

HAMPSHIRE COUNTY COUNCIL**Executive Decision Record**

Decision Maker:	Cabinet
Date:	26 July 2010
Title:	Local Enterprise Partnerships
Reference:	1859
Report From:	Director of Economic Development

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1. The decision: (PROPOSED)

- a) That the Director of Economic Development be authorised to prepare a submission for a local enterprise partnership which provides for partnership working at three levels – Hampshire-wide, beyond Hampshire and sub-Hampshire.
- b) That a joint submission be made with Hampshire Economic Partnership and, if possible, with Southampton and Portsmouth City Councils and the Isle of Wight Council. If that is not possible, still to make a submission encompassing the whole of Hampshire.
- c) That endorsement, in principle, be sought from other top tier authorities in parts of the South East and South West regions, for joint working on common strategic ambitions and also to influence the development of policy, funding mechanisms and access to grant aid.
- d) That endorsement, in principle, be sought from other councils, business representative organisations in Hampshire and from major employers.
- e) That the Director of Economic Development, in consultation with the Executive Members for Policy and Resources and Economic Development and Rural Affairs, be authorised to submit preliminary views, based on the above model, to inform the emerging White Paper on Localism and to make the fuller expression of interest by 6 September 2010.

2. Reasons for the decision:

- 2.1. The coalition Government has decided to scrap the Regional Development Agencies (RDAs) and has invited local council leaders, local authority MAA partnerships and local economic partnership organisations to submit expressions of interest in forming a local enterprise partnership by 6 September 2010.
- 2.2. The remit of these partnerships and any funding provision is uncertain. The publication of the White Paper on Localism later this month will provide a steer but is unlikely to provide the whole picture. The initial advice in the invitation letter is that there will be no revenue to support these partnerships.
- 2.3. Both the Partnership for Urban South Hampshire (PUSH) and Hampshire Economic Partnership (HEP) currently receive significant funding from the South East England Development Agency (SEEDA). PUSH also receives growth point funding. In formulating its submission the County Council will need to be mindful of the reduced funding for partnership working in support of the economy, generating more private sector income and the appropriate partnership models for delivering improved economic outcomes.
- 2.4. The PUSH Joint Committee has decided it wishes to pursue an Local Enterprise Partnership (LEP) for South Hampshire, building on the existing MAA and Joint Committee. Districts in the North Hampshire and M3 corridor Economic Board Area are also minded to make an LEP submission.

3. Other options considered and rejected:

- 3.1. Not to make a submission for a Hampshire-wide LEP and to support proposals for more localised partnerships. In a more austere funding environment, Hampshire can expect to have to rely substantially on its own resources and creativity to drive improved economic performance. Negotiating changes to taxation arrangements, creating added value from pooled assets and a more entrepreneurial culture are all likely to be required and the need for these is common across Hampshire and beyond. Priorities for intervention will vary across the county due to different economic challenges, but the partnership structure to support improved outcomes and strategic intervention will be most efficiently delivered at the level of Hampshire or bigger, depending on the topic. It is the regional level of governance and expertise that is disappearing. While the disappearance of much of the bureaucracy will be welcomed, in terms of providing expertise and influencing Government policy, LEPs will need to occupy the territory vacated by the RDAs.
- 3.2. To develop a formal proposal across a wider grouping of strategic upper tier authorities. The timetable for submission of interests is very short and therefore it will be difficult to test the full range of opportunities for collaborative working beyond Hampshire. In any event it is likely to prove

valuable to work with different groups of authorities on specific issues rather than create very large, formal partnership organisations. A more flexible approach to 'strategic alliances' is therefore recommended at this stage, with the opportunity to review this following the initial expression of interest stage. Potential strategic alliances might include a 'southern' LEPs alliance and a 'west London arc (A34) growth points alliance', a subset of the south-east 'diamonds' group. In supporting the marine sector, the southern LEPs might want to join with the Kent and Medway LEP, where there is also a substantial marine base. On some strategic influencing issues, such as funding support, it may be prudent to be part of a London and the South-East interest group. These should be seen as complementary alliances rather than alternative ones.

4. Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker: none.

4.2. Conflicts of interest declared by other Executive Members consulted: none.

5. Dispensation granted by the Standards Committee: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by: ----- Chairman of the Cabinet Councillor T K Thornber CBE	Date: 26 July 2010
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