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**Prosperous Communities
Committee**

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Potential Benefits of Dual Local Economic Partnership (LEP) Membership

Report by:

Chief Executive

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Purpose / Summary:

The purpose of this report is to outline the benefits to West Lindsey and its economy of approaching the Humber LEP with a view to joining the LEP in addition to membership of the Greater Lincolnshire LEP.

This allows an opportunity to further development economic links with both sides of the Humber. Districts like West Lindsey have an economic focus across more than one County and can be members of more than one LEP.

West Lindsey's economy has looked to South Yorkshire, with Gainsborough actually having a postcode related to Doncaster region. There is a commonality with energy, renewables, food processing and engineering to name a few of the sectors.

RECOMMENDATIONS:

(1) Members agree

It is recommended that Committee

- (a) Delegate to the Chief Executive, in consultation with the Leader to meet with the Chairman of the LEP and explore membership.

IMPLICATIONS

Legal:

At present a District can be a member of more than one LEP.

Financial:

Fin/ref/ 84/16

All proposals would be within current resources.

Staffing:

Roles would be focussed as present, to concentrate on benefits to West Lindsey's economy from the Humber economy, as much as Lincolnshire's or Nottinghamshire's economies.

Equality and Diversity including Human Rights:

A large proportion of the Districts residents and businesses look to the Humber for business and jobs. This membership would recognise this and seek to develop further synergies.

Risk Assessment :

Climate Related Risks and Opportunities :

Title and Location of any Background Papers used in the preparation of this report:

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Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Introduction

- 1.1. This paper aims to explore the potential benefits to both West Lindsey District Council and the Humber Local Enterprise Partnership (LEP), of the local authority becoming a member of both the Greater Lincolnshire and Humber LEPS. The exercise is based on a desktop review of other Local Authorities with or seeking dual LEP membership, the author's experience of working in such an authority, together with interviews with Humber LEP Chief Executive and private sector board members (see appendix 1 for further details).
- 1.2. West Lindsey currently benefits from membership of the Greater Lincolnshire LEP, where it and the other Lincolnshire District Councils, are represented on the Board by Cllr Bob Adams, the Leader of South Kesteven District Council. However, it is widely acknowledged that economic and business development is neither constrained nor limited by local authority boundaries. Indeed, many successful local businesses (e.g. PING, Hexadex, etc.) increasingly operate in national, European and global markets.
- 1.3. It therefore would seem sensible to regularly review the authority's economic partnership arrangements, as part of its ambitious plans to secure greater inward investment and influence major infrastructure decisions that affect the area's economic wellbeing. Indeed, there are particular benefits of instigating such a review at the current time since the new government appears committed to maintaining LEPS as key part of its economic development agenda.
- 1.4. One of the key opportunities but also challenges facing the authority in terms of its economic growth strategy is its border location with other areas in Humber, Nottinghamshire and Yorkshire. Doncaster, the South Humber Bank and Hull all have an influence on the District, particularly around the potential future growth of the manufacturing and agri-food sectors, which are important engines of growth in all three areas.
- 1.5. The Humber LEP currently covers four local authority areas and covers an area from Bridlington in the North, Pocklington in the West, Cleethorpes to the East and the rural part of North Lincolnshire bordering West Lindsey to the South. Three of the four local authorities are also members of another LEP, East Riding of Yorkshire Council (York and North Yorkshire LEP), North and North East Lincolnshire Councils (Greater Lincolnshire LEP) and this approach is generally viewed positively by private sector partners, as they see it among other things, as offering two opportunities to access economic and infrastructure support.
- 1.6. The Humber LEP is one of the 39 local enterprise partnerships in England, delivering the Government's vision to deliver localised solutions to drive trade and industry. The business led partnership was approved by government in 2011 and is incorporated as a Company Limited by Guarantee. The LEP Board is made up of 20 members, 14 from the private sector, the four local authority leaders and two from the further and higher education sector.

