

22 July 2010

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## **Local Enterprise Partnerships**

### **Summary**

The government has written to councils in England inviting them, working with business, to bring forward outline proposals for Local Enterprise Partnerships (LEPs) by 6 September. The Board discussed the creation of LEPs at their last meeting and gave a steer on our lobbying stance. This note summarises the issues raised by the creation of LEPs and the steps the LG Group has taken so far to support members.

### **Recommendations**

Members to note and discuss the issues raised by this report.

### **Action**

Officers to take forward members' suggestions.

## Local Enterprise Partnerships

### Background

1. The Secretary of State for Business, Innovation and Skills and the Secretary of State for Communities and Local Government have written to councils inviting them to put forward proposals to form a Local Enterprise Partnership to take on the responsibilities previously held by Regional Development Agencies. A copy of the letter is attached (**Annex A**).
2. This is a welcome confirmation that councils will play the lead role in local economic development.
3. The invitation raises a number of big issues: the scope of these partnerships (and councils' ambition); their relationship to existing bodies; the assets and liabilities of the RDAs; their geography and relationship to real economic geography; and governance including the ways in which business is involved.
4. We have made it very clear to Ministers that all of these issues should be resolved locally, and that we believe it would be at odds with the overall direction of Ministers' policy to try and insist that council-developed LEPs should have to conform to centrally-prescribed formulas.
5. We have said, in an email Dame Margaret Eaton sent to council leaders, that councils should challenge any national government guidelines (for example, the Secretary of State's letter proposes equal business/council representation on the Boards, a business Chair and that the geography of LEPs would cover groups of upper tier authorities). A copy of this email is also attached at **Annex B**.
6. The letter also made a number of other key points:
  - a. On scope, LEPs could cover the full range of inter-linked issues that underpin local economic performance such as local transport provision and infrastructure investment, housing, regeneration, business support, skills and employment and training provision – that they should be as broad as councils want them to be;
  - b. In many places, the models for LEPs, and the partnerships with business, already exist, and councils and business will wish to continue with them;
  - c. The precise form and geographical coverage of LEPs will vary from place to place. Our message to government has been the need for flexibility.

Some LEPs will be regional, others sub-regional, and others more local reflecting the best way to tackle local economic challenges.

7. We are expecting a consultation paper from BIS on the regional growth fund in two or three weeks and a white paper on sub-national economic growth once the LEP proposals have been submitted.
8. The LG Group is offering support in developing outline proposals and in future phases through:
  - a. The peer network, to places that want and need help to develop their proposition – Rob Whiteman has written to all Chief Executives outlining LG Improvement and Development’s offer of support;
  - b. An online seminar likely to be on 28 July, a community of practice will be launched that day for officers, members and experts to share and develop ideas;
  - c. an expert panel to advise on the key issues with their thinking disseminated in print media, events and online;
  - d. An advice note has been commissioned by LG Improvement and Development from Shared Intelligence (a leading economic development company);
  - e. An event in the Autumn, although we need to know more about the process after 6 September. This will clarify as we learn more about the white paper from BIS officials.
9. Our key message is that this is a marvellous opportunity for local government to bring forward ambitious proposals to lead the economic development of their places.

## **Financial Implications**

9. None.

## **Implications for Wales**

10. None.

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