

Regional Policy

Approach to Economic Development in England

Conference formation-regiosuisse
Yverdon-les-Bains, Switzerland
Thursday 9th November 2017

Stephen Catchpole, Chief Executive Officer, SEMLEP

SEMLEP

South East Midlands
Local Enterprise Partnership



Content

- ▶ Regional Economic Development through Development Agencies (RDAs) under Labour Government (1998–2010)
- ▶ Economic Development through Local Enterprise Partnerships (LEPs) under Coalition and Conservative Governments (2010–to date)
- ▶ Mission and Main Activities of LEPs
- ▶ Role of Private Sector in Economic Growth
- ▶ Selection/Initiation of Projects
- ▶ Achievements nationally and locally / issues to address
- ▶ Local Example of LEP activity – SEMLEP Skills agenda
- ▶ Questions and discussion



Regional economic development through RDAs under Labour Government (1998–2010)

- ▶ 9 Non-Departmental Public Bodies
- ▶ Based on NUTS Level 1 Regions of England
- ▶ Reported to Department of Business Innovation and Skills
- ▶ Led by a private sector Chair. Board of 15 people appointed by Ministers representing business, local government, trade unions and voluntary organisations
- ▶ Average funding per annum from Government to RDAs some £2bn (approximately £300m each)
- ▶ Objectives set out in a Regional Economic Strategy (RES)



Economic development through LEPs under Coalition and Conservative Governments (2010–to date)

- ▶ 38 Local Enterprise Partnerships
- ▶ Functional Economic Areas with some overlap
- ▶ Non-statutory bodies with no single structural template
- ▶ Purpose: to drive forward economic growth in their areas through implementation of Strategic Economic Plan proposals
- ▶ Government provides £500k per annum for revenue costs
- ▶ Local Growth Fund from Government for competitive bidding by LEPs for capital projects (Round 3 of £1.8bn awarded in Jan–March 2017)



Mission and main LEP activities

Stimulate growth in the area by:

- ▶ Understanding the strengths/opportunities/threats/weakness of the local economy
- ▶ Attracting businesses/investment into the area particularly in key sectors
- ▶ Providing support for enterprises to boost productivity and profitability
- ▶ Acting as a conduit for Government and European funding to ensure alignment with economic strategies
- ▶ Ensuring employers are able to secure workers with the relevant skills
- ▶ Identifying infrastructure investment needed to accelerate growth
- ▶ Acting as champion for the area
- ▶ Facilitating understanding/cooperation between the public and private sectors

SEM LEP

South East Midlands
Local Enterprise Partnership



Role of Private Sector in Economic Growth

- ▶ Belief that economic potential of an area cannot be achieved without full involvement of Private Sector businesses in formalising and implementing strategies
- ▶ Private sector provide Chair and majority of Directors on LEP Boards
- ▶ Knowledge of local economy
- ▶ Sector Groups led by Private Sector
- ▶ Identification of opportunities for blockages to Growth
 - Premises
 - Infrastructure
 - Investment
 - Skills

SEMLEP

South East Midlands
Local Enterprise Partnership



Selection/Initiation of Projects

- ▶ Projects identified from evidence provided by Private Sector
- ▶ Submitted to LEP either by individual companies or public sector bodies or in combination
- ▶ Successful submissions selected in competition
- ▶ Judged against specified criteria using independent consultants
- ▶ LEP Board agrees final list of approved projects



Achievements (2010–to date)

Nationally

- ▶ Gearing ratio of £7 private sector investment for each £1 public sector
- ▶ Total of £7bn of private sector investment secured
- ▶ Supported over 130'000 businesses through Growth Hubs: direct advice, grants, signposting
- ▶ Helped businesses create over 145'000 jobs
- ▶ Helped the construction of 25'000 homes

