

This forms the core vision of the Greater Cambridge-Greater Peterborough LEP. Following approval of the proposal, considerable work has taken place to develop the bid through a team of public, private, and voluntary sector representatives. This document summarises the work that has taken place, as well as the wider context for the formation of Local Enterprise Partnerships.

The key outstanding issues for the Greater Cambridge – Greater Peterborough Local Enterprise Partnership Board to tackle are:

- Acquiring sufficient resources in a very financially constrained environment;
- Creating robust structures and governance arrangements;
- Establishing priorities for the operation of the LEP.

NATIONAL BACKGROUND

On the 29th June 2010, the government departments of Communities and Local Government (CLG) and Business, Innovation, and Skills (BIS) sent a letter to local authorities, inviting them to start forming Local Enterprise Partnerships:
<http://www.bis.gov.uk/assets/biscore/regional/docs/10-1026-final-letter-local-enterprise-partnerships>

The government deliberately left areas the freedom to choose an appropriate scale, role, and structure for their partnership. However, the Local Growth white paper released on 28th October 2010 set out a number of activities that LEPs could choose to undertake:

- Partnership working in respect to transport, housing and planning as part of an integrated approach to growth and infrastructure delivery;
- Taking a more strategic role for housing and planning, to help maximise the UK's house building supply response and the wider economic recovery;
- Local business regulation;
- Co-ordinating proposals or bidding directly for Regional Growth Fund;
- Supporting high-growth businesses, for example through involvement in bringing together and supporting consortia to run new growth hubs;
- Setting strategic priorities;
- Becoming involved in delivery of other national priorities such as digital infrastructure;
- Working with universities & social enterprises;
- Strategic housing delivery, including pooling and aligning funding streams to support this;

- Managing the Green New Deal and developing financial incentives for renewable energy projects;
- Making representation on the development of national planning policy and ensuring business is involved in the development and consideration of strategic planning applications;
- Supporting enterprise and businesses, for example by providing advice and promoting a more entrepreneurial culture;
- Leverage of private sector investment;
- Working with neighbourhoods and local authorities to foster sustainable economic growth as part of the new Duty to Co-operate;
- Other planning related activities such as 'enabling the timely processing of applications for strategic development and infrastructure';
- Responding to economic shocks, such as floods and major business closures. This will be a co-ordination and information sharing function.
- Working with Jobcentre Plus to shape and deliver the Work Programme. 'Central Government will not specify what support must be delivered but will leave that design work to contracted providers. The primary route for influencing design will therefore be to work with providers to ensure that local needs and priorities are reflected in service delivery.'
- Bidding for other funding, such as European Regional Development Fund.

The full Local Growth White Paper can be found here:

<http://www.bis.gov.uk/assets/biscore/economic-development/docs/l/cm7961-local-growth-white-paper.pdf>

To date (29th March 2011), 31 Local Enterprise Partnerships have been green-lit by the government, as shown on this map:

<http://www.bis.gov.uk/assets/biscore/economic-development/images/lepsmapupdated.pdf>

PROGRESS IN GREATER CAMBRIDGE – GREATER PETERBOROUGH

Given the wide scope of work needed to shape and establish the Greater Cambridge – Greater Peterborough LEP, the team of volunteers divided the tasks into six workstreams.

- Regional Growth Fund. This workstream was formed so that the Greater Cambridge – Greater Peterborough LEP could bid for a £1.4 billion funding source established by the government to support job creation and economic growth.
- Resources and Running Costs. This workstream investigated the sources of funding and in-kind support that the LEP might use to support its work.

