

 <b>Executive – 12 February 2014</b>		<b>Agenda Item No.</b>  <b>17</b>
<b>Title</b>	Coventry & Warwickshire Strategic Economic Plan	
<b>For further information about this report please contact</b>	Bill Hunt Deputy Chief Executive 01926 456014 <a href="mailto:bill.hunt@warwickdc.gov.uk">bill.hunt@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		
<b>Background Papers</b>	CWELP December 2013 submission and annexes	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No
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<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executive		Bill Hunt - Author
Head of Service		n/a
CMT	27/01/14	Chris Elliott, Andrew Jones
Section 151 Officer	27/01/14	Mike Snow
Monitoring Officer	27/01/14	Andy Jones
Finance	27/01/14	Mike Snow
Portfolio Holder(s)	27/01/14	Cllr. Mobbs
<b>Consultation &amp; Community Engagement</b>		
n/a		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1 Following Lord Heseltine's review of how to promote local economic growth, 'No Stone Unturned', the Government asked all Local Enterprise Partnerships to develop multi-year, ambitious and visionary Strategic Economic Plans (SEPs) setting out how they want to grow their local economies.
- 1.2 The Coventry & Warwickshire Local Enterprise Partnership (CWLEP) submitted its draft SEP in December 2013. The purpose of this report is to provide members with the opportunity to comment on the draft and influence the final SEP which will be submitted in March 2014.

## **2. RECOMMENDATION**

- 2.1 That Executive confirms its commitment to working with sub-regional partners to ensure that the final SEP submission is as strong as possible to maximise the CWLEP's ability to successfully bid for future funding for economic growth.
- 2.2 That Executive delegates authority to the Chief Executive, in consultation with the Leader of the Council, to feedback this Council's comments via the Joint Committee structure and to the Deputy Chief Executive (BH), in consultation with the Leader of the Council, to feedback this Council's comments via the CWLEP structures.
- 2.3 That Executive delegates authority to the Corporate Management Team, in consultation with Executive to continue to review the emerging SEP, provide appropriate feedback, and influence its development, until its final submission.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 CWLEP, in common with the other 38 LEPs is required to submit a SEP setting out its overall, long term strategic vision for the sub-region by 31 March 2014. The SEP must detail how the CWLEP, its various partners and other stakeholders will work together and align their existing resources to support growth. The draft CWLEP SEP has, to date, been developed by a Project Team that includes a wide range of partners, including the City and County Councils, the Chamber of Commerce and Coventry University, under a Project Board chaired by the CWLEP Operations Manager, reporting to the main CWLEP Board. As a result of the CWLEP Board meeting on 27 January 2014 the future development of the final submission will also be overseen by the Deputy Chair of the Board.
- 3.2 Government wishes to see SEPs that are ambitious and transformational but which are underpinned by a well evidenced business case and can demonstrate both additionality and value for money. Each LEP was required to submit a draft of its SEP in December 2013, allowing Government the opportunity to comment before the SEPs are finalised before their March submission.
- 3.3 The content of the SEP will form the basis for each LEP to bid for funding from the Single Local Growth Fund. The Government has identified £2bn of, predominantly, existing funding which has been used to set up this new "single pot" from 2015/16, with a commitment of a further £2bn per year for the period 2016/17-2020/21. There is no dedicated CWLEP 'allocation' from the Single Local Growth Fund and all LEP areas will effectively be competing for funding allocations from 2015/16 onwards. The allocation process will be

competitive and will be linked to the content and strength of the respective SEPs that will underpin the funding bids.

- 3.4 Although the Single Local Growth Fund contains existing UK Government 'structural funds' for economic development, e.g. Regional Growth Fund monies, and transport infrastructure funding, the future allocations will be non-ringfenced. Whilst this means that the CWLEP can bid for funding to do whatever it feels is most important to grow the local economy rather than being constrained by the criteria currently governing the specific funding streams that have now gone into the single pot, there is also a significant risk that funding will be lost to the sub-region and diverted to other LEP areas with stronger SEPs.
- 3.5 That risk has been highlighted by the feedback that the CWLEP and its partners received on its December draft submission from the West Midlands BIS Local office. The feedback indicated that Government was concerned at the overall quality of the majority (with a handful of exceptions) of the draft SEPs it had reviewed. Those concerns focus on a lack of clarity of intent, a lack of prioritisation, a lack of assurance on value for money and deliverability, a lack of evidence that what was being proposed was additional rather than what would be delivered anyway and issues around governance.
- 3.6 As a result of that feedback the CWLEP Board, at its meeting of 27 January 2014, agreed that the December draft needed a thorough review to ensure that it was:
- Shorter
  - More specific in its aims, with a clear focus on priority sectors
  - Better evidenced and prioritised, with clear cost/benefit analyses and business cases for those options for development selected
  - Clearly stating agreed commitments to delivery from key public and private sector partners
  - Able to reassure Government that robust governance arrangements were in place and that the respective responsibilities of the CWLEP and the Joint Committee had been agreed
- This review will be overseen by the Deputy Chair of the CWLEP Board and presents a significant opportunity for this Council to have a greater influence in its future development.
- 3.7 The draft SEP is currently a large and lengthy document so links have been provided rather than printed appendices. The full documentation can be accessed at:
- [http://www.cwlep.com/userFiles/cwlep\\_strategic\\_economic\\_plan\\_main\\_document\\_final\\_draft\\_19122013.pdf](http://www.cwlep.com/userFiles/cwlep_strategic_economic_plan_main_document_final_draft_19122013.pdf)
- [http://www.cwlep.com/userFiles/cwlep\\_strategic\\_economic\\_plan\\_annexes\\_final\\_draft\\_19122013.pdf](http://www.cwlep.com/userFiles/cwlep_strategic_economic_plan_annexes_final_draft_19122013.pdf)
- [http://www.cwlep.com/userFiles/cwlep\\_sep\\_socio\\_economic\\_analysis\\_final\\_draft\\_19122013.pdf](http://www.cwlep.com/userFiles/cwlep_sep_socio_economic_analysis_final_draft_19122013.pdf)
- [http://www.cwlep.com/userFiles/cwlep\\_sep\\_transport\\_final\\_draft\\_19122013.pdf](http://www.cwlep.com/userFiles/cwlep_sep_transport_final_draft_19122013.pdf)
- 3.8 The current focus of the SEP is to deliver the vision of Coventry & Warwickshire being recognised as a global hub in the advanced manufacturing and engineering (and associated) sectors, with business and research links across the world. By building on its central location, employment sites, distinctive businesses, innovation assets and highly talented workforce the vision is that by

