

Draft Response to Letter of 29th June

RT Hon Eric Pickles MP
Secretary of State for Communities and Local Government

RT Hon Dr Vince Cable MP
Secretary of State for Business, Innovation and Skills

Local Enterprise Partnerships

We are pleased to respond to your letter of 29th June and are submitting a proposal to develop a business-led Local Enterprise Partnership – **South East Midlands**. This partnership will build on the existing successful partnership between local authorities, working across the previous three regional boundaries, that has delivered significant growth in jobs and homes since 2003. The area includes local economies that are judged to be well placed to stimulate further enterprise and innovation and lead future national economic growth.

Vision

The shared vision for the area is of a competitive knowledge economy supported by first class transport and digital connectivity that generates wealth and inward investment.

This vision builds on the existing track record of partnership working, our strategic location between London and the West Midlands and our current strengths in advanced technology and precision engineering. We want to look to the future and create the right conditions for businesses to grow and prosper, winning exports and reducing the share of public sector employment.

Realising this vision would make the **South East Midlands** a key UK investment location, where partnerships between businesses, higher education institutions and further education colleges underpin economic growth.

Economic Geography

At the core of this proposal are the four unitary authorities of Bedford Borough, Central Bedfordshire, Luton and Milton Keynes with the addition of Aylesbury Vale district council in Buckinghamshire and Cherwell district in Oxfordshire. Northampton Borough, South Northamptonshire, Kettering and Corby have also indicated that they would like to work closely with this partnership as there is much business engagement between Northampton and its surrounding area and Milton Keynes. There are strong links between South Northamptonshire and Aylesbury Vale, not least because they share the Silverstone race circuit.

The South East Midlands LEP covers a population of around 1.5 million people and 62,500 businesses Together they account for 3.2% of the English economy. A map is attached, which shows the area of the proposed South East Midlands LEP and how it links to surrounding areas.

This proposal is based on a real functional economy whose principal strengths are **common sectors** of:

- High Performance Engineering;
- Avionics;
- Advanced Manufacturing;
- Information and Computer technology;
- Logistics;
- Business Services;
- Creative Industries.

The area benefits from **shared assets** including high quality and diverse Higher Education establishments such as University of Bedfordshire, University of Northampton, University Centre at Milton Keynes and Aylesbury, Cranfield University, University of Buckingham and the Open University.

There is a high incidence of commuting between the major conurbations of Aylesbury, Bedford, Bicester, Milton Keynes, Luton and Northampton. There is already a strong network of working relationships amongst businesses and local authorities. The LEP will work across local authority boundaries and with other LEPs to suit the needs of businesses.

Structure and Functions

The local authority partners and businesses will agree a legal form for the partnership with tightly focussed priorities. One option that is being considered is that of a company limited by guarantee. This would provide an effective structure with which businesses are familiar and comfortable. It is envisaged that the Board members will be evenly split between local authority and business leaders. We have already had offers of support from many key businesses. A number of letters are attached. The Board will appoint a Chair from amongst the Business representatives.

The LEP will be a **strategic enabler** – enhancing local delivery. We envisage that it would play a key role in the strategic planning of transport and other infrastructure. It will seek to use the limited private and public and private resources to meet priorities across the area of the partnership.

The expected outcomes of the partnership will include more business start-ups, sustainable growth of existing businesses and increased levels of investment. This will require building on existing and developing new skills, driving forward knowledge transfer and innovation in our businesses.

How do we want to work with Government?

We want the necessary legislation to empower the Local Enterprise Partnership to fulfil its strategic role. We would ideally want some resources from Central Government to help establish the Partnership structure and to pump prime private sector investment. However, we believe that ours will be a small efficient organisation, which will soon demonstrate its value for money and effectiveness and so gain financial support locally.

We want to work closely with Government as thinking develops so that we can ensure that policies support business, for example, by reducing regulation and supporting apprenticeships.

In conclusion

This Local Enterprise Partnership is for us - our businesses need it and want to lead it. We are looking to develop something new and exciting – bottom up not top down – that will take us into the future. In short we want to grow a vibrant diverse economy that will enable new communities to flourish and the regeneration of existing communities. We are also in a strong position to move forward quickly and have an immediate impact.

We are looking forward to developing this proposal over the next few months so that we have our Partnership structures in place by April 2011. We hope that it will be possible to make bids to the Regional Growth Fund whilst operating as a shadow LEP. We already have a number of good value for money strategic projects that were identified in the earlier work carried out in this area.

This proposal, which is set out in more detail in the attached document, has been developed in equal partnership by local authorities and the business community with strong support from the Higher Education and training institutions and the voluntary sector. We held a successful event at Cranfield University on 25th August, which we believe marked the beginning of a **new approach to business-led partnership working** in this area that will help us to realise our economic potential.

Yours sincerely

List of signatories to be confirmed

Councillor Cec Tallack
Mayor Dave Hodgson
Councillor Tricia Turner
Councillor Roy Davis

Councillor John Cartwright
Councillor Brian Hoare
Councillor John Hoad

Rita Spada Milton Keynes and North Bucks Chamber of Commerce
Brian Hibbert Bedfordshire and Luton Chamber of Commerce
Brian White FSB
Jonathan Bailey IoD
Cheryl Smart Bedfordshire Chamber of Commerce
Alan Banks
Roger Talbot
Ian Cording FSB
Ben Jackson