

# **AMENDED AGENDA**

## **CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE MEETING**



Overview and Scrutiny

Date: Tuesday 5 October 2010

Time: 6.30 pm

Venue: Town Hall, High Street,  
Maidstone

Membership:

Councillors: Harwood (Chairman), Hinder, Lusty  
(Vice-Chairman), Ross, Bradshaw,  
Parr and Mrs Wilson

---

Page No.

- 1. The Committee to consider whether all items on the agenda should be web-cast.**
- 2. Apologies.**
- 3. Notification of Substitute Members.**

**Continued Over/:**

---

**Issued on 27 September 2010**

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact Angela Woodhouse on 01622 602620**.

To find out more about the work of the Overview and Scrutiny Committees, please visit [www.maidstone.gov.uk/osc](http://www.maidstone.gov.uk/osc)

*Alison Broom*

**Alison Broom, Chief Executive, Maidstone Borough Council,  
Maidstone House, King Street, Maidstone Kent ME15 6JQ**

**4. Notification of Visiting Members.**

**5. Disclosures by Members and Officers:**

- a) Disclosures of interest.
- b) Disclosures of lobbying.
- c) Disclosures of whipping.

---

**6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.**

---

**7. Minutes of the Meeting held on 31 August**

Minutes to follow.

---

**8. Gateway Review: Interview with Job Centre Plus:**

Interview with Alison Culshaw, Job Centre Plus.

**1 – 6**

---

**9. Green ICT Policy Discussion Paper:**

Interview with Dave Lindsay, Head of IT Services and Jennifer Hunt, EMS Project Manager.

**7 – 17**

---

**10. Future Work Programme and Forward Plan of Key Decisions.**

**18 – 26**

---

**11. AMENDED ITEM - Local Enterprise Partnerships:**

**27 - 33**

Interview with the Leader of the Council, Councillor Chris Garland and Kent County Council's Economic Strategy and Policy Manager, Ross Gill.

## **Maidstone Borough Council**

### **Corporate Services Overview & Scrutiny Committee**

**Tuesday 5 October 2010**

#### **Local Enterprise Partnerships**

**Report of:** Head of Change and Scrutiny

#### **1. Introduction**

- 1.1 Corporate Services Overview and Scrutiny has a clearly defined role in relation to helping Cabinet to shape its priorities and corporate planning. The abolishment of Regional Development Agencies (RDAs) and creation of Local Enterprise Partnerships (LEPs) will have an impact on a key priority for the Council, economic prosperity. Economic and Environmental prosperity have been identified by the Cabinet as draft priorities for the next Strategic Plan. It is therefore pertinent for the Committee to be briefed on the current position with the LEP and how Maidstone will be positioned in relation to this.
- 1.2 In light of the importance of environmental prosperity speakers from Kent County Council (KCC) have been invited to attend the meeting to discuss present green initiatives relating to business and the economy and how Maidstone could be involved with these.

#### **2. Recommendation**

- 2.1 The Committee is recommended to interview the Leader of the Council and representatives from Kent County Council on the progress of LEPs and how Maidstone can be best placed to maximise any opportunities arising.

#### **3 Local Enterprise Partnerships**

- 3.1 Attached at Appendix A, is a house of commons briefing report on LEPs. The responsibilities from RDAs to be given to the new LEPs will include planning, housing and enterprise. The indication, with regard to the potential size of the partnerships, is that LEPs should include groups of upper tier authorities if they are to be large enough to be sufficiently strategic. The list of the 56 bids received by the Government for LEPs is outlined at 1.4 of Appendix A, there are a number of bids affecting/involving Kent authorities including:
  - Kent and Medway
  - Kent-Essex
  - Bexley, Dartford and Gravesham
- 3.2 Legislation to abolish RDAs will be introduced as part of the Decentralisation and Localism Bill in Autumn this year with LEPs scheduled to start in March 2012.

3.3 Kent County Council have been involved in a number of green enterprise initiatives and have been invited to the meeting to discuss these initiatives with the Committee in relation to the LEP and how Maidstone can maximise green enterprise opportunities.

#### **4. Impact on Corporate Objectives**

4.1 As set out in the introduction, the Council is currently reviewing its priorities and any recommendations from the Committee on business and the green economy could be used to inform this work.



## Local Enterprise Partnerships

Standard Note: SN/EP/5651  
Last updated: 13 September 2010  
Author: Adam Mellows-Facer  
Section: Economic Policy and Statistics

---

The Government has announced that Regional Development Agencies (RDAs) are to be abolished. It is proposed that some of the responsibilities of RDAs will be taken on by new Local Enterprise Partnerships (LEPs), which are set to be introduced in the forthcoming Decentralisation and Localism Bill.

