

**Cabinet**

**31<sup>st</sup> August 2010**

**Name of Cabinet Member:**

**Cabinet Member (City Development) - Cllr Linda Bigham**

**Director Approving Submission of the report:**

Director of City Services and Development

**Ward(s) affected:**

All

**Title:**

**Local Enterprise Partnerships.**

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**Is this a key decision?**

No

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**Executive Summary:**

This report details the current thinking and outlines how local authorities and business could realise the economic potential of their areas by joining together to form a Local Enterprise Partnership (LEP).

Attached to this report is the proposed Coventry and Warwickshire Expression of Interest submission to Government prepared by key representatives of private and public sectors in this area to evidence the strength of partnership working to build a sustainable and vibrant economic future.

This proposal is coming to Cabinet as we are proposing to submit a response to the invitation given to all Local Authorities outlined in a joint letter from the Secretaries of State for BIS and CLG, as detailed further in the report

**Recommendations:**

Cabinet is recommended to

Endorse the sub regional LEP expression of Interest submission to the Secretaries of State for Business and Local Government

Mandate and delegate authority to the Leader of Coventry City Council in his role as leader and on the Coventry and Warwickshire Leaders Board to support and promote the Coventry and

Warwickshire Expression of Interest and to engage in how we move the Local Enterprise Partnership forward.

**List of Appendices included:**

Appendix 1 – Joint letter on Local Enterprise Partnerships  
Appendix 2 – Coventry and Warwickshire Expression of Interest

**Other useful background papers:**

**Has it or will it be considered by Scrutiny?**

Yes

Scrutiny Board 3 – 15th September

**Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**  
**Local Enterprise Partnerships**

**1. Context (or background)**

- 1.1 On 29<sup>th</sup> June 2010 Business Secretary Vince Cable and Communities Secretary Eric Pickles invited local authorities and business to develop proposals for establishing a Local Enterprise Partnership (LEP) to be submitted to government by 6<sup>th</sup> September 2010. (Appendix 1). A White Paper on Localism is due for publication in October 2010. There is already significant activity underway to prepare the ground for the development of a Coventry and Warwickshire LEP, which seeks to respond to the opportunity of less Government prescription that will help shape the ambitions set out in the forthcoming White Paper.
- 1.2 The key aims of a LEP are of a Public/Private partnership approach to provide a long term vision to create the right environment for growth and business through leadership, accountability and effective deployment of resources. The letter states that "we wish to enable partnerships to better reflect the natural economic geography of the areas they serve and hence to cover real functional economic and travel to work areas"
- 1.3 The establishment of LEPs will provide a mechanism to provide some of the functions currently delivered by Regional Development Agencies which the government has indicated will be abolished. The LEPs will help to rebalance the economy towards the private sector by creating the right environment for business growth. LEPs are providing responsibilities to sub regions in the context of extremely challenging budget reductions across the public sector. This issue has been at the forefront in determining the Expression of Interest. This will ensure that there are effective mechanisms in place to deliver support to local economies, help the private sector to deliver growth but also take into account that this needs to be achieved at the lowest possible cost to the contributing councils.

**2. Options considered and recommended proposal**

- 2.1 It is important to consider that the city and sub region do have an option to not participate in the request to submit an expression of interest. This option will result in the city having less opportunity to access funding. This option does not build on the direction the sub region has been progressing that promotes cross boundary working at a sub regional level. From the dismantling of regional political management structures, the abolition of Regional Development Agencies and Government Offices it is clear that in the sphere of economic development that LEP's are " the only game in town", and that for Coventry and the CSW Sub-Region they offer an opportunity that we have long-sought to progress.
- 2.2 The preferred option is for the Local Authority to engage, participate and endorse the existing LEP Expression of Interest ( Appendix 2)
- 2.3 There is a strong and growing history of sub-regional partnership within Coventry, Solihull and Warwickshire which precedes the current political and economic climate. In July 2009 the inaugural sub-regional summit agreed 7 principles of sub-regional working. For Coventry and Warwickshire this represents a deal between an increasingly devolving and locally focused centre with a mature and accountable sub region which has showed that it is prepared to work together strategically, pooling risk

2.4 Coventry and Warwickshire have a long track record of working in partnership with Solihull and this will continue. However for the purposes of this LEP proposal, Solihull will not be formal partners. Analysis of functioning economic geography shows that Solihull has stronger connections in terms of commuting flows, housing markets, retail and leisure activities with the wider Birmingham conurbation and this is understood and accepted.

