

*Evaluation of
West Midlands LEP Proposals*

**Supporting local economic renewal
for sustainability**

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*With acknowledgements to Gill Bentley and Rob Weaver for
advice and guidance*

Localise West Midlands



April 2011

Contents

Introduction

This report has been compiled on behalf of Localise West Midlands. It analyses and evaluates how each of the six West Midlands Local Enterprise Partnership (LEP) proposals to government support economic localisation for sustainability, and the representation of economic diversity within the (Shadow) Boards and governance arrangements.

Regional Development Agencies are being abolished by the Coalition Government through the Public Bodies Bill¹. Many RDA tasks have now been taken up to Central Government level and the Government has proposed to set up Local Enterprise Partnerships (LEPs) to become the active bodies in securing the economic development of their locality. As a letter by Vince Cable and Eric Pickles states, the role of LEPs is:

“To provide the strategic leadership in their area to set out local economic priorities... and to rebalance the economy towards the private sector. The [Local Enterprise] Partnerships will therefore want to create the right environment for business and growth in their areas, by tackling issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to a low carbon economy. Supporting small business start-ups will therefore [also] be important.”²

From an original 57 LEP proposals submitted to the Government before the deadline of 6th September 2010, 30 LEPs have since been approved by Government. (A static map is shown at <http://www.communities.gov.uk/documents/localgovernment/pdf/1781820.pdf>.)

Within the West Midlands, six LEP proposals were submitted and subsequently accepted by Central Government. The six bids that have been accepted cover the whole of the West Midlands area and are as follows:

- **Black Country LEP**
- **Coventry and Warwickshire LEP**
- **Greater Birmingham & Solihull LEP**
- **Marches LEP**
- **Stoke-on-Trent & Staffordshire LEP**
- **Worcestershire LEP**

The report looks at the six West Midlands proposals to gauge how they aim to capitalise on the benefits of economic localisation. Specific indicators of localisation have been drawn up and the report abstracts principal quotes from the proposals to assess against these indicators. Distinctions are made where possible between aspirational statements and the practical activity in the proposals that might deliver them.

Membership of each LEP (Shadow) Board is also listed to identify the extent to which economic diversity (range of sizes of businesses; social enterprise; voluntary sector) is involved in the LEPs’

¹ <http://www.number10.gov.uk/queens-speech/2010/05/queens-speech-public-bodies-reform-bill-50682> 14/04/11

² DCLG (2010) Local Enterprise Partnerships (Cable-Pickles letter)

<http://www.communities.gov.uk/documents/localgovernment/pdf/1626854.pdf> accessed 14/04/11

proposed or actual governance processes. Any additional governance mechanisms such as advisory boards are also taken into account.

Localisation, sustainability and the role of LEPs

Local Enterprise Partnerships' purpose is to 'help strengthen local economies' and facilitate 'local economic renewal'.³

The UK has one of the most centralised economies in Europe, leaving the UK lacking in economic diversity and vulnerable to global economic change. (See Appendix 1 for a definition of terms.) Community-scale economic power (a strong local multiplier and local ownership), local production and resource management are central concepts in sustainable development. An economy shifted towards smaller businesses and with an emphasis on local supply chains and local market opportunities can create more stable local growth in employment, and has inherent resource efficiencies in land use, human and material resources. An approach to economic development that ignores these factors can impoverish a local economy, failing to share the proceeds of growth both at the very local level and in terms of the wider geographical distribution of economic development across regions and the country.

LWM's premise is therefore that strategies to support economic localisation for sustainability should be incorporated by Local Enterprise Partnerships into their planning and economic development interventions, including Regional Growth Fund proposals, balancing the conventionally more centralist approach of UK economic policy. Local Enterprise Partnerships have both the stated purpose and the potential to tackle some of these problems, generating local economic renewal based around the people and resource flows of functional economic geographies. LEPs are intended to support decentralisation and localisation as outlined in the Localism Bill including by 'empowering communities to do things their way' and by "strengthening accountability to local people."⁴

The following set of localisation indicators was devised by Localise West Midlands to evaluate the six West Midland LEP proposals:

- ***Support for small-scale enterprise***
- ***Support for enterprise startups***
- ***Support for social enterprise and community ownership***
- ***Use/promotion of local skills and labour***
- ***Support for decentralised energy schemes and energy efficiency***
- ***Support for food growing and for local supply chains for foodstuffs***
- ***Measures to reduce mileage for raw materials, products, people or services***
- ***Measures to maximise local resource use***
- ***Support for industrial symbiosis/local reuse & recycling industries***
- ***Support for supply chain developing and linking activities***

³ DCLG (2010) Local Enterprise Partnerships (Cable-Pickles letter)

<http://www.communities.gov.uk/documents/localgovernment/pdf/1626854.pdf> ac.14/04/11

⁴ HM Government (2010a) *Decentralisation and the Localism Bill: an essential guide*, DCLG

- ***Measures to harness public and other large scale procurement to develop local supply chains or support SMEs***
- ***Measures that target geographical areas of need as well as of opportunity***
- ***Involvement of SME-representing partners (FSB, individual businesses, etc) in LEPs***
- ***Involvement of community and third sector reps in LEPs***

For additional perspective the report also identifies approaches that specifically prioritise centralised or globalised economic activities and other relevant issues such as co-operation with neighbouring areas for economic development activity.

Diversity of all types but particularly economic diversity should be essential for representation on an economic partnership. Voluntary and community sector representation on LEPs supports localisation and sustainability because of the public interest, community benefit perspective and local knowledge that VCS organisations bring to the economic decision-making process.

It is fully understood that this assessment of LEPs, based on their initial proposals and initial boards, is a very early exercise and it that many LEPs will go on to address some of the issues raised in this report. LWM's purpose is to highlight at this early stage areas in which LEPs can build on their original proposals to better support sustainable development and local economic renewal.

The report goes on to present, in table format, LWM's findings on the approach to economic localisation being taken by each of the LEPs. This is followed by a comparative evaluation of the proposals, and the conclusions and recommendations – the report concluding that no LEP proposal takes full advantage of the opportunities of economic localisation, with specific weaknesses in tackling external causes of small business failure; capitalising on local needs and markets; maximising local human and material resource use; community ownership of assets, enterprise and services. Isolated examples of good practice were found in low carbon supply chain development, harnessing procurement for local suppliers, and recognising the likely impact of energy security and prices on our future economy.

LWM recommends that to support strong local economies and sustainable development, all West Midlands' LEPs should develop better approaches to: identifying the external factors that stop small businesses from thriving; emphasis on economic diversity and local multiplier; investigating the opportunities from local resources, land-based industries, food production; and addressing areas of need/deprivation as well of opportunity. The LEPs should learn from identified best practice within the region on SME-proofing of decisions; recognition of the factors of oil prices and energy security in our future economy; harnessing procurement; and representation and engagement with the voluntary sector. LEPs should develop stronger roles in using and sharing information for local SMEs to take advantage of upcoming markets and opportunities; supply chain linking activities; and measuring the impact of enterprise.

Black Country LEP

| Localisation Indicators: | LEP policy: | How the LEP will achieve this: |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support for small-scale enterprise | <p>“Develop programmes of support to encourage enterprise and business growth in agreed sectors such as low carbon technologies and high value manufacturing;”</p> <p>“Develop a local business growth fund to solve short term cash flow issue for SMEs”</p> | The LEP will establish innovative development vehicles and funding mechanisms such as Business Improvement Districts, Accelerated Development Zones, and Enterprise Zones |
| Support for enterprise startups | <p>“Increase business start-ups per 10,000 people from 41 to 57.”</p> <p>“Improve one year and five year business survival rates”</p> | The LEP will support startup business with the use of 1:1 training. |
| Support for social enterprise, community ownership | Not mentioned | Not mentioned |
| Use/up-skill of local skills and labour | <p>“Aim to Bring 33,000 people out of ‘worklessness’.”</p> <p>“Establish, own and maintain an employment and skills strategy to influence curriculum and delivery to meet local business needs”</p> <p>“Increasing skills progression through all academic and vocational levels in line with business needs e.g. 50,000 more with any relevant qualification and 63,000 more with degrees.”</p> | <p>The LEP will support development of skills for business – including the recently opened Walsall College and the Sandwell College, currently under construction.</p> <p>The LEP will develop a programme of business engagement and Knowledge Transfer in conjunction with Universities through Knowledge Transfer Partnerships (KTPs), graduate placement and graduate retention schemes.</p> <p>The LEP will own and maintain the Black Country Strategy for Growth and Competitiveness (<i>whose ambition is to get more people in jobs, particularly in the knowledge economy and invest in new homes to reverse the net-outward migration.</i>) Also the LEP will be influenced by the Black Country Performance Management Framework (<i>whose goal is to raise local incomes, total job levels, VAT registration and education levels</i>)</p> <p>The LEP will seek to create an ‘evergreen’ investment fund in the Black</p> |