- 1.7. The LEP published its first Strategic Economic Plan (SEP) for the Humber in 2014, (covering the period 2014-20) which set out the area's ambition to become a renowned national and international centre for the renewable energy and an area whose economy is resilient and competitive. The SEP is structured around five strategic enablers covering infrastructure, business growth, place, skills and floods/environment. A set of priorities, have been developed against each of these objectives.
- i) **Creating and Infrastructure that Supports Growth** – access will be enhanced to strategic sites and along key growth corridors. Upgrades will be made to passenger and freight rail infrastructure and we will ensure that the port and airport infrastructure matches the forthcoming and anticipated investment in the Energy Estuary.
 - ii) **Supporting Business to Succeed** – Humber businesses will have access to the expert support and appropriate finance they need to grow, create jobs and take advantage of new investment opportunities. A more entrepreneurial culture will be supported and the level of innovation amongst local businesses increased.
 - iii) **A Great Place to Live and Visit** – The Humber will be recognised as a great place to live with the range and quality of homes for a growing workforce. Work will be undertaken with a broad range of partners to ensure that the Humber has a vibrant and distinctive cultural, leisure and visitor offer that creates new business opportunities.
 - iv) **A skilled and Productive Workforce** – Humber businesses will be able to access the skilled workforce they need to grow. Residents will be supported and able to access good quality employment opportunities, to progress in work and/or to set up their own enterprises.
 - v) **Flood Risk and Environmental Management** – Economic development in the Humber will be stimulated through further investment in flood and coastal risk management. Sustainable development activities will be promoted and embedded across the LEP area to sustain the natural environment.
- 1.8 The SEP is accompanied by an investment and delivery plan, which provides details of the major investments that are planned across the Humber LEP area over the coming years, together totalling some £4bn of activity. The plan also identifies the project and programmes for which the LEP is seeking Local Growth Fund support. For 2015/16 this ask totalled £61.7m which aimed to unlock a further £192m of public and private investment.
- 1.9 The key sectors targeted by the Humber LEP for support and development include renewables, ports and logistics, chemicals, engineering and manufacturing, creative and digital, food and the visitor economy. This compares with the Greater Lincolnshire LEP whose Strategic Economic Plan focuses on agri-food, manufacturing, the visitor economy, health and care, low carbon and ports and logistics. Although there is some overlap between the two LEPs priorities, North and North East Lincolnshire Councils together with their businesses, have

undoubtedly benefited from access to a wider range of funding opportunities through their dual LEP membership.

- 1.10 Examples of how these benefits have manifested themselves in these two areas include junction improvements worth £1.48m in Grimsby town centre to open up a new mixed used development funded from the Humber LEP, while also benefiting from £4m LGF funding from the Greater Lincolnshire LEP, to release port related land between Immingham and Grimsby. In Scunthorpe, the redevelopment of the town centre benefited from £4m of Greater Lincolnshire LEP funding to support highways improvements, while the Lincolnshire Lakes benefited from £13m LGF funding from the Humber LEP for flood defence work to enable 6,000 new homes.
- 1.11 West Lindsey, if a Humber LEP member would also potentially gain the opportunity to submit bids to both LEPs simultaneously to increase chances of success and also take advantage of bidding into a wider range of sector priorities across the two LEP areas, to ensure it was able to access the widest possible range of external funding opportunities.

2.0 Potential Benefits to West Lindsey

- 2.1 At a practical level, there are a range of initiatives that the Humber LEP operates that could potentially benefit West Lindsey businesses and residents. These include:-
- i) **Inward Investment Marketing** – the LEP and the Humber Bondholders (a private sector membership organisation supported by the LEP) work closely together to deliver a national and international renewables marketing programme. It also offers a single point of contact for companies looking to invest in the Humber through its www.thehumber.com website initiative.
 - ii) **Growing the Humber SME fund** – a £4m scheme to help grow businesses through the provision of additional investment. This is designed to unlock projects that have the potential for job creation and can quickly deliver tangible economic outcomes. The minimum level of grant available is £5,000 with the maximum level of assistance being £200,000.
 - iii) **Enterprise Zone expertise** – the Humber's enterprise zone at 484 hectares in size is the largest in the country. The LEP and its LA members have significant experience of the financial (enhanced capital allowances, property tax breaks) and other (fast tracks planning processes) incentives associated with this government initiative and have already developed a specific enterprise zone skills plan.
 - iv) **Skills Services** – ensuring that the area has a skills system that is better aligned with the local economy is a key part of the LEP's strategic economic plan. It has therefore launched a number of new initiatives including the Humber Apprenticeships Support Service and Springboard, (a Humber wide programme aimed at reducing the number of NEETS in the area). This has been further supplemented by recent successful bid to host the UK's first National College for Wind Energy.

