



## Policy and Resources Committee – 18 January 2016

### Local Enterprise Partnerships

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#### Purpose of report

This report provides an update on the position regarding Local Enterprise Partnerships (LEPs) in this part of the country and recommends that the council signs up to SEMLEP.

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#### 1.0 Background

#### 1.1 LEP membership

1.1.1 When LEPs were originally set up in 2010, there were two LEPs which this council considered joining:

- South-East Midlands LEP (SEMLEP), which covers an area including Luton and Milton Keynes and all or part of Bedfordshire, Buckinghamshire, Northamptonshire, Oxfordshire and Hertfordshire. All of the District and Borough Councils in Northamptonshire, apart from BC of Wellingborough and ourselves, are members.
- The Greater Cambridge Greater Peterborough LEP (GCGP), which includes Peterborough, Cambridgeshire, Rutland and parts of Suffolk and Norfolk.

1.1.2. Of these, SEMLEP was the preferred option. However, in 2011, the Northamptonshire Enterprise Partnership (NEP) was created so the decision was taken to join that, as it was felt that it would most closely reflect and represent our interests. Consideration was given to joining both, but it was felt at the time that it would be better to focus our efforts and our limited resources on just one.

#### 1.2 Enterprise Zone submission for the Rockingham area

1.2.1 One of the main roles that LEPs play is in the creation of Enterprise Zones (EZs). The key features of EZs are tax incentives, reduced planning restrictions and superfast broadband. All business rates growth within the zone is retained by the local authority for at least 25 years. An EZ is generally considered to be something of a 'badge of honour' for a local area and is a significant opportunity to attract inward investment. A bid to government to establish an EZ must come from a LEP.

1.2.2. In September 2015 NEP submitted to the government a bid for an Enterprise Zone covering an area including the Rockingham part of this District on behalf of Corby Borough Council (CBC) and this council. There were high expectations that this bid would be successful as there had been two Ministerial statements, including one by the Chancellor prior to the general election in May 2015, that there would be an EZ in the area.

1.2.3. It was therefore very disappointing when we were not on list of EZs announced on 25 November 2015

## 2.0. **Current position**

- 2.1. The written explanation given to NEP for the bid's failure is very brief. NEP is seeking a meeting with the CLG team to get more information and to understand how the bid needs to be strengthened before hopefully re-submitting it at the next opportunity.
- 2.2. One weakness of the bid was our inability to say who would be the accountable body for the EZ. There is a requirement for a council to be the 'banker' for the project, such that it incurs the up-front costs of making a site ready for market – in the case of Rockingham these might be land remediation costs, for example – and then has first call on the income streams that flow through the business rates generated as development takes place.
- 2.3. These cash flows are significant and the only realistic option in Northamptonshire is the County Council (NCC). ENC and CBC are too small and LEPs do not have the necessary powers. However, given NCC's current financial position, it did not feel able at the time the bid was submitted to commit to being the accountable body for the EZ. While NEP was assured by the CLG team that this was not the critical factor in the bid being unsuccessful, it can't have helped. It also raises the prospect that, even if the other concerns about the bid are addressed, there will still be no accountable body so a bid via NEP could never be successful.
- 2.4. It is worth noting that the Northampton Enterprise Zone was created following a successful bid through SEMLEP, and that Luton BC is the accountable body for it. Luton BC was itself successful in the latest round of LEP bids, so SEMLEP now contains two EZs.

## 3.0. **Proposal**

- 3.1. It is proposed that we join SEMLEP. The cost is modest; the annual subscription paid by District Councils who are members of SEMLEP for 2014/15 is £7,000. This cost can be met from existing budgets.
- 3.2. It is not possible to quantify the potential benefits, but they are likely to be significant, particularly if SEMLEP provides a vehicle for getting the EZ approved.
- 3.3. We know that SEMLEP are keen to have us on board. Leaders and Chief Executives have made recent approaches to us, and meetings are scheduled this month to discuss our possible membership. It is proposed that we negotiate our terms of entry such that we get assurances that SEMLEP will support and lobby for our key priorities, particularly the EZ, Chowns Mill and the dualling of the A45 from Stanwick to Thrapston.

## 4.0. **Equality and Diversity implications**

- 4.1. There are no equality and diversity implications arising from the proposal.

## 5.0. **Legal Implications**

- 5.1. There are no legal implications arising from the proposal.

## 6.0. **Risk Management**

- 6.1. There are no significant risks arising from the proposed recommendation in this report.

## 7.0. **Financial Implications**

- 7.1. The financial implications of joining SEMLEP are set out in paragraph 3.1.

## 8.0 Corporate Outcomes

8.1. Joining SEMLEP will help to deliver the following corporate outcomes:-

- Good Quality of Life - Prosperous
- Good Value for Money
- Effective Partnership Working

## 9.0 Recommendation

9.1. The committee is recommended to:

- a) approve in principle that this council becomes a member of SEMLEP, at an annual cost of up to £7,000; and
- b) delegate authority to the Chief Executive, in consultation with the Leader of the Council, to enter into negotiations and commit this Council to membership if terms acceptable to them can be agreed.

*(Reason: Membership is a cost-effective way of helping to achieve the economic development outcomes set out in the Corporate Plan)*

<b>Legal</b>	Power: Local Government Act 2000, Section 2				
	Other considerations:				
<b>Background Papers:</b> None					
<b>Person Originating Report:</b> David Oliver, Chief Executive ☎ 01832 742105 ✉ <a href="mailto:doliver@east-northamptonshire.gov.uk">doliver@east-northamptonshire.gov.uk</a>					
<b>Date:</b> 22 December 2015					
<b>CFO</b>		<b>DMO</b>		<b>CX</b>	