2.5 As a result of very positive discussions at both CSW Leaders Board and (then) CSWP Board, it was agreed that both Public and Private Sector are fully supportive of a local LEP.

2.6 This report recommends that the Leader is mandated in his role on the Coventry and Warwickshire Leaders Board to approve the Coventry and Warwickshire Expression of Interest for a Local Enterprise Partnership.

### 3. Results of consultation undertaken

### 4. Timetable for implementing this decision

The Government is seeking outline LEP submissions by 6 September. Informal advice indicates the following timetable

- **After 6 September**, the LEPs establish whatever joint working arrangements are appropriate to resolve the details and practical issues
- We anticipate an acceptance/refusal response to the submission **within 10 days** of the 6 September
- Shadow LEP board established by **1<sup>st</sup> October 2010**
- Fully functioning CW LEP board by **1<sup>st</sup> April 2011**
- White Paper on Localism - October 2010
- Regional Growth Fund bidding guidance issued November 2010

### 5. Comments from Director of Finance and Legal Services

#### 5.1 Financial implications

There are no immediate financial implications arising from submission of the expression of interest. However, the LEP should provide access to new funding streams and encourage better use of both public and private sector existing resources.

The LEP will be the primary conduit for the Coventry and Warwickshire area to access funds that may be available for investment and economic development work. In particular the Regional Growth Fund (RGF), to which a technical consultation response is provided in a separate Cabinet report, is likely to be allocated to individual LEPs. The RGF totals £1 billion over two years, with a maximum of between £5 and £20m funding on an annual basis to a LEP area. The LEP will be an important vehicle to ensure that private and public sector resources are brought together in innovative ways to meet the needs of the Coventry and Warwickshire sub region. The LEP expression of interest outlines further

key resourcing opportunities and also the flexibilities that are being requested from Government to ensure the work of the LEP can be effective.

## 5.2 Legal implications

Regional development agencies established under the Regional Development Agencies Act 1998 will be abolished and LEPs will be put in their place to carry out the key aims identified in paragraph 1.2 of this report as well as planning, housing, transport and infrastructure. A deadline of 6 September 2010 for Local Authorities to make a response

The creation of a LEP will require an appropriate governance structure to be put in place to include its membership, voting rights and terms of reference.

## 6. Other implications

*Any other specific implications*

### 6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The full scale of how a LEP can potentially contribute will become clearer once the proposition has received feedback from national government. The scope of the LEP however suggests it will impact on seven out of the nine council's core aims:

- a prosperous Coventry;
- making Coventry an attractive and enjoyable place to be;
- providing a good choice of housing;
- making places and services easily accessible;
- encouraging a creative, active and vibrant city;
- developing a more equal city with cohesive communities and neighbourhoods;
- improving the environment and tackling climate change.

### 6.2 How is risk being managed?

There is no key risk at the LEP expression of interest stage. Further analysis will be undertaken once a national response to the submission has been received.

### 6.3 What is the impact on the organisation?

At the expression of interest stage no specific staffing/human resources have been highlighted. The submission has been generated in the context of the need to respond to in year reductions to public sector spending and the likely impact resulting from the October national spending review.

### 6.4 Equalities / EIA

Not known at this stage

## 6.5 Implications for (or impact on) the environment

None

## 6.6 Implications for partner organisations?

The Coventry and Warwickshire LEP expression of interest is a partnership submission that seeks to build on its strong foundations to deliver a step change in how the private sector and public sector "work together" to grow and deliver the locality for the benefit of local enterprise and residents.

### Report author(s):

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### Name and job title:

**Strategy and Resources Manager**

### Directorate:

**City Services and Development**

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Enquiries should be directed to the above person.

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Director: Name	John Mcguigan	Chief Executives	17/8/10	18/8/10
Members: Name	Cllr Linda Bigham		19/8/10	19/8/10

This report is published on the council's website:

[www.coventry.gov.uk/cmis](http://www.coventry.gov.uk/cmis)

### Appendices

Appendix 1 – Joint letter on Local Enterprise Partnerships

Appendix 2 – Coventry and Warwickshire Expression of Interest

**Department for Business, Innovation & Skills**

1 Victoria Street  
London  
SW1H 0ET

T 020 7215 5000

W [www.bis.gov.uk](http://www.bis.gov.uk)

**Communities and Local Government**

Eland House  
Bressenden Place  
London  
SW1E 5DU

T 0303 444 0000

W [www.communities.gov.uk](http://www.communities.gov.uk)

To: Local Authority Leaders and Business Leaders  
Cc: Local Authority Chief Executive Offices

29 June 2010

Dear colleague,

## **Local enterprise partnerships**

We are writing to you to invite you to work with the Government to help strengthen local economies. The Coalition Government is committed to reforming our system of sub-national economic development by enabling councils and business to replace the existing Regional Development Agencies. The purpose of this letter is to invite local groups of councils and business leaders to come together to consider how you wish to form local enterprise partnerships.