2025 Coventry and Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing better paid employment opportunities for all of our residents across both our rural and urban areas.

- 3.9 To deliver this vision the SEP proposes a range of activities to ensure that:
- Coventry and Warwickshire is globally regarded as a centre of excellence in advanced manufacturing and engineering (AME) and allied sectors, with strong supply chains,
  - Economic benefits are levered from our Research & Development and innovation assets with connectivity and collaboration improved,
  - Coventry and Warwickshire is internationally recognised as a place to invest and innovate and the business base will compete and collaborate successfully in the global marketplace,
  - Businesses will grow and will create more high productivity jobs
  - Coventry and Warwickshire will nurture, attract and retain talented people to meet business needs, leading to higher productivity,
  - Economic growth will lead to better paid, accessible employment opportunities,
  - Infrastructure provision will be consistent with a growing, world-class economy.
- 3.10 In particular the SEP proposes a series of activities aligned to four pillars of growth: Business Growth; Employment; Skills; and Infrastructure. A series of thematic programmes are proposed covering: Research, Technological Development and Innovation; SME Competitiveness; Access to Finance; Skills; Employment initiatives; Transport Infrastructure; Digital Competitiveness; and Employment Sites and Planning.
- 3.11 Whilst all these aspirations are laudable there is concern that the focus may be considered by Government to be too broad, lacking clarity and insufficiently transformational. The review will focus on these concerns.
- 3.12 Members will wish to consider if they have any specific projects or areas of interest that they wish to see represented in the SEP. For example, specific references and commitments to the locally important gaming industry or the delivery of phases 3 & 4 of the NUCKLE project might be worthy of further considerations.
- 3.13 However, the importance of Warwick district to the sub-regional economy does appear to be clearly recognised. 19 major employment sites are specifically listed within the draft SEP and, of these, 5 are within this district (Abbey Park, Stoneleigh Park, Coventry & Warwickshire Gateway, Fen End, Tournament Fields).
- 3.14 Two channels exist for this Council's views to be fed into the development of the SEP. One is through the Joint Committee, comprising of the Leaders of all the 7 councils in the sub-region, supported by their respective Chief Executive. The other is through the existing CWLEP structures. The Deputy Chief Executive (BH), although no longer working on the City Deal, remains a member of the CWLEP Executive Delivery Board and the Leader of the Council will attend the CWLEP Board as a substitute for one of the two District/Borough Council representatives. It is therefore proposed that feedback is channeled through

both these routes to maximise the potential of this Council to influence the development of the final SEP submission.

#### **4. POLICY FRAMEWORK**

- 4.1 The Council has recently reviewed its Sustainable Community Strategy and reaffirmed its commitment to the inclusion of the Prosperity agenda as one of its underpinning themes. The strength of the SEP and the CWLEP's consequent ability to successfully bid for funding from the Single Local Growth Fund will be an important contributor to the Council's ability to successfully deliver this agenda.
- 4.2 The Local Plan is an integral part of the Council's policy framework. The need to ensure that the district has a robust Plan submission enabling full adoption after an Examination in Public is reinforced by the Government's feedback on the SEP which also highlighted the issues around Duty to Cooperate and the need to ensure that, as far as possible, all Plans within the sub-region are integrated and complimentary in terms of economic development.

#### **5. BUDGETARY FRAMEWORK**

- 5.1 There are no budgetary implications of the SEP other than it will influence the success of the CWLEP's bids to the Single Local Growth Fund. Failure to access funding from this source will have an indirect impact of this Council which could, in turn, impact on certain aspects of the Medium Term Financial Strategy.

#### **6. ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 The Council has a variety of options that it could pursue, from making no comment on the SEP to making a comprehensive response and maximising its efforts to influence the development of the final submission.