

CABINET	AGENDA ITEM No. 8
13 DECEMBER 2010	PUBLIC REPORT

Cabinet Member(s) responsible:	Leader of the Council, Cllr Marco Cereste	
Contact Officer(s):	Chief Executive, Gillian Beasley	Tel. 452390

PETERBOROUGH CITY COUNCIL LOCAL ENTERPRISE PARTNERSHIP

R E C O M M E N D A T I O N S	
FROM : Chief Executive	Deadline date : N/A
1. Cabinet is requested to note the current position in regard to the Greater Cambridge Greater Peterborough Local Enterprise Partnership, and to delegate authority to the Chief Executive to continue negotiations with partners and to finalise the governance structure of the Local Enterprise Partnership (LEP).	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from the Chief Executive.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to update Cabinet on the progress made to date with the LEP, the next steps necessary to establish the Board, and the intended purpose and governance structure of the LEP.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, To take a leading role in promoting the economic, environmental and social well-being of the area.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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4. LOCAL ENTERPRISE PARTNERSHIP: Greater Cambridge- Greater Peterborough

4.1 In 1999 a number of Regional Development Agencies (RDAs) were formed, for the purpose of spreading economic prosperity and opportunity to the regions of Britain. They were to take a business-led approach to economic development and regeneration in the regions.

4.2 In 2010 the newly elected government declared its intention to abolish the RDAs, by no later than March 2012, although some of their functions may continue at a national, rather than local level.

4.3 Ministers announced that they would support the creation of Local Enterprise Partnerships (LEPs) to replace many of the functions of the RDAs. It was announced that LEPs would be expected to play a key role in promoting local economic development.

- 4.4 Following a Ministerial letter in late June, only a short period of time was given for initial LEP proposals to be submitted, the deadline being submission by 6th September 2010.
- 4.5 Peterborough City Council was able to work with neighbouring local authorities, and with the business community, over the summer months, and submitted an outline proposal to the government immediately prior to the deadline. Because of the amount of work involved, and negotiations with a large group of people in a short period of time, it was not possible to involve members of the Council in the proposals at this stage, although the Leader, Deputy Leader, and Cabinet Member for Business Engagement were involved in the discussions.
- 4.6 In mid October 2010 Peterborough City Council was informed, along with other partners, that its outline LEP proposal had been approved. It was one of 24 LEP proposals accepted across the country. At the same time, the Government published its White Paper "Local growth: Realising Every Place's Potential" giving greater detail and clarifying some issues of how LEPs should work in practice.
- 4.7 The key role of the LEP is to promote local economic development, with local businesses and civic leaders working together to drive sustainable growth and create new jobs in their communities. However, there is little guidance on how this should be done, because the government intends local areas to have flexibility in determining what is most suitable for themselves, without central government intervention. Whilst such flexibility is welcome, it does mean that there are a lot of decisions to be made, and with such a large amount of partners involved in the LEP, this inevitably means many different opinions, which need to be discussed and decided upon to enable the LEP to move forward.
- 4.8 The government has announced a £1.4bn Regional growth Fund to which LEPs will be able to make bids, but to do so must work in consultation with private sector organisations, and further consideration will be given to appropriate bids to be made to this fund as work on the LEP progresses.
- 4.9 The Local Growth White Paper set out that each LEP has to establish a Board, which must be Chaired by an individual from the private sector. The size of the Board needs to reflect the full range of local interests and have at least half of its representation from the private sector.
- 4.10 The Chief Executive and her officers will be involved in a number of meetings between now and April, and the decisions to be made include the following:
- The appropriate structure for the LEP (an unincorporated association is most likely)
 - Governance options (including the make-up of the Board)
 - Options for a Board recruitment process
 - Accountability
- 4.11 Once further detail is known about the likely structure of the LEP, and its main focus, consideration will be given to whether any changes to the Council's constitution need to be made, and if so recommendations will be made to Council for consideration. It should be stressed that it is not intended that any Council or Executive decision making powers will be delegated to the LEP.

5. CONSULTATION

There have been substantial negotiations and consultation with partner organisations during the formulation of the initial LEP proposal, and these will continue as the proposals are developed further. With so many external organisations involved it has been difficult to carry out any meaningful consultation within the Council to date. The initial proposals need to be worked up further, and it is intended that there will then be a full briefing of all councillors in January 2011.

6. ANTICIPATED OUTCOMES

It is anticipated that Cabinet will note progress to date, consider the further steps that need to be taken, and authorise the Chief Executive to progress the development of the LEP.

7. REASONS FOR RECOMMENDATIONS

The Greater Cambridge – Greater Peterborough LEP proposal has been accepted by the Government, and further work now needs to be done to work up the detail before a Board can be established. This needs to be done before 1st April 2011. With so many partners involved, the negotiations are very fluid, and change quickly. It would not be possible for every suggested change to be considered by the Cabinet, or even by the Leader, and the Chief Executive needs to have the ability to make decisions about the shape of the LEP, working with our partner organisations.

8. ALTERNATIVE OPTIONS CONSIDERED

The LEP is not formally recognised until a Board is formed. One alternative is to do no further work and allow the LEP proposal to fall. This has been rejected because a large amount of work has been done by the Council and partner organisations to work up the LEP proposal. It is considered that there may be substantial benefits to the region from having an effective LEP established.

Another alternative is not to delegate any authority to the Chief Executive, and require all negotiation about the formulation of the Board, and shaping of the LEP, to be done through Cabinet. This is impractical and has been rejected for that reason.

9. IMPLICATIONS

There are no financial implications because it is not intended that members of the LEP should make any financial contributions to it.

Legal implications are dealt with in the body of the report, but it should be noted specifically that there is no intention to delegate any of the Council's decision making powers to the LEP.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

The Enterprise Partnership – Outline Proposal : Greater Cambridge – Greater Peterborough.

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