

28/10/2010 12:30

## Government kickstarts new plans for local growth

**Proposals for twenty-four local enterprise partnerships were given the green light by Government today, in a landmark move that will see local business and civic leaders working together to drive sustainable economic growth and create new jobs in their communities.**

Ministers announced the first wave of successful partnerships today as part of a new plan for local economic growth, which sets out the Government's role in empowering locally driven growth, encouraging business investment and promoting economic development.

Ministers also declared the £1.4bn Regional Growth Fund open for business.

The fund will support the creation of private sector jobs and will particularly support communities currently dependent on the public sector, helping them make the transition to private sector led growth and prosperity.

The announcements form part of a White Paper on Local Growth published today, which sets out the Government's new approach to rebalance the economy and drive sustainable growth by focusing on three key themes:

- **Shifting power to local communities and businesses** - by establishing dynamic local enterprise partnerships of local business and civic leaders, operating within an area that makes economic sense, which can provide the vision, knowledge and strategic leadership to set local priorities and empower communities to fulfil their potential.
- **Increasing confidence to invest** – by creating the right conditions for growth through a consistent and efficient framework for investment, an effective planning framework and new incentives to make sure local communities benefit from development.
- **Focused investment** – by tackling barriers to growth that the market will not address itself and supporting investment that will have a long term impact on growth.

Business Secretary, Vince Cable said:

"I was delighted that so many of the proposals for local enterprise partnerships showed real imagination and initiative and a genuine desire to drive local economic growth. I am pleased to announce that we are asking 24 of these partnerships to set up their boards and get to work.

"The knowledge and expertise of the private sector, local authorities and their local communities will be crucial as we work to create a better environment for business and ensure that everyone has access to the opportunities that growth brings.

"The measures set out in today's White Paper demonstrate the Coalition's ambition to create a fairer and more balanced economy – one that is driven by private sector growth with business opportunities spread more evenly across the country and between industries."

Communities Secretary, Eric Pickles said:

"Over the last decade, the country's economy became skewed by artificial boundaries and top-down prescription that did not work. We want to create a fairer and more balanced economy driven by private sector strength, and our plan for local growth will create local enterprise partnerships, reform the planning system and introduce development incentives for local authorities, like allowing them to keep their business rates, so all parts of the country benefit.

"I am delighted that we can announce today the first 24 local enterprise partnerships to be given the go ahead. Our vision for local enterprise partnerships will help transform the economic geography of the country by creating a new local dynamism that will encourage economic growth and protect business with proper local accountability."

Chief Secretary to the Treasury, Danny Alexander said:

"The Spending Review made radical changes to way local government is funded, putting the local and the government back into Local Government.

"Now this White Paper paves the way for local authorities to drive growth in their own communities, delivering on our promise to give power back to the people"

The Local Growth Plan also sets out new ways of increasing confidence to invest by creating incentives for Local authorities in England to promote business growth, including:

- a New Homes Bonus from April 2011 which will match fund the additional council tax raised for new homes for the following six years. £200m has been set aside to fully fund the scheme in 2011-12;
- looking at proposals for local authorities to keep the business rates they collect locally, reducing central redistribution;
- a new system of Tax Increment Financing (TIF), which will enable local authorities to borrow against future increases in business rate revenues;
- a new simple, streamlined and planning system, which will give communities and neighbourhoods more power over decisions, increase investor certainty and help international businesses locate, move within or stay in the UK.

The White Paper also sets out the timetable and further criteria for the operation of the newly-launched £1.4bn Regional Growth Fund. The fund will provide **focused investment** for projects that offer significant potential for private sector-led economic growth and sustainable employment. First round bids for funding are requested by 21 January 2011.

Lord Heseltine will Chair the Independent Advisory Panel, which will consider all bids submitted to the fund and make recommendations to Ministers on which to approve. Lord Heseltine will be supported by Deputy Chair, Sir Ian Wrigglesworth and a panel of academics, business and civic leaders.

The Paper also confirms that the Government will lead action to promote enterprise, innovation, trade and inward investment and support for venture capital schemes. These are all areas where local enterprise partnerships can also play a role, working in tandem with national bodies. It sets out plans to make sure that Government support for business is much better targeted than in the past by:

- providing support for business improvement through a national website and contact centre;
- supporting high growth businesses through a network of growth hubs;
- supporting innovation in key industry sectors through Technology and Innovation Centres.

The closure of the Regional Development Agencies (RDAs) was confirmed in the Budget and they are expected to cease activity by March 2012. The Government is committed to ensuring an orderly transition to the new economic delivery landscape, and a programme to manage out collective RDA assets, liabilities, commitments and staff resources is described in the White Paper.

