

LEPs to date and importance of the evidence base

Local Growth White Paper

- Government objectives to rebalance the economy sectorally and spatially, and to increase private sector growth and jobs
- White Paper published 28 October, sets out new approach to local growth. Three key themes:
 - Shifting power to local communities and businesses
 - Promoting efficient markets
 - Supporting investment to tackle barriers to growth

Local Enterprise Partnerships

- 28 LEPs invited to establish their business-led boards
- Diverse range of possible roles and opportunities to work with nationally-led delivery
- Will have access to the Regional Growth Fund
- No core admin funding; choices are put back to localities
- Similarly, sharing of incentive funds a decision for localities

Economic Development Functions

- National leadership for:
 - Business improvement
 - Trade and investment
 - Innovation
 - Sector support including low carbon
 - Access to finance
 - Demand-led approach on skills
- LEP roles on improving business environment: planning, transport, housing, broadband; supporting enterprise; assisting in tackling worklessness
- ERDF and RDPE to be managed nationally (as now) but new local programme committees for ERDF

BIS local offices

- Working on basis of approximately six small offices staffed by BIS officials
- Role in ensuring good communication between BIS and local enterprise partnerships, businesses, local authorities and others
- Help resolve barriers to delivery and join up between different delivery bodies
- Support for responses to economic shocks and other events

Closure of RDAs

- RDAs expected to cease by March 2012
- £900m over the SR period provided to cover commitments
- Some RDA functions will stop e.g. Grant for Business Investment and skills strategies
- Assets and liabilities to be managed out in line with principles set out in White Paper
- Bringing CLG and BIS expertise together

Planning reform

- Proposals being taken forward through the Localism Bill:
 - Neighbourhood plans, allowing local communities to bring forward additional development
 - Reducing bureaucracy – streamlining policy and guidance
 - Encouraging collaboration – statutory duty to cooperate; role for LEPs in working with LAs on strategic planning frameworks

Local incentives

- New Homes Bonus – match fund additional council tax over six year period
- Business rates – Local Government Resource Review: will consider Business Increase Bonus and ways of allowing LAs to retain locally-raised business rates
- Tax increment finance – new borrowing powers to allow TIF, based on uplift in business rates base
- Renewable energy projects – business rates
- NICs reduction - outside Greater South East, NICs holiday for one year (up to £5,000) for first 10 employees taken on in the first 12 months of the business

Regional Growth Fund

- £1.4bn over 3 years to support projects which promote private sector growth and job creation
- First round of bidding closed 21 January 2011
- Every area eligible to bid, although particular emphasis on areas dependent on public sector
- Significant regional expertise on the advisory panel
- Benefits of aligning RGF and ERDF

LEP capacity fund

- To help LEPs identify priorities
- Aimed at bringing together evidence on challenges and opportunities
- Will be focused on developing the evidence relating to economic areas, building on previous work such as Local Economic Assessments
- Further details in coming weeks

Priorities for evidence

- Understanding of current economy and future trends
- Identify opportunities for growth, economic challenges / vulnerabilities, and barriers, for example, infrastructure or skills
- Consider geographical area over which market failures occur and level at which to manage responses

Priorities for LEP action

- Issues to consider:
 - What can the LEP influence?
 - What action can the LEP take locally?
 - How can the LEP join up actions with nationally led delivery?
 - What are the priorities for investment, and what are the potential funding options, eg private sector, ERDF, Regional Growth Fund, Tax Increment Financing

Evaluation

- LEPs will need to consider how to evaluate their activities
- Option of benchmarking outcomes with other similar areas
- But will also need to consider effectiveness of actions taken