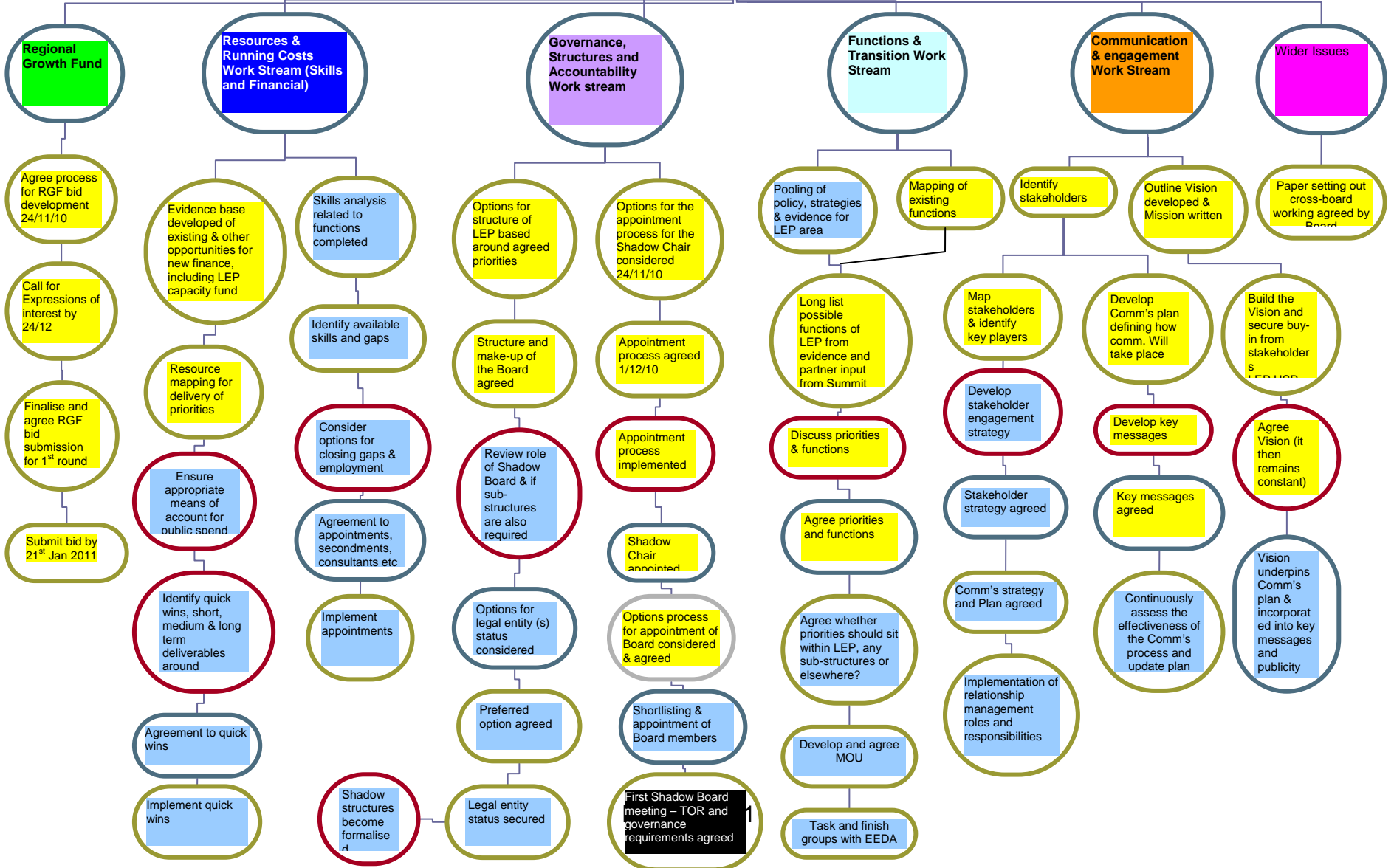
- Governance, Structures, and Accountability. This workstream explored the options for structuring the LEP and ensuring transparency, accountability, and robust decision-making through governance arrangements.
- Functions and Transition. This workstream suggested functions that the LEP might undertake, based on discussion with stakeholders, and sought to establish how these functions could be transferred into the LEP, if another organization currently performed them.
- Communication and Engagement. This workstream ensured that all those interested in the formation of the LEP were kept involved, particularly businesses who might wish to shape it.
- Wider Issues. This workstream looked beyond the borders of the Greater Cambridge – Greater Peterborough LEP, to suggest how it might work with other adjacent LEPs and liaise with the government.

