

## **Local Enterprise Partnerships**

### **Purpose of Report**

For discussion.

### **Summary**

Councils and business have now responded to the government's invitation to bring forward outline proposals for Local Enterprise Partnerships (LEPs). This note summarises the latest intelligence. Officers will provide an oral update of developments at the meeting.

### **Recommendations**

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

### **Action**

Officers to take forward members' suggestions.

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## **Local Enterprise Partnerships**

### **Background**

1. The Board discussed the creation of LEPs at their last meeting and gave a steer on our lobbying stance. We have arranged an event for LEPs on 28 October and Cllr Harker wrote on behalf of the Board to request a meeting with Mark Prisk MP, Minister of State for Business and Enterprise. A copy of this letter is attached at **Annex A**.
2. The Secretary of State for Business, Innovation and Skills and the Secretary of State for Communities and Local Government have received 56 proposals for local enterprise partnerships.
3. The CLG press release is attached at **Annex B**. It provides a list of the proposals. Our understanding is that the proposals cover England in its entirety.
4. The proposals confirm our key lobbying lines. They:
  - a. Broadly cover natural economic geographies, reflecting well established economic partnerships that recognise the complexity in the economy and the need for co-ordination with areas with compatible economic clusters and neighbouring LEPs. The LGA's analysis is that there are around 50 functional sub-regional economic areas;
  - b. Demonstrate close working with business, universities and social enterprise building on existing partnerships and economic development activity;
  - c. Are ambitious in their scope, covering the broad functions that determine the performance of local economies, with many seeking devolution of decisions over employment support and skills and business support, with the LEP as the economic limb of a place-based budget;
  - d. Illustrate the different economic challenges facing places. For example, Hastings are anticipating 4% public sector job losses by 2016 as a proportion of overall employment, and Northamptonshire are anticipating significant population growth. The proposals affect the innovative responses to re-balancing the economy that are required;

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- e. The need for flexibility – a few places are in more than one LEP, the North East has proposed a regional arrangement sitting above sub-regional LEPs;
  - f. Illustrate concerns about funding and how running costs might be covered. To date, the Regional Growth Fund is the only confirmed source of LEP funding to date and the consultation proposes that it will be allocated on a competitive bidding basis. Some proposals support innovative tax increment financing mechanisms. Some propose the development of a shared economic development function and rationalising existing economic development vehicles to manage running costs;
  - g. Raise issues about RDA assets, and staff involved in key functions such as inward investment, and the need to be involved in discussions with government about the handling of these issues.
5. There are specific requests for the transfer of RDA funding and powers to LEPs, for example the Rural Development Programme and economic regeneration Compulsory Purchase Orders.
  6. In a few places, there are competing propositions – we need to emphasise these cases are the exception. For example, there is a county proposition in Lancashire and competing sub-regional propositions from Flyde Coast and Pennine Lancashire. There is a risk that those who are uncomfortable with the government's approach so far will see them as an opportunity for a more prescriptive approach.
  7. There is at least one private sector proposal - the Peel Group proposal covering Liverpool and Manchester and one covering the visitor economy in the South East. We will seek to establish the extent of local government involvement in these proposals.
  8. Ministers are looking at the proposals on 10 September. It is not clear yet from officials what the next steps in the process will be, although a White Paper is planned. We hope to offer more clarity when we meet.

**Financial Implications**

9. None for the LGA arising from this report. The move from RDAs to Local Enterprise Partnerships will impact on council support for local businesses.