

Meeting: Executive
Date: 15 March 2011
Subject: Central Bedfordshire Council Membership of South East Midlands Local Enterprise Partnership
Report of: Cllr Tricia Turner MBE, Leader of Central Bedfordshire Council
Summary: The report seeks approval for Central Bedfordshire Council to become a formal member of the South East Midlands Local Enterprise Partnership (SEMLEP).

Advising Officer: Richard Carr, Chief Executive
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) Not exempt.

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 vision for the Central Bedfordshire to achieve its economic potential through wider sub regional collaboration.

Financial:

The anticipated membership contribution will be in the region of £7000 per annum. This is the same rate as the previous MKSM subscription. This is allocated within the current Economic Growth budget. The SEMLEP is seeking to match this with private sector contributions. Those funds in the interim are likely to be held by Northampton Borough Council on behalf of the LEP.

Legal:

Section 2 of the Local Government Act 2000 gives the Council power to do anything which it considers is likely to promote or improve the economic well-being of its area. The proposal to join the SEMLEP falls within the scope of that provision.

Risk Management:

The proposal is developed from an established history of joint collaboration.

Staffing (including Trades Unions):

None at this time as we will not be the employing body. Attendance and support of the SEMLEP activities will draw on our existing resources.

Equalities/Human Rights:

None at this time

Community Safety:

None at this time

Sustainability:

None at this time

Summary of Overview and Scrutiny Comments:

- Not referred to Overview and Scrutiny.

RECOMMENDATIONS:

- 1. that the Executive approves the membership and active participation of Central Bedfordshire Council in South East Midlands Local Enterprise Partnership (SEMLEP) in the form of a company limited by guarantee .**
- 2. that the Executive delegates to the Chief Executive in consultation with the Leader on the development and supporting activities of SEMLEP.**

Reason for Recommendations: So that Central Bedfordshire is represented in the new proposed Local Enterprise partnership structures developed in response to the Coalition Government's Localism Agenda and the ending of the regional development agencies and regional architecture.

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 how this might relate to the Councils functions going forward.

2. BACKGROUND INFORMATION:

- 2.1 The Executive decided on the 17 August 2010 to support the submission to central government of a proposal to establish a South East Midlands Local Enterprise Partnership (SEMLEP).

- 2.2 The Government announced on 28 October 2010 that the SEMLEP was one of the 24 LEPs to secure the green light to move forward. Since this date, a further 7 LEPs have been established. The 31 LEPs now supported cover over approximately 90% of England. Northamptonshire County Council is developing its own Enterprise Partnership proposals in parallel to the LEP networks.
- 2.3 12 local authorities are currently members of SEMLEP. Central Bedfordshire, Milton Keynes, Luton and Bedford as unitary councils with Aylesbury Vale, Daventry, South Northamptonshire, Northampton Borough, Kettering Borough, Corby, Cherwell and Dacorum. The business leadership has been supported strongly by the Bedfordshire and Luton Chamber of Commerce, working jointly with the two other Chambers the Federation of Small Businesses and the Institute of Directors. The interim arrangements during the formation of the new partnership have included a Steering Group with representation from all sectors.
- 2.4 Moving forward it has been agreed by the steering group that SEMLEP is incorporated as a company and that this proposal is ratified by each partner through the local democratic decision making processes, prior to implementation.

2.5 **SEMLEP Ltd.**

The SEMLEP company objects are to assist, promote, encourage, develop, lead and deliver sustainable economic growth of the SEMLEP area, creating a diverse and competitive knowledge economy with first class infrastructure and high growth built on local private sector strengths, exports and job creation.

2.6 **Articles of Association**

The draft Articles of the company provide for it to :-

- Raise funding, hold, assign and sell land and assets and provide and receive loans/grants
- Commission and procure service
- Prepare a regeneration, growth and development programme for the SEMLEP area taking into account statutory policies
- Employ staff
- Carry out research
- Promote the area
- Collaborate with other LEPs and agencies
- Any other things that are conducive to the attainment of the Company's objects.

2.7 **SEMLEP Functions**

The expectation is that LEPs will provide strategic leadership to set out local economic priorities and a clear vision for their area. The outcomes expected are a better business environment, focus on employment and enterprise and renewal and transformation of the local economy using proven support for enterprise and innovation.

The provisional priority actions promoted by the SEMLEP steering group to support these objectives are:-

- Improve access to finance
- Increase Inward Investment and promote growth
- Improve infrastructure and strategic planning
- Improve access to business advice and support
- Improve access to skills and learning
- Develop and support Regional Growth Fund bids
- Work with higher education to harness innovation

2.8 SEMLEP Resources

The Steering Group has expressed a view that a team comprising two posts, an administrator and a coordinator, is broadly along the right lines. The local authority partners, together with private sector members, have together committed to sufficient funding during 2011/12 to cover the office and staff costs of the new team. SEMLEP is seeking to establish and recruit to a Chair of the Board by the end of April.

2.9 LEP Capacity Fund

A £4 million LEP capacity fund, spread over four years is available on a challenge basis. The Government is aiming to allocate up to £1 million from 1st April 2011. The fund is designed to support LEPs to:

- Address a gap in the intelligence available to LEPs on business needs and barriers to growth;
- Facilitate business engagement and interaction
- Boost board capacity to prioritise actions which will support business-led growth and jobs within the LEP area.

The fund will not support the secretariat functions of a LEP.

2.10 SEMLEP Office Location

SEMLEP is negotiating a lease of a small unit within the Cranfield Technology Centre as its office base.

2.11 SEMLEP Nomination Committee

The SEMLEP Steering Group delegated the task of recruiting a Chair of the Board and secretariat to a Nominations Committee comprising three councillors (Mary Clarke from South Northants, Dave Hodgson from Bedford and Roy Davis from Luton) and three representatives of the business community. Richard Carr is the Chief Executive adviser to this Committee and Geoff Snelson from Milton Keynes is assisting with this work.

2.13 SEMLEP Proceedings

The company articles detail the formal proceedings of the proposed company. In summary each Director of the company is entitled to one vote. A quorum shall be seven Directors to be present of which at least three public and three private sector Directors need to be present. Alternate Directors can be appointed at any time by any Director.

3. SEMLEP Current Activity

3.1 Regional Growth Fund

SEMLEP has already co-ordinated across the area proposals for the Government's £1.4bn Regional Growth Fund and has prioritised four bids to go forward. These were:-

High Growth Innovation Support (£1.2m), providing business coaching, skills development and graduate retention.

East West Rail: Western Section (£4m), developing the business case for government approval across the LEP regions.

M1 Junction 10a improvements scheme (£13m)

Silverstone: Powering Jobs and Business Growth (£4m) to provide a loan to bring forward utilities need to facilitate delivery of the circuit master plan and employment land. .

A total of 14 bids were submitted from the SEMLEP area.

The expectation is that the government will announce awards against this fund in March. A second round of this fund is expected to be announced later in 2011.

3.2 Business Engagement

SEMLEP has held three business engagement events the first two held at Cranfield Technology Park and was attended by over 100 people. The third event was held in Luton and a fourth is planned to be held in Northampton.

3.3 Regional and National Transition

SEMLEP has also been represented at a number of events held at both regional level and national levels to support the transition of service to LEP's and help inform the shaping of their engagement with central Government Departments.

Appendices:

None

Background Papers (open to public inspection):

None