

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Draft Leicester & Leicestershire Local Enterprise Partnership (LLLEP) Proposal

1. PURPOSE OF REPORT

The purpose of this report is to:

- (i) inform Cabinet of the Government's proposal to create Local Enterprise Partnerships (LEPs) to replace the Regional Development Agencies (RDAs)
- (ii) seek Cabinet approval of the key features and process for establishing the LLLEP
- (iii) seek Cabinet approval for the Leicester & Leicestershire Local Enterprise Partnership (LLLEP) proposal (Appendix 1) to be submitted to Government by the 6th September deadline

2. RECOMMENDATIONS (OR OPTIONS)

Cabinet members are asked to:

- (i) approve the submission of the Leicester and Leicestershire Local Enterprise Partnership (LLLEP) proposal to Government by 6th September 2010
- (ii) approve the key features and process for establishing the LLLEP

3. SUMMARY

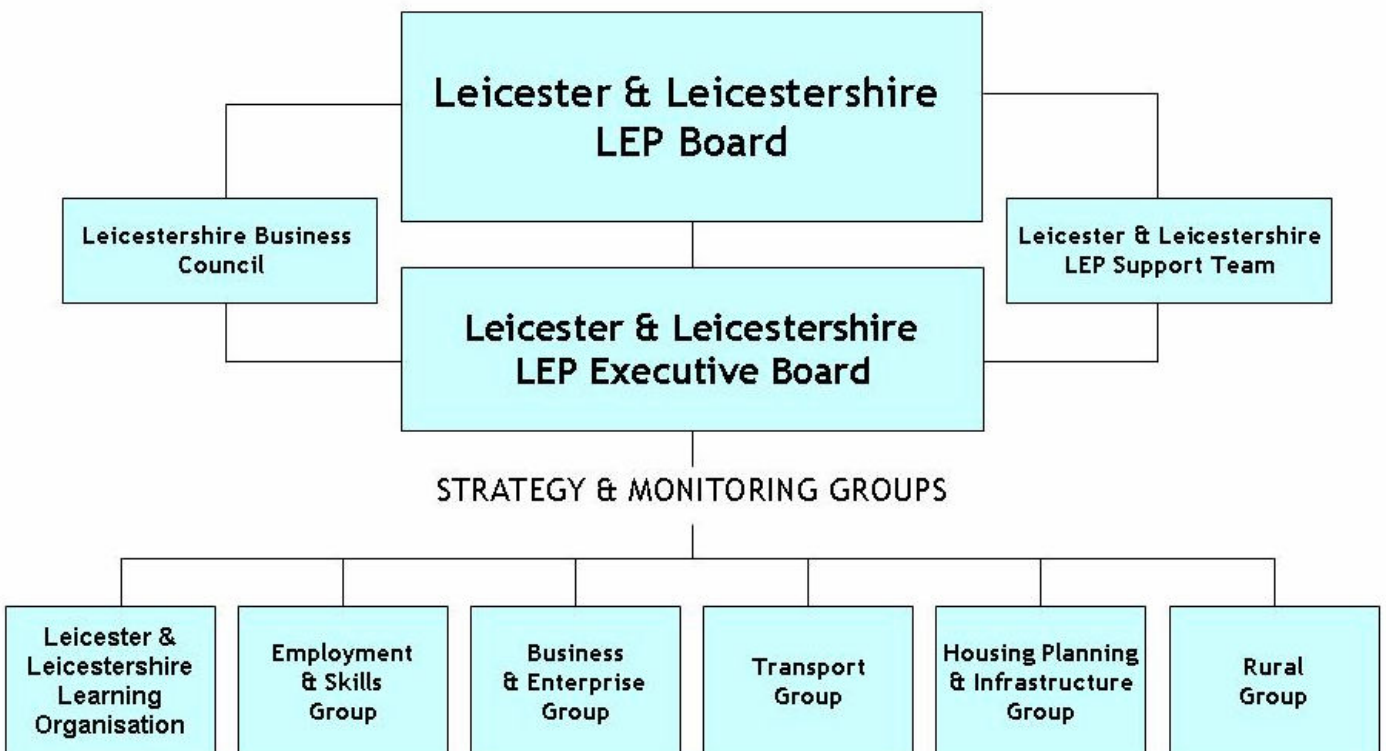
- 3.1 This report outlines the Government's proposal to create Local Enterprise Partnerships (LEPs) to replace the Regional Development Agencies and sets out a proposal for a Leicester and Leicestershire Local Enterprise Partnership (LLEP).

4. REPORT

- 4.1 The Decentralisation and Localism Bill was included in the Queen's Speech in May 2010. One of the key features of the Bill is to create Local Enterprise Partnerships (LEPs) to replace the Regional Development Agencies. On 29th June 2010, the Government wrote to all local authorities and business leaders in England to invite local councils, in partnership with their business communities, to submit LEP proposals to Government by 6th September 2010. The Government will not be issuing formal

guidance on the formation of LEPs and will consider all proposals from localities. A White Paper will be published in early October to provide further details.