Further details will be set out in a White Paper later this autumn.

### Contents

<b>1</b>	<b>Local Enterprise Partnerships</b>	<b>2</b>
1.1	Announcement	2
1.2	Timetable	2
1.3	Responsibilities of LEPs	2
1.4	Geography of LEPs	2
<b>2</b>	<b>Regional Growth Fund and funding for LEPs</b>	<b>4</b>
<b>3</b>	<b>Regional Development Agencies</b>	<b>5</b>
3.1	RDAs – background	5
3.2	RDA Finance	5

This information is provided to Members of Parliament in support of their parliamentary duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as being up to date; the law or policies may have changed since it was last updated; and it should not be relied upon as legal or professional advice or as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

# 1 Local Enterprise Partnerships

## 1.1 Announcement

The Government's proposals for LEPs were set out in a [letter](#) sent by Vince Cable, Secretary of State for Business, and Eric Pickles, Secretary of State for Communities and Local Government, to councils and business leaders on 29 June,<sup>1</sup> together with an accompanying [press release](#).<sup>2</sup> A [£1 billion Regional Growth Fund](#) was announced on the same day.<sup>3</sup> Details so far are limited and will remain so until a White Paper is published later in the summer.

## 1.2 Timetable

The following timetable for the creation of LEPs has been established:

Summer 2010:	A White Paper on the Government's approach to sub-national growth
6 September 2010:	Deadline for LEP proposals from partnerships of local authorities and businesses
Autumn 2010:	Legislation to abolish RDAs and introduce LEPs to be introduced as part of the <a href="#">Decentralisation and Localism Bill</a>
March 2012:	Possible start date for LEPs <sup>4</sup>

## 1.3 Responsibilities of LEPs

The letter states that LEPs "will wish to provide the strategic leadership in their areas to set out local economic priorities." LEPs are described as "central" to the Government's aim for an economy "rebalanced" towards the private sector.

The responsibilities of RDA will not be passed over wholesale to LEPs. The proposals are for a mixture of local and national provision to replace regional provision:

Local enterprise partnerships	National
Planning	Inward investment
Housing	Sector leadership
Local transport and infrastructure	Business support
Employment	Innovation
Enterprise/business start-ups	Access to finance

More details of these responsibilities, including information on how European funding will be distributed in the future, will be set out in the forthcoming White Paper.

## 1.4 Geography of LEPs

The [letter](#) of 29 June 2010 set out more detail as to the geographical extents the Government envisages for LEPs. It is clear that these could be the same as existing regional boundaries:

---

<sup>1</sup> [Dep 2010-1363](#)

<sup>2</sup> Department for Business, Innovation and Skills [press release](#), 29 June 2010

<sup>3</sup> Department for Communities and Local Government, [£1 billion fund to help regional business](#), 29 June 2010

<sup>4</sup> [FT](#), [Business fears rise as RDA is axed](#), 29 June 2010

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.

There are concerns that existing boundaries do not reflect economic reality:

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.

The deadline for the submission of proposals was 6 September. The Government have published a full list of the 56 bids received, which include several that overlap:<sup>5</sup>

Bexley, Dartford, and Gravesham  
Birmingham and Solihull with East Staffordshire, Lichfield and Tamworth  
Bournemouth, Dorset and Poole  
Brighton and Hove, Croydon, the Gatwick Diamond and West Sussex - Coast to Capital  
Cheshire and Warrington  
County Durham  
Coventry and Warwickshire  
Cumbria  
Devon, Plymouth and Torbay  
East Anglia (Cambridgeshire, Norfolk, Suffolk and North Essex)  
East Sussex  
Empowering Enterprise - Cornwall and the Isles of Scilly  
Enterprise M3 - Covers parts of Hampshire and Surrey including Andover, Basingstoke, Aldershot, Farnborough, Fleet, Hook and Camberley  
Fylde Coast, Lancashire  
Gatwick Diamond  
Gloucester, Swindon and Wiltshire  
Greater Cambridge & Greater Peterborough  
Greater Lincolnshire  
Greater Manchester  
Hampshire  
Heart of the South West  
Hertfordshire  
Hull, East Riding & Scarborough  
Humber  
Kent and Medway  
Kent-Essex  
Lancashire  
Leeds City Region  
Leicester and Leicestershire  
Liverpool City Region  
Newcastle Gateshead  
Norfolk  
North East  
Northamptonshire  
Northumberland and North Tyneside  
Nottingham, Nottinghamshire, Derby and Derbyshire