We are working with the Regional Development Agencies (RDAs) to enable this transition. We are reviewing all the functions of the RDAs. We believe some of these are best led nationally, such as inward investment, sector leadership, responsibility for business support, innovation, and access to finance, such as venture capital funds. Some of their existing roles are being scrapped, such as Regional Strategies. The forthcoming White Paper on sub-national economic growth will set out our approach in more detail.

Separate arrangements will apply in London, where discussions are currently underway with the Mayor of London on how we can further decentralise powers, particularly in the context of the abolition of the Government Office for London.

We are determined that the transition from the existing RDAs be orderly, working to a clear timetable.

Meanwhile, we are keen to encourage local businesses and councils to work together to develop their proposals for local enterprise partnerships. We want to encourage a wide range of ideas, and to aid that, we would suggest some parameters.

### **Role**

We anticipate that local enterprise partnerships will wish to provide the strategic leadership in their areas to set out local economic priorities. A clear vision is vital if local economic renewal is to be achieved. The Coalition Government is determined to rebalance the

economy towards the private sector. We regard local enterprise partnerships as being central to this vision.

Partnerships will therefore want to create the right environment for business and growth in their areas, by tackling issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to the low carbon economy. Supporting small business start-ups will therefore be important. They will want to work closely with universities and further education colleges, in view of their importance to local economies, and with other relevant stakeholders. In some areas, tourism will also be an important economic driver. Further details will be set out in the forthcoming White Paper.

### **Governance**

To be effective partnerships, it is vital that business and civic leaders work together. We believe this would normally mean an equal representation on the boards of these partnerships and that a prominent business leader should chair the board. We would, however, be willing to consider variants from this, such as where there is an elected mayor responsible for the area, if that is the clear wish of business and council leaders in the partnership area. The governance structures will need to be sufficiently robust and clear to ensure proper accountability for delivery by partnerships.

### **Size**

We have been concerned that some local and regional boundaries do not reflect functional economic areas. We wish to enable partnerships to better reflect the natural economic geography of the areas they serve and hence to cover real functional economic and travel to work areas.

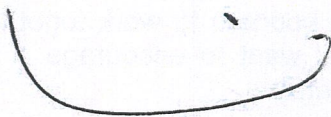
To be sufficiently strategic, we would expect that partnerships would include groups of upper tier authorities. If it is clearly the wish of business and civic leaders to establish a local enterprise partnership for a functional economic area that matches existing regional boundaries, we will not object. We will welcome proposals that reflect the needs of every part of England, not least areas that are economically more vulnerable. Government is keen to work closely with and through capable local enterprise partnerships which meet these criteria.

### **Going forward**

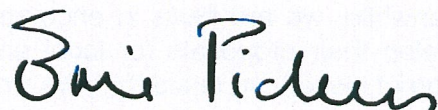
As set out in the Budget, we will publish a White Paper later in the summer, which will set out the Government's approach to sub-national growth. Legislation to abolish RDAs and enable local enterprise partnerships was announced in the Queen's speech and is expected to be introduced to Parliament in the autumn.

We would therefore welcome outline proposals from partnerships of local authorities and businesses, reflecting the Coalition Government's agenda, as soon as possible, and no later than 6 September.

Yours sincerely



The RT Hon Dr Vince Cable MP  
**Secretary of State for Business,  
Innovation and Skills  
and President of the Board of Trade**



The RT Hon Eric Pickles MP  
**Secretary of State for  
Communities and Local Government**



# Coventry and Warwickshire Local Enterprise Partnership



Mr V Cable,  
Mr E Pickles

Dear Secretary's of State,

Re: A Proposition for a Coventry and Warwickshire Local Enterprise Partnership

Business and Civic leaders in Coventry & Warwickshire wish to submit this outline proposal for the formation of a Local Enterprise Partnership across Coventry and Warwickshire.

The Coventry and Warwickshire Local Enterprise Partnership (CW LEP) will build on its' strong foundations to deliver a step change in how the private sector and public sector 'work together' to grow and develop the locality for the benefit of local enterprise and residents.

