

**West of England Partnership  
Joint Scrutiny Committee Special Meeting  
23 August 2010**

## **West of England Local Enterprise Partnership**

### **Purpose**

1. To report on the West of England's proposals to establish a Local Enterprise Partnership.

### **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<sup>nd</sup> 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 the 14<sup>th</sup> 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 Communities & Local Government (CLG) and Business, Innovation & Skills (BIS) to inform them of the Partnership's intentions.
5. The Secretaries of State for CLG and BIS sent a joint letter to local authority Leaders and business leaders on the 29<sup>th</sup> 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.
6. 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.

7. The government 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, expected to be published during the summer.
8. The Leaders, the Vice Chair of the Partnership and a representative from GWE Business West responded to the Secretaries of State's letter on 13<sup>th</sup> July outlining initial thinking on the role the Local Enterprise Partnership in the West of England would have. This letter is attached as appendix 1.
9. On 13<sup>th</sup> July the Partnership Board agreed to delegate to the Chair and Vice Chair, in consultation with the Council Leaders, the submission of an outline proposal for a West of England Local Enterprise Partnership before 6<sup>th</sup> September 2010 deadline.

### **Progress on developing an outline proposal**

10. A project team has been established by the Chief Executives to develop an outline proposal to establish 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, with advice from the Government Office of the South West.
11. The project team are currently working on an outline proposal to establish a Local Enterprise Partnership. The aim will be to build upon the strong private/public sector partnership already established and successful within the West of England, and will focus on creating the optimum conditions for businesses to flourish in the short term, which will lay the foundations for a long-term prosperous and sustainable economy in the West of England.
12. The emerging proposal focuses on those areas of activity where the Local Enterprise Partnership can make a significant contribution to the national economic recovery and will put in place the building blocks for long-term prosperity. The emerging themes are:
  - Ensuring the West of England workforce has the skills required to meet the needs of business,
  - Encouraging innovation and technology transfer, associated with Science City and the Science Park.
  - Providing sector support to those industries that play an important role in the local economy, particularly creative and media, aerospace, advanced

engineering, micro-electronics and silicon design, defence, environmental technologies/marine renewables and tourism.

- Securing the improvements to infrastructure required to enable businesses to flourish and meet the needs of our local communities.
- Making the links with other Local Enterprise Partnerships to deal with issues of common interest.

13. There are a range of meetings taking place to engage with appropriate representatives from the business community including the high growth sectors and representatives from higher education and further education.

14. Given the short timescales to put the outline proposal together, this is very much working progress and it is unlikely that the final outline proposal will be available much before the 6<sup>th</sup> September. The outline proposal will, however, be made widely available once it has been submitted to government.

### **Recommendation**

That Members note progress.

### **Appendices**

Letter to the Secretaries of State dated 13<sup>th</sup> July.

Author: Peter Jackson, Director of Planning, Transportation and Strategic Environment, South Gloucestershire Council, 01454 863400, Peter.Jackson@southglos.gov.uk



# West of England Partnership

**Bath & North East  
Somerset Council**



**North  
Somerset  
COUNCIL**

**South Gloucestershire  
Council**

Rt. Hon. Dr Vince Cable MP  
Secretary of State for Business,  
Innovation & Skills and President of the  
Board of Trade

*Enquiries to:* Peter Jackson  
*E mail:* Peter.Jackson@southglos.gov.uk  
*Telephone:* 01454 863400  
*Date:* 13 July 2010

Rt. Hon. Eric Pickles MP  
Secretary of State  
Communities and Local Government

Dear Secretaries of State

## **Local Enterprise Partnership**

We wrote to you on 15 June, setting out the West of England Partnership's commitment to working with you to develop a Local Enterprise Partnership based on our four local authority boundaries.

We therefore very much welcome the positive statement about Local Enterprise Partnerships in the budget statement of 22 June and the invitation in your joint letter of 29 June, to work with local areas in forming Local Enterprise Partnerships.

