



Open Report on behalf of Andy Gutherson, Executive Director - Place

Report to:	Environment and Economy Scrutiny Committee
Date:	28 February 2023
Subject:	The Role of Local Enterprise Partnerships and the Relationship with Lincolnshire County Council following Government Guidance

Summary:

This paper describes the relationship between LCC and the Greater Lincolnshire Local Enterprise Partnership (LEP). It explains that LEPs are private sector led organisations which have responsibility for shaping economic strategies, for championing local economic priorities, and for targeting funding into the achievement of economic priorities. It also explains that LCC and the LEP have always sought to avoid duplication, and it shows how the two organisations are delivering significant improvements to business support, investment, skills, and economic infrastructure. It recognises that LCC has previously agreed to align with the LEP produced economic strategy rather than produce a standalone document.

The paper goes on to explain that the role of LEPs is changing, with LEPs being given responsibility to update their economic strategy and with LEPs being expected to integrate into new arrangements should a County Deal be agreed.

The paper recognises the value of there being a strong, independent, and diverse private sector. It recommends that LCC continues to support the LEP both by aligning our own economic priorities with those of the LEP and by continuing to use the business voice that the LEP can bring into the way that we inform and shape our own activity.

Actions Required:

That the Environment and Economy scrutiny committee:

- 1) Endorses a continuation of the approach in which LCC supports the LEP in its production of the economic strategy, seeking to align and avoid duplication wherever possible
- 2) Encourages officers to continue to seek private sector input into priorities and initiatives by actively engaging with the LEP board and its subgroups.

1. Background

Priorities within economic development

Members will be aware that the objectives for developing the economy can be described as

- helping Lincolnshire based businesses to grow
- attracting new investment into the county
- providing a skilled and motivated workforce
- creating the conditions in which businesses can thrive

In more detail, the services that LCC provides under each of these headings are:

Helping Lincolnshire based businesses to grow	Attracting new investment into the county	Providing a skilled and motivated workforce	Creating the conditions in which businesses can thrive
Business Lincolnshire Growth Hub advisory service Tourism strategy and support Smart Manufacturing programme Creative Industries programme Export strategy and its implementation	Delivery of inward investment strategy Team Lincolnshire External funding programme – bidding for and management of funding	Promotion of apprenticeships Adult Learning programme Multiply numeracy programme	Economic sites and premises portfolio Analysis of, and improvement to, utility infrastructure Superfast broadband programme Freight and rail action plans arising from Local Transport Plan

Developing the economy is not the responsibility of one single organisation. It relies on collaboration with government departments, the business and academic community, other councils, etc. Whilst collaboration with partners such as these is a core part of any economic development function's role, the strategic place for bringing these different organisations together is through local enterprise partnerships (LEPs).

Greater Lincolnshire LEP board -governance

In Lincolnshire, the LEP covers the upper tier authority areas of Lincolnshire, North Lincolnshire, North East Lincolnshire, and Rutland. Greater Lincolnshire LEP has a private sector led board which is currently chaired by Pat Doody, a former area director of Nat West Bank and now a non-executive director of several organisations. LCC is represented on the LEP board by the Executive Councillor for Economy and Place, Councillor Colin Davie, and by the council’s Chief Executive, Debbie Barnes.

A LEP company is also in place; Lincolnshire County Council (LCC)’s Director on that company is currently Councillor Ray Wootten who was appointed when he was Chairman of the Environment and Economy Scrutiny Committee.

LCC is the accountable body for Greater Lincolnshire LEP.

Strategic and operational role of Greater Lincolnshire LEP

LEPs have a strategic role to fulfil, shaping and leading an economic strategy for the area. It should be noted that the LEP’s geographical area is wider than Lincolnshire County, and that whilst the LEP takes account of the differing spatial priorities within Lincolnshire - recognising them in its strategy and successfully delivering activity in each part of the county- it also takes account of spatial priorities along The Humber and in Rutland.

The LEP produced a greater Lincolnshire economy strategy in 2019 and it has worked with LCC and other partners to deliver that strategy since then. The Environment and Economy scrutiny committee agreed that LCC should not prepare its own economic development strategy, but instead should adopt the strategy which was produced by the LEP.

The LEP’s role can be described as advocating and championing strategic priorities; leading initiatives in its own right; and providing grant funding via government for local projects. The table below adds the activity that the LEP has taken a strong role in to those activities that LCC provides (comments relating to the LEP are in italics). The LCC and LEP teams have always sought to avoid any unnecessary and inefficient duplication of services.