Our vision as partners is simple but ambitious:

**To make our area (Coventry and Warwickshire) a World Class economy in which to do business; a place to lead a great life; excel at learning; visit and return to - all supported by exceptional private, public and voluntary services.**

Any area can claim its aspiration is to be World Class; but our area already has the foundations in place; we have some of the greatest world class, but quintessentially British brands:

- Jaguar (stylish and dynamic cars known around the world)
- Our universities: University of Warwick and Coventry University
- Shakespeare and Stratford Upon Avon; Warwick Castle (most photographed Castle in the world); Coventry Cathedral (international icon for peace and reconciliation)
- Rugby (the worldwide sport originated here)

In addition our robust local economy comprises some of the world's most thriving business sectors with some of the most successful UK companies headquartered here:

- Severn Trent
- Peugeot UK
- National Grid
- eon

- Lloyds Pharmacy
- Holland & Barrett
- Codemasters
- NFU Mutual

Coventry and Warwickshire has a strong and diverse business base with a history of creating wealth for the UK through innovation, design and invention; combined with the technical skills to deliver new products and services to market. Our local automotive and precision engineering heritage coupled with excellence in vehicle design is being applied to new low carbon vehicles; and our history in power production is being taken forward by Rugby's new Power Academy.

The locality's leading Information Technology base has supported the creation of the Serious Games Institute at Coventry University and the Digital Lab at the University of Warwick. These assets will keep us at the forefront of these evolving technologies, resulting in commercialisation of cutting edge research to deliver a dynamic and resilient economy.

Where many others have talked about partnership working, we have a track record of doing it and delivering results; we now need and want to do more. We are not just accepting your invitation to set out our proposition; this has whetted our appetite because we can see that this will be a great opportunity to make our ambition real. Give us the tools and we will deliver!

In support of our vision, our proposition to you as Secretaries of State covers:

- Our **Outline Proposition**
- The **Economic context** & our **Geography**
- Its **Activities**
- **Resourcing opportunities**
- How we'd like to do it – with your help – **Flexibilities Needed from Government**
- Our intended **Governance** arrangements
- Our **track record**

Before we do that, let's talk about values - how we see the world and how we act together. As local business (including social enterprises, cooperatives and mutual's) and civic leaders we share a common understanding that the political and economic landscape has changed dramatically; and that ultimately we determine our own success or failure.

We know that the world has got tougher; we know that unless we work together our ambition will remain unfulfilled. We know that more of the same is not enough and we will have to think and work differently. We will therefore:

- assume local responsibility and accountability for creating and driving a 'demand-led' enterprise economy
- seek the devolution of national public services and budgets
- redesign and re-configure them with local complementary services, and then deliver exceptional services
- encourage and empower individuals to take responsibility and shape their own futures

CW LEP will be forged by strong and visionary leadership from the private sector representing true and effective business engagement alongside Coventry City and the councils in Warwickshire.

Whilst much has been achieved in progressing our aspirations of modernising and diversifying our economy, we have more to do to further our ambitions.

Consequently, we will immediately focus on ensuring greater future resilience. Our key priorities will be: -

- Removing barriers and facilitating the **growth** of our business base
- Stimulating new and sustainable **jobs** and ensuring our residents are fully equipped with the skills and attitudes to exploit these opportunities
- Strengthening and supporting **innovation**
- Securing **economic diversity** by making the sub-national economy more balanced and resilient

To achieve these priorities we will, within twelve months, take control of our destiny by:

- Establishing a Business Leaders Council, led by Coventry and Warwickshire Chamber of Commerce working with other business representative groups, providing a strong backbone of private sector engagement to our LEP
- Establishing a private sector led 'Innovation Council', alongside the two excellent local Universities (University of Warwick, Coventry University) to exploit the practical application of our significant innovation assets
- Identifying and understanding specific barriers to growth for enterprise
- Developing a compelling inward investment offer with effective "after care" to ensure we maximise the impact of these investments
- Stimulating and supporting the ongoing creation of new business starts, including social enterprises and new models for public sector delivery
- Helping to grow the existing business base, with a particular focus on improving export performance
- Further developing and nurturing an entrepreneurial, 'be inventive' economy
- Developing a clear statement of skills priorities
- Developing and implementing a single, integrated Tourist offer ensuring maximum economic impact of our world-class assets
- Focusing the support around the identified sub-national specialist and aspirational 'growth sectors' – as identified in recent research [www.....](#)
- Working with national Government in their thinking and policy around innovation, business support, international trade & inward investment to ensure local delivery of services which meet local needs and demand

By creating the conditions for growth, there will be a compelling offer for businesses to want to locate, and individuals to reside, study and work here.

