

Leicester and Leicestershire Economic Development Delivery Review Project Scope

Background

Following the Sub-National Review and development of the Multi Area Agreement, new structures for overseeing sub-regional economic development were established in 2008/09. The partnership structure (Leadership Board, Coordination Group and Strategy and Performance Groups) has responsibility for economic strategy and commissioning.

A Sub-Regional Support Unit, based at the City Council, was established to support the above structures, undertake commissioning and contract management of discretionary funds.

Prospect Leicestershire was established in April 2009 to support delivery of the Sub-Regional Economic Strategy and help maximize the potential for economic growth including to streamline previous delivery activities carried out by Leicester Regeneration Company and the inward investment function of Leicestershire Promotions. Tourism remained with Leicestershire Promotions.

Other structures that support delivery of core economic development (ED) activities are illustrated in Figure 1.

Drivers for Change

Under the new Coalition Government, changes within local ED activity are inevitable – two key drivers initiating this change are:

Tackling public sector deficit

- Local Authority service cuts affecting staffing and operational budgets.
- Discretionary funding cuts and the subsequent impact on ED delivery.

The localism agenda

- Abolition of RDAs along with other regional bodies and strategies.
- Invitation from Government to submit proposals for new Local Enterprise Partnerships (LEPs, public-private partnerships).

The Review team

With the above backdrop in mind the Leadership Board has commissioned a focused and high level review of ED delivery. This paper outlines the project scope: the Project Board is the Co-ordination Group; the Project Manager is Louise Driver, Policy and Partnerships Manager at Leicestershire County Council. The timeframe for the review is tight and to ensure that it is achievable there will be a requirement for partners to ensure a timely and constructive input to the review.

Project Objectives

- To understand the current ED delivery arrangements in terms of governance, activities delivered and cost.

- To consider the implications of decreasing existing budgets / funding, any new funding streams (Regional Growth Fund), and understand views of funding partners on likely future funding availability.
- To understand future delivery requirements in the context of the above, also taking account of the scope of the proposed LEP, and to put forward options for effective future delivery whilst realizing the required savings.

Project Scope

The review will consider core ED activities as outlined in the figure below.