The project plan overleaf sets out the overall structure and progress of these workstreams since the bid was approved in October 2010.

Yellow = complete
 Blue = handover to executive team

Project Support Team

- PID Development
- Development of the project plan
- Project plan Agreed



KEY CONCLUSIONS FROM WORKSTREAMS

Regional Growth Fund

Regional Growth Fund (RGF) is a three year government funding pot of £1.4 billion. The overarching aim is job creation, with wide flexibility as to what kind of projects might be funded. The fund's focus is on geographical areas that are currently heavily dependent on the public sector for employment, but it also seeks to fund projects with significant potential for private sector economic growth and employment.

Only private sector bodies and public-private partnerships (including Local Enterprise Partnerships) can bid for RGF. The government has stated that first aim of the fund, to support areas reliant on the public sector for employment, is likely to result in a high proportion of monies being allocated outside the South and East of England.

The first round of Regional Growth Fund bidding opened on 29th October 2010 and closed on 21st January 2011. The government received 464 bids totaling over £2.7 billion were received for the first round allocation of £250 million. Round 2 of bidding to RGF will open on April 12th.

The Greater Cambridge-Greater Peterborough LEP put in two first round Regional growth Fund bids directly:

1. A £10m loan to kick-start Chesterton Station, to the North of Cambridge. This project is led by Cambridgeshire County Council, with Network Rail and Train Operating Companies as partners.
2. £2 million revenue to set up and staff a Low Carbon Hub to cover the LEP area and build a cluster of low carbon growth. This project is led by the University of Cambridge, in partnership with a diverse range of organisations including Anglia Ruskin University, local authorities, and a number of companies.

The following four projects were submitted with letters of support from the LEP:

- A junction scheme to enable the development of Suffolk Business Park, Bury St Edmunds. This bid was put in by Churchmanor Estates for £4.5 million, in partnership with St Edmundsbury Borough Council.
- Digital Rutland, a broadband project. Rutland Council are currently tendering for a private sector partner for this project, which also involved Broadband Delivery UK. £3.2 million was requested.
- An Enterprise Centre in King's Lynn, to provide affordable office and workshop space to SMEs. This bid was entered by Morston Assets for £1.5 million loan and loan guarantee of a further £1.5 million.
- An Innovation and Enterprise Accelerator scheme to provide business support to SMEs and Early Stage Ventures. This project would cover three LEP areas and is led by the University of Cambridge's Institute for Manufacturing. £4.9 million was requested.

Resources and Running Costs

As things stand, no source of funding for the day-to-day costs of the LEP has been identified.

In order to operate as a credible organisation the emerging GC GP LEP will need some resources including revenue funding and potentially offers 'in kind'. The level of resource required is, of course, difficult to establish at this stage in advance of the Board considering the nature of the organisation, its governance and breadth of functions.

The following potential sources of resources and funding have been investigated:

- Government funding. In the Local Growth White Paper and other announcements, the government has made it clear that LEPs will receive no dedicated funding for startup or day-to-day running costs. A 'LEP Capacity Fund' has been announced, which could be used to fund economic information-gathering and Board capacity building, but not secretariat support.
- Funding from business. The House of Commons Business, Innovation and Skills Select Committee investigating LEPs commented that it is not realistic to expect business to provide funds up front until the LEPs' role becomes established. It is also difficult to see how businesses could contribute funds without creating problems with vested interests and State Aid. The business sector contribution is therefore likely to comprise individuals giving time to serve in the LEP governance structure, or offering professional advice.
- Funding from the education sector. Colleagues in the education sector have been investigating whether they could offer any support.
- Funding and/or in-kind contributions from Local Authorities. Progress on the LEP to date has been made mainly through voluntary contributions of staff time from the Local Authorities, Cambridgeshire Horizons, Opportunity Peterborough, the Greater Cambridge Partnership, EEDA and of course from the education sector, business organisations and individuals. It is likely this mix of resource can continue to be relied upon through the set-up period until April 2011, but thereafter more formal arrangements are likely to be required.

