

## Bath & North East Somerset Council

MEETING	<b>Cabinet</b>	
MEETING	<b>9<sup>th</sup> April 2014</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E 2642</b>
TITLE:	<b>The West of England Local Enterprise Partnership Strategic Economic Plan 2013 - 2030</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> Appendix 1 : The West of England Local Enterprise Partnership Strategic Economic Plan 2013 – 2030 Appendix 2 : Strategic Economic Plan Executive Summary		

### **1 THE ISSUE**

- 1.1 In line with Government requirements the West of England Local Enterprise Partnership (LEP) has, in consultation with public and private sector partners, drawn up a Strategic Economic Plan (SEP) for the sub-region.
- 1.2 As part of the process of submitting the Plan to Government it is seeking the agreement of key partners to the aims and objectives set out in the document.

### **2 RECOMMENDATION**

- 2.1 That Cabinet agree the aspirations set out in the SEP and endorse the submission of the document to Government.
- 2.2 That authority be delegated to the Chief Executive and Strategic Director Place to agree any minor amendments to the document in consultation with the Cabinet member for Sustainable Development

### **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 There are no immediate direct financial implications of the Strategic Economic Plan other than officer time to support its development
- 3.2 There are a range of aspirations identified in the Strategic Economic Plan which are either directly or indirectly supported by the Council. These are currently merely an indicative list of priorities.

3.3 Of the priority list of 34 projects, 13 potentially have a direct positive impact on Bath and North East Somerset. These are led by a variety of public and private sector bodies.

3.4 The Council is not committed financially to any of these projects though they do accord with the Council's policies and strategies. Each project relevant to the Council would be subject to the consideration and approval of full Council as and when detailed business cases are developed.

#### **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

4.1 Local Authorities have the power to promote the economic wellbeing of their area and to establish companies to help achieve this. LEPs provide a vehicle for local authorities to work together with business in order to drive the economic growth of an area.

#### **5 THE REPORT**

5.1 Regional economies in England are competing for a slice of £2 billion (per year between 2015-2020) of Government funds for economic development, through their Local Enterprise Partnerships (LEPs). Each LEP is producing a Strategic Economic Plan (SEP), which will be competitively assessed by the Government in 2014 as part of the negotiations on the Local Growth Deal.

5.2 The SEP sets out a framework for seeking to achieve the LEP's Vision for the West of England as one of Europe's and the Country's most successful sub-regions which has closed the gap between disadvantaged and other communities. It is one of only 3 sub regions which make a positive financial contribution to the UK Exchequer

5.3 The SEP is based on a "smart" approach to generating jobs and growth and focuses on five key sectors which have seen significant expansion prior to the economic recession and which are seen to offer the greatest potential to deliver economic and employment growth in the future.

- aerospace and advanced engineering
- high tech
- creative and digital media
- low carbon
- professional services

5.4 It is envisaged that this approach will create a multiplier effect, which means there will also be substantial job growth in other sectors, including tourism, construction, health, warehousing and logistics.

5.5 To deliver the SEP Investment Programme the LEP is proposing to pool existing and potential resources to include the Local Growth Fund, the EU Structural Investment Fund, the Bristol & West of England City Deal, Major Transport Schemes programme, Revolving Infrastructure Fund and other potential public funding sources and private sector investment.

5.6 The programme proposed in the SEP requires £90 million per annum from the Local Growth Fund for six years, from 2015-2021. It has 34 prioritised interventions which will be the focus for investment in the early years of the Plan together with a “pipeline” of schemes which could potentially come forward beyond 2017.

5.7 Of the 34 prioritised interventions, 15 have been identified as having the ability to deliver early, with the remainder coming forward as a second phase. Of these 15 the following have the potential to directly benefit Bath and North East Somerset residents:

Description	Potential level of investment	Potential jobs created across the West of England
<b>Bath Innovation:</b> A package of connected interventions in Bath to provide a new central business district, incubation facilities and business grow on space	£34.7m	7000
<b>Terabit West:</b> Broadband infrastructure research and development test bed to extend Gigabit Bristol across the West of England	£15m	250
<b>Retrofitting:</b> Market intervention to stimulate and support retrofitting demand from householders and businesses	£9.1m	1775
<b>FE skills capital:</b> Capital intervention to support skills development in FE	£31.9m	n/a
<b>Superfast broadband:</b> Provision of open access ducting and voucher scheme to support the roll out of superfast broadband in the West of England	£5.22m	1312
<b>Local pinch points:</b> Funding for 2-3 mid-sized transport capital improvements schemes per year focussed on congestion reduction	£34m	1600
<b>Sustainable Transport Package:</b> A programme of sustainable transport capital measures to encourage walking, cycling, smarter coices and public transport	£20m	1800
<b>Package of Minor Transport Schemes:</b> Capital interventions built around the Joint Local Transport Plan	£34m	950
<b>West of England Growth Fund:</b> Grant funding for SMEs where market failure exists	£16m	1050

5.8 In addition to these there are a further 4 projects in the list of 34 interventions which also have the potential to benefit Bath and North East Somerset residents:

- Craneworks: a private sector project led by the Bath Bridge to create new incubation and cultural facilities in Bath
- West of England Centre for Power & Energy: a project led by the University of Bath to develop new testing facilities for engineering courses
- INet Innovation networks, to provide business support to high growth companies
- West of England Inward Investment, to provide support for promoting and marketing the West of England internationally

5.9 The SEP also sets out strengthened governance arrangements for the LEP including the establishment of :

- A West of England Investment Board to act as a “one front door” for the development and evaluation of proposals for funding under the SEP
- A Joint Leaders Committee to provide the transparency and accountability for decisions to support significant projects that involve public money.

## **6 RATIONALE**

6.1 The LEPs are the vehicle through which public and private sector partners can attract significant government and EU funding for their sub-regions. The Government require LEP's to prepare and submit a Strategic Economic Plan for their area in order to access funding through the Local Growth Fund.

## **7 OTHER OPTIONS CONSIDERED**

7.1 None

## **8 CONSULTATION**

8.1 This report has been prepared in consultation with the Leader of the Council, the Cabinet Member for Sustainable Development, the Chief Executive, Section 151 and Monitoring Officers and the Strategic Directors for Place and Resources.

8.2 The SEP has been subject to a formal external consultation with the public by the Local Enterprise Partnership

## **9 RISK MANAGEMENT**

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>John Wilkinson 01225 396593</i>
<b>Background papers</b>	<ol style="list-style-type: none"><li><i>1. SEP Priority Projects Outline Business Cases</i></li><li><i>2. SEP Sector Prospectus</i></li><li><i>3. SEP Equality &amp; Diversity Impacts</i></li></ol>
<b>Please contact the report author if you need to access this report in an alternative format</b>	