| | | |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>Country linking physical development to innovation, skills and product development</p> <p>The LEP will subsume the existing Sub Regional Group (SRG), who deal with local skill levels, into the Local Enterprise Partnership, strengthening representation from the private sector and building on the work of the Employment & Skills Board.</p> |
| <i>Decentralised energy schemes and energy efficiency</i> | “Provide active support for our businesses specifically within added value and growth sectors and those of strategic importance (e.g. Low Carbon Technologies)” | The LEP does not set out any concrete policy but state that they will develop programmes of support to enable a reduced carbon economy. However this is not linked to potential local markets |
| <i>Support for food growing and for local supply chains for foodstuffs</i> | Not mentioned. Food and drink is listed as a priority sector, but no mention of local markets or production. | Not mentioned |
| <i>Measures to reduce mileage for raw materials, products, people or services</i> | Not mentioned | Not mentioned |
| <i>Measures to maximise local resource use</i> | Not mentioned | Not mentioned |
| <i>Support for industrial symbiosis/local reuse & recycling industries</i> | Not mentioned | Not mentioned |

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| Support for general supply chain developing and linking activities | Not mentioned | Addressed only through procurement measure as below. |
| Measures to harness public and other large scale procurement to support local supplychains/SME's | "Direct the development of local procurement models" | The LEP will develop a 'Find it in the Black Country' procurement portal for public and private sector tender opportunities." |
| Targeting geog. areas of need as well as of opportunity | Not mentioned | Not mentioned |
| Economic centralisation priorities | | |
| International trade | "Market the Black Country as the 'Supply Chain to the World'" | The LEP will target marketing alongside UK Trade and Industry's (UKTI) new international and sector marketing campaigns. ⁵ The LEP will maintain and develop the UKTI Cluster model to develop embryonic markets and new products. |
| Other: | | |
| Working with other LEPs | | "...in agreement with Local Enterprise Partnerships in the vicinity (particularly Birmingham, where we are already working in partnership, Staffordshire and Stoke and Telford)" "Acknowledge the history of, current activity in and future opportunity for, joint working with our neighbouring areas, particularly Birmingham where strong partnerships already exist and also Staffordshire and Shropshire" |

⁵ UKTI 'works with UK-based businesses to ensure their success in international markets, and encourage the best overseas companies to look to the UK as their global partner of choice.'

LWM evaluation: LEPs & Localisation – April 2011

| | | |
|---------------------------------------------------------------------------|-----------------------------|--------------------------------|
| Board Members: Black Country <i>Board recognised: 28/1/2011</i> | | |
| Name | Organisation | Position |
| Stewart Towe CBE, Chairman | Hadley Group | Managing Director |
| Jason Wouhra | East End Foods | Director and Company Secretary |
| Tim Hair | Chamberlin Plc | Chief Executive |
| Peter Mathews | Black Country Metals Ltd | |
| John McDonough | Carillion Plc | Group Chief Executive |
| Prof. Ian Oakes | University of Wolverhampton | Pro Vice Chancellor |
| Anne Millward | Gornal | Cllr |
| Neville Patten | Bushbury North | Cllr |
| Darren Cooper | Soho & Victoria | Cllr |
| Mike Bird | Pheasey Park Farm. | Cllr |

| Sector | Number of Board Representatives |
|-----------------------|---------------------------------|
| Public Sector | 4 |
| Private Sector: large | 5 |
| Private sector: SME | 0 |
| VCS | 0 |
| Higher Education | 1 |

Evaluation – Black Country

Principally the proposal supports a strong localised economy by:

- Support for small-scale enterprise, with aspirations and measures to support 'enterprise' and 'start-ups' as well as funding mechanisms for enterprise
- Use/up-skill of local skills and labour - Numerous actions to up-skill the local population, through linking local skills and the region's Universities to business etc.
- Aspiration to develop a low carbon economy
- Use of local procurement tools such as procurement portal (although other interventions such as support in developing policies and cross-departmental budgeting for purchasers are needed to help small business access procurement markets).

