

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Portfolio Holder Meeting 7 October 2010  
**AUTHOR/S:** Executive Director, Operational Services / Corporate Manager,  
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### **ECONOMIC DEVELOPMENT LOCAL ENTERPRISE PARTNERSHIPS**

#### **Purpose**

1. This report serves to inform the Portfolio Holder and interested parties about Local Enterprise Partnerships (LEPs) and the emerging Greater Cambridge – Greater Peterborough (GC-GP) LEP proposal.
2. This is not a key decision as the report is for information. However, the results of the LEP bid are following central government approval in October, is likely to impact on the district.
3. Appendix 1 contains the GC-GP outline proposal submitted to the Department for Business, Innovation and Skills (BIS) and the Department of Communities and Local Government to meet the 6 September 2010 deadline.

#### **Recommendations and Reasons**

4. It is recommended that the report be noted.

#### **Background**

5. In a joint letter from the Secretary of State for Communities and Local Government and the Secretary of State for Business, Innovation and Skills, the Government invited local authorities and business to work together to submit proposals for Local Enterprise Partnerships (LEPs) to replace the Regional Development Agencies. This letter (dated 29 June 2010) provided outline advice about the size of a LEP, the functional economic geographies, a 50:50 business to local government split on the Board and that it be chaired by a member of the business community, and cover more than one upper tier authority.
6. Local Enterprise Partnerships (LEPs) will replace Regional Development Agencies in providing strategic leadership, developing a clear vision and setting economic priorities. The focus of LEPs must be on supporting the private sector. LEPs should create the right conditions for business growth, tackling issues including:
  - Employment and skills
  - Enterprise
  - Planning
  - Housing
  - Local transport priorities
  - Transition to the low carbon economy
  - Supporting small businesses and start ups
  - Tourism

7. In the Budget Statement of 22 June, the Chancellor announced that:
  - the Government will enable locally-elected leaders, working with business, to lead local economic development;
  - Regional Development Agencies will be abolished through the Public Bodies Bill;
  - a White Paper later in the summer will set out details (this is now expected in October and will cover Local Enterprise Partnerships, the transition from RDAs to LEPs, growth incentives, planning issues and the Regional Growth Fund)
  - Government would consider the most appropriate framework of incentives for local authorities to support growth, including exploring options for business rate and council tax incentives, which would allow local authorities to reinvest the benefits of growth into local communities.
8. South Cambridgeshire District forms part of the GC-GP LEP. This geography covers Cambridgeshire, Peterborough City, Rutland, Cambridge, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire Districts. Beyond these administrative boundaries, the economic geography extends into parts of North Hertfordshire, Uttlesford, St Edmundsbury and Forest Heath; South Holland and King's Lynn & West Norfolk. There is keenness to maintain effective links across the area. (A map showing the proposed geography of the GC-GP LEP can be found on p7 of the Appendix).
9. The GC-GP LEP has a population 1.3 million and 60,000 businesses generating approximately £30bn a year for the UK economy. Of national scale and significance, the LEP area is driven by two medium-size cities connected by a large rural and market town economy.
10. The GC-GP response to government identified that the area's plan will be to:
  - Identify the obstacles to ongoing growth, economic success and international competitiveness and the priority investments required to overcome these obstacles – covering business support, inward investment, skills development, transport, quality of life, housing and infrastructure
  - Attract and mobilise private, Government and EU investment to support business needs
  - Provide a business-led voice for the area to:
    - Promote and connect us nationally and globally and build a relationship with Government
    - Collaborate in strategic alliances with other Local Enterprise Partnerships and create national and international alliances that will bring us impact globally
    - Influence the statutory and service agendas of our public sector partners
  - Enable all communities to participate in and benefit from the success of the Greater Cambridge Greater Peterborough area
  - Ensure the drive for transition to a low carbon economy generates both market opportunity and substantial reduction in our environmental footprint.

**Actions and Considerations**

- 11. South Cambridgeshire has been engaged in the LEP project at senior level through participation of the Leader in the Project Board (comprised of business representatives and local authority leaders) meetings and officers have attended meetings, as required.

