

REPORT TO: CABINET MEMBER - REGENERATION
DATE: 27TH OCTOBER 2010
SUBJECT: LOCAL ENTERPRISE PARTNERSHIP AND REGIONAL GROWTH FUND
WARDS AFFECTED: ALL
REPORT OF: PLANNING & ECONOMIC DEVELOPMENT DIRECTOR
CONTACT OFFICER: MARK LONG x3471
EXEMPT/ CONFIDENTIAL: NO

PURPOSE/SUMMARY:

To advise members of the submission of a Merseyside bid to establish a City Region Local Enterprise Partnership (LEP) in response to an invitation issued in June by the Department of Business, Innovation and Skills; and to advise of the process for submitting a bid for Regional Growth Fund (RGF)

REASON WHY DECISION REQUIRED:

To ensure members can influence the development of the LEP and shape the submission for RGF.

RECOMMENDATION(S):

That the report is noted and further updates are provided when appropriate.

KEY DECISION: No.

FORWARD PLAN: No.

IMPLEMENTATION DATE: Following call-in date.

ALTERNATIVE OPTIONS: Not to participate in the LEP would deny the Council influence over the RGF resources which only the LEP can endorse.

IMPLICATIONS:

Budget/Policy Framework: There are no financial consequences and therefore the Finance Director has not been consulted.

Financial:

<u>CAPITAL EXPENDITURE</u>	2009 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: N/a

Risk Assessment: N.a.

Asset Management: N/a

CONSULTATION UNDERTAKEN/VIEWS

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

1. Key Issues For Consideration

- 1.1 The aim of a Local Enterprise Partnership is to help strengthen local economies. It is part of a reform of our system of sub-national economic development by enabling Councils and Business to replace the existing Regional Development Agencies.
- 1.2 It is expected that LEPs will be based around natural economic areas and demonstrate coherent public and private sector support. They will seek to provide strategic leadership in their areas to set out local economic priorities and to help create the right environment to stimulate business and growth.
- 1.3 The Coalition Government has also made clear its intention to set up a £1bn Regional Growth Fund (RGF) next year to support economic growth in parts of England hit by public sector cutbacks. Applications for RGF support will only be considered when endorsed by LEPs, and the Fund is expected to be open for applications in December.
- 1.4 The City Region Cabinet at its meeting on 30th July agreed to proceed with a LEP bid for the Liverpool City Region and a bid was submitted by the 6th September deadline.
- 1.5 The City Region LEP submission is based around the delivery of the Transformational Actions first set out in the Multi Area Agreement – Visitor Economy, Knowledge Economy, Low Carbon Economy and Superport. It seeks to ensure that the appropriate infrastructure and resources, in terms of inward investment activities, enterprise and business support, is available locally to help deliver these priorities. A copy of the Bid Document is attached.
- 1.6 In terms of governance, the LEP will report to the City Region Cabinet and is modelled on the existing Economy Board. It will be supported under existing Board arrangements. The Board will be made up of Local Authority and Private Sector Leaders, and includes the Leader of Sefton Council. The first meeting of the Board is expected to take place in late October.
- 1.7 56 LEP bids from across the country have been submitted. Feedback suggests the Merseyside bid has been well received and may be selected to be one of up to 15 of the stronger bids to be established as “pathfinders”. However final decisions are unlikely to be made until after the Spending Review in October. In the meantime, development of the LEP should continue in anticipation of a start later this year.
- 1.8 Detailed guidance on Regional Growth Fund will be issued in a White Paper on economic development to be released alongside the Spending Review 2010. In the meantime, the Mersey Partnership is co-ordinating expressions of interest and developing principles to allow the development of a strong, credible sub-regional programme with defined private sector involvement.

- 1.9 For example, the final programme should refer to substantial opportunities sitting within the four Transformational Actions, and bring forward site-specific private sector led capital investment and development projects.
- 1.10 Sefton's submission makes the case for
- (a) additional investment in the low carbon economy, building on existing pan-Merseyside initiatives for house insulation (REECH), and infrastructure for low emissions transport (Plugged in Places), for both of which Sefton Council is the accountable body
 - (b) a Merseyside private sector investment fund, directing additional finance into good private sector proposals
 - (c) joint investment with Liverpool CC to bring forward potential sites and early action projects in the six wards covered by the Strategic Regeneration Framework for south Sefton/north Liverpool – see report elsewhere on the agenda, and
 - (d) action to connect people losing their jobs as a result of the recession or public expenditure retrenchment, with opportunities available elsewhere in the city region or generated through this programme.
- 2.11 The risks associated with the RGF are as yet unclear, but it is possible that major capital projects will generate a revenue "tail", so any liability falling back upon the Council must be identified and authorised before funding commitments are entered into.
- 2.12 Any opportunities or risks presented by the Spending Review 2010 have not yet been taken into account, and may materially affect the shape and purpose of the RGF programme for Merseyside.