



East  
Northamptonshire  
Council

## Policy and Resources Committee – 9 June 2011

### Local Enterprise Partnerships (LEPs)

#### 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.

#### Attachment(s)

None.

#### 1.0 Background

1.1. This committee considered a report on LEPs at its meeting on 6 December 2010 (minute 306 refers). At that point their precise role had yet to be clarified, but the government had said that they must be:-

- based on real economic areas, rather than on arbitrary geographical or political boundaries
- of a reasonable scale, indicatively covering a population of 1 million or more
- business-led

1.2. The two LEPs relevant to East Northamptonshire are:-

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

#### 2.0 Emerging role of LEPs

2.1. The government wants LEPs to help drive business, jobs and housing growth to support the economic recovery. It is up to each LEP to decide how best to achieve that in its own local economic area, with businesses taking a leading role.

2.2. Funding has been, and is likely to continue to be, an issue. The government has made clear that it will not provide any core funding for LEPs. The private sector has shown very little inclination to fund LEPs, so local government has been left to contribute towards the running costs of a core unit dealing mostly with administration as the legal structures and governance arrangements have been put in place.

2.3. That phase now seems to be coming to an end, and the first signs have emerged of government giving LEPs a significant role. In the budget it was announced that 21 new Enterprise Zones would be established across the country. The key features are tax incentives, reduced planning restrictions and superfast broadband. All business rates growth within the zone will be retained by the local authority for at least 25 years. 11 Enterprise Zones have been announced already and bids are required for the other 10. Those bids can only be submitted by LEPs, and each LEP can submit a maximum of two bids.

### 3.0 Current position

- 3.1. Corby Borough Council (CBC) recently joined SEMLEP, and has submitted a joint bid for an Enterprise Zone in Rockingham to the SEMLEP Board on behalf of CBC and this council, based on the Rockingham master plan produced by NNDC. The bid has been through an evaluation process along with all the other bids put forward across the SEMLEP area, and is in the top two. At its board meeting later this month, SEMLEP will consider the recommendation to submit these two bids to CLG, to be assessed alongside bids from other LEPs around the country.
- 3.2. The only reservation that was expressed about the bid during the evaluation process was that, while CBC is a member of SEMLEP, this council currently is not. In the circumstances, and given the emerging role of LEPs as a channel for potentially very significant amounts of government funding, it now seems to be in the interests of this council and of this district for us to join SEMLEP. This does not preclude us from joining GCGP or any other LEP in the future.
- 3.3. The cost is modest; the annual subscription for 2011/12 is around £7,500. This is likely to increase in future years as SEMLEP gears up for more activity, but it is to be hoped that the private sector will also be more likely to contribute in the future as LEPs develop and deliver benefits to the local economy, so subscriptions should not rise above £10,000 per annum. It is worth noting that we no longer make a contribution to Northamptonshire Enterprise Limited, to which we contributed £21,000 in 2010/11.

### 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 3.3.

### 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 approve this council becoming a member of SEMLEP, at an annual cost of up to £10,000.

*(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 – <a href="mailto:doliver@east-northamptonshire.gov.uk">doliver@east-northamptonshire.gov.uk</a>					
<b>Date:</b> 26 May 2011					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)