- v) **Planning** – the LEP piloted the Government’s “Single Conversation” and subsequently signed a Memorandum of Understanding between the itself, the four local planning authorities and statutory regulators to smooth the process for major developments.
- vi) **Infrastructure lobbying** – the reputation and influence of the Humber LEP is evidenced by its track record in securing dialogue at the highest levels. This could potentially be an important route to secure additional support for necessary infrastructure (e.g. A15 Growth Corridor) investment.

3.0 Potential Benefits to the Humber LEP

3.1 There are also a number of potential benefits to the Humber LEP of West Lindsey District Council becoming a member of the partnership. These relate to the LEP’s scale, inward investment, food and visitor economy offer.

- i) **Scale** – the Humber is one of England’s smaller LEPs and thus West Lindsey’s membership would help increase its population closer to the important million residents figure.
- ii) **Inward Investment** – the high quality environment, housing and education offer available, particularly in the northern part of the district could substantially enhance the Humber LEPs marketing activities. As increasingly, inward investment decisions are made on quality of life as well as economic development criteria.
- iii) **Food** – the strength of the district’s food sector and in particular its Agri-food enterprise zone status, is likely to prove especially attractive to the Humber LEP.
- iv) **Visitor Economy** – although less important than the food sector, the district’s tourism assets could help further broaden and deepen the LEPs current visitor economy offer.

4.0 Humber LEP Membership

4.1 There is currently no formal membership application process in place that West Lindsey could utilise to join the Humber LEP and no local authorities beyond the original four members have joined the partnership, since its establishment in 2011. However Lord Haskins, the LEP Chair, has advocated in a recent Yorkshire Post article (see appendix 2 for further details), his view that current LEP arrangements need evolve and develop as part of the currently devolution debate.

4.2 Indeed, there is no reason to believe that any potential interest from West Lindsey in joining the Humber LEP, would receive anything other than a fair hearing from the LEP Board.

5.0 Membership Options

5.1 Assuming that West Lindsey did wish to pursue a closer working relationship with the Humber LEP, there would appear to be potential two membership options.

- Option 1 – it works more collaboratively with the Humber LEP and seeks to become a full LEP member
- Option 2 – it works more closely with the Humber LEP and seeks some form of associate membership status.

5.2 Both options would offer strategic economic growth benefits from having a relationship with the Humber LEP, through its Strategic Economic Plan, in-relation to the renewables, manufacturing and agri-food sectors and related supply chains. The district would also benefit from being part of the wider functional economic area that has a considerable influence on its local economy. In addition there would be opportunities to access a wider range of funding opportunities via both LEPs.

5.3 The district could also potentially benefit from the Humber LEP's:-

- Well-developed private sector led inward investment marketing programme;
- SME financial assistance packages;
- Enterprise Zone experience and expertise;
- Well-resourced and focused skills services;
- Fast track planning process for major developments
- Proven track record of successful infrastructure lobbying

5.4 However the extent to which these benefits could be leveraged in practice, without full LEP membership is open to question. Indeed, those consulted, saw few advantages in West Lindsey seeking to go down the associate membership route. Of particular concern in this regard, was the perceived lack of commitment to the LEP that associate membership would signal.

6.0 Conclusions

6.1 Membership of the Humber LEP would seem to offer a number potential advantages to both West Lindsey and indeed the LEP itself. The current devolution debate would also appear to offer an ideal opportunity to raise the issue with the relevant parties (e.g. Humber LEP, Humber LAs, Department for Business, Innovation and Skills etc.).

6.2 Assuming this is something the local authority wishes to explore further, the starting point for any potential discussions should be with the Chief Executive and Chair of the LEP. Early discussions would also need to take place with the two South Bank local authorities since their support would be vital in securing a successful outcome to any membership application. It was also be important to raise the issue with local BIS civil servants, since the Government would also need to be comfortable with any such development.

6.3 Finally, the active support of the private sector both locally and across the wider Humber area would also be beneficial given the private sector led nature of local enterprise partnerships.