In most issues the LEP are thorough in explaining *how* they are going to reach their goal, not just stating what they want to do.

The proposal is weak in supporting a strong localised economy in the following ways:

- A lack of measures proposed to deliver the aspiration of a low carbon economy, particularly in terms of transport, resource use, developing energy efficiency markets
- Little attempt to link suitable 'Priority' sectors (Low Carbon Technologies, Food and Drink, Building Technologies sectors) with local markets; little else is mentioned on whether local business will be a part of these 'sectors of importance'
- No mention of social enterprise or voluntary sector role
- No targeting specific geographical areas of need
- No consideration of local resource use and reuse

The LEP board currently has no SME or VCS representatives. The inclusion of locally based food and manufacturing businesses is helpful to reflect the productive economy, but otherwise representation of economic diversity on the board is weak.

Coventry and Warwickshire LEP

| Localisation Indicators: | LEP policy: | How the LEP will achieve this: |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Diversity | “Secure economic diversity by making the sub-national economy more balanced and resilient.” | Addressed in part by other actions below |
| Support for small scale enterprise and enterprise startups | “Stimulate and support the ongoing creation of new business starts, including social enterprises and new models for public sector delivery.” “Strengthen and support innovation” is said to be “priority action” “Provide a ‘whole-life’ approach to business engagement and support – from business start-up, survival and expansion.” | “Create innovative public, private partnerships which are outside the traditional lending frameworks of high street banking to meet the needs of new business starts and SMEs which demand risk finance.” Otherwise not addressed |
| Support for social enterprise and community ownership | “Stimulate and support the ongoing creation of new business starts, including social enterprises and new models for public sector delivery.” | Not addressed |
| Use/up-skill of local skills and labour | “...Tackle Worklessness” is a “priority action” “Understand the drivers and dynamics of worklessness in the sub-region” | The LEP will work with new framework providers for the new Work programme to ensure economic inclusion. |
| Support for decentralised energy schemes and energy efficiency | “Reducing carbon emissions” is said to be a “priority action” | Not addressed |
| Support for food growing and for local supply chains for foodstuffs | Not mentioned | Not addressed |
| reduce mileage for raw materials, products, people or services | Not mentioned | Not mentioned |
| maximise local resource use | Not mentioned | Not mentioned |
| industrial symbiosis/local reuse & recycling industries | Not mentioned | Not mentioned |
| general supply chain developing and linking activities | | Not mentioned |

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| and linking activities | | |
| harness public and other large scale procurement to develop local supply chains or support SME's | Not mentioned | Not mentioned |
| target geographical areas of need as well as of opportunity | “A key priority for all partners is to raise ambition and aspiration within our more deprived areas... to drive growth and economic inclusion in the future.” | Not mentioned |
| Economic centralisation priorities | | |
| Focus on larger companies | “Focus the support around the identified sub-national specialist and aspirational ‘growth sectors’ | The report “Sub-Regional Economic Strategy Coventry, Solihull & Warwickshire,” supported by the LEP, focuses exclusively on opportunities for the region from international trade ⁶ |

⁶ “The increasing globalisation of the economy creates significant pressures, as well as opportunities, for the sub-regional economy. CSW will no longer be able to compete globally in terms of low value, mass manufacturing. Instead, it must develop its competitive advantage from other parts of the value chain in manufacturing – particularly research and development, product testing and quality assurance, and sales & aftercare support services. These generally require higher, and different, skills and aptitudes which will be a challenge to our local areas and residents that have historically been reliant on more traditional manufacturing activities. The increasing globalisation of the service sector will also require the sub-region to consider how it can be best positioned within these sectors to exploit the changing economic environment”.

