

LOCAL ENTERPRISE PARTNERSHIP

Purpose of Report

1. To update the Board on the emerging proposal to establish a West of England Local Enterprise Partnership.

Background

2. At its meeting on 14th June 2010, the West of England Partnership Board agreed to establish 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.
3. A project team was set up 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 business representatives from the Skills & Competitiveness Board and representatives from the four UAs, the West of England Partnership Office, the Regional Development Agency and the Homes and Communities Agency. The Government Office for the South West has acted in an advisory capacity.
4. The Secretaries of State for CLG and BIS sent a joint letter to local authority leaders and business leaders on 29th 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.
5. The Leaders, the Vice Chair of the Partnership and a representative from GWE Business West responded to the Secretaries of State's letter on 13th 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.
6. On 13th 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 the Government's 6th September 2010 submission deadline.

Progress on developing an outline proposal

7. The project team are currently working on an outline proposal to establish a Local Enterprise Partnership for the West of England. 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.
8. In July, the Select Committee for Business, Innovation and Skills announced that its first inquiry would be into Local Enterprise Partnerships. The project team have submitted evidence to the Select Committee to raise awareness of the West of England's economic environment and the functions the West of England's Local

Enterprise Partnership would need to achieve economic recovery through sustainable growth.

9. 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 which play an important role in the local economy, particularly creative and media, aerospace and defence, advanced engineering including micro-electronics and silicon design, environmental technologies/marine renewables and tourism;
 - Securing the improvements to infrastructure that are required to enable businesses to flourish and meet the needs of our local communities.
10. A range of meetings have been taking place to engage with appropriate representatives from the business community including the high growth sectors, and representatives from higher education and further education.
11. Given the short timescales to put the outline proposal together and the speed of progress being made to develop the proposal, an oral update on progress will be provided at the Board meeting. It is unlikely that the final outline proposal will be available for wider circulation much before the 6th September. However the outline proposal will be made widely available once it has been submitted to Government.
12. The Board have delegated authority to the Chair and Vice Chair, in consultation with the Council Leaders, to agree the submission of the outline proposal.

Recommendation

The Board note progress.

Appendix

Letter to Secretaries of State, 13 July 2010

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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

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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.

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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



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Partnership
Chair, Skills & Competitiveness Board
Former Chair, Wales & the South West,
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cc. Cathy Francis, Department for Communities and Local Government
cc. Jo Thompson, Department for Business, Innovation & Skills