

Are LEPs the answer?

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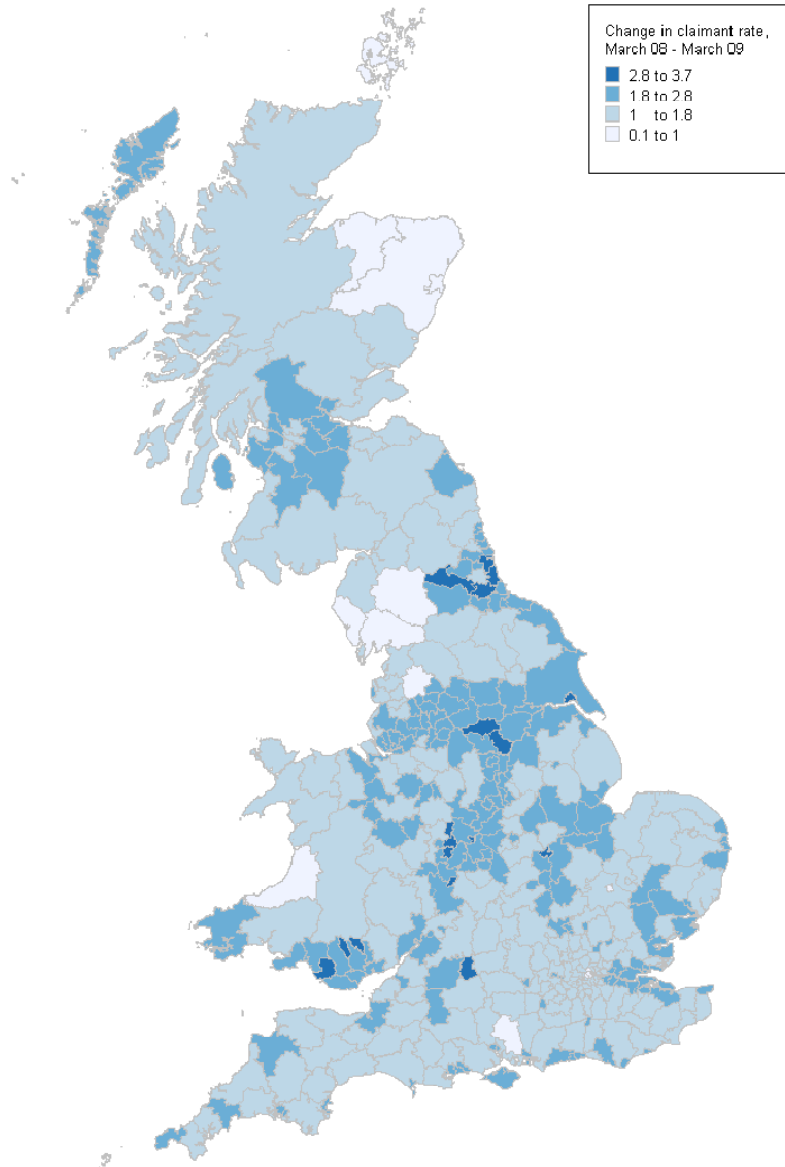
13th July 2011



The Economic Context

- Largest recession since the great depression
- Disparities between cities /LEPs are longstanding and persistent
- By some measures got worse under last government – despite political commitment
- The recession exacerbated much of these
- Real danger of some cities being ‘left behind’