Helping Lincolnshire based businesses to grow	Attracting new investment into the county	Providing a skilled and motivated workforce	Creating the conditions in which businesses can thrive
Business Lincolnshire Growth Hub advisory service <i>-the government grants for growth hubs are routed</i>	Delivery of inward investment strategy <i>-government routes all inward investment enquiries through</i>	Promotion of apprenticeships - <i>LCC and the LEP collaborate on an apprenticeship promotion strategy</i>	Economic sites and premises portfolio - <i>the LEP has funded LCC economic sites, including being the main funder of</i>

<p><i>through the LEP</i></p> <p>Tourism strategy and support <i>-the LEP Visitor Economy Board provides strategic advice and will focus on skills and employment for the sector</i></p> <p>Smart Manufacturing programme <i>-the LEP Manufacturing Board helped to shape the detail of this bid</i></p> <p>Creative Industries programme</p> <p>Export strategy and its implementation</p> <p><i>The LEP is leading investment programmes which help businesses to adapt to low carbon technology and tackle hard to fill vacancies</i></p>	<p><i>LEPs</i></p> <p>Team Lincolnshire <i>- the LEP is a founding partner of Team Lincolnshire</i></p> <p>External funding programme – bidding for and management of funding <i>-as accountable body, LCC administers all of the LEP funding</i></p> <p><i>The LEP champions Humber Freeport, an initiative which will benefit the wider area through job creation in the offshore wind industry</i></p>	<p>Adult Learning programme</p> <p>Multiply numeracy programme</p> <p><i>The LEP hosts the greater Lincolnshire Careers Hub which provides business representatives to support every secondary school’s careers work in the area</i></p> <p><i>LEP grants have provided new training facilities at most post 16 institutions in the county</i></p>	<p><i>Holbeach Food Enterprise Zone</i></p> <p>Analysis of, and improvement to, utility infrastructure <i>-the LEP is undertaking complimentary work on food sector energy requirements and on circular economy</i></p> <p>Superfast broadband programme</p> <p>Freight and rail action plans arising from Local Transport Plan</p>
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It can be seen that there is a very clear connection between the LEP’s operational activity and the delivery of economic development priorities in the county. This is a high level summary, full details of LEP governance and activity can be found on the LEP’s website (www.greaterlincolnshirelep.co.uk).

The relationship between LCC and the LEP is strong, based on shared priorities and a philosophy of avoiding duplication, and therefore it is a relationship that we should support and nurture.

Looking ahead -a refreshed economic strategy and the future role of LEPs

There are two issues which could affect the future of LEPs – preparation of a new economic strategy, and LEP roles within County Deal arrangements.

The government has now asked LEPs to produce economic strategies and to provide an enhanced level of business and economic information into central government.

Since the publication of the 2019 strategy a number of factors have fundamentally changed across the UK economy: the funding landscape has significantly changed, with a shift from Growth Deals to the localised deployment of the UK Shared Prosperity Fund replacing EU Structural Funding; the economic landscape has changed. The effects of the pandemic on the labour market are profound and the 're-calibration' of the labour market has not returned to pre-pandemic type. Unemployment, to date, is low but economic inactivity is high. The war in Ukraine has created more economic instability, driving up inflation through rising energy costs, with the Bank of England warning of a 2 year recession lasting until 2025; and the government agenda shifted from productivity to levelling up, signalling a broader approach, which was more explicit in linking community, inclusion, health and the economy.

As a result of these factors, the LEP has reviewed how it can continue to show strategic economic and knowledge leadership for the Greater Lincolnshire economy.

The LEP has recognised that there are already a number of well used and ingrained strategic documents produced by the LEP and partners. Therefore, rather than produce another new strategy, the Economic Review is being developed as an 'opportunity toolkit' for partners, stakeholders and the business community to bring together the current evidence, policy landscape and forward vision for Greater Lincolnshire.

The changed economic context that is described above is just as relevant to LCC as it is to the LEP. Therefore, there is a lot of value in LCC assessing whether our priorities for economic development remain current. Given that the LEP is already conducting a parallel exercise and given that philosophically LCC and the LEP seek to avoid duplication, it makes sense for LCC to align with the LEP's work rather than to undertake work of our own.

In addition to asking the LEPs to produce a new economic strategy, government also clarified the future position of LEPs. It stated that either LEPs would be integrated into institutions with devolved powers where they exist (i.e. County Deals) or that LEPs would be maintained until a devolution deal is agreed. Greater Lincolnshire LEP is on pathway II and was therefore given the mandate to continue to embed a strong, independent and diverse local business voice into local decision making; and to offer advice where requested by local partners on deepening devolution deals. Examples of the advice that the LEP has offered include in shaping an approach to promoting apprenticeships and in developing the Smart Manufacture programme which has attracted several millions of pounds of grant support.

In moving towards a County Deal, the value of have a strong, independent and diverse local business voice is recognised and supported.

2. Conclusion

Greater Lincolnshire LEP has been, and continues to be, a valuable partner in economic development in Lincolnshire. LCC and the LEP have sought to avoid duplication and indeed LCC formally agreed to adopt the LEP produced economic strategy in 2019. Although the government has signalled a change in the role of LEPs into the future, there remains significant value in LCC supporting the LEP and aligning our own economic priorities with those of the LEP.

3. Consultation

a) Risks and Impact Analysis

N/A

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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