Since we wrote on 15 June, we have been giving further thought to the possible functions of a Local Enterprise Partnership for the West of England and the role it can play in delivering national and local economic growth. In line with the timescale set out in your letter of 29 June, our aim will be to submit a fully articulated, joint business/local authority proposal for a Local Enterprise Partnership before 6 September.

In the meantime, we would like to take the opportunity of sharing our current thinking with you and would hope that you find some of the ideas of help in formulating the more detailed guidance in the forthcoming White Paper.

## **Natural economic area**

The West of England is the most economically competitive area outside of London. There is a collective view of both the private and public sectors that this is a natural economic area for which there is enormous potential for further growth. This potential could be realised through creating a Local Enterprise Partnership which would provide increased focus to develop the economy of the area.

Wilder House  
Wilder Street  
Bristol  
BS2 8PH

0117 903 6868  
[www.westofengland.org](http://www.westofengland.org)

The drivers for the establishment of a West of England Local Enterprise Partnership include:

- We are the engine of economic growth in the South West (25% of regional GVA)
- We are a rapidly growing area, aiming to generate some 90,000 more jobs over the next 20 years
- We are therefore well placed to assist economic recovery and have unique strengths to help do this, including:
  - 4 top class universities with strengths in science, high technology and creative industries
  - a highly skilled workforce
  - a diverse and, therefore, resilient economy
  - significant centre for aerospace, environmental technologies, creative industries and microelectronics

### **Existing partnership between private and public sectors**

Already there is a well-established partnership operating within the West of England between the key strategic partners, namely business and the four unitary authorities. This partnership provides effective leadership and has a proven track record of delivery. We are particularly proud of the strong business voice that is key to all aspects of our work, supported by the Skills and Competitiveness Board which is private sector led and includes nine employers recruited under Nolan principles. The private sector members are recognised leaders of the business community and reflect the diversity of employers in the area.

Together, the existing partnership has promoted successfully the joint priorities of business, strategic organisations, social and environmental partners, and the unitary authorities in the West of England. This strong partnership approach has improved economic, spatial and transport planning and has brought economic investment to the area.

By developing a Local Enterprise Partnership, the West of England is embracing the opportunity to build upon our successful partnership work to date. Our priorities, going forward, will be based on the following key objectives:

- To further strengthen the existing strong and effective partnership between businesses and the unitary authorities;
- To rebalance the local economy towards private enterprise. Many public sector jobs in our local economy are under threat and stimulation of the private sector will help to redress the impact on the West of England economy;
- To work in partnership with Government to remove barriers to enterprise and growth;
- To create the right conditions for businesses to thrive by delivering the necessary infrastructure;
- To focus on the skills employers will need to prosper in the future (ensuring business has a central role to play in identifying those skills needs);
- To help nurture an innovation and enterprise culture by working with businesses, higher education/further education and the public sector, in order

to ensure that the intellectual property within our educational institutions is more easily accessible to local businesses so as to harness the creative spirit that exists within the West of England;

- To support the key business sectors based in the West of England, that will be fundamental not only to the West of England's international competitiveness, but also to the competitiveness of the UK economy.

### **Supporting specific sectors**

The West of England has a long tradition of innovation and creativity and is a major centre for many sectors, namely: advanced engineering and aerospace, green technologies and services, and digital and creative industries. The West of England Local Enterprise Partnership is therefore well placed to provide sector support to these industries based both within the West of England and nationally.

The West of England would expect some resource to be made available to enable it to deliver support to these specific growth sectors on a local and wider basis. The focus on strengthening key specific sectors within the West of England would also provide centres of excellence that would benefit these sectors throughout the UK.

### **Innovation and technology transfer**

The West of England is already heavily engaged in innovation and technology transfer and our longstanding association with aerospace and defence, and our successes in life sciences and biotechnology, means we already have the components to drive the knowledge economy; namely research, institutions, networks, skills and business infrastructure. Bristol, in the West of England, has been designated as a Science City and a new science park is in development. Both these initiatives are dependent on the strong working relationships we have forged between businesses, our higher education institutions and the unitary authorities. We would expect the White Paper to recognise the role the Local Enterprise Partnership could play in delivering relevant aspects of innovation and technology transfer, either as a local delivery agency or in partnership with national delivery agencies. As such, the West of England would expect to have a role as the engine of innovation and business growth, and would look at opportunities for investment and support for new markets and enterprise.