The measures set out in the Local Growth White Paper complement other measures the Government is taking to drive growth, through investment, support for education and skills, improvements in competition, and support for research and innovation. The White Paper calls for a joined-up approach to improve the environment for business and locally-led action to enable every place and every individual to reach their potential.

### Notes to Editors

1. The White Paper on Local Growth is available to download from <http://www.bis.gov.uk/news/topstories/2010/Oct/local-growth>

2. In September the Government received 62 responses to its invitation to form local enterprise partnerships. Proposals covered every part of England outside London. Today 24 bids have been asked to progress their proposals to the next stage, they are:

- Birmingham & Solihull with E. Staffordshire, Lichfield & Tamworth
- Cheshire and Warrington
- Coast to Capital
- Cornwall & the Isles of Scilly
- Coventry & Warwickshire
- Cumbria
- Gt. Cambridge & Gt. Peterborough
- Greater Manchester
- Hertfordshire
- Kent, Greater Essex & East Sussex
- Leeds City Region
- Leicester & Leicestershire
- Lincolnshire
- Liverpool City Region
- Nottingham, Nottinghamshire, Derby, & Derbyshire
- Oxfordshire City Region
- Sheffield City Region
- Solent
- S.E. Midlands
- Stoke-on-Trent & Staffordshire
- Tees Valley
- Thames Valley Berkshire
- The Marches
- West of England

3. A map of approved local enterprise partnerships is available from <http://geocommons.com/maps/32888>

4. Proposals were assessed in line with the expectations set out in the 29 June letter from the Business Secretary and the Secretary of State for Communities and Local Government: <http://www.bis.gov.uk/assets/biscore/regional/docs/10-1026-final-letter-local-enterprise-partnerships>

5. Specifically, the White Paper proposes that local enterprise partnerships will be able to consider a diverse range of roles, reflecting the differing local priorities in different areas, including:

- working with Government to set out key investment priorities, including transport infrastructure;
- coordinating proposals or bidding directly for the Regional Growth Fund;
- supporting high growth businesses, for example through involvement in bids to run the new growth hubs;
- participation in the development of national planning policy and ensuring business is involved in the consideration of strategic planning applications;
- lead changes in how businesses are regulated locally;
- strategic housing delivery, including pooling and aligning funding streams;
- working with local employers, Jobcentre Plus and learning providers to help local workless people into jobs;
- coordinating approaches to leverage funding from the private sector;
- exploring opportunities for developing incentives on renewable energy projects and Green Deal;
- involvement in the delivery of other national priorities such as digital infrastructure

6. Partnerships not being approved today have been informed and given feedback on how to develop their proposals further. Revised proposals will be welcomed by Government as they become ready.

7. The membership of the Independent Advisory Panel for the Regional Growth Fund is as follows:

- Lord Heseltine, Chair
- Sir Ian Wrigglesworth, Deputy Chair
- Felicity Goodey (Businesswoman, former senior BBC journalist)
- Tony Greenham (Programme Head, New Economics Foundation)
- Richard Lambert (Director General, CBI)
- Jon Moulton (Chairman, Better Capital equity group)
- Caroline Plumb (Entrepreneur, Freshminds)
- David Rowlands (Chair of Gatwick Airport Ltd and Angel Trains Group Ltd)
- Mark Seligman (Chartered Accountant and Banker, Credit Suisse)
- Andrew Shilston (Finance Director, Rolls Royce)
- Lord John Shipley (Former Leader Newcastle City Council)
- Tony Venables (Academic Economist, Oxford University)

8. The Government has deliberately avoided an overly prescriptive approach for the Regional Growth Fund in order to encourage a wide range of innovative proposals to come forward. Full details of the principles for the Fund are available from the Regional Growth Fund website: <http://www.bis.gov.uk/policies/regional-economic-development/regional-growth-fund>

9. Ensuring effective management of the RDAs' ongoing assets and liabilities will be crucial to a successful transition to new arrangements. This will require a collaborative approach from the Transition Board in disposing of these assets in a way which creates maximum long term value, and maximises receipts to the departments. As such DCLG will oversee the disposal of land and property and BIS the disposal of the business and technology related assets. This will take place within a strong governance framework for RDA closure, led by BIS with DCLG and HMT membership of the Transition Board.

10. For further information on the growth agenda visit <http://www.bis.gov.uk/growth>

#### PRESS CONTACTS

BIS Press Office  
NDS.BIS@coi.gsi.gov.uk