Our LEP will immediately be a strong and influential body which compels (as a statutory consultee) those with statutory powers (around housing, planning, and transport) to understand the needs of business when making decisions which affect enterprise.

We recognise there will be merit in Local Enterprise Partnerships "coming together" - working on issues that transcend LEP boundaries and in matters of shared importance, not least in areas such as infrastructure and transport.

**A Shadow Board will be established by 1<sup>st</sup> October 2010 with a fully functioning CW LEP Board by 1<sup>st</sup> April 2011.**

Please find attached a short document further outlining the Coventry and Warwickshire Local Enterprise Partnership proposition. The partners intend to move forward on the basis of this proposal, but will of course welcome positive support from HM Government in the areas outlined in section 5.

Yours sincerely,

-----Much like the Cable and Pickles Letter-----this letter should be signed off by a number of signatories on behalf of the proposed wider partnership.....Chair of Leaders Board.....Chair of CSWP.....CEO of Chamber.....???

# Coventry and Warwickshire Local Enterprise Partnership



## 1 OUTLINE PROPOSITION

- 1.1 The Coventry and Warwickshire Local Enterprise Partnership (CW LEP) proposition provides a unique opportunity for local business and civic leaders to develop strong local leadership and to assume local responsibility and accountability for creating and driving a 'demand-led' enterprise economy.

This is fully in-line with the 'Big Society', where people and communities take responsibility for their own futures and determine what is best for them.

The CW LEP will: -

- 1.2 Develop a strong and robust partnership with the ability – and focus - to create the conditions for businesses to grow and prosper and to deal with actual or potential barriers to growth. Thereby, improving the performance of the locality in terms of competitiveness, wealth creation and jobs.

The CW LEP recognises that the economy, although already relatively strong, can do better and be more resilient and more sustainable given the right package of leadership, authority and public/private sector investment.

- 1.3 Have the flexibility and vision to work co-operatively and collaboratively with neighbouring LEP's on issues and strategies that are relevant. Conversations are already occurring between business organisations and local authorities beyond Coventry and Warwickshire such as the wider Midlands including Leicestershire, Northamptonshire, Worcestershire, Oxfordshire, Birmingham and Solihull. The CW LEP acknowledges that the private sector does not recognise 'administrative boundaries'.
- 1.4 Actively develop local priorities and cross boundary working and work in a way that is business focused, making the best use of the resources available and avoiding duplication of effort.
- 1.5 The Public and private sector partners have built on their longstanding history of joint working to develop this proposition.
- 1.6 Led by Coventry and Warwickshire Chamber of Commerce, there has been early and direct engagement with the private sector regarding the creation, economic geography, role and governance of a Local Enterprise

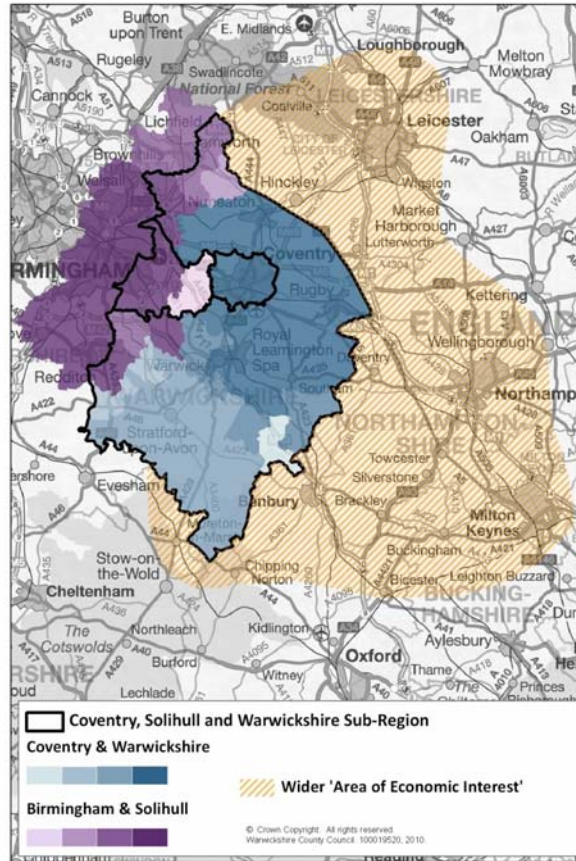
- 1.7 Coventry and Warwickshire have a long track record of working in partnership with Solihull and this will continue. However for the purposes of this LEP proposal, Solihull will not be formal partners. Analysis of functioning economic geography shows that Solihull has stronger connections in terms of commuting flows, housing markets, retail and leisure activities with the wider Birmingham conurbation and this is understood and accepted. The CSW Leaders Board (comprising the political leaders of all 8 local authorities in Coventry, Solihull and Warwickshire that was set up in 2009 to drive efficient co-operative service delivery across authorities) will nominate 'Civic Leaders' to the CW LEP Board.
- 1.8 **The CW LEP will establish its' Shadow Board by 1<sup>st</sup> October 2010 and have a fully functioning CW LEP Board by 1<sup>st</sup> April 2011.**