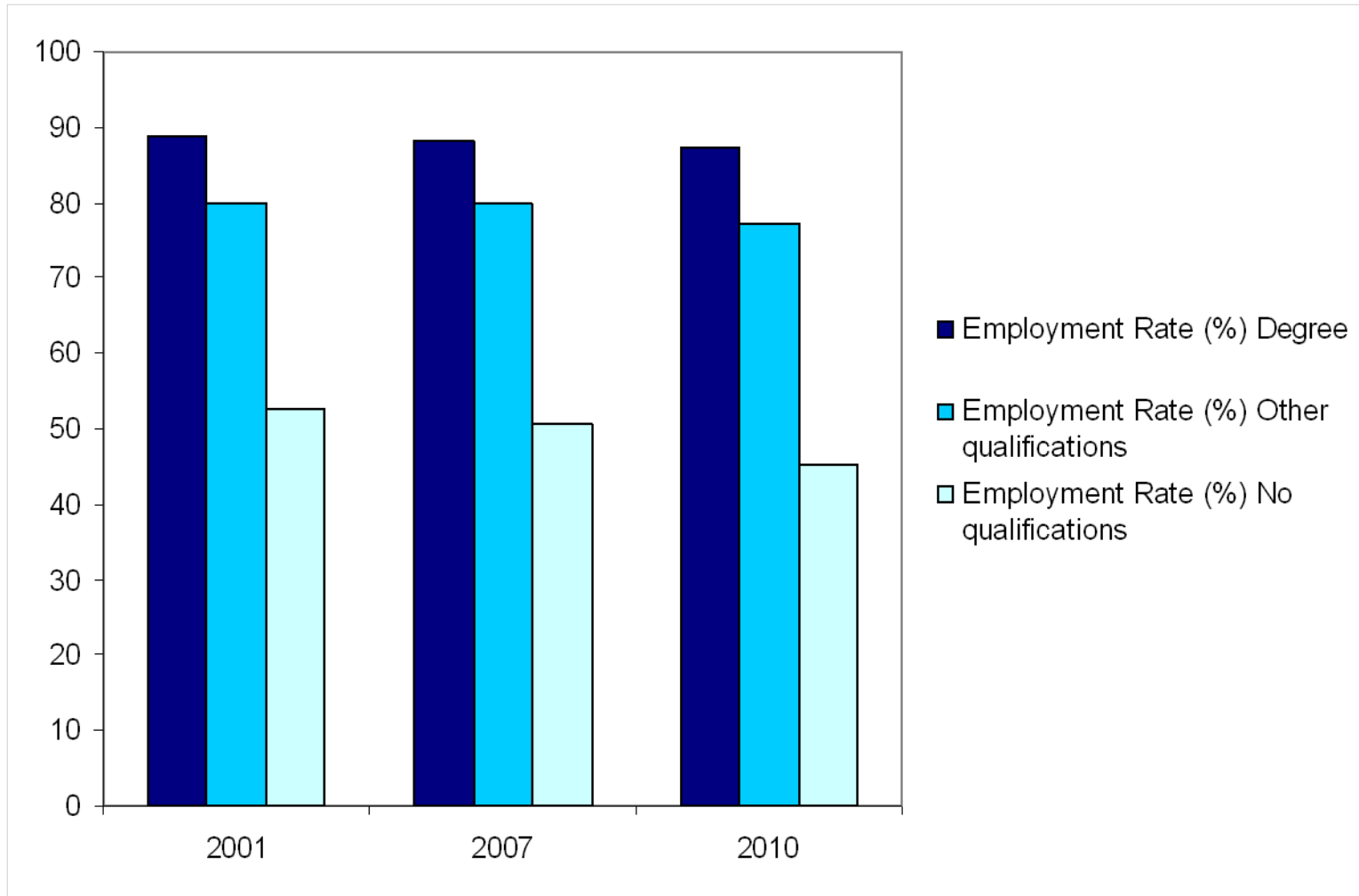
A recession of the North, Midlands and Wales