Informal discussions have taken place with several of the local authorities and there is a likelihood that most of the authorities will make some cash resources available for the LEP's start-up costs beyond March 2011 (a minimum sum of £7,500 was agreed at the Project Board),, with additional support coming either through greater levels of cash support, or in-kind support through providing staff time.

Final commitment of resources will rest on the agreed functions of the LEP, and the LEP team is continuing to apply for what limited support funding is available, and to press Government to provide some pump-priming funding to develop some capacity within the LEP and to allow it to move to a self-financed model as soon as possible.

Governance, Structures, and Accountability

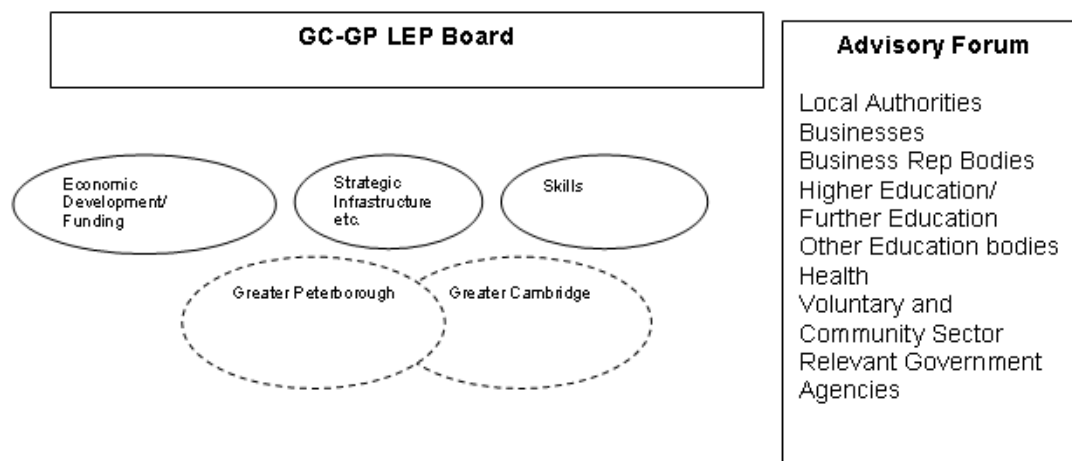
Extensive discussion of the best structure for the LEP resulted in a recommendation that the LEP operates as a single organisation with one LEP Board covering the total Greater Cambridge-Greater Peterborough area. The LEP would be established as a legal entity, able to hold assets and make investments etc. A number of options for this are available, including a company limited by guarantee.

The LEP should be set up with an initial substructure based on a mix of the key themes put forward as areas of LEP activity at the LEP summit, and a geographic focus based on the two overlapping functional economic areas based on the two major urban hubs of Peterborough and Cambridge. There are different views as to how integrated strategy development (economic, infrastructure, strategic housing, spatial) should be dealt with. All agree that the LEP's outputs in this area would be non-statutory and that there needs to be a sub-regional element to this work. This should be regarded as flexible, to develop over time as the LEP's role evolves, allowing for project groups to emerge in response to innovative ideas and changing needs.

To ensure accountability and transparency, the LEP should operate on an open basis, with all meetings open to the public, and papers made available on its website, unless there is some overriding issue of commercial confidentiality. The LEP should also be subject to scrutiny through the local authority scrutiny system. The best means of ensuring appropriate scrutiny arrangements should be determined by the participating local authorities building on existing arrangements.

It is also suggested that an advisory forum be set up. This would act as a reference group for the Board and provide a means by which a broader range of stakeholders could be represented within the LEP's overall structure, but without creating too large and unwieldy a Board.

