

**Meeting:** Executive  
**Date:** 17 August 2010  
**Subject:** Local Enterprise Partnerships  
**Report of:** Cllr Ken Matthews, Portfolio Holder for Economic Growth, Skills and Regeneration  
**Summary:** The report proposes the proposal to form a Local Enterprise Partnership based on the geography of the South East Midlands Functional Economic Area

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**Advising Officer:** Gary Alderson, Director Sustainable Communities  
**Contact Officer:** Liz Wade, Assistant Director, Economic Growth, Skills and Regeneration  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/ exemption from call-in (if appropriate)** This item is exempt from call-in due to the requirement to submit an agreed LEP proposal to Government by the 6 September 2010 deadline. Timescales are such that further call in would not allow this deadline to be met.

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The project relates to the Corporate Priority 3 – Managing Growth Effectively by seeking to support the creation of local jobs and drive inward investment in line with our Economic Powerhouse priority through wider sub regional collaboration.

### **Financial:**

Depending on the nature and scope of a LEP there could potentially be significant budget requirements for project delivery and running costs.

There is currently no clarity on the financial position of LEP's in terms of any Government funding, RDA budgets and assets transfer or running costs. There has been speculation that there would be no central support for LEP running costs, but this has not been confirmed.

**Risk Management:**

The proposal is developed from a established history of joint collaboration at the level of the MKSM area. The risk of the partnership proposal not being implemented is therefore low if approved. A collaborative working agreement is already in place.

**Staffing (including Trades Unions):**

None at this time

**Equalities/Human Rights:**

The LEP will need to continue to give proper consideration to the needs of the more vulnerable sectors of our communities in any of its activities.

**Community Safety:**

The LEP will need to consider community safety issues as part of its strategic leadership when setting out local economic priorities and a clear vision for their area.

**Sustainability:**

It is Government's views that developing a LEP with strong business engagement will support the delivery of jobs and economic prosperity. This will provide a balance with housing growth in the area.

**Summary of Overview and Scrutiny Comments:**

- The report has not been considered by Overview and Scrutiny.

**RECOMMENDATION(S):**

- 1. That the Executive consider the options for the establishment of a Local Enterprise Partnership**
- 2. That the Leader approves the final joint submission on behalf of the Executive to the Government in order to meet the deadline of the 6 September 2010.**

<i>Reason for Recommendation(s):</i>	So that Central Bedfordshire is represented in the new proposed Local Enterprise partnership structures proposed by the Coalition Government Localism Agenda and the ending of the regional development agencies and regional architecture.
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**1. PURPOSE OF REPORT:**

- 1.1 This paper sets out the background to the Government's proposal for the establishment of Local Enterprise Partnerships (LEP).

- 1.2 It sets out a range of considerations for the role, functions and geography of a LEP and in these considerations how this might relate to the Councils functions going forward.

## 2. **BACKGROUND INFORMATION:**

- 2.1 The Coalition Government, jointly through the Departments for Business Innovation and Skills (BIS) and Communities and Local Government (CLG), has written to Local Authority Leaders and Chief Executives setting out the Government's intention to abolish Regional Development Agencies (RDA) and support local authorities and business to form Local Economic Partnerships (LEP) The letter is attached at Appendix 1.
- 2.2 The Government states that LEPs will provide strategic leadership to set out local economic priorities and a clear vision for their area.

Expected outcomes are:

1. A better business environment through new approaches to planning, housing, transport and infrastructure
2. A focus on employment and enterprise and the transition to a low carbon economy
3. Renewal and transformation of the local economy using initiatives proven to support enterprise and innovation.  
Supporting small business start ups and working with universities and colleges will be an important part of the LEP agenda.

### 2.3 **Geography**

Current guidance from CLG is that it is unlikely that multi LEPS covering a single area would be supported unless there is clear evidence for its requirement, though joint working between LEPs would be welcomed.

- 2.4 The Government is clear that a LEP must be consistent with the natural economic linkages of an area (Functional Economic Market Area- FEMA). Appendix 2 provides details of Central Bedfordshire's FEMA. Overall there are considerable linkages, employment, retail, leisure, travel and housing with the surrounding authorities, in particular Luton and Bedford. There are also growing linkages with Milton Keynes, across a range of measures, and housing and commuter links to North Hertfordshire.

### 2.5 **LEP Membership**

Business engagement with LEPS is seen as a key requirement by Government, as part of rebalancing the economy towards the private sector. This should mean an equal representation of business and public sectors bodies on the boards of a LEP and that a prominent business leader should chair the board. This can be altered in particular cases where there is a local will, such as LEPs being chaired by elected Mayors.

## 3. **ROLE OF A LOCAL ECONOMIC PARTNERSHIP**

### 3.1 **Functions and Activities**

The government has highlighted a range of areas that are best dealt with nationally, namely inward investment, sector leadership, and responsibility for business support, innovation and access to finance, such as venture

capital funds. Other functions are not mentioned, but have a considerable impact on local economic development include skills development and community regeneration.

- 3.2 Some possible economic functions for the LEP are considered in Appendix 3. It may be necessary to seek additional functions of a LEP above those currently considered by the Government, such as strategic skills development.
- 3.3 Planning, Transport and infrastructure activities are noted by the Government as possible functions of LEPs. There is no guidance on what this entails. Careful consideration of these functions and the relationship with the Council's statutory roles will need to be given when considering the roles of a LEP.
- 3.4 Current work to develop a prospectus for an LEP through the MKSM partnership highlights that housing delivery would remain as a priority. and other strategic priorities for a local LEP could be
  - strategic infrastructure: highways, rail, utilities
  - skills
  - strong sector focus on high level engineering, logistics, creative industries, business services and sustainable construction.

**Appendices:**

**Appendix 1: Invitation letter 29<sup>th</sup> June 2010 from Eric Pickles, Communities Secretary and Vince Cable, Business Secretary**

**Appendix 2: Functional Economic Geography**

**Appendix 3: Possible Functions of a LEP**

**Appendix 4: Analysis of LEP Geographic Options**

**Appendix 5: Draft Prospectus for South East Midlands LEP**

Background Papers - None