

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Cllr Nick Worth, Portfolio Holder for Growth and Commercialisation.

**To:** Cabinet Tuesday, 11 September 2018

**Author:** Nigel R Burch, Economic Development and Inward Investment Manager,  
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**Subject:** The impact of the government's 2018 LEP Review on the district of South Holland

**Purpose:** To consider the options available to the authority in respect of Local Enterprise Partnerships (LEP) membership, in response the government's recently published review of LEPs.

### **Recommendation(s):**

- 1) That in response to the government's review of Local Enterprise Partnerships, the impacts of which are set out within this report, that South Holland District Council reaffirms and retains its continued membership of the Greater Lincolnshire Local Enterprise Partnership
- 2) That the authority's support for recommendation (1) be subject to the conditions set out within the 'options' section of this report.
- 3) That as a consequence of (1) South Holland District Council relinquishes its 'associate membership' of the Cambridgeshire and Peterborough Combined Mayoral Authority, albeit with a view to ensure continued active partnership working with authorities and institutions in Cambridgeshire and Peterborough, as a means of supporting the continued growth of the economy in South Holland.

### **1.0 BACKGROUND**

- 1.1 In 2010, the Government made the decision to disband the Regional Development Agencies and introduce Local Enterprise Partnerships to promote economic growth across England. Until that point, Regional Development agencies such as the East of England Development Agency (EEDA) and the East Midlands Development Agency (EMDA) had been responsible for the distribution of both Government and European funding.
- 1.2 Local Enterprise Partnerships (commonly known as LEPs) were brought in by the Coalition Government to replace regional development agencies with a view to provide a more locally driven solution to supporting economic growth. They were also created with a view to increase the level of private sector representation in activity relating to economic growth. Like their predecessors, LEPs were given responsibility for the distribution of funding designed to support economic growth, including 'Growth Deal' funding and European Structural Investment Fund (ESIF) monies.
- 1.3 As a Lincolnshire-based local authority, South Holland District Council has been a member of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) since it was formed in 2010. Furthermore, in 2017 the authority became a paying "associate" member of the

Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCCP LEP); a decision taken on the basis of the close alignment between the economy in South Holland and the wider economic geography that surrounds Peterborough. At the same time South Kesteven District Council did this for the same reasons. Associate membership has afforded the authority with 'a seat at the table', but has not provided the authority with voting rights and/or access to major funding streams.

- 1.4 In the period since the authority became an associate member of the GCCP LEP, the Cambridgeshire and Peterborough Combined Authority was created, with the Greater Cambridge Greater Peterborough Local Enterprise Partnership evolving to take the form of the 'Business Board' within the new Combined Authority. The Cambridgeshire and Peterborough Combined Authority has recognised the synergy between both the South Holland and South Kesteven economies and that of Greater Cambridge and Greater Peterborough, and as a result, has included both districts into its functioning economic area.
- 1.5 Consequently, and unlike many other authorities, South Holland effectively holds membership within two organisations that perform the functions of a LEP. This is the result of South Holland's geographical location as a Lincolnshire authority, whilst also having an economic geography that closely aligns with that of Peterborough and the surrounding areas. Historically, this approach (of dual membership) has been seen by government has being entirely acceptable.

#### **The 2018 Review of Local Enterprise Partnerships.**

- 1.7 Since 2011, the context in which Local Enterprise Partnerships now operate has altered significantly. For example, LEPs now oversee significant amounts of public funding and have an authoritative voice in shaping national and local policy.
- 1.8 In response to how the function of LEPs has evolved over time, the Government has now undertaken a review of all the Local Enterprise Partnerships in England to ensure they are fit for purpose to support the development of Local Industrial Strategies. This review, which was published in August, includes a number of actions which the government intends to pursue.
- 1.9 A summary of these actions is set out within Appendix 1 linked to this report. However, the action with the greatest pertinence to South Holland relates to 'overlapping geographies' when it comes to LEP membership of individual local authorities. In relation to 'overlapping geographies', the government is proposing the following;
  - That in order to improve accountability and to ensure that all businesses and communities are represented by one Local Enterprise Partnership, that Local Enterprise Partnerships and Mayoral Combined Authorities seek to move towards coterminous boundaries where overlapping memberships are removed.
  - That by the end of September 2018, Local Enterprise Partnership Chairs and other local stakeholders are to present to government considered proposals on geographies which best reflect real functional economic areas and which remove overlaps, whilst still providing an appropriate level of scale required to provide effective strategic direction and efficient delivery of future programmes.
  - That any amendments to the geography of LEP areas as a whole will be expected to take effect by spring 2020 at the latest.

