

**Meeting of the Cabinet – 22<sup>nd</sup> September 2010**

**Report of the Director of the Urban Environment**

**A Proposed Black Country Local Enterprise Partnership**

**Purpose of Report**

1. To update Cabinet on the submission of an outline proposal to Central Government for the creation of a Local Enterprise Partnership for the Black Country.

**Background**

2. The June 2010 Budget included a proposal to establish Local Enterprise Partnerships (LEPs). The Government wishes to enable local authorities, working with business, to play a leading role in the delivery of local economic development. As part of this reform, Regional Development Agencies will be abolished via the Public Bodies Bill. A White Paper expected later this year will set out details of these proposals.
3. On 29<sup>th</sup> June 2010, a joint invitation was issued by the Secretaries of State for Communities and Local Government and Business, Innovation and Skills, respectively, to Local Authority Leaders and business leaders asking them to consider whether they wish to form a LEP to drive economic renewal and, if so, to submit proposals by 6<sup>th</sup> September 2010.
4. The letter states that LEPs should provide the strategic leadership to set local economic priorities and create the right environment for business growth by tackling issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise, and the transition to a low carbon economy. Close working with local universities and colleges is expected, together with other relevant stakeholders.
5. The suggestion is that there will be an equal representation of local authority representatives and business leaders on the LEP Board, and that it should be chaired by a prominent business representative. Governance structures will need to be sufficiently robust and clear to ensure proper accountability for delivery by partnerships.
6. There has been much recent debate about the size and number of LEPs in the West Midlands. The Black Country Leaders, via the Association of Black Country Authorities (ABCA), and the Black Country Chamber agreed a Black Country LEP proposal should be developed in accordance with Government guidance around

functional economic geography and being of sufficient size to be strategically relevant.

7. A recent meeting between the Black Country Regeneration Directors, Chamber of Commerce and the Black Country Consortium officers with Business, Innovation and Skills officials evidences the need to be particularly clear on our local aspirations, geography and relationships with adjoining LEPs, governance, functions and private sector engagement.
8. The Black Country LEP Submission to Government Executive Summary is set out in appendix 1 to this report. The appendix is available for inspection on CMIS and in the Members' Room. A hard copy is available to Members on request to the Democratic Services (attn Richard Sanders on (01384) 815236 or e mail [richard.sanders@dudley.gov.uk](mailto:richard.sanders@dudley.gov.uk)). The step change in performance needed to achieve the objectives set out in the Submission will require certain powers and resources. As such, the document contains "Asks" of Government. Overall, the Submission document is shaped around three key issues:
  - Competitiveness;
  - Education, employment and skills; and
  - Land use and transport change.
9. It is expected, subject to approval from central Government, that a Black Country LEP will form its shadow Board by 1<sup>st</sup> October 2010 to oversee transition arrangements, undertake further engagement and refine priorities for action. The full Black Country LEP Board will be established by end of March 2011. The Black Country has also prepared a single response to the Regional Growth Fund consultation and it is proposed that the Black Country LEP will lead the development of the submission to Government for Regional Growth Fund allocation in December 2010.

## **Finance**

10. In a response to the joint invitation from the coalition Government to create Local Enterprise Partnerships the four Chief Executives of the Black Country Local Authorities together with the Chairman of the Black Country Consortium Ltd and Chairman of the Black Country Employment and Skills Board have expressed their concerns regarding the availability of revenue support for LEPs. Notwithstanding the severe pressures to reduce government expenditure this letter reinforces that previous experience suggests that if Government does make modest amounts of funding available, as incentives to local authorities and businesses to work together, this would not only represent good value for money but demonstrate the coalition Government's commitment to the creation of LEPs. Whilst the submission is only an expression of interest a large amount of officer time will need to be committed over the next few weeks on refining the LEP proposal and on the preparation of a bid to access Regional Growth Fund monies. Further Government guidance is awaited on the process for establishing LEPs, their legal status and the availability of revenue support.

## **Law**

11. Section 2 of the Local Government Act 2000 empowers the Council to do anything which it considers is likely to promote or improve the economic, social

or environmental well-being of its area. Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate or is conducive or incidental to the discharge of its statutory functions.

### **Equality Impact**

12. Whilst primarily economic-focused, the proposed Black Country LEP seeks to increase the Gross Value Added (GVA) of the Black Country economy, make businesses in the Black Country more profitable, promote private sector led job creation and support economic diversity and sustainability for all.

### **Recommendation**

13. It is recommended that Cabinet note the Submission to Government to create a Black Country Local Enterprise Partnership.



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### **List of Background Papers**

Joint letter to Local Authority Leaders, Business Leaders and Local Authority Chief Executive Officers from DCLG and DBIS, dated 29<sup>th</sup> June 2010:  
<http://www.communities.gov.uk/documents/newsroom/1626430.pdf>

Black Country Local Enterprise Partnership Submission to Government Executive Summary (attached)