## **2 ECONOMIC and GEOGRAPHIC CONTEXT OF THE CW LEP**

- 2.1 The CW LEP proposition applies to a strong functional economic area, with a high degree of self-containment and close economic similarities across the geographic area. There is, an identified "core" and "wider" sub-regional area. The core area is made up of the southern part of North Warwickshire Borough, Nuneaton & Bedworth Borough, Rugby Borough, Coventry City, Warwick District and the northern part of Stratford District. This core area has a much stronger commuting links (85% of people both live and work in this area), retailing, leisure and housing market links. The wider area brings in the northern part of North Warwickshire and the southern part of Stratford District. While these areas share many similar economic characteristics of the core sub-regional area, these areas have as much connectivity outside the sub-regional area as they do inside. *This is supported by a detailed research paper that has been developed on the functional economic geography of the locality, as part of work being undertaken for a local economic assessment, and can be accessed at:* [\[LINK\]](#)
- 2.2 The CW sub-region has a relatively prosperous economy. Economic output (GVA) has grown on average by 5.25% p.a. (1998-2007), compared to 5.59% for England and the West Midlands average of just 4.57%. Some parts of the sub-region have seen above national average growth. Employment rates remain relatively high, skill levels of the resident population are above average on most counts and we have a strong record in business start-up activity. There are good concentrations of knowledge intensive services and growth sectors.
- 2.3 The Coventry and Warwickshire area is a unique economic area. Historically based on mining and manufacturing industries, the area developed a strong reputation for automotive design, engineering and production. While elements of this still remain, economic restructuring has meant that this sector has declined in size and importance. The high

quality of life and proximity to the wider South East has led to a rapid expansion of more knowledge intensive industries such as specialist business services, computer software and gaming, and wider creative industries. This restructuring has not happened by accident, and has been pro-actively supported and facilitated by local partners working together over many years.

- 2.4 While the Coventry and Warwickshire economy has performed well in recent years – and particularly in relation to the wider West Midlands economy which we hitherto have been grouped under – we still under-perform compared to the more prosperous parts of England. Furthermore, the sub national economy is one of significant disparities with highly prosperous areas combined with patches of concentrated deprivation and disadvantage. This represents both a key concern for local partners, and a significant opportunity to further grow and improve our local economy. A key priority for all partners is to raise ambition and aspiration within our more deprived areas, stimulating a demand for knowledge and skills and developing a higher calibre labour market to drive growth and economic inclusion in the future.
- 2.5 The locality has clearly not been immune to the recession, but partners have worked closely together to minimise the impacts wherever possible and continue to make positive economic change. An example of this has been the ‘Ericsson Partnership’ established in 2009 to mitigate the worst effects of the company’s decision to scale back its operations in Coventry; that followed an earlier partnership approach to dealing with the closure of Peugeot assembly operations in Coventry and Warwickshire. There is a strong private sector economy, and there are early signs that the recovery has already taken a strong hold in the area. Analysis suggests that the sub-region is well placed to see growth quicker and stronger than many parts of the country – helping the national economy to drive forward.
- 2.6 The locality stands at the cross-roads of the manufacturing midlands and the more service-sector economy of the south east. Combined with local significant innovation assets, there is a real opportunity to develop and exploit opportunities around the practical application of ideas and research to provide new products and services. Our recent local economic strategy highlights our desire to see the area as *“a centre for applied learning, where aspirational people create innovative products and services that fuel the sub-region’s welfare”*. Our ambition is that the sub-national economy becomes a key driver for the nation’s overall competitiveness, and that we become recognised internationally as a strong, resilient, sustainable and competitive economic area.



