

Divisions Affected – All

CABINET 17 June 2025

Local Enterprise Partnership Integration Update Report of Performance and Corporate Services Overview & Scrutiny Committee

RECOMMENDATION

1. The Cabinet is **RECOMMENDED** to —
 - a) Note the recommendations contained in the body of this report and to consider and determine its response to the Performance and Corporate Services Overview and Scrutiny Committee, and
 - b) Agree that relevant officers will continue to update Scrutiny for 12 months on progress made against actions committed to in response to the recommendations, or until they are completed (if earlier).

REQUIREMENT TO RESPOND

2. In accordance with section 9FE of the Local Government Act 2000, the Performance and Corporate Services Overview & Scrutiny Committee requires that, within two months of the consideration of this report, the Cabinet publish a response to this report and any recommendations.

INTRODUCTION AND OVERVIEW

3. The Performance Overview and Scrutiny Committee considered an update report on the progress of Local Enterprise Partnership's integration into the Council at its meeting on 04 April 2025.
4. The Committee would like to thank Cllr Liz Leffman, Leader of the Council, Cllr Dan Levy, Cabinet Member for Finance, Lorna Baxter, Executive Director of Resources and Section 151 Officer Robin Rogers, Director of Economy and Place, and Nigel Tipple, LEP Chief Executive, for preparing and introducing the report, and for attending to answer questions.

SUMMARY

5. The Leader of the Council introduced the report on the integration of the Local Enterprise Partnership (LEP) into the County Council, noting that an interim business plan for 2025/26 had been approved which aligned with the Council's strategic objectives. The Leader also noted a new board had been formed, inviting former LEP board members to join the Economic Partnership Board. The Leader also informed the Committee that the LEP had been renamed Enterprise Oxfordshire (EO) as part of this integration.
6. The LEP Chief Executive confirmed the transition as effective from 1 April, 2025, and assured continued operation under the new name. He highlighted maintaining existing programmes, securing government funding, aligning with Council priorities, and appointing an independent business chair for EO's board and formation of the Oxfordshire Economic Partnership Board as EO's key areas of activity following its integration.
7. Issues explored by the Committee included the suitability and cost of the governance arrangements, the locus of financial liabilities relating to the LEP's activities following the integration, and the interface of the work of the LEP and forthcoming changes to local government in the form of the development of new strategic mayoral authorities.
8. The Committee makes one recommendation, suggesting that there is greater monitoring, awareness and transparency over financial risks relating to the Council's incorporation of the LEP. Its discussions also highlighted that around some of its questions – the suitability of its governance arrangements and the effectiveness of integrating the LEP into the Council's wider functions – there had been too little activity to make an informed determination. As such, the Committee's 2024/25 membership hopes that the 2025/26 Committee will reconsider the latter, and that Audit and Governance will consider the former.

RECOMMENDATIONS

9. The following is provided as an 'observation' insofar as the Committee does not intend to invoke the legal formalities and duties on Cabinet to make a formal response in the way it would were this to be a recommendation. However, it does involve a request for action, which it hopes will be taken on board.
10. Whilst the Committee valued receiving an update on the progress, some aspects of the LEP's integration were not as far progressed as had been envisaged when the item was originally presented to the Committee in July 2024. Notably, the Strategic Economic Plan was originally expected to be developed between April and September 2024 'to be presented to Cabinet later in 2024/25' but was delayed. The delay in developing this core document did mean there was less for the Committee to engage with, meaning it is likely this will return in the new civic year.

11. Another area members of the Committee sought to discuss but could not as fully as they wished for lack of examples to explore was the suitability of the governance of the LEP. There was a degree of scepticism expressed over whether the governance system adopted optimised democratic engagement, transparency and flexible decision-making. Concerns over additional costs were allayed at the meeting. As a corporate service, this could be reviewed by the Committee at the same time as its review of other LEP activity. However, it does feel that this more fittingly sits within the purview of Audit and Governance, and so requests that this committee consider doing so.

Observation 1: The Committee had insufficient data on which to reach an informed view of the suitability of the LEP's governance arrangements, and suggests that the Audit and Governance Committee may wish to review the governance arrangements of Enterprise Oxfordshire in a year's time, including examples of how decisions were made throughout the year.

12. During the meeting, members examined the financial liabilities of EO, questioning if the County Council would inherit these liabilities, including staff costs, as the sole shareholder. The LEP Chief Executive clarified that existing funding streams covered most liabilities, but the County Council, as the sole shareholder, would ultimately hold the underlying liability. If the funding from government grants or other sources were to dry up, the County Council could need to provide financial support to ensure the company's viability, although EO does run an operating reserve for unforeseen expenses or liquidation.
13. It is recognised that, in terms of the overall Council budget, even the worst-case financial scenario for EO would not qualify as being a key strategic risk to the Council. Nevertheless, being a shareholder of a company is new to the Council, and the Committee is keen to see that its incorporation is implemented responsibly. One aspect of this should be responsible financial management of finances to ensure that the liabilities associated with EO are adequately covered to allow operational stability in the event of an unexpected financial circumstance. Another is transparency. Members and the public should be able to understand the risk being assumed through being the sole shareholder to EO, and to assess for themselves its resilience and the potential impacts its incorporation could have on the Council. To do this, it is necessary to publish the necessary information, which the Committee encourages the Council to do.

Recommendation 1: That the financial liabilities and resilience of Enterprise Oxfordshire should be clearly documented and monitored, ensuring that the organisation has adequate reserves to cover unexpected costs and maintain operational stability.

FURTHER CONSIDERATION

14. As detailed above, a number of the Committee's questions are too early to address. Whilst not wishing to fetter the discretion of the post-election committee, members indicated their view that there would be value in this item returning after a year to update on progress. Likewise, it is hoped that the Audit and Governance Committee will review the governance arrangements of Enterprise Oxfordshire in a year's time, including examples of how decisions were made throughout the year and assess its suitability.

LEGAL IMPLICATIONS

15. Under Part 6.2 (13) (a) of the Constitution Scrutiny has the following power:
'Once a Scrutiny Committee has completed its deliberations on any matter a formal report may be prepared on behalf of the Committee and when agreed by them the Proper Officer will normally refer it to the Cabinet for consideration.
16. Under Part 4.2 of the Constitution, the Cabinet Procedure Rules, s 2 (3) iv) the Cabinet will consider any reports from Scrutiny Committees.

Kim Sawyer
Interim Head of Legal and Governance

Annex:	Pro-forma Response Template
Background papers:	None
Other Documents:	None
Contact Officer:	Tom Hudson Scrutiny Manager tom.hudson@oxfordshire.gov.uk Tel: 07791 494285

June 2025