

**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE MEETING**



Date: 30 September 2011

Subject: **Local Enterprise Partnerships, Enterprise Zones and Regional Growth Fund - Update**

Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendations:

That SEEC Executive Committee:

- i) Notes the update on Local Enterprise Partnerships (LEPs) and endorses developing light-touch officer engagement between SEEC and LEPs to identify any opportunities for joint working or information sharing;
- ii) Notes updates on Enterprise Zones and the Regional Growth Fund;
- iii) Agrees SEEC's Chairman should write to the Department for Communities and Local Government suggesting it would be helpful to identify a single locality director to be the initial point of contact for SEEC, to simplify engagement with the department on strategic matters.

1. Introduction

1.1 This paper updates members on three linked issues relating to new economic development arrangements: Local Enterprise Partnerships, Enterprise Zones and the Regional Growth Fund. This paper also briefly updates members on the Department for Communities and Local Government's (CLG) new local engagement arrangements.

2. Local Enterprise Partnerships (LEPs)

2.1 There are now 37 Government-endorsed LEPs across England, covering 98% of the country's population and businesses. The seven LEPs that fall wholly or partly in the South East have now appointed Chairs and boards on a permanent or interim basis. Capacity is developing, helped in part by allocation to most LEPs of central government Capacity and Start Up funds to help with initial set-up costs. In addition to the formal LEPs, some areas without LEPs are taking forward their own approaches; for example Buckinghamshire Business First has been set up to provide a focus for business action.

2.2 A National LEP Network is now operational following Ministers' announcement in April that the British Chambers of Commerce would establish a network for best practice. It held its first national conference on 15 September. BIS has also set up an online toolbox with a range of economic information for LEPs¹.

2.3 The following table summarises high-level initial information about each LEP's published priorities. Most have more detailed information on their websites. Enterprise Zones, where approved, are also shown in the table – further information about these is in section 3 of this report. LEPs are still very much in their development stage, and it may be beneficial for SEEC officers to seek to build contact with LEPs to help understand any future opportunities for joint working or sharing information.

¹ <http://www.bis.gov.uk/policies/economic-development/leps/lep-toolbox>

Local Enterprise Partnership (LEP)	Initial Strategic Objectives/Priorities
<p>Coast to Capital www.coast2capital.org.uk</p> <p>Chairman – John Peel OBE (MARSC Ltd)</p>	<ul style="list-style-type: none"> • Increasing businesses’ international trade • Increasing entrepreneurship and business start-ups • Business growth, innovation, productivity and employment • Investment in key business locations • Planning to support development and growth • Investment in transport/other infrastructure and business premises.
<p>Enterprise M3 www.enterpriseM3.org.uk</p> <p>Chairman – Geoff French (URS Scott Wilson)</p>	<ul style="list-style-type: none"> • Finance, innovation and business support • Transport, strategic planning and housing • Land and property • Leisure, tourism, place-shaping and investment • Rural economy • Broadband • Skills and employability.
<p>Oxfordshire www.oxfordshireLEP.org.uk</p> <p>Chairman – Dr Martin Dare-Edwards (Infineum UK)</p> <p><u>Enterprise Zone approved - Science Vale UK</u>: focused on Harwell Oxford and Milton Park science & research business parks, to grow jobs in high-tech, high value-adding sectors.</p>	<ul style="list-style-type: none"> • Fast broadband/mobile communications access • Increased inward investment • Improving skills • Access to business support • Enabling infrastructure.
<p>Solent www.solentLEP.org.uk</p> <p>Chairman - Doug Morrison (Associated British Ports)</p> <p><u>Enterprise Zone approved – Solent EZ at Daedalus Airfield Gosport</u>: focused on establishing a cluster of advanced manufacturing and technology businesses in marine, aerospace and aviation sectors.</p>	<ul style="list-style-type: none"> • High-value sector growth hubs/clusters • Visitor economy • Skills investment • Address economic vulnerability • Key infrastructure • Business enterprise, starts and survival • Single Inward Investment coordination function (agreed with UK Trade and Investment in September) • Innovation in delivery and funding.
<p>South East (formerly East Sussex, Essex, Kent, Medway, Southend and Thurrock LEP) www.essex.gov.uk/Business-Partners/Partners/Local-Enterprise-Partnership</p> <p>Interim Chairman – George Kieffer (Haven Gateway Businesses)</p> <p><u>Enterprise Zone approved – Discovery Park,</u></p>	<p>Strategic objectives:</p> <ul style="list-style-type: none"> • Growth of Thames Gateway • Investment in coastal communities • Rural economy • Competitive advantage of strategic growth locations <p>Enabling activities:</p> <ul style="list-style-type: none"> • Strategic transport infrastructure • Universal superfast broadband • Skills