---

<sup>5</sup> Department for Business, Innovation and Skills press release, [New Local Enterprise Partnerships criss-cross the country](#), 7 September 2010

Oxfordshire City Region  
Pennine Lancashire  
Sheffield City Region  
Solent  
South East Midlands  
South Somerset and East Devon  
South Tyneside and Sunderland  
Stoke-on-Trent and Staffordshire  
Surrey Connects  
Tees Valley  
Thames Valley Berkshire  
Thames Valley Buckinghamshire  
The Black Country  
The Marches Enterprise Partnership - Shropshire and Herefordshire  
The Peel Group - Atlantic Gateway - Liverpool and Manchester<sup>6</sup>  
Visitor Economy Southern England  
West Midlands  
West of England  
Worcestershire  
York and North Yorkshire

In addition, responses in respect to cross-boundary working arrangements were received from the Peak District, South East England and West Leicestershire/Northern Warwickshire.<sup>7</sup>

Some observers have argued that there is a danger that the large number of LEP bids and the local nature of some proposals could leave some LEPs with limited influence and requiring co-ordination by regional bodies.<sup>8</sup>

## 2 Regional Growth Fund and funding for LEPs

The announcements on 29 June 2010 also included a “£1 billion Regional Growth Fund to help areas and communities at risk of being particularly affected by public spending cuts.”<sup>9</sup>

This funding is for 2011-12 and 2012-13. It is not clear at this stage exactly how this ties in with LEPs and their funding, though there will be more detail on LEP funding in the White Paper later in the summer:

The White Paper will also consider the most appropriate framework of incentives for local authorities to support growth, including exploring options for business rate and council tax incentives, which would allow local authorities to reinvest the benefits of growth into local communities.

The *FT* has speculated on the role of the fund as a source of funding for the proposed Local Enterprise Partnerships:<sup>10</sup>

[...] the [LEP] money is likely to come from existing budgets, including the RDAs' current funding of £1.4bn a year. Local partnerships will have to bid against other private and public-private bodies, with ministers deciding. [...] It is not yet clear whether

---

<sup>6</sup> Subsequently withdrawn

<sup>7</sup> Department for Business, Innovation and Skills press release, [New Local Enterprise Partnerships criss-cross the country](#), 7 September 2010

<sup>8</sup> See, for example, Eversheds LLP [press release](#), 6 September 2010

<sup>9</sup> Department for Business, Innovation and Skills [press release](#), 29 June 2010

<sup>10</sup> *FT*, [Business fears rise as RDA is axed](#), 29 June 2010



partnerships will receive any government cash beyond what they can win from the growth fund.

### **3 Regional Development Agencies**

#### **3.1 RDAs – background**

Eight RDAs were established under the Regional Development Agencies Act 1998, and were formally launched on 1 April 1999. The ninth, in London, was established in July 2000 following the establishment of the Greater London Authority (GLA). Under the Regional Development Agencies Act 1998, each Agency has five statutory purposes:

- To further economic development and regeneration
- To promote business efficiency, investment and competitiveness
- To promote employment
- To enhance development and application of skill relevant to employment
- To contribute to sustainable development

In practice, this means that the RDAs' agenda includes "regeneration, taking forward regional competitiveness, taking the lead on inward investment and, working with regional partners, ensuring the development of a skills action plan to ensure that skills training matches the needs of the labour market."<sup>11</sup>

The RDAs have also taken over management of the European Regional Development Fund (ERDF) and the Rural Development Programme for England (RDPE), which both run from 2007-2013 and combined are worth £9 billion over the period.

#### **3.2 RDA Finance**

The core activities of RDAs are financed through a Single Budget or "single pot", a fund which pools money from all the contributing Government Departments (BIS, CLG, DECC, DEFRA, DCMS and UK Trade & Investment).

Under the previous Government's plans, RDAs' combined single pot budgets were £1,748 million in 2010-11, compared with £2,263 million in 2009-10.<sup>12</sup> This total was further reduced by cuts of £270 million in "lower value RDA spending" by the new Government.<sup>13</sup>

---

<sup>11</sup> Department for Business, Innovation and Skills [website](#)

<sup>12</sup> Department for Business, Innovation and Skills [website](#)

<sup>13</sup> HM Treasury press release [04/10](#), 24 May 2010