- 4.2 The current Leicester and Leicestershire MAA Partnership was established to drive economic development following the previous Government's Sub National Review of Economic Development and Regeneration (SNR). Significant progress has been made over a short period of time during which there has been considerable economic uncertainty and a global recession. The Coalition Government's introduction of LEPs provides an excellent opportunity to build on our existing partnership and give it increased legitimacy given the demise of the RDAs and the Government's increasing emphasis on localism.
- 4.3 At its meeting on 1st July 2010, the Leicester and Leicestershire MAA Leadership Board agreed for a sub-regional LEP proposal to be prepared building on the foundations of our existing partnership, which is a strong model of joint leadership that covers the broad economic agenda. Appendix 1 sets out the draft proposal for the existing partnership to embrace the Government's new approach to localism and to take up the challenge of establishing a LEP with the minimal disruption to local delivery. The proposed governance structure for the LLEP is shown below:



4.4 Joint public and private sector leadership is essential to the successful formation and operation of the LLLEP. The Leicestershire Business Council was established to secure effective involvement and engagement of the private sector in economic development activities in the sub-region. The Business Council is leading the preparation of a long-term economic strategy for the sub-region and will play a key role in establishing the LEP. The Government's letter to local authorities in July stated that LEP's should be private sector led bodies that are chaired by a leading business representative. A series of discussions have taken place between officers of the City and County Councils and the Business Council and the following features and process for establishing the LLLEP have emerged:

- The LLLEP Board will include 50% business members and will be Chaired by a leading business representative
- Third sector representation on the LLLEP Board will not compromise the 50% private sector representation
- The Business Council and local authorities will jointly prepare a job description and person specification for the role of the Chair
- A public recruitment exercise will be undertaken and a Chair will be in place by 1st April 2011
- A joint selection panel with one representative from the City, County and Business Councils will be established to recruit to the position of the Chair
- The Business Council and local authorities will jointly prepare a job description and person specification for the private sector membership of the LLLEP Board
- The Business Council will undertake a public recruitment exercise to fill the 7 places on the LLLEP Board
- The LLLEP Executive Board will be jointly chaired by officers of the City and County Councils and a representative of the Business Council
- The LLLEP Support Team, based at the City Council, would provide on-going support to the LLLEP Board, Executive and other partnership Groups.
- The LLLEP would not be a planning authority but will influence planning decisions that impact on sustainable economic growth

5. LEGAL IMPLICATIONS

5.1 This report seeks approval to the proposal for a Local Enterprise Partnership in response to the Government's letter of 29 June 2010. The proposed LEP will act as strategic commissioner under the funding streams set out at paragraphs 4.9 to 4.15 of the proposal, subject to Government approval. At this stage the headline legal implications to note are:-

1. Potential accounting requirements if the LEP is a controlled or regulated Local Authority Company
2. The procurement framework for the proposed commissioning and delivery arrangements
3. TUPE and workforce issues if staff will transfer, for example from the Council to the LEP

4. Whether any "contracting out" arrangements are required from the Council to the LEP when the proposals come to be fine tuned

Joanna Bunting, Legal Services

6. FINANCIAL IMPLICATIONS

- 6.1 This report proposes that Leicester City Council provides financial administration, project evaluation, project monitoring and acts as accountable body for the ex EMDA regional fund, ERDF, HCA funds and any other funding which may be included in the "place based" budget. EMDA currently carry out these functions for the regional fund and ERDF funds. We would need to ensure that the City Council is sufficiently resourced and has adequate administrative procedures in place to provide this function in the future. This can be done when more details of how the new arrangements will operate are available.
- 6.2 It is assumed that there will be no transfer of existing EMDA staff under TUPE arrangements to the new body, which in this proposal would effectively be the LLEP with the City Council as accountable body.
- 6.3 The detailed proposal highlights funding problems which have arisen under the existing regimes as a result of the inability to carry forward unspent funds from one year to the next. This has had serious impacts on projects in the past. The proposal is to allow more flexibility both in terms of carrying forward funding across years and transferring funding across themes. This would certainly make project planning and implementation easier. As accountable body we will need to ensure that future funding rules are clear.

Martin Judson, Financial Services

7. CLIMATE CHANGE IMPLICATIONS

- 7.1 This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets. Climate change will form an integral part of the LEP's scope as prescribed by Government guidance.

8. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph Within the Report	References
Equal Opportunities	NO		
Policy	YES		
Sustainable and Environmental	YES		
Crime and Disorder	NO		
Human Rights Act	NO		
Elderly/People on Low Income	YES		

9. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

9.1 None.

10. CONSULTATIONS

10.1 Leicester & Leicestershire Leadership Board - 1st July 201
Leicester & Leicestershire Co-ordination Group - 29th July 2010

11. REPORT AUTHOR

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