### 3. ACTIVITIES OF THE CW LEP

- 3.1 The CW LEP will develop targets based on **GVA growth, private sector jobs growth, stimulating and supporting innovation and economic diversity/sustainability**.
- 3.2 In Coventry and Warwickshire, the local authorities have a long-standing reputation for working effectively and extensively with the private sector, notably with and through the local Chamber of Commerce, but also with other business representative organisations and directly with businesses. An example of this is the strong public and private partnership which led to the decision of Severn Trent to locate its Head Quarters in Coventry bringing 1,700 jobs into the heart of the sub region and a £60m total investment from £7m public sector. This is only a recent example of such partnerships with the private sector in projects that seek effective, flexible and intelligent ways of working in partnership, in order to spot and exploit new opportunities.
- 3.3 The University of Warwick and Coventry University together with their commercial affiliates will play a pivotal role in realising our ambitions to stimulate innovation in the area, not just as providers of innovation skills and knowledge. Between them our universities have been driving forces behind the creation and support of many businesses over the last 10 years and play a vital role in their Knowledge Transfer activities. Many companies are inward investors, attracted in no small part by the excellent international reputations of our academic institutions.



- 3.4 Coventry and Warwickshire has recently developed an *Economic Strategy* for its' locality. Reference (SRES)  
[http://www.cswp.org.uk/upload/CSWP\\_Brochure\\_May\\_2010c.pdf](http://www.cswp.org.uk/upload/CSWP_Brochure_May_2010c.pdf)

This important piece of work establishes a foundation for a 'demand-led' integrated policy approach to developing the Economy and sets out the following 'Priority Actions': -

- **Stimulating Innovation in the Sub-Region**
- **Reducing Carbon Emissions**
- **Co-ordinated Service for Business**
- **Raising Aspiration**
- **Addressing the Employment Gap**
- **Future Skills**
- **Improving the Connectivity of the Sub-Region**
- **Tackling Worklessness**
- **Coventry City Centre**

- 3.4 The further remit and role of the CW LEP will be determined over the course of the next few weeks as more detailed discussions with partners take place and further consensus emerges. The activity will be led by the agreed Priority Actions above and there is firm ambition that we will find new and innovative ways of to tackle them.

- 3.5 Scope of activity for the CW LEP:

- **Provide strong, clear and visionary leadership** of the future growth and development of the sub-regional economy
- **Identify key priorities** and ensure all partner activity and resources are focussed towards achieving these
- **Identify and address** barriers to the growth of the sub-regional economy and correct local market failures
- **Provide a "whole-life" approach** to business engagement and support – from business start-up, survival and expansion
- **Help drive up productivity** in the sub-regional economy, increased exporting
- **Co-ordinate and focus funding** opportunities (including the Regional Growth Fund and residual arrangements with respect to EU Structural Funding)
- **Custodian** of key sub regional assets inherited from AWM e.g. Ansty Park, where currently just over 10% of the planned 1.4 million ft<sup>2</sup> Research and Development park has been completed, with the world class Manufacturing Technology Centre recently started on site. The CW LEP will ensure that activity proceeds with pace to maximise and exploit new private sector jobs and GVA growth. Other assets will be sought from local public sector bodies. This would bring an additional benefit in engaging 'business leaders' in real and tangible involvement immediately and help to cement the Partnership.

- **Access to finance** – Improve businesses access to finance to support business growth and survival. Creating innovative public, private partnerships which are outside the traditional lending frameworks of high street banking to meet the needs of starts and SMEs which demand risk finance
- **Inward Investment** - Attract businesses to locate in the LEP area and support and retain existing investment working with UKTI at national level (locally delivered – under the UKTI brand - via the Chamber of Commerce)
- **Superfast broadband facilities** need to be made available for the whole of the LEP area. In partnership with the private sector, Coventry City Council are already exploring how their £11.5 M recent investment in a high-capacity Fibre Optic Wide Area Network could be used as the "backbone" of a facility available for the whole LEP area especially in the rural areas
- **Sector Leadership** – Develop sectors that increase the sub-region's competitiveness and build on our comparative advantages
- Understand the drivers and dynamics of **worklessness** in the sub-region, and take steps to ensure economic inclusion for all
- **Development of a market led "Skills System"**, with clear and two-way communications between the key interested parties (private, public, individual) and a clear statement of skills priorities for the sub-region to inform business investment in skills, residents choices about training options, the type and nature of training being offered by providers, and the allocation of skills funding from all relevant parties. Place emphasis on leadership management, innovation and high level skills as directed by an employer led skills group
- **Guide, inform, monitor and hold accountable** all those who undertake activities and interventions that impact on the sub-regional economy

3.6 CW LEP will be the voice of the economy with strong business engagement. This clear business focus will be used to help guide, shape and inform the wider issues in the sub-region that are critical to creating the right conditions for growth and will strongly influence local authority decisions in areas such as:-