SEMLEP

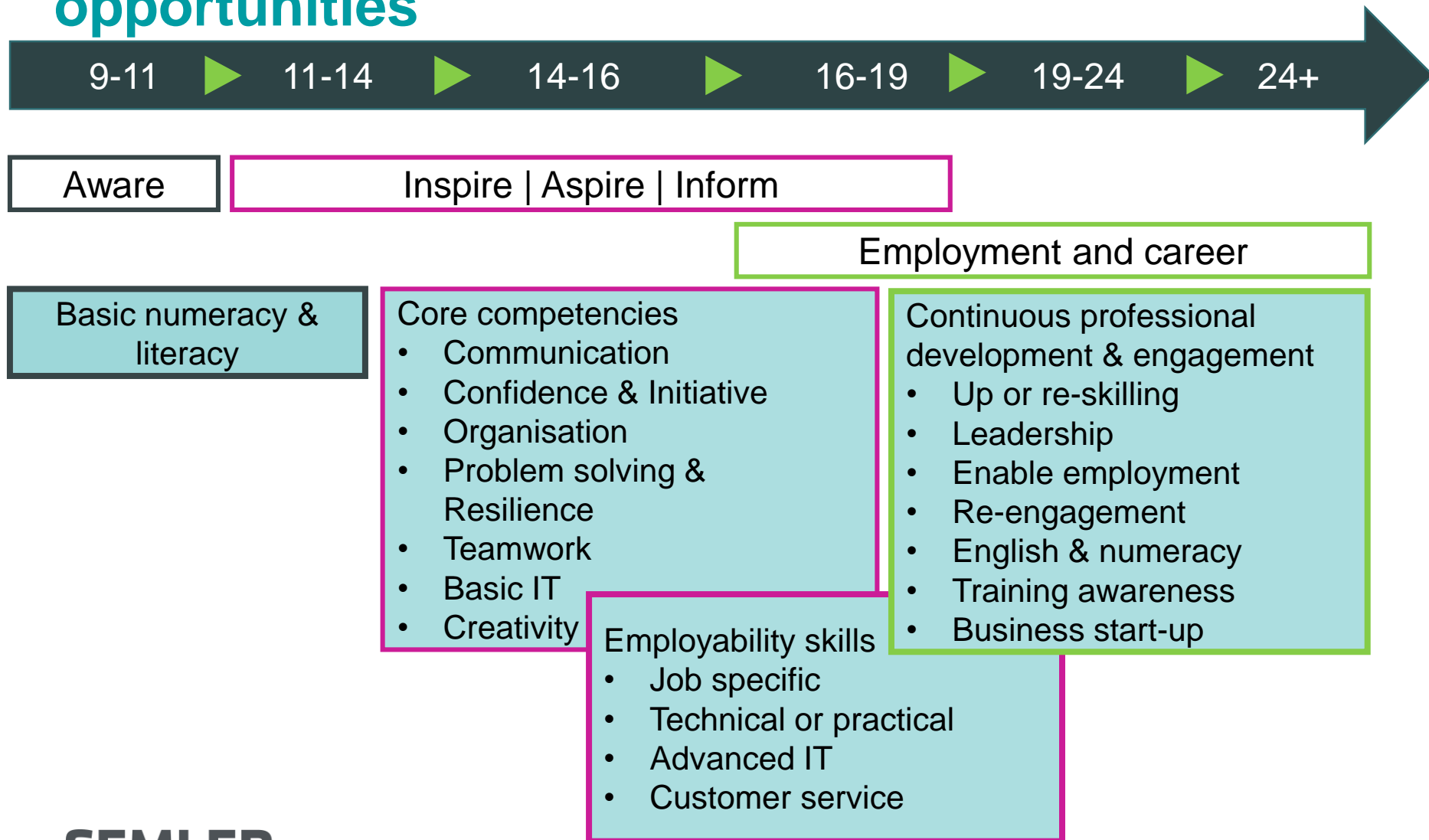
- ▶ Secured more than £260m of Local Growth Fund and other monies from Government for Capital Projects
- ▶ Promoting more than £66m of ESIF monies in latest funding round
- ▶ SEMLEP area 4th highest in England (after London, Birmingham and Manchester) for FDI (2014/15) with further 17% increase (2015/16)
- ▶ Secured four Enterprise Zones

Issues arising

- ▶ Some strategic issues such as major transport infrastructure cannot be addressed on an individual LEP basis.
- ▶ Sectors and supply chains cannot be addressed solely on an individual LEP basis.
- ▶ Revenue funding on an annual basis creates difficulties for planning activities, staff resources etc.
- ▶ Non-statutory status leads to uncertainty about future.
- ▶ Private sector less enthusiastic the more bureaucratic the organisation becomes.



Plan to build a talent pipeline based on opportunities



SEMLEP

South East Midlands
Local Enterprise Partnership

Local example of LEP activity: SEMLEP skills agenda

Questions and discussion



SEMLEP

South East Midlands
Local Enterprise Partnership