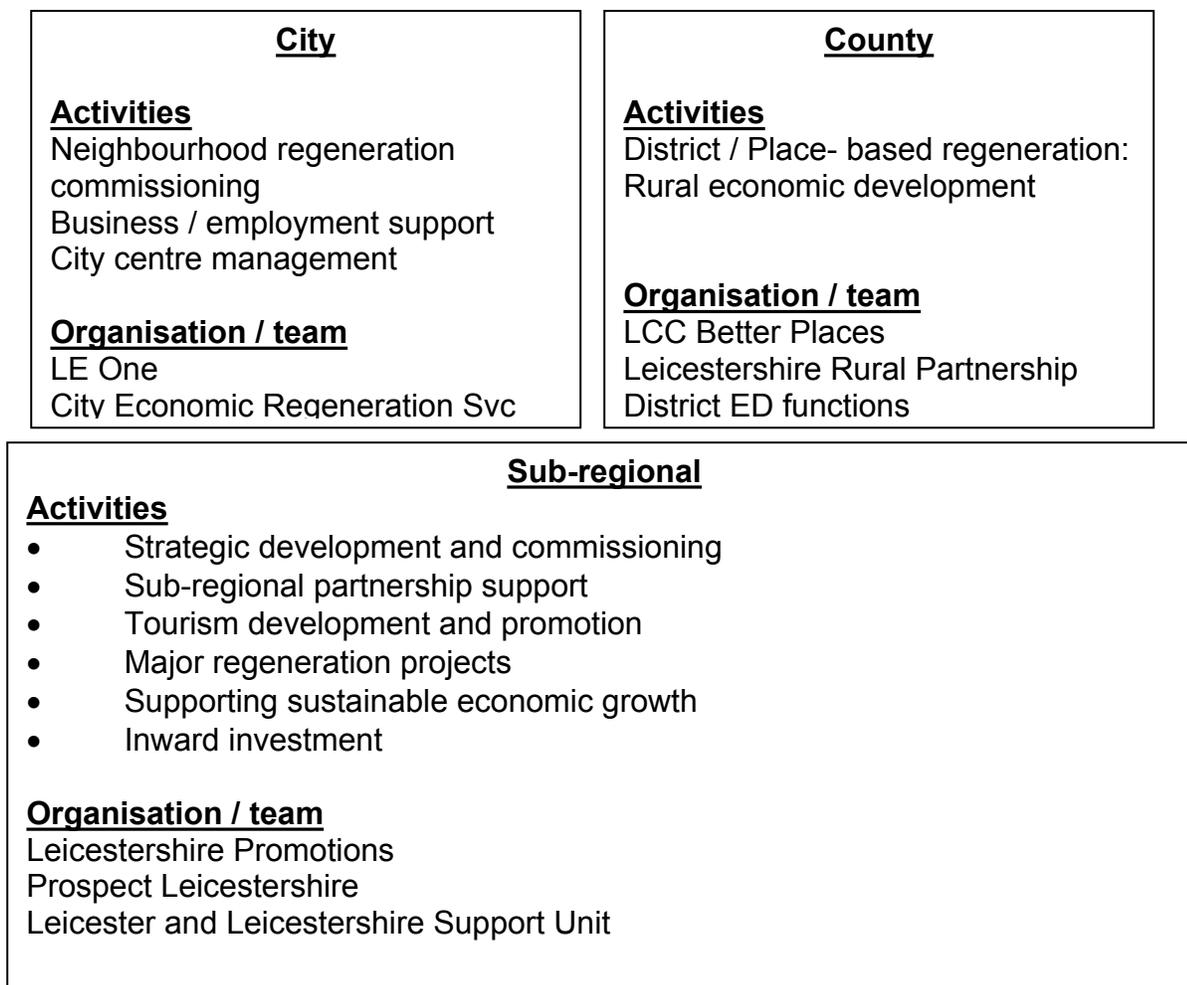


Figure 1: **Activities and organisations in scope**

Activities out of scope

For the purpose of the review it is useful to identify those areas, that although may interface with those activities in Figure 1, are not directly in scope. These include:

- Transport
- 14 – 19 Learning
- Adult Skills
- Housing and Community Infrastructure
- Statutory land-use planning functions

Project Approach

A **desk-based review** will be undertaken collating information on: governance arrangements, core activities delivered, core funding, revenue expenditure, staffing, project funds and project delivery.

1-1 Interviews with key partners will be undertaken to obtain an organisational perspective on current and potential future arrangements, giving consideration to efficiency and capacity to deliver. Interviews will also explore likely future funding availability from existing and potential funding partners to support core ED activity, as well as commissioning and delivery activity. Suggested consultees are listed in Appendix 1.

A **watching brief** will be kept on:

- emerging government policies to ensure the review is as informed as possible by Whitehall developments.
- any further funding decisions at a local, regional and national level, including in relation to the establishment of a Local Enterprise Partnership .
- where possible, internal LA reviews to ensure consistency of approach and alignment of activity.

Project Timeframe

	July	August			
	w/c 26th	w/c 2nd	w/c 9th	w/c 16th	w/c 23rd
Project Initiation (scope agreed)	29-Jul				
Desk based review					
Interviews arranged					
Interviews conducted					
Draft Report / Options Paper					26-Aug
Watching brief					

Risks

The greatest risk is the unknown. A White Paper outlining plans for local and regional growth is anticipated over the summer (exact release date of this paper is uncertain – could be as late as September), this should include further details on the £1bn Regional Growth Fund and Local Enterprise Partnerships. It is anticipated that funding available for LEPs (core or discretionary) will not be known until the October Comprehensive Spending Review (CSR).

The CLG Structural Reform Plan outlines the timeframe for the transition from RDAs to LEPs, with the first LEPs to be in place by April 2011 and all RDA functions to be transferred by April 2012. The government has indicated that regional activities such as Inward Investment, Business Support, Sector Leadership and Innovation, may be managed at a national level. This discussion is ongoing and again clarification is anticipated within the forthcoming White Paper.

Local Authorities are currently working through required savings for economic development activity, initial indicative estimates include: County Council (25%), City Council (30%), District Councils (25-40%).

Whilst this review is required quickly to ensure savings can be made from 2011/12; the uncertainties outlined above will mean that any proposed options will require a degree of flexibility, ensuring that they are still fit for purpose post CSR and for the foreseeable future.

Project Report

A draft report will be produced for the 26th August Co-ordination Group. The report will include:

- An overview of current structures, activities and funding
- An analysis of current policy changes and potential impacts on local structures, strategies and funding.
- Options for future delivery of economic development taking account of the scope of a proposed LEP, including cost savings that allow for the need to maximize the effectiveness and efficiency of proposed future structures.
- Pros and cons of these options

Further Considerations

Research and intelligence review
Total Place (place-based budgeting)
Total Capital pilot proposals

Contacts

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APPENDIX 1

Proposed interviewees:

City Council

1. Alistair Reid / Andrew Smith
2. Mike Dalzell/ Jo Ives, Economic Regeneration Service
3. Mandip Rai, Support Unit

LE One

4. Sarah Harrison

County Council

5. Tom Purnell, Group Manager
6. Simon/ McIntosh/Helen Harris, Better Places

District Councils

7. Sue Smith
- (+ Item at District CEOs meeting, if possible)

Strategy and Performance Group Chairs

- Sue Smith, 8. Ian Drummond, 9. Martin Traynor, 10. Richard Brucciani, 11. Andrew Granger ,
12. Frances Lawlor

Prospect Leicestershire

13. David Hughes

Leicestershire Promotions

14. Martin Peters

Business Council

Andrew Granger

VCS Forum

15. Kevan Liles