- This is with a view to simplify the allocation of future growth funding and rationalise the increasingly complex local growth landscape.
- 1.10 Consequently South Holland is required to give this matter of ‘overlapping geographies’ urgent consideration, as the government is proposing that local authorities will no longer be able to belong to more than one Local Enterprise Partnership and/or Combined Authority.
- 1.11 Despite this, the government acknowledges that there will need to be a significant degree of ‘porosity’ between contiguous LEP areas, and that they expect ongoing cross-LEP conversations, collaboration and collective working to be ongoing wherever possible.

## OPTIONS

In response to the government’s review of LEPs, the authority has two options for consideration;

### **Option 1: That South Holland District Council reaffirms and retains its continued membership of the Greater Lincolnshire Local Enterprise Partnership, with a view to relinquish the authority’s ‘associate membership’ of the Cambridgeshire and Peterborough Combined Authority (Recommended)**

Under this option, South Holland would continue with its current membership of the GLLEP whilst relinquishing its formal ‘associate membership’ of the Cambridgeshire and Peterborough Combined Authority. This option would enable the authority to continue to access major funding streams through the GLLEP. It will also ensure that alignment will continue to exist between the LEP and the two tiers of local government that cover the South Holland area.

Given the close alignment between the South Holland economy and the economic geography that surrounds Peterborough, it is proposed that should this option be pursued, the authority should continue to seek close ties with authorities and institutions within Peterborough and Cambridgeshire. This includes through the current arrangements between the authority and ‘Opportunity Peterborough’; the economic development agency owned by Peterborough City Council, which is providing services to the authority in attracting inward investment into the district.

Whereas the clear recommendation contained within this report is that the authority reaffirms and retains its continued membership of the GLLEP, it is also recommended that the authority’s continued support and membership of the GLLEP is made conditional on a number of key matters. These conditions, which have been discussed with representatives from the GLLEP, include the following;

- That going forward, for the GLLEP to develop a greater focus on the skills agenda; an agenda of significant importance to South Holland’s wider economic strategy
- That going forward, for the GLLEP to provide the authority with reassurance that South Holland’s economic focus around Greater Peterborough, including through recently announced arrangements with ‘Opportunity Peterborough’, are endorsed and supported
- That any changes to the future governance of the GLLEP, as recommended for all LEPs through the government’s wider review, should ensure that political input on decision making occurs at the earliest possible stages
- That going forward, that the GLLEP explores the benefits of a ‘corridors-based approach’ to investment in economic development in Lincolnshire, as has happened in other LEP areas. This includes LEPs such as the New Anglia LEP, where an economic growth strategy

linked to the A11 corridor between Norwich and Cambridge is being promoted to government for funding to support the growth of high tech industry, and with initial success.

**Option 2: That South Holland District Council pursues continued 'associate membership' of the Cambridge and Peterborough Combined Authority, with a view to relinquish membership of the Greater Lincolnshire Local Enterprise Partnership (Not recommended)**

Under this option, South Holland would continue with its 'associate membership' of the Cambridgeshire and Peterborough Combined Authority (including its membership on the Business Board of the combined authority). If pursued, this option would bring about a need for the authority to relinquish its formal membership of the Greater Lincolnshire Local Enterprise Partnership.

**REASONS FOR RECOMMENDATION(S)**

The recommendation set out within this report is that, in response to the government's review of Local Enterprise Partnerships, the impacts of which are set out within this report, that South Holland District Council reaffirms and retains its continued membership of the Greater Lincolnshire Local Enterprise Partnership (Option 1).

