

Economic and City Development Overview and Scrutiny Committee – July 2012

Briefing Note

Proposed Scrutiny Topic: Local Enterprise Partnerships – accountability and effectiveness

Background

The concept of Local Enterprise Partnerships (LEPs) was floated during the first half of 2010 and the government ratified LEP proposals from October 2010 onwards. This included the two LEPs that the City Of York belongs to i.e the Leeds City Region Local Enterprise Partnership (LCR LEP) and the York, North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP).

A key part of the government's approach was to recognise that a LEP's boundaries and responsibilities are a matter for local partners. The government's intention was to provide room for local manoeuvre by reducing guidance and also bureaucracy. Therefore there is no single prescription on a LEPs roles, objectives, responsibilities or organisational constitution including accountability arrangements.

The Leeds City Region LEP and the York, North Yorkshire and East Riding LEP.

Accountability. A decision was taken at an early stage that the two LEPs to which the City Of York Council belong are formal partnerships but the organisations have no legal entity. Therefore both LEPs rely on other mechanisms to formally deliver their agendas and to provide accountability

The Leeds City Region LEP runs alongside a LCR Leaders' Board. The Leaders' Board is constituted as a Joint Committee under the Local Government Act. To date the LEP Board has set the strategic direction defined through an overarching strategy for the LEP and supporting action plans. Delivery and the allocation of public sector resources has taken place via decisions on the Leaders Board. Leeds City Council hosts the LCR financial budgets, and North York the Y NY and ER

budgets, and both LEP operations are subject to the financial, audit and procurement procedures of these local authorities.

The Leader of the Council, James Alexander, represent is a member of the LCR and Y NY and ER LEP and of course the LCR Leaders' Board. There are various supporting structures associated with both LEPs and this includes Cllr. Alexander's membership of the LCR Economy and Skills Board and Cllr Dave Merrett, as Cabinet member for Planning and Sustainability is part of the LCR Transport Panel. In addition to both Cllr's Alexander and Merrett attending meetings of the Economic and City Development Overview and Scrutiny Committee, and providing an update/ answering queries on LEP activity, regular progress reports on LEPs have been presented to the Committee. (A regular progress report is being considered by the July meeting of the Committee).

Effectiveness. We are now moving towards two years of LEP activity and both LEPs have set out their priorities in strategies and described their successes in annual reports. The weakness in their reporting information is the lack of local authority based information. As part of our dialogue with the LEPs we are seeking to secure a local breakdown of performance and therefore a more precise assessment of the impact of the LEP on the York economy.

Comments.

The LEPs are becoming increasingly significant as additional resources are allocated which included the Growing Place Fund programme, and as LEPs have a role in other regeneration mechanisms including the Regional Growth Fund. It would be sensible to review progress with LEPs at some stage. There are issues surrounding York's twin membership, and whether this provides two opportunities or dilutes our influence in both LEPs. Should the Committee wish to consider the role of LEPS in greater deal it might be appropriate to do this in, say, 12/ 18 months from now. This would allow the LEPs time to put in place York specific data, and also allow the LCR to work through the implementation mechanisms for the LCR Deal (see accompanying progress report on LEPs). It is very probably that a current review of LEP operations, and their effectiveness from a York perspective, would

conclude that LEPs require more time before an objective evaluation could take place of their value. This would also allow time for the outcomes of an All Party Parliamentary Group on Local growth, LEPs and Enterprise Zones, which is due to be report by September 2012, to also be considered.

Steve Dann

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