### **Infrastructure development**

Business and the unitary authorities in the West of England are clear that investment and provision of infrastructure should be key to creating the optimum conditions for businesses to grow and is vital in ensuring our indigenous business remain in the area. Infrastructure is especially important to delivering our shared views and ambitions for strategic employment and regeneration sites. This should include schools, green spaces, health care, broadband connectivity, as well as the transport infrastructure both within the area, and connectivity to the rest of the UK. Provision should be made for devolved funding for significant local infrastructure projects. Building on work the West of England has already undertaken to agree memorandums of understanding with the Highways Agency and Network Rail, we would expect to explore with Government opportunities to enhance our influence

over all national infrastructure providers. We would be particularly interested in exploring a place-based budgeting approach to infrastructure delivery.

### **Provision of employment related support services**

In generating employment and tackling worklessness, we would wish the White Paper to recognise the role that Local Enterprise Partnerships can play in working with the private sector and training providers to delivering and support actions to increase the number of people in work and reduce the number of people claiming benefits. This could be in the context of the Department for Work and Pension's Single Programme Framework.

### **Skills**

In order to deliver growth successfully within the West of England and, in particular, growth in our key sectors, the Local Enterprise Partnership will need to ensure that the workforce have the skills required by those sectors. Key will be ensuring that the needs of local businesses are understood and that the skills provision is "demand led". The West of England would like the White Paper to recognise the role of the Local Enterprise Partnership in co-ordinating the skills provision relating to business need with further education/higher education institutions, and discussions have already started in the West of England on this. Accordingly, the West of England would wish to enter a dialogue with Government about creating a mechanism for doing this.

### **Assets**

The West of England Local Enterprise Partnership would review assets held by government agencies and assist the transfer of those assets which deliver positive economic outcomes, and which do not present liabilities, to the unitary authorities.

### **Accelerated Development Zones**

The West of England Local Enterprise Partnership would pursue plans for an Accelerated Development Zone in Avonmouth/Sevenside which is the major regional site for industrial development within the area. It currently provides around 16,000 jobs. In the last five years there has been private sector investment of £300 million to provide 4,000 jobs. However, there still remains 575 hectares of this development site available for further development.

The size and location of the remaining area make it ideal for large scale industrial development, and certainly it has much greater potential than most other areas in the region, and even nationally. The location is served by a deep sea port and motorway and rail networks, and is already a location for significant clusters of environmental technologies and services, manufacturing and distribution. Building on these clusters would provide greater economic benefits than would arise if the area were to be used for "low tech" distribution-based incremental development. There are major areas of "brownfield land", within this area, which could be regenerated. The area is highly attractive to private sector investment and we welcome the Prime Minister's recognition of the potential of the West of England as a hub for marine energy technologies.

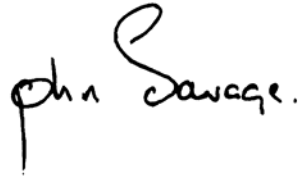
## General

The White Paper will need to recognise that as well as functions, there will need to be powers that enable Local Enterprise Partnerships to deliver the appropriate functions through the governance arrangements. Our submission in September will outline in more detail, the powers, functions and funding requirements the West of England Local Enterprise Partnership would require to optimise growth in the West of England.

Yours sincerely



Stephen Harrison  
Vice-Chairman, West of England  
Partnership  
Chair, Skills & Competitiveness Board  
Former Chair, Wales & the South West,  
PriceWaterhouseCoopers



John Savage  
Joint Managing Director  
GWE Business West



Councillor John Calway  
Chair, West of England Partnership Board  
Leader, South Gloucestershire Council



Councillor Barbara Janke  
Leader, Bristol City Council



Councillor Francine Haeberling  
Leader, Bath & North East Somerset Council



Councillor Nigel Ashton  
Leader, North Somerset Council

cc. Cathy Francis, Department for Communities and Local Government  
cc. Jo Thompson, Department for Business, Innovation & Skills