions of interest have brought clarity to the DLEP board that there is no appetite for a continuation of DLEP in any form by both Councils and that therefore actions must be taken, in line with Government guidance, to consider its functions, staff and budgets.

### **Current LEP functions**

11. Through the programme group, a list of LEP functions was identified and discussed. Three were identified early on as contractual obligations and therefore became high priority to resolve. These are the [Dorset Growth Hub](#), the [Dorset Careers Hub](#), and the [Boscombe Skills Hub](#). At its November board meeting, DLEP Board unanimously approved the following proposals.

### **Dorset Growth Hub**

12. Within the October budget, government confirmed it was committed to continue funding Growth Hubs in England for 2025/26 as a key growth driving programme therefore this service will need to continue. Given the recent budget announcement, it is considered that government funding for the delivery of this function for financial year 2025/26 will be announced in the current financial year.
13. It was proposed that the current LEP staff resource delivering this service are subject to TUPE and employees in this area transfer to Dorset Council as the host employer (as the accountable body). The staff will continue to deliver services across both Dorset Council and BCP Council areas.
14. The proposal also stated that the structure and service delivery model for the Growth Hub will be reviewed after the 1st April 2025. This is for several reasons and questions that still need to be worked through. These include uncertainties about the final budget allocation for Growth Hub delivery across the Pan-Dorset area, available resources to oversee delivery in BCP Council as a result of budget savings targets, and the potential to investigate opportunities for aligned delivery of services with the recently extended UK Shared Prosperity Fund programme.

### **Dorset Careers Hub**

15. This contract is currently held between the national Careers and Enterprise Company and Dorset LEP and runs until end August 2025. It is proposed that the current LEP staff resource delivering this contract are subject to TUPE and employees in this area will transfer to Dorset Council as the host employer and continue to deliver services across both Dorset Council and BCP Council areas. There is no change to the BCP Council current contribution or expected delivery.

## **Boscombe Digital Skills Hub**

16. Since 23rd March 2023, BCP Council has contracted DLEP to deliver the Boscombe Digital Skills Hub project as part of the externally funded Towns Fund programme in Boscombe. BCP Council is the accountable body for the Towns Fund.
17. It is the Council's intention to serve notice to DLEP that it intends to stop this contract on or before the end of March 2025. Upon notification, it is proposed that the LEP issues equivalent notice to its sub-contractors that their contracts with the LEP will therefore also stop. All contracts require 30 days' notice for termination.
18. There is an expectation that the Digital Skills Hub programme will continue to be delivered until its funding end date of 31st March 2026. BCP Council, as the Accountable Body for the Towns Fund, has sought procurement advice, and is able to award new contracts to offer to the existing sub-contractors, in the expectation that they will continue to deliver their elements of the project. A new contract will also be offered to a local provider through an appropriate procurement process to deliver the remaining elements the LEP had previously been contracted to deliver. Collectively, this will provide continuity of service provision until the end of the funding period.

## **Business representation and strategic economic planning**

19. To ensure delivery of its national mission to drive economic growth, Government requires areas to have an up to date Economic Growth Plan or Economic Development Strategy. DLEP is currently funded by Government to deliver a strategic economic plan for the BCP-Dorset area in this financial year. BCP Council officers have been working to inform this using data and evidence to highlight the economic priorities for Bournemouth, Christchurch and Poole.
20. As well as a recent local Economic Growth Plan or Economic Development strategy, a future Government requirement is for areas to have a new Growth Board to ensure strengthened business engagement in local decision making, and to articulate and drive forward their local economic priorities.
21. As part of the report supported by the DLEP Board in November, it was proposed that for both business representation and strategic economic planning, BCP Council will pursue arrangements that are specific to its own geography.
22. To support Government guidance, and to enable businesses to articulate and drive forward the economic growth priorities for Bournemouth Christchurch and Poole, this report asks Cabinet to delegate to officers, in consultation with the Portfolio Holder for Destination, Leisure and Commercial Operations, the responsibility for establishing a BCP Growth Board.
23. It should be noted that Government has stated that it is minded not to continue funding of these functions (business representation and strategic economic planning) and councils will need to cover these costs from their own resources.
24. There are a handful of other current actions and projects undertaken by the LEP. As part of the ongoing work, this report recommends that any future support or delivery of these remaining actions and projects are aligned with available resources (people and budget), with their emerging Economic Growth Plans, and consult with the new Growth Boards as to whether these functions and projects are a priority for continuation once established. In the meantime, some of these services may cease.

## **Finances**

25. Whilst the financial status of DLEP has been reviewed by both councils as part of this process, it is recommended that Cabinet gives authority to the Chief Operations Officer of BCP Council, in consultation with the Portfolio Holder, to work on the detail and any practicalities. This is to ensure no additional, unfunded costs are incurred by the Council as part of this process, which is currently the case and is intended to remain so.
26. It is also to ensure that work continues with Dorset Council to develop a bi-lateral agreement over the split of existing and any future related funding, and the formalised process for these to be transferred.
27. Government guidance on remaining funds is clear that they should remain within the public sector. There is an expectation from businesses, education and other partners that the funds should be used for economic development purposes. The November LEP board report explained that both councils stated they will earmark the transferred funds for economic development purposes, but this will be subject to Cabinet and Council approval in due course.

### **Options Appraisal**

28. To accept the recommendations outlined, enabling:
  - iv) smooth integration and/or continuation of the noted LEP functions where there are contractual obligations
  - v) No additional cost to the Council
  - vi) The formation of a new BCP Growth Board
  - vii) Arrangements to be finalised ensuring BCP Council obtains its share of remaining DLEP funds, and any future funding sent to the Dorset Council as the Accountable Body for DLEP

And therefore, a renewed drive and business driven approach to the economic priorities for Bournemouth, Christchurch and Poole through the creation of a BCP Growth Board.

29. Not to accept the recommendations and continue with a LEP that will no longer be funded or supported by Government, to drive economic growth across an area that has two distinct economies.

### **Summary of financial implications**

30. As outlined earlier, there are intended to be no financial implications for the Council through this process.
31. There will need to be further work done by officers on the precise amount of remaining DLEP funds and an expectation that a further board report will be presented to the DLEP board in January detailing these and how they will be handled in respect of the close down process.
32. Subject to approval of this report, officers are authorised to work with Dorset Council to develop a bi-lateral agreement over the split of existing and any future related funding, and the formalised process for these to be transferred.
33. Government guidance on remaining funds is clear that they should remain within the public sector. There is an expectation from businesses, education and other partners that the funds should be used for economic development purposes. The November LEP board report explained that both councils stated they will earmark

the transferred funds for economic development purposes, but this will be subject to Cabinet and Council approval in due course.

#### **Summary of legal implications**

34. Legal and procurement advice has been sought regarding the contractual situation relating to the Boscombe Digital Skills Hub. This is outlined at paras 16-18. The Council will initiate these recommendations as part of this process subject to approval of this report.

#### **Summary of human resources implications**

35. HR colleagues and legal colleagues have provided advice based on evidence provided that at no point through this process is the Council liable for TUPE in relation to the LEP staff or its sub-contractors. This report has identified where Dorset Council is liable and how this will impact the different elements of this process.

#### **Summary of sustainability impact**

36. There are no sustainability impacts of this report.

#### **Summary of public health implications**

37. There are no public health implications of this report.

#### **Summary of equality implications**

38. To follow

#### **Summary of risk assessment**

39. The risk to the Council in relation to this process is low, on the basis that the law, and Government guidance are adhered to.

#### **Background papers**

None

#### **Appendices**

None