There are a number of reasons for this recommendation, including the following;

- South Holland's 'associate membership' of the Cambridgeshire and Peterborough Combined Authority does not afford the authority with the same level of influence as currently afforded through the authority's membership of the Greater Lincolnshire Local Enterprise Partnership. For example, whereas the authority's 'associate membership' of the Cambridgeshire Peterborough Combined Authority provides the authority with a 'seat at the table' on key discussions relating to support for business, it does not afford the authority voting rights. Consequently, the authority will have a much greater influence within GLLEP than within the Cambridgeshire and Peterborough Combined Authority.
- Furthermore, 'associate membership' does not provide the authority with the same level of access to UK government and European funding that the authority currently has through membership of the GLLEP. This includes the access to European Regional Development Funding (ERDF) and Local Growth Funding, each of which the authority can access through the GLLEP but not the Cambridgeshire and Peterborough Combined Authority. Since the GLLEP was founded in 2010, around £11m in government funding for major economic-related projects has been awarded to and/or directed into projects within the district. Consequently, remaining within the Lincolnshire partnership will give SHDC much greater access to future funding opportunities.
- Should the authority opt to future LEP membership through the GLLEP, the ability of South Holland businesses to access key and pertinent business and skills support provided through and commissioned by the Cambridgeshire and Peterborough Combined Mayoral Authority will continue.
- Through the council's relationship with 'Opportunity Peterborough' in relation to inward investment, the authority will retain the ability to build important relationships with public and private sector partners within the Cambridgeshire and Peterborough area, specifically in relation to areas relating to inward investment, economic development and infrastructure provision
- Through remaining with the GLLEP, it will also ensure that alignment will continue to exist between the LEP and the two tiers of local government that cover the South Holland area.

**EXPECTED BENEFITS**

It is anticipated that, if pursued, the report recommendations will deliver the following benefits;

- It is expected that South Holland District Council will have a much stronger influential voice within the GLLEP than it has within the Cambridgeshire and Peterborough Combined Authority, by virtue of the differing level of membership that the authority has with the two organisations.
- South Holland District Council will continue to have access to the funding streams that are currently available through the GLLEP, and any future funding through the Government's Shared Prosperity Fund that is likely to be distributed through the LEP's following the United Kingdom's exit from Europe.
- South Holland's businesses and educational institutions will still be able to access support that is available through many programmes commissioned by the Cambridgeshire and Peterborough Combined Authority.

## **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision. Those considerations are set out below;

- **Corporate Priorities**

By remaining in the Lincolnshire partnership and maximising funding and other opportunities, South Holland District Council will be in a stronger position to continue to deliver its Corporate Priorities, specifically in relation to the priority to 'encourage the local economy to be vibrant with continued growth'.

- **Financial**

Remaining within the GLLEP will provide the authority continued opportunity to access major UK government and European funding streams, designed to support economic growth. This includes grant funding for projects such as Grants4Growth, the funding for which would not pass into South Holland if the authority the authority opted for continued associate membership of the Cambridgeshire and Peterborough Combined Authority.

- **Stakeholders / Constitution / Timescales**

There are timescales associated with the finalisation of a decision on this matter. Those timescales, which have been set by government, require authorities and LEPs to finalise their position on the matter of 'overlapping geographies' by September 28<sup>th</sup> 2018.

Throughout this process, the authority has sought to engage with key stakeholders such as the GGLEP and the Cambridgeshire and Peterborough Combined Authority.

- **WARDS/COMMUNITIES AFFECTED**

All wards

- **ACRONYMS**

SHDC – South Holland District Council

LEP – Local Enterprise Partnership  
GLLEP – Greater Lincolnshire Local Enterprise Partnership  
GCGPLEP – Greater Cambridge Greater Peterborough Local Enterprise Partnership  
ERDF – European Regional Development Fund  
LIS – Local Industrial Strategy

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Background papers:-

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**Key Decision:** N

**Exempt Decision:** N

**Appendix 1** - Appendix One – A summary of key points contained within the government's 2018 review of Local Enterprise Partnerships.

**This report refers to a Mandatory Service**