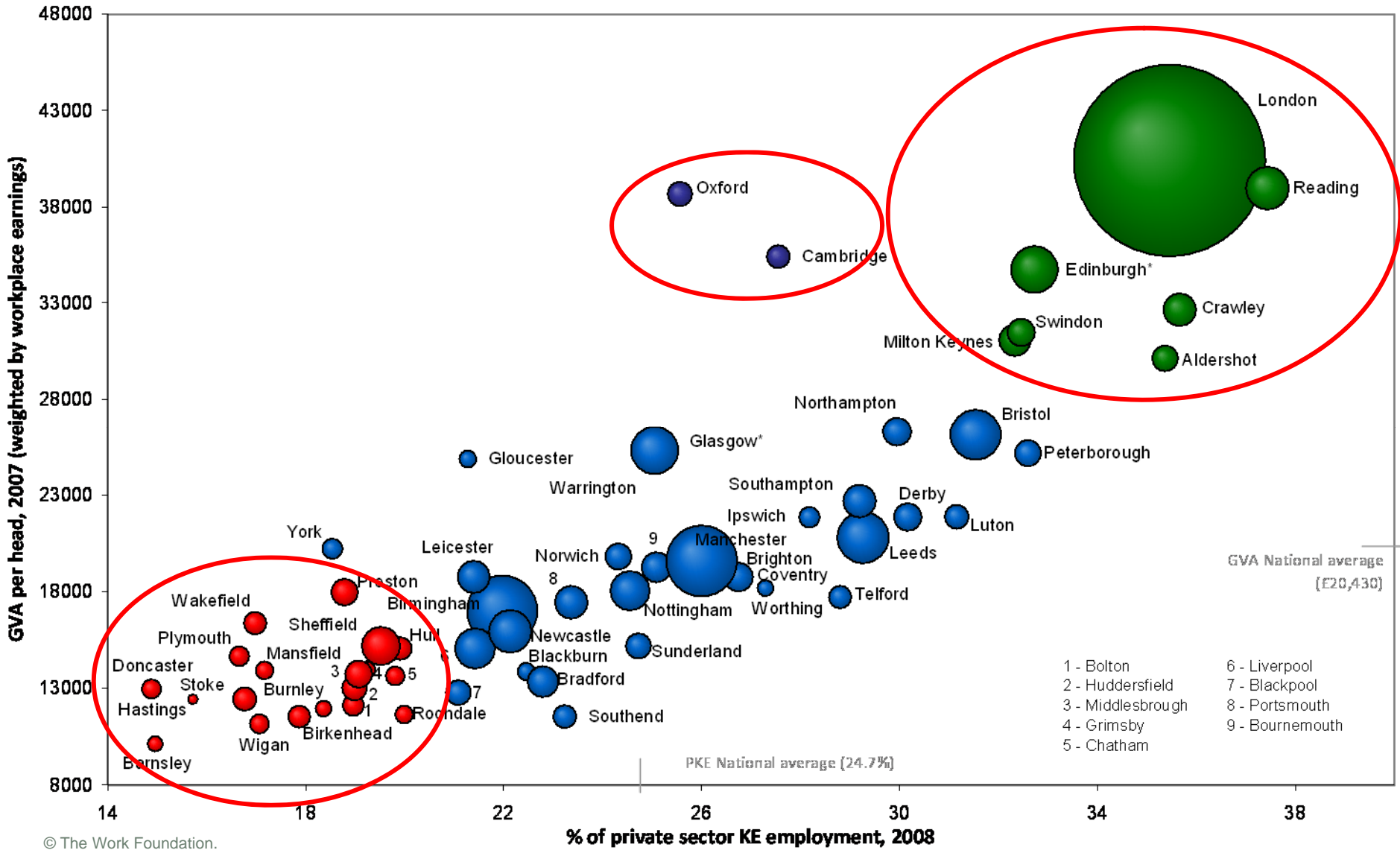
Places affected the most are those with:

- Lowest levels of skills
- Highest levels of employment in manufacturing
- Mainly the North, Midlands and Wales

