

West of England Partnership
Partnership Board
13 July 2010

LOCAL ENTERPRISE PARTNERSHIPS (LEPs)

Purpose of Report

1. To update the Board on the government's proposals to establish Local Enterprise Partnerships and the progress made in the West of England.

Background

2. In its May programme for government, the Coalition Government signalled its intention to support the creation of Local Enterprise Partnerships. It was envisaged that these would be joint local authority-business bodies, brought forward by local authorities themselves to promote local economic development, to replace Regional Development Agencies (RDAs).
3. Proposals for Local Enterprise Partnerships were taken forward in the Budget of 22 June 2010. This confirmed that the government would support the creation of strong local enterprise partnerships based around England's major cities "to enable the improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development".
4. Against this background, at its meeting on 14 June 2010, the West of England Partnership Board agreed to develop a Local Enterprise Partnership based on the boundaries of the four Unitary Authorities (UAs). The four UA Leaders and Vice-Chairman of the Partnership wrote to the Secretaries of State for CLG and BIS to inform them of the Partnership's intentions.

Government policy

5. The government has announced that full details on the creation of Local Enterprise Partnerships will be set out in a forthcoming White Paper on local and regional growth. This is expected to be published in July.
6. In the meantime the Secretaries of State for CLG and BIS sent a joint letter to Local Authority Leaders and Business leaders on 29 June, asking them to consider how they wish to form Local Enterprise Partnerships and setting out some key characteristics that the government expected such Partnerships to exhibit.
7. This letter represents the most up to date statement of government policy, and its key elements are:
 - Some roles of RDAs, such as Regional Strategies are being scrapped completely, and other roles will be led nationally, including inward investment, sector leadership, and responsibility for business support, innovation, and access to finance, such as venture capital funds.
 - Local Enterprise Partnerships should set out a clear vision for the economy of their area. This should take account of the government's intention to rebalance the economy towards the private sector.
 - Local Enterprise Partnerships should create the right environment for economic growth by tackling issues such as planning and housing, local transport and

infrastructure priorities, employment and enterprise, including small business start ups.

- Normally, the Boards of the Partnerships would be expected to have equal representation from local authorities and business, and be chaired by a business leader, although variants will be considered in appropriate circumstances.
- Local Enterprise Partnerships should reflect the natural economic geography of the area they serve and should include groups of upper tier authorities.
- Partnerships will be expected to fund their own running costs.
- Further consideration is being given to the bidding arrangements' for government funding.

8. Outline proposals for the establishment of Local Enterprise Partnerships must be submitted to government no later than 6 September 2010.

Next steps

9. A project team has been established by the Chief Executives to develop proposals and set up a West of England Local Enterprise Partnership. The project team is made up of representatives from the four UA's and the West of England Partnership Office, business representatives from the Skills & Competitiveness Board, the Regional Development Agency and the Homes and Communities Agency. The project team is considering both the functions and the possible organisational arrangements for the Local Enterprise Partnership.

10. Letters are being sent to the Secretaries of State and the West of England MPs confirming the intention to establish a West of England Local Enterprise Partnership and articulating the particular "offers" and "asks" of the West of England which are expected to underpin the more detailed submission to be made by 6 September. It is hoped that these "offers" and "asks" will influence the detailed guidance to be included in the White Paper.

11. The Partnership Board will receive a further report at the 31st August meeting.

Recommendation

12. The Board are recommended to delegate to the Chair and Vice Chair, in consultation with the UA Leaders, the submission of an outline proposal for a West of England Local Enterprise Partnership before 6th September 2010.

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