- **Planning**
- **Transport** – develop a coordinated approach to transport both within and without the LEP area
- **Housing**
- **Minimising Bureaucracy**
- **Education & Skills**

#### 4. **RESOURCING OPPORTUNITIES**

- 4.1 In order for the CW LEP to be effective and respected, resources and efficiencies will be sought from a number of different places:-
- Ensuring that private and public sector resources are brought together in innovative ways. Also utilising public sector funds, where possible, as leverage to accessing new resources including private sector resource and Central Government funds.
  - Aligning individual local Government departmental budgets in support of our priorities, and exploring opportunities for the locality to take control of some elements (e.g. Welfare to Work – localised Job Centre+ and housing investment – HCA).

- Utilising residual resources from the dissolution of Advantage West Midlands to the advantage of the CW economy.
- Pooling public sector resources to deliver a sub regional approach to development and infrastructure provision.
- Encouraging private sector inward and indigenous companies to invest in the local area.
- Utilising locally generated business rates (even 1% of the £317million raised in total in Coventry and Warwickshire would generate over £3m for resourcing many of our priority actions) for the benefit of the local economy, and exploring the potential for Tax Increment Financing
- Establish an asset backed vehicle (ABV) or other mechanisms to help stimulate and sustain economic growth by using public sector assets more productively to bring development sites to market.

## 5 **FLEXIBILITIES NEEDED FROM GOVERNMENT**

5.1 For the CW LEP to be truly effective and have the ability to make a rapid and significant impact, it will need:

- Government departments to work with CW LEP to align their investment in the CW area with overall LEP-led strategies and priorities, through Joint Investment Plans and other mechanisms.
- Government ensures that the CW LEP can help shape and inform the delivery of services by third-party organisations (e.g.the new single Work Programme), and that CW LEP can hold these organisations to account for their activity in our area. In the longer term, we would look to explore the opportunities for the sub-region to take control of some current central functions (e.g. Jobcentre Plus / welfare to work functions).
- Government to transfer the ownership of key sub regional assets (in particular Ansty Park and Browns Lane) that currently reside with AWM to the appropriate Local Authority in the CW sub-region so that the CW LEP can exploit their potential in terms of job creation and GVA growth and not lose momentum during this period of organisational change.
- Government to agree that CW LEP have devolved commissioning responsibility and resources for enterprise support, inward investment and access to finance.
- Government to agree that the CW LEP can determine their own enterprise zones or other locally determined initiatives.
- Government to agree that local authorities can be in more than one LEP and operate in different geographical linkages as appropriate.

## 6. **GOVERNANCE OF THE LEP**

6.1 Business and Civic leaders wish to work within, and beyond, the 'spirit' of the recent joint letter from the Secretary of State for Business, Innovation and Skills and the Secretary of State for Communities and Local Government.

6.2 Local Authority Leaders and Business Leaders will work together with equal representation on the CW LEP Board with a Business Chairperson.

6.3 The CW LEP will be non bureaucratic and light touch.

- 6.4 The formation of a wider Business Leaders Council will afford much wider private sector engagement from businesses of all sizes, all sectors and of a good geographical spread.
- 6.5 The CSW Leaders Board will nominate the 'Civic Leaders' for the CW LEP Board.

## 7. **TRACK RECORD**

- 7.1 It is important that this outline proposition concludes with a reminder of a strong track record of partnership working and a 'can do' attitude in the locality.
- 7.2 Coventry & Warwickshire has an excellent track record of economic reinvention coupled with collaboration and partnership working. Since the decline of the manufacturing industry starting in the 1970s the economy has been transformed to one which is resilient, dynamic and capable of withstanding economic shocks. It is now one recognised for its strengths, in amongst others, ICT, Creative Industries and Automotive Manufacturing. This transformation needs to continue to rebalance our economy further towards the private sector through strong Private Sector leadership.
- 7.3 The creation over 15 years ago of the Coventry, Solihull and Warwickshire Partnership (CSWP), a public/private sector economic partnership provides a solid foundation and culture of partnership that gives us the spring board for CW LEP to be established and will enable us to hit the ground running. Given the ambitions of our sub-region and the experience, skills and understanding that have been built up across the partners the result will be the enhanced delivery of results and outcomes for the businesses, communities and people of Coventry and Warwickshire.

## 8. **CONCLUSION**

- 8.1 With the full support of Business Leaders and Civic Leaders, this outline Local Enterprise Proposition is submitted in anticipation that it will open up further dialogue, gain support and be eventually approved.