

Background

Local Enterprise Partnerships were mentioned specifically in the Conservative Party Manifesto - *Invitation to join the Government of Britain*¹:

We will give councils and businesses the power to form their own business-led local enterprise partnerships instead of RDAs. Where local councils and businesses want to maintain regionally-based enterprise partnerships, they will be able to.

The *Liberal Democratic Manifesto 2010*² echoed this but was more flexible on the continuing existence of RDAs:

Reform Regional Development Agencies (RDAs) to focus solely on economic development, removing duplication with other parts of government and allowing substantial budget reductions. We will give responsibility for economic development to local authorities. Where existing RDAs have strong local support, they may continue with refocused economic development objectives. Where they do not, they will be scrapped and their functions taken over by local authorities.

Relevantly, the proposal for local enterprise partnerships did not feature in the Conservatives pre-election Green Paper on planning - *Open Source Planning*³.

The Coalition Agreement

The Coalition Agreement, published on 20th May 2010⁴, stated that:

We will support the creation of Local Enterprise Partnerships – joint local authority-business bodies brought forward by local authorities themselves to promote local economic development – to replace Regional Development Agencies (RDAs). These may take the form of the existing RDAs in areas where they are popular.

In some ways, this brought together the proposals from the Coalition partners' manifestos.

Government Announcement

The Deputy Prime Minister set out plans for Local Enterprise Partnerships in a speech on 29th June 2010. These will bring together councils and business on an equal footing with one voice, replacing the current Regional Development Agencies (RDAs).

footnotes

¹ http://media.conservatives.s3.amazonaws.com/manifesto/cpmanifesto2010_hires.pdf

² http://network.libdems.org.uk/manifesto2010/libdem_manifesto_2010.pdf

³ Conservative Policy Green Paper No.14

http://www.conservatives.com/News/News_stories/2010/02/New_homes_and_jobs_through_Open_Source_Planning.aspx

⁴ HM Government (2010) *The Coalition: our programme for government*

http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf

In a joint letter⁵ sent to councils and business leaders, Business Secretary Vince Cable and Communities Secretary Eric Pickles have asked them to consider forming new local enterprise partnerships that can provide strategic leadership in their local areas and create the right environment for business success and economic growth.

Importantly, the letter stated that:

Partnerships will ... 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.

The letter also states, amongst other things, that:

- Further details on LEPs will be published in a White Paper on the economy to be published in the late summer [it should be noted that this may appear after the deadline for LEP bids];
- *We wish to enable partnerships ... to cover real functional economic and travel to work areas;*
- *We would expect that partnerships would include groups of upper tier authorities.*

NOTE: The *Local Government Chronicle's* chief reporter Allister Hayman, has a very information blog on LEPs – LEPs: A swot's guide⁶.

Select Committee Inquiry

The House of Commons Business, Innovation and Skills Select Committee is holding an Inquiry into *The New Local Enterprise Partnerships*. The Committee States that⁷:

The inquiry will examine how the proposed new structure will work, alongside issues such as distribution of funding, value for money, accountability, timing, transitional arrangements and required legislation.

Topics the Committee will consider include:

- *The functions of the new Local Enterprise Partnerships and ensuring value for money*
- *The Regional Growth Fund, and funding arrangements under the LEP system*
- *Government proposals for ensuring co-ordination of roles between different LEPs*
- *Arrangements for co-ordinating regional economic strategy · Structure and accountability of LEPs*
- *The legislative framework and timetable for converting RDAs to LEPs, the transitional arrangements, and the arrangements for residual spending and liability of RDAs*
- *Means of procuring funding from outside bodies (including EU funding) under the new arrangements*

Written evidence in connection with the inquiry should be sent to the Committee before **13 August 2010**.

footnotes

⁵ <http://www.communities.gov.uk/documents/newsroom/1626430.pdf>

⁶ <http://www.lgcplus.com/briefings/services/economic-development/leps-a-swots-guide/5017743.blog>

⁷ <http://www.parliament.uk/business/committees/committees-a-z/commons-select/business-innovation-and-skills/inquiries/the-new-local-enterprise-partnerships/>