

Making sense of Local Enterprise Partnerships

Briefing Note

June 2011

What next for Economic Development in the North East?

In this policy briefing Jo Curry looks at the new structures in the North East that are looking to drive up economic development in the region. In the North East, we now have two Local Enterprise Partnerships (LEPs) that between them cover the whole of the region. Each LEP is developing a Business Plan, supporting Regional Growth Fund proposals and developing an Enterprise Zone.

Economic Regeneration – The New policy context

- Abolition of One North East (Regional Development Agency) – March 2012
- Reforming the Planning System, abolition of Regional Spatial Strategy
- Developing LEPs with specific functions
- Abolition of Government Offices – April 2011, new BIS Local
- Regional Growth Fund, Round 1 and 2 closed
- A Decentralisation and Localism Bill December 2011
- A new Skills Strategy November 2010
- A new European Regional Policy 2014-2020
- A Budget for Growth and Jobs March 2011

Tees Valley LEP

Tees Valley Unlimited is the Tees Valley LEP covering 800 sq. km and a population of 650,000. The Tees Valley LEP includes five Local Authorities - Darlington, Hartle-pool, Middlesbrough, Redcar and Cleveland and Stockton on Tees. Tees Valley contributes over £10 billion to the UK economy. However, worklessness remains a major challenge with over 77,000 residents in receipt of one or more key working age benefits.

Tees Valley unlimited is a public / private sector partnership built on a decade of joint working, which coordinates activities, designed to improve the economic performance of the entire Tees Valley. The Local Enterprise Partnership aims to rebalance the economy of Tees Valley by driving up economic growth through private sector investment. The LEP proposal that was signed off by Government in the first wave of approvals sets out the twin ambitions of driving the transition to a low carbon / high value economy whilst creating a more diverse and inclusive economy.

The key activity of the Tees Valley LEP so far has been to

- Identify and remove barriers to growth
- Maximise accessibility to funding sources for businesses
- Effective engagement with businesses
- Lobbying Government to achieve consistent policy framework designed to stimulate investment
- Continue to attract and support major foreign owned companies

Stephen Catchpole the Chief Executive of Tees Valley unlimited said :

"Coming to this area I am slightly surprised by how tribal you are. Of course we must collaborate with the NE LEP, but cross boundary issues such as Off shore wind do not end at the edge of the NE, we need to collaborate with Yorkshire and take a northern coastal approach otherwise we lose out in the global market"

"We have to be flexible and pragmatic. We are not a mini Regional Development Agency, we must prioritise the most effective activity. We need to seize opportunities as they arise, plan for growth, promote the benefits of the area aggressively and have a real confidence about securing a prosperous future."

Whilst there is no seat on the board for the voluntary sector, the LEP proposal commits to a Voluntary Sector forum, and the Chief Executive of Tees Valley unlimited has already started regular meetings with the sector and encouraged Regional Growth Fund bids from the VCS and Social Enterprise Sector that would be supported by the Tees Valley LEP.

For more information visit

www.teesvalleyunlimited.gov.uk

The North Eastern LEP

The North Eastern LEP, whilst slower off the mark than its counterpart in the South of the region, received Government approval on 13 January 2011, and is the fourth largest of the 32 LEPS endorsed by Government so far. It covers the 7 local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland, which amongst them, has a population of almost 2 million people, nearly 800,000 FTE jobs and 44,000 active businesses.

The vision for the North Eastern LEP is to deliver smart, enterprising leadership between the private sector, local government, Higher Education and Further Education to rebalance the economy, and create Europe's premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs.

To achieve its vision, the LEP will focus on delivering actions against four strategic economic priorities:

- Supporting Enterprise and Private Sector
- Business Growth
- Building on Key Economic Strengths
- Improving Skills and Performance
- Strengthening Transport, Connectivity and Infrastructure

Dr Peter O'Brien one of the key architects of the North Eastern LEP said :

"The LEP will be small and lean. We will mobilise resources and align plans. We want to learn the lessons of the 1980s and 1990s and avoid creating areas that just displace enterprise . We need to ensure that there is genuine added value. History will no doubt judge whether there was sustainable economic development in the North East from the boom years or whether it was just built on public sector jobs, high property prices and easy credit"

"There is no place designated place for the VCS on the board of the NE LEP. Whilst the board is an important element what is critical is what goes on around it. We are committed to a LEP forum, and are keen to find ways of working with the VCS and creating ways in which the VCS can contribute to rebalancing the economy. "

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