

24 July 2012

Economic and City Development Overview and Scrutiny Committee

Report of the Chief Executive

Progress Report – Local Enterprise Partnerships

Summary

1. This latest progress report provides an update on Local Enterprise Partnerships (LEPs). In particular it describes the progress with the York, North Yorkshire and East Riding LEP's review of its strategy, and details of the recently announced Leeds City Region City Deal overseen by the LEP.

Background

2. The Economic and City Development Overview and Scrutiny Committee has taken a keen interest in the progress and development of Local Enterprise Partnerships (LEPs). The Committee will recall that it last considered in detail a progress report in September 2011. At this time the Committee recommended that the City Of York Council should remain a member of the York with North Yorkshire and East Riding LEP, and a period of time would allow the advantages and disadvantages of membership to be assessed. The Committee's recommendation was reflected in the Council's decision to remain a member of the York with North Yorkshire and East Riding LEP for 2012/13.
3. The Committee also asked for progress reports on LEPs, including both the York, North Yorkshire and East Riding and Leeds City Region LEPs, to continue to be presented and discussed

4. Progress

Both LEPs are at critical stages in their development with the York, North Yorkshire and East Riding LEP (YNYERLEP) reviewing its strategy, and the Leeds City Region LEP (LCRLEP) having announced a City Deal which it has negotiated with government.

5. York, North Yorkshire and East Riding LEP.

The LEP has decided that the time was right to carry out a light touch review of its strategy. To act as a catalyst the LEP published a discussion document which set out a number of questions on future priorities ways of working. (Copies will be available on request at the meeting). The Leader of the Council responded to the document and made a number of key points:

- As part of an annual report on the LEP's achievements it would be helpful if information was disaggregated to the local authority level (so we can appreciate the impact of the LEP on York's economy.
- The strategy should recognise more explicitly York's role as a growth centre for the LEP economy, and the relatively attractiveness of York as a place to invest despite the economic climate;
- New opportunities, particularly in respect of international markets, needs to be exploited including international tourism;
- The LEP needs to clarify the type of organisation it wishes to be. With limited resources the LEP should not consider itself principally as a delivery organisation. The LEP should focus on those areas which are strategic because they cut across local authority boundaries, or because they address issues which are common to all parts of the LEP area
- The LEP should enhance its influencing role, recognising that influencing LEP businesses, partners and government could make a valuable contribution to the growth of the economy.

- To date the private sector focus of the LEP has made it difficult on occasions for local authorities to contribute fully to the work of the LEP. More could be done to engage with public sector partners, particularly as part of the task and finish groups which have been set up to drive forward the LEP's priorities.

6. A LEP Board meeting is scheduled for 13 July and the Strategy Review is expected to be an agenda item, so we should be able to provide a verbal update at the Committee.

7. Leeds City Region LEP

The LCR City Deal is potentially ground breaking. As part of the government's localism agenda it invited the major cities to put forward proposals (or a "Deal") that would result in a re-arrangement of responsibilities between central and local government. The focus on cities is recognition that 65% of the country's employment and wealth creation is generated by cities and that centrally imposed employment and regeneration policies do not always work well. As part of a Deal government would consider the genuine transfer of powers and in return local authorities would need to commit to achieving results and accept risks and responsibilities in return. Leeds and Bradford Councils decided at an early stage not to progress separate City Deals but that were greater benefits for all by working with partners in the City region to put together a Leeds City Region Deal.

8. The LCR Deal was announced on 5 July and a guide to the Deal is included as annex 1 to this report. In summary the City Deal provides, inter alia, the following:

- Support for young people seeking employment with a new 14-24 apprenticeship academy in Leeds, and a pan LCR apprenticeship hub encouraging 7500 new employers to take on apprentices aiming to generate 15000 new apprentices in the next 4 years
- Initiatives to oversee overseas trade and investment activity, which could bring 7400 jobs by 2018 and double exports to "BRICS" and double the number of city region companies exporting by 50%.

- Putting in place a £1bn local fund to invest in transport over the next decade, with devolvement of funds and decision making from Whitehall, providing faster, frequent and more reliable services for commuters, residents and business.
- An opportunity for a £400m Economic Investment Fund over the next 10 years, which would aggregate a range of local and national funding sources. The Fund would invest in key projects that have the potential to maximise job creation, growth and carbon reduction.
- The setting up of a new “Combined Authority” which will oversee a streamlined decision-making process, particularly on transport investment.

9. The City Deal will provide major opportunities for York, especially with an economy which whilst clearly not the largest, is the strongest in the City Region. Working closely with partners and businesses across the City Region will provide additional benefits for York. But a significant amount of work needs to take place, particularly on governance and the Combined Authority together with funding issues, before the City Deal is ready for implementation. This will not be straightforward, especially if specific local authorities do not wish to participate in all or some elements of the City Deal.

Consultation

10. No specific consultation has taken place on the contents of this report, which reflects the on-going involvement of the Leader, Chief Executive and senior officers in LEP Board and other meetings.

Options

11. Options are not relevant to this report.

Analysis

12. Not relevant.

Council Plan

13. The work of the LEPs should prove valuable in supporting the Council Plan priorities of creating jobs and growing the economy and also get York moving priorities

Implications (Financial/ Human Resources/ Equalities/ Legal/ Crime and Disorder/ Information Technology)

14. At this stage the progress report has no specific implication. However, as the governance and financial implications are worked up there are potential legal and financial implications and possibly human resources, equalities and information technology implications. It would be appropriate to consider these implications as part of the next progress report.

Risk Management

15. Not relevant.

Recommendations

16. The Committee is asked to:
 - a) Note the content of this progress report;
 - b) Discuss the proposed work on the merging strategy for the York, North Yorkshire and East Riding LEP and the new City Deal for the Leeds City Region; and,
 - c) Advise on whether further progress reports would be helpful.

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**Report
Approved**

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Specialist Implications Officer(s) Not relevant
Wards Affected:

All

For further information please contact the author of the report

Background Papers:

1. York, North Yorkshire and East Riding LEP. Strategic Input Paper.
2. City of York Council. Response to the Strategic Review Input Paper.

Annexes

Annex 1. Leeds City Region Deal. Quick Guide.