The recession hit those with least skills the hardest

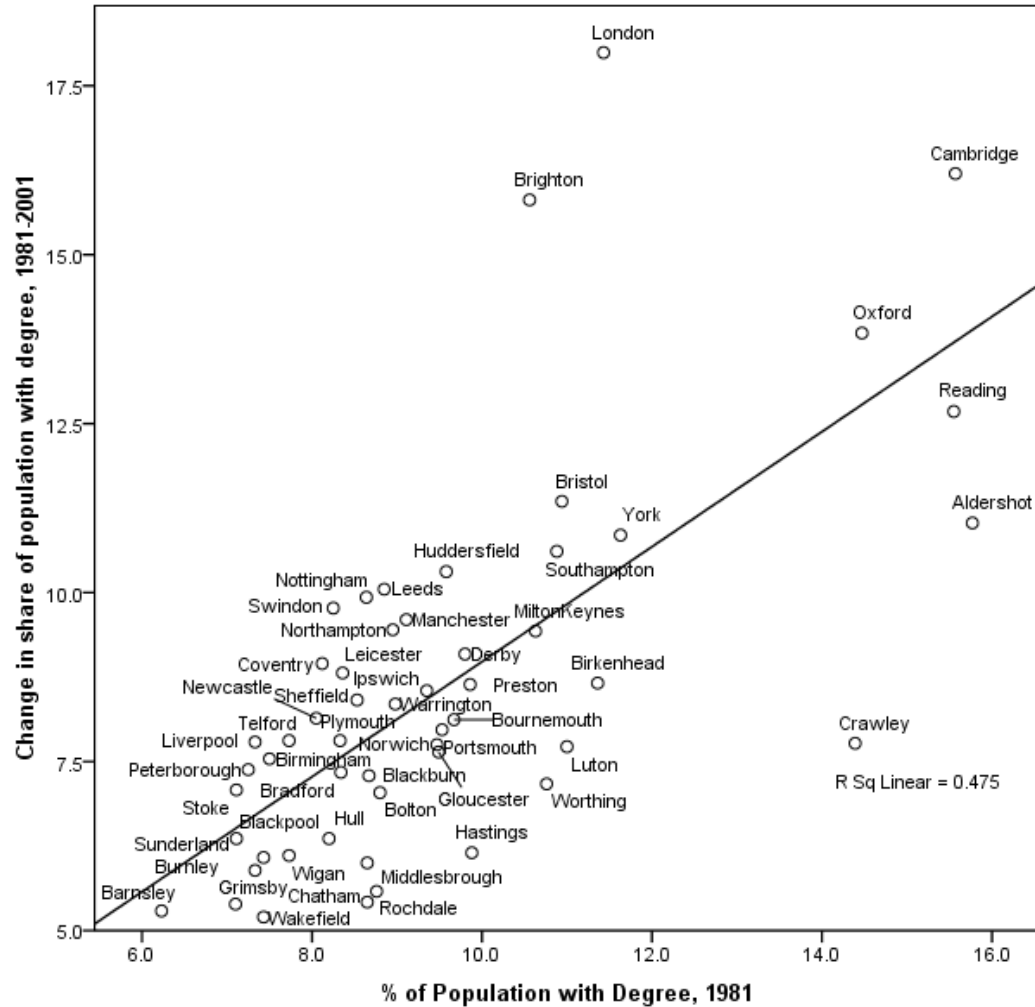


Enterprise Cities – the gap between cities was widening prior to the recession



Trends suggest disparities may worsen

The highly skilled are clustering in skilled cities



The Policy Context

- Localism (not local authorityism)
- New approaches to economic development:
 - Tackling the “barriers and bottlenecks that inhibit growth” (Local Growth White Paper)
 - Incentives for growth (and penalties for decline?)
 - Business led structures
 - Very little cash

What can LEPs achieve?

- Mostly cover functional economies – so real view of local economy
- Can identify the major barriers to growth at a local level – and lobby
- Can facilitate collaboration over a functional area
- Make business realise local growth is in mutual interest
- Link local businesses to national government agendas*

What are the problems of LEPS

- Limited funding / powers
- Business involvement –
 - Weak where private sector weak
 - Businesses need to learn to engage effectively
- Unable to continue successful initiatives from RDAs
- Address major problems
 - Finance
 - Skills – but may play a role in both
 - Specialist services – pan-LEP role

How can they contribute?

- Need to be realistic
- Role in co-ordination
- Identify, lobby and address barriers to growth – where powers
- Innovation councils
- But LA's still vital