

Economic and City Development Overview and Scrutiny Committee

26 March 2012

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. As Committee will be aware from previous update, Lord Heseltine published a report in October 2012, *No Stone Unturned in Pursuit of Growth*, which made several recommendations for LEPs, which has since this time, focused the activities of the LEPs in both LCR and YNYER.
3. The following LEP specific recommendations are included:
 - i. LEPs should develop their own tailored Growth Strategies;
 - ii. From 2015/16 LEPs should compete for a share of a single national un-ringfenced 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.

- iii. LEPs should as a priority review their own existing boundaries as a priority, and no area should be in more than one LEP; and,
 - iv. The Chambers of commerce should have an enhanced role building a stronger relationship between business and LEPs in their area.
4. **Progress.** Since publication of the Heseltine Review and the Autumn Statement, there has been considerable progress made in moving both LEP agendas forward, although it is clear there is still some uncertainty over the role of the two LEPs vis a vis the York agenda. However, the city is starting to define its key asks from and contributions to each LEP and this process is outlined below.
5. **York, North Yorkshire and East Riding LEP.** The YNYER LEP has a targeted LEP strategy now in place, but the partnership is now considering the need to put in place a more comprehensive growth strategy in response to the Government's expectations for LEPs post Autumn Statement. The Partnership is faced with the dilemma that several of its areas are in more than one LEP and that in both the case of the Leeds City Region and Hull and Humber Ports LEPs there is work underway to create more formal arrangements for working together in areas of strategic importance.
6. For York, the approach has been to encourage the YNYER LEP to maintain as much focus in the business growth agenda and the flagship projects and sectors the LEP has identified in the development of the Potash mine in Scarborough and the agri food supply chains involving university of York, Askham Bryan, Science City York and FERA research expertise and facilities.
7. The LEP is continuing to deliver concrete activities on the ground for business, including access to local business to a network of trade association accredited mentors and business support programmes and events throughout the sub region. It is also believed that the LEP team are developing a bid to Regional Growth Fund for small business support funding.

8. **Leeds City Region LEP.** The LCR LEP continues to make progress against the delivery of the LCR City Deal.
9. This progress includes the development of a draft trade and investment plan for the city region, which will see the city region authorities collaborating to enhance both the export performance of existing city region companies and the attraction of more inward investment to the city region. In the case of the former, the city region has recently launched and is now rolling out the "We are International" campaign and series of events and forums, which for York, act as a complement and boost to the already established York Export Forum.
10. In the case of inward investment, the city region partners are working together to develop and promote the sector propositions in those sectors that cross city region boundaries and from which the city region economy stands to gain the most from joint working. The city region is looking at propositions in the healthcare and medical technologies, bioenergy and advanced manufacturing as well as financial and professional services industries. In mid March, the City of York Council went with LCR partners to the international property fair in Cannes to promote the city as part of the city region offer to investors, developers and end users, and is a practical outcome of the city region plan for collaborating to generate inward investment. The opportunity enabled the city of York to take part in an event that otherwise would be beyond its reach and that of individual local authorities in the city region, in terms of scale.
11. The city region has also been successful in bidding for funding from the Regional Growth Fund for the establishment of two business funding schemes, which have been launched to provide small and medium sized enterprise funding to unlock growth. The funding came through round three of the Fund and was launched to local businesses in mid February. City of York Council's economic development team are working with local business to encourage and assist local business in tapping into these funds, along with working closely with the city region team to support the development of RGF bids to Round 4 of the funding.

12. In the area of transport, progress continues to establish a “Combined Authority”, which would enable more effective governance and decision making at a city region level in key strategic areas such as transport and economic infrastructure investment. A Combined Authority is a legal entity and is overseen by relevant legislation.
13. As reported in the last LEP update to the committee, although City of York Council is considering the opportunity of joining a combined authority with West Yorkshire, 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”. Whilst a governance review of York is being carried out, the city and its city region partners are engaging in discussions with government officials to assess whether there is an opportunity for York to be a member and/or participate in the Combined Authority.
14. The final combined authority scheme must be submitted to Government by July 2013, before which time the committee will receive a further update and opportunity to comment.
15. In the interim, an announcement has been made by the DfT of transport infrastructure funding to be devolved to a Local Transport Body that includes West Yorkshire authorities and York. The LTB may likely be superseded by the Combined Authority when established, but city of York Council members and officers are working with partners to ensure that the city maintains the appropriate level of decision making power with regard to this funding.

Consultation

16. 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

17. Options are not relevant to this report.

Analysis

18. Not relevant.

Council Plan

19. 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)

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

Risk Management

21. Not relevant.

Recommendations

22. 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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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annexes

None