<p><u>Sandwich (linked with Enterprise West Essex)</u>: focused on realising the economic potential of former Pfizer site by attracting pharmaceutical, cleantech and research and development businesses to East Kent.</p>	<ul style="list-style-type: none"> • New financial instruments.
<p>South East Midlands www.southeastmidlands.org.uk</p> <p>Chairman – Ann Limb OBE (DRS Data Research and Services plc)</p> <p><u>Enterprise Zone approved (outside South East) – Northampton Waterside</u>: focused on establishing a national centre of excellence for advanced technology engineering.</p>	<ul style="list-style-type: none"> • Generating/supporting start-up businesses • Expansion of high growth businesses • Attracting new businesses including Foreign Direct Investment • Tackling urgent transport and infrastructure issues.
<p>Thames Valley Berkshire www.thamesvalleyberkshire.co.uk (in development)</p> <p>Chairman Elect – Steve Lamb (Oracle Corporation)</p>	<ul style="list-style-type: none"> • Promoting innovation, enterprise and business diversity • Strengthen relationship with successful multi-nationals to grow and develop new enterprise • Facilitate development of skills for business to improve competitiveness • Create the environment for business growth and job creation.

3. Enterprise Zones (EZs)

3.1 Enterprise Zones (EZs) were launched by the Government to encourage business and job growth. The core offers for businesses are around simplified planning and business rates discounts². The Government announced an initial 11 EZs in major cities in the last Budget, none of which were in the South East. This was followed by an invitation to LEPs across the country to bid for EZs, resulting in a further 11 being approved in August. These include three wholly or partly in the South East:

- Solent EZ at Daedalus Airfield Gosport – focused on establishing a cluster of advanced manufacturing and technology businesses in marine, aerospace and aviation sectors.
- Discovery Park in Sandwich (linked to Enterprise West Essex in Harlow) – focused on realising the economic potential of former Pfizer site by attracting pharmaceutical, cleantech and research and development businesses to East Kent.
- Science Vale UK in Oxfordshire – focused on Harwell Oxford and Milton Park science and research business parks, to grow jobs in high-tech, high value-adding sectors.

3.2 The award of three Enterprise Zones is welcome recognition from the Government that such initiatives are needed in the South East to deal with economic opportunities and challenges, reflecting letters written by SEEC's Chairman to Ministers. However, as reflected by the limited opportunity

² Further background information is available on BIS and CLG websites:
<http://www.bis.gov.uk/policies/economic-development/leps/lep-toolbox/enterprise-zones> ;
<http://www.communities.gov.uk/news/newsroom/1967595>

offered to the South East by initiatives such as the Regional Growth Fund (below), this is a message SEEC should continue to press to Government.

4. Regional Growth Fund (RGF)

- 4.1 There have now been two rounds of the Regional Growth Fund (RGF). Although nationally 50 projects from 450 bids were given initial Government approval under the £450m Round 1 in April this year, only one has so far been given final approval. The other 49 are still going through due diligence processes. Only one project from 33 bids that would benefit the South East was given initial approval in Round 1.
- 4.2 Round 2 launched with a ministerial event in Margate in May. Bidding closed on 1 July, with 492 bids nationally (totalling some £3.3bn) seeking access to the £950m available. Specific bid details are not currently available from BIS due to commercial sensitivities, but summary information indicates 49 bids impact wholly or partly on the South East. BIS say this equates to just under 4% of the predicted employment benefits of all the bids. The North West has the most, with 140 bids and over 20% of the predicted employment impact.
- 4.3 We will inform members once announcements are made on successful Round 2 projects, expected in the autumn.

5. DCLG Locality Teams/Contacts

- 5.1 In the context of new sub-national arrangements, the Department for Communities and Local Government has published a map showing its new locality areas and directors – a hard copy will be circulated at the meeting. As previously reported to members³, these differ in most instances from BIS Local's larger areas.
- 5.2 The removal of regional bureaucracy including GOSE has been welcomed by SEEC. However given the SEEC area is covered by six CLG localities, it would help engagement with the department if one locality director could be identified to act as first point of contact for SEEC on strategic matters. If members agree this would be helpful, SEEC's Chairman will write to CLG with this suggestion.

³ http://www.secouncils.gov.uk/upload/files/Agenda_Item_12_BIS_Local_July2011.pdf