Diagram of the proposed structure



Functions and Transition

Discussion and engagement regarding the desired functions of the LEP, including a summit involving a wide range of local businesses, resulted in the following suggested approach:

That the LEP initially operates as a 'developer of strategy' and 'deliverer and/or commissioner' for the following 4 functional areas:

- Skills and Employment: defining employer needs and engaging with providers to deliver the relevant training for growth sectors.
- Strategic economic vision, infrastructure, housing and planning: identifying broad infrastructure needs, developing a high level (but non-statutory) vision to underpin sustainable economic growth as part of an integrated approach to growth and infrastructure delivery, identifying broad infrastructure needs and taking coordinating action in relation to the most pressing issues
- Economic development and high growth businesses: Providing a focused and value added business support service to key growth sectors.
- Funding, including EU funding, regional growth funding, and private sector: Developing a coordinated cross-LEP approach to major funding bids and proposals in conjunction with the private/public/voluntary sectors and business

Within these areas the LEP should focus on 3-4 key outcomes. As Local Authorities and other public sector organizations have existing roles within these functional areas, a transition approach will be needed. The LEP may wish to formalise its functions through Memorandums of Understanding with Local Authorities and/or Government departments.

Communication and Engagement

An integral part of the communications workstream was a LEP summit, held in November 2010. 80 delegates attended and brainstormed barriers to economic growth within the LEP area. The conclusions of the summit have shaped the functions, governance, and structures work.

In order to communicate with parties interested in the emerging LEP, a range of digital media have been used, including LinkedIn, Twitter, and www.yourlocalenterprisepartnership.co.uk. The website currently includes a summary of the LEP proposal, the bid document, and updates showing progress with the LEP, it is due to be updated to a more accessible format within the next month.

A series of key messages have been agreed, to provide focus when engaging:

- Messages from the bid: The Greater Cambridge Greater Peterborough area has a population of 1.3 million people, which is estimated to grow to 1.5 million by 2031.

The area is currently home to 700,000 jobs, 60,000 enterprises and generates £30 billion each year. The Greater Cambridge Greater Peterborough Local Enterprise Partnership aims to create an economy with 100,000 major businesses and create 160,000 new jobs by 2025, in an internationally significant low carbon, knowledge-based economy.

- Messages about key areas of focus: Working together the Enterprise Partnership has prioritised four key areas of focus: skills and employment; strategic economic vision, infrastructure, housing and planning; economic development and high growth businesses; and funding including EU funding, regional growth funding and private sector. These priorities will shape the work the Enterprise Partnership carries out in the future.
- Messages about Enterprise Partnerships: The Government has not been prescriptive about what Local Enterprise Partnerships will do, but it has been suggested that they have a role in areas like developing the economy, local transport and infrastructure, employment and skills, strategic planning and housing, enterprise and business start ups. Local Enterprise Partnerships represent a new approach – localism made real in the area of economic development. They are a chance to align efforts across sectors to tackle barriers to growth. We all need to work together to make it happen!
- Key message about the Greater Cambridge Greater Peterborough area: The UK needs areas like ours – net contributors to the Exchequer, with high growth potential to deliver private sector jobs growth to offset job losses in the public sector. The LEP will be seeking to ensure that business, government and the voluntary sector work together to tackle the key economic barriers to growth.

Wider Issues

Examination of issues wider than the Greater Cambridge – Greater Peterborough area concluded that discussions should take place with adjoining LEPs to discuss and identify strategic and common issues which may benefit from a cross border approach. In addition, the private and public partners making up the LEP should continue to use, or establish, their own networking arrangements with counterparts in adjoining areas to identify, discuss, and report back on common issues.

The strategic issues which may warrant cross border working fall into two main categories – infrastructure investment priorities and themes that are common between adjoining areas. Infrastructure investment priorities could include:-

- Trunk road/motorway improvements
- Rail infrastructure and services
- Access to and services from airports
- Broadband upgrading
- Utilities upgrades.

Common themes could include

- Workforce skills
- Agriculture and agricultural diversification
- Tourism marketing
- Attraction of inward investment
- Issues arising from the Strategic Defence Review relating to air bases
- Issues highlighted by common economic sectors
- Addressing the needs of the rural economy
- Managing EU funding.

Adjacent green-lit LEPs are New Anglia, Lincolnshire, South East Midlands, Hertfordshire, and Kent, Essex and East Sussex.