**Next steps**

- 12. A working/implementation team at officer level has been identified to help take the GC-GP proposal forward to implementation. Time scales are tight to meet the requirements of the Project Board, bids to the Housing Growth Fund and so forth. The implementation team will be aided by a steering group of senior officers. Both groups will have business participation.
- 13. The workstreams, some still being refined, are:

<p>Functions of the LEP</p> <ul style="list-style-type: none"> <li><i>a) Economic development, finance for business and SME support functions</i></li> <li><i>b) Strategy development (housing, strategic planning, environmental strategy, economic strategy, strategic transport, other local infrastructure)</i></li> <li><i>c) Employment and skills</i></li> <li><i>d) Supporting a low carbon economy</i></li> <li><i>e) Finance, funding and lobbying (bidding for funds - national and EU/innovative finance/lobbying and arguing for greater powers in areas such as borrowing /tax increment finance etc)</i></li> <li><i>f) Evidence base (e.g. integrated development programmes, strategic housing market assessments, renewable infrastructure plans, core economic data collection, economic forecasting models etc)</i></li> <li><i>g) Programme and project management</i></li> </ul>
<p>Governance and accountability</p> <ul style="list-style-type: none"> <li><i>a) Reviewing potential governance arrangements.</i></li> <li><i>b) Creating governance and accountability proposal.</i></li> </ul>
<p>Transition arrangements</p> <ul style="list-style-type: none"> <li><i>a) Consideration of the process for moving smoothly from current to new delivery arrangements.</i></li> </ul>
<p>LEP running costs</p> <ul style="list-style-type: none"> <li><i>a) Reviewing funding opportunities for the LEP, including potential sources and flexibilities surrounding existing funding streams.</i></li> </ul>
<p>Structure for LEP</p> <ul style="list-style-type: none"> <li><i>a) Considering how we ensure we can apply the principle of subsidiarity so as to have an effective means of dealing with issues.</i></li> <li><i>b) Reviewing and proposing potential legal structure of the LEP.</i></li> </ul>
<p>Wider issues (to hold back a little)</p> <ul style="list-style-type: none"> <li><i>a) How could we link with other LEPs?</i></li> <li><i>b) How can we manage issue larger than the LEP?</i></li> </ul>
<p>Making a bid to the Regional Growth Fund (RGF)</p>

Making best use of Public Sector assets
<p>Communications and engagement</p> <p><i>a) Management and maintenance of Your LEP website.</i></p> <p><i>b) Engaging the wider business community with the LEP development process and gaining their views.</i></p> <p><i>c) Creating a virtual workspace for the LEP Implementation Team to function within.</i></p> <p><i>d) Creating and implementing a LEP communications and engagement strategy, including use of social media.</i></p>

14. The project board will meet each month.
15. The LEP work overlaps with the economic development strategy and elements of planning. These are expected to be addressed in the emerging economic strategy as well as through the service plans for the Corporate area of Planning and New Communities.

### Implications

16. Indications are that LEPs will not be directly funded. Bids to the Housing Growth Funds for capital projects across the LEP are proposed.

17. Financial	To be determined. – Expected to be executed within existing budgets
Legal	To be determined.
Staffing	Within existing compliment
Risk Management	To be determined
Equal Opportunities	To be drafted upon a formalised LEP

### Effect on Strategic Aims

18. Many of the measures outlined in the GC-GP report echo the South Cambridgeshire Economic Assessment of businesses and residents. The aim would be to continue to support local communities through the economic and spatial priorities that form part of the LEP. There are well-documented links between economic prosperity, health, wellbeing and community safety. It is hoped that local residents will welcome actions that South Cambridgeshire District Council is taking to support the economy and the provision of houses and jobs through partnership work. The Council's commitment is to support businesses through the recession and underpin the wealth of the district at all times. One of the Council's key pledges is to assist in providing jobs and prosperity across the district for all residents. South Cambridgeshire District Council will look to ensure the voice of the rural economy, already recognised in the LEP, is represented in LEP implementation.

## **Conclusions / Summary**

19. This report provides the Portfolio Holder and interested parties with a brief update on the current position with regard to the GC-GP bid for a LEP and emerging general matters dependent on central government decisions.

**Background Papers:** GC-GP Enterprise Partnership Proposal (Appendix 1)

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