Appendix 1 – Existing Partners Consulted

1. Kishor Tailor – Chief Executive, Humber LEP.
2. Nina Stobbard – Communications and External Affairs Lead, Phillips 66 and Humber LEP Board Member.
3. Stephen Savage – Partner, Wilkin Chapman Solicitors and Humber LEP Board Member.
4. Lance Gardner – Chief Executive, Care Plus Group and Humber LEP Board Member.

Appendix 2 – Lord Haskins Yorkshire Post Article

Chris Haskins: Togetherness can help us sell the Yorkshire brand

Sunday 19 July 2015

UNTIL recently, the United Kingdom had the most centralised system of government of any of the large democracies.

In the US, the 50 states have substantial tax-raising powers; in Germany the regional governments run most public services – Bavaria is a semi- independent state; Australia and Canada are similar to the US, and the French departments, a creation of Napoleon, are being restructured to give them greater devolved powers.

But thanks to the centralising instincts of the post-war Labour government and then the determination of Margaret Thatcher to cut left-wing councils down to size, localism has been decimated in the UK.

The creation of devolved administration in Scotland, and to a lesser extent in Wales and Northern Ireland, has changed all that. Scotland, particularly, is now exercising significant devolved powers. So what about England?

The new Conservative government, with George Osborne in the vanguard, is trying to reinvigorate localism, but there are some 400 local authorities – far too many to be trusted with any serious devolved responsibilities.

Mr Osborne has identified one combined group of local authorities – Greater Manchester – where the city’s Labour political leader, Sir Richard Leese, and the chief executive, Sir Howard Bernstein, have for many years shown a high level of competence in local administration.

The Chancellor plans to give Manchester substantial power to develop and deliver policies currently managed from Whitehall, including infrastructure, skills, housing, fundraising and health.

Leeds and Sheffield are seeking to match the Manchester proposition but they lack Manchester’s track record and are likely to be given less substantial powers. The rest of Yorkshire will find it even more difficult to convince Mr Osborne of its ability to manage extensive devolution if the local authorities and local enterprise partnerships choose to go their separate ways.

But a proposition for the whole of Yorkshire could earn high credibility in Whitehall. The county’s population of five million is similar to Scotland, Denmark and Ireland, and they retain a strong affinity with their county, whether it be cricket, the Yorkshire Sculpture Park or their historic traditions.

The Yorkshire “brand” is recognised across the world by potential investors, customers and visitors. Together we can market our region to these three groups, encouraging them to invest here, to buy our products and to visit or even live here.

We can point to a diverse and balanced economy comprising financial services in Leeds, advanced manufacturing in Sheffield, energy around the Humber estuary and tourism in York and North Yorkshire.

Together we can set ourselves targets to raise our productivity, the most pressing economic issue.

Together we can raise substantial funds for investment, and develop innovative, relevant strategies to resolve local skills and housing shortages, and to modernise our regional infrastructure.

At some point we can follow Manchester in developing integrated regional health services. Together we understand these issues and ways of dealing with them, better than any Whitehall Minister or civil servant could hope to do.

Together we can persuade people to come and work in Yorkshire because of the quality of life. Together we can raise the cultural offerings of the county.

The plan would be to create an elected Yorkshire leader who would be take over responsibility for funds intended to deliver a range of activities related to regional economic development, including job creation, infrastructure, housing, investment incentives and planning.

A network of four Combined Local Authorities and Local Enterprise Partnerships would be responsible for the delivery of these policies, tailored to local needs.

There are, of course, hurdles to overcome. Economic and political geography do not always converge. Sheffield has close links with North Nottingham and North Derbyshire because many people who work in the city choose to live in these areas.

More problematical is the Humber, where the estuary economy is a powerful one, but the people on the North Bank identify with Yorkshire whereas those on the South Bank are stoutly Lincolnshire. The new region could be called Yorkshire and North Lincolnshire.

Parochialism is a powerful inhibitor. The Government will subject all devolution propositions to tests of leadership and competence which will, in turn, lead to successful regional economic development. The Yorkshire proposition would surely attract high-calibre people.

Regionalism, whether it be in Scotland or Bavaria, can be a great motivator. Yorkshire can demonstrate competence and enterprise if there is a will among local politicians and business people to work together. It would be tragic if we allowed petty jealousies and rivalries to prevent us from seizing this exciting opportunity.

Chris Haskins

Lord Haskins of Skidby is the former head of Northern Foods and chairman of the Humber Local Enterprise Partnership.