

20 November 2012

## **Economic and City Development Overview and Scrutiny Committee**

Report of the Chief Executive

### **Progress Report – Local Enterprise Partnerships**

#### **Summary**

1. This report provides an update on progress with the two Local Enterprise Partnerships (LEPs) that York belongs to: Leeds City Region and York/ North Yorkshire/ East Riding. It also outlines policy developments which are emerging which might affect the future focus and operations of LEPs.

#### **Background**

2. There are two interesting developments which could potentially impact on LEPs. The House of Commons Business, Innovation and Skills Committee is carrying out a short inquiry into LEPs. The Committee has completed its collection of evidence although at this stage it is difficult to extract key issues from the evidence. Generally there is a view that local private sector leadership has been beneficial, LEPs have successfully honed their agendas and priorities to local circumstances and the 39 LEPs vary significantly in size and scope. The inquiry has highlighted a range of interesting and worthwhile economic projects and initiatives but there is an emerging view that more could be done to share best practice across all LEPs. LEP accountability to local communities is seen as being acceptable through civic leaders and engagement with their business community.
3. Lord Heseltine was invited by the Prime Minister in spring of this year to report on how wealth and growth might be more effectively created in the UK. His recent October report, No Stone Unturned in Pursuit of Growth,

makes 89 recommendations which aim to inject stability into the economy, create the conditions for growth and maximise the performance of the UK economy. Generally the report makes the case for continuing the rebalance of responsibility for economic development with further enhancement at a local level. Generally Heseltine is supportive of the role of LEPs and the greater influence of private sector leaders in developing economic development/ regeneration priorities.

4. The following LEP specific recommendations are included:

- LEPs should develop their own tailored economic plans;
- From 2015/16 LEPs should compete for a share of a single national unringfenced pot to support growth over a 5 year period. Under the current spending plans this would account for £49bn of central public spending on skills, local infrastructure, employment support, housing, business support and innovation.
- LEPs should as a priority review their own existing boundaries as a priority, and no area should be in more than one LEP; and,
- The Chambers of commerce should have an enhanced role building a stronger relationship between business and LEPs in their area.

5. There are a wide range of other, less LEP specific recommendations, including:

- The Government should produce an overarching and long term National Growth Strategy and a new National growth Council established chaired by the Prime Minister;
- An Industry Council should be established for each formal partnership between government and sectors;
- The Government should commit to the long term stability of the core funding of science and research, at a level which keeps pace with the UK's international competitors;
- Greater use should be made of Local Development Orders and Special Development Orders to make the planning system more responsive and efficient;

- The Government should take the lead in seeking solutions that would enable pension funds to invest in UK infrastructure assets;
  - All board of governors in secondary schools should include two influential employers;
  - All two tier authorities should pursue a path towards unitary status.
6. If there are any developments on the BIS Select Committee or the Government's formal or informal response to the Heseltine review, then a verbal update will be provided at the Economic and City Development Overview and Scrutiny Committee.
  7. **Progress.** Generally progress has not been fast with either LEP.
  8. **York, North Yorkshire and East Riding LEP.** The July Committee considered the progress of the LEP with its review of strategy. The City of York Council highlighted a number of areas which it considered should be reflected in the revised strategy including better information on achievements, better recognition of York's role as a sub regional growth hub and a greater emphasis on international markets. We are awaiting the publication of the final LEP plan and hope to provide an update at the meeting.
  9. **Leeds City Region LEP.** The report to the July meeting received details of the Leeds City Region deal. As part of a landmark deal with government the Leeds City Region (LCR) has agreed new powers to invest in growth, transport, skills and infrastructure. In response to acquiring new powers the City Region agreed to put in place new governance arrangements and introduce a "Combined Authority" (a Combined Authority has been put in place for the Manchester City Region). A Combined Authority is a legal entity and is overseen by relevant legislation.
  10. Details of how the LCR Combined Authority would work are to be developed over the next 6 months through a formal review process. However it is now clear that not all local authority members of the City Region would wish to join the Combined Authority. The geography also creates a particular challenge for York should the Council wish to be part of the Combined Authority. A Combined Authority should ideally be

composed of adjacent local authorities with “contiguous boundaries”. It appears unlikely that North Yorkshire County Council will join the Combined Authority and thus leave a 4 mile “gap” between the York boundary and the West Yorkshire authorities. Discussions are currently underway with government officials to assess whether there is an opportunity for York to be a member and/ or participate in the Combined Authority. Without York there is a risk that the Combined Authority will not represent the wider city region but be a West Yorkshire focussed Combined Authority.

### **Consultation**

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

### **Options**

12. Options are not relevant to this report.

### **Analysis**

13. Not relevant.

### **Council Plan**

14. 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)**

15. The legal issues associated with a Combined Authority are highlighted above.

### **Risk Management**

15. Not relevant.

## Recommendations

16. The Committee is asked to note the content of this progress report.

Reason: To keep the Committee up to date with the work of the LEPS

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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:**

None.