| Shadow Board Members | |
|-----------------------------|----------------------------------------------|
| Name | Organisation/ward |
| Denys Shortt (Chair) | DCS Europe |
| Daniel Gidney | Ricoh Arena |
| Martyn Hollingsworth | Jaguar Land Rover |
| Derek Parkin | EON |
| Sir Peter Rigby | SCH, Patriot Aviation, Eden Hotel Collection |
| Vikki Heywood | Royal Shakespeare Company |
| Amrik Bhabra | ADEC LTD |
| Cllr John Mutton | Coventry City Council |
| Cllr Alan Farnell | Warwickshire County Council |
| Cllr Linda Bigham | Coventry City Council |
| Cllr Alan Cockburn | Warwickshire County Council |
| Cllr Craig Humphrey | Rugby Borough Council |
| Prof Nigel Thrift | University of Warwick |
| John Latham | Coventry University |

| Sector | Number represented on shadow board |
|------------------------------|-------------------------------------------|
| Public Sector | 5 |
| Private Sector: large | 5 |
| Private sector: SME | 1 (ADEC Ltd) |
| Higher Education | 2 |
| VCS | 1 (Royal Shakespeare Company) |

Although there is little social enterprise, VCS or SME representatives on the Board, the LEP proposes to introduce a Business Leaders Council including FSB input, which will ensure there is a forum for private sector input into LEP priorities, including small and local businesses – this will elect ‘civic leaders’ for the LEP board. However given there is little diversity of representation on the board, it remains to be seen what this will contribute to LEP governance.

Evaluation – Coventry & Warwickshire

The proposal supports a strong localised economy by:

- Recognition of the importance of economic diversity and local decision-making
- Innovative financing mechanisms for business startups and small business

The proposal states priorities on the following but in its initial proposals is weak on specific actions to address them:

- Supporting business start-up activity, other than by financing mechanisms as above
- Reducing carbon emissions (e.g. by localising supply chains or maximising opportunities to develop local low carbon and energy efficiency markets locally)
- Targeting areas of need
- Social enterprise

The proposal is weak in supporting a strong local economy in the following ways:

- proposals for maximising local supply chains, such as using public and other large scale procurement or think local schemes
- measures for local resource use and reuse
- decentralised energy potential
- local food production
- a strong and exclusive emphasis on high-growth, globalised business.

The shadow board is unrepresentative: predominantly very large businesses with one SME. The proposed business leaders' council may address this to an extent, but not the same as Board representation. The Royal Shakespeare Company representative technically provides voluntary/community sector input, and is doubtless valuable, but does not reflect the breadth of the voluntary sector's expertise on matters of public interest.

Greater Birmingham and Solihull LEP

“Aim of the Birmingham LEP is to create an innovation and enterprise culture and invest in the required infrastructure to support it.”

| Localisation Indicators: | LEP policy: | How the LEP will achieve this: |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support for small-scale enterprise and economic diversity | <p>“New business leaders will be attracted, bringing fresh thinking to direct our Partnership. There will be a duty to ‘SME proof’ all decisions.”</p> <p>“Will develop community-based finance programmes to provide more choice to our smaller businesses targeting potential entrepreneurs.”</p> <p>“Creates a unique climate and culture for enterprise”</p> <p>“Delivery of business support is essentially a local matter...we have a distinctive local economic structure. Our particular mix of sizes and sectors of business, and employment profile, calls for local solutions from local leaders.</p> | <p>The LEP will grow their existing local stock exchange (Investbx) into a debt and equity supplier, targeted at the ‘SME heartland of growing, family-owned businesses.’</p> <p>The LEP propose establishing a ‘virtual boardroom’ using volunteer functional business specialists who are passionate about success and helping others. Where suitable, we will make use of the existing Business Clusters in the region.”</p> |
| Support for enterprise startups | <p>“Within ten years the economic area around Birmingham will be renowned for being the easiest in Europe in which to set up and run a business.”</p> <p>“the LEP will excite young people about the potential to turn ideas into businesses and improve local access to enterprise support, creating hubs for business and entrepreneurs.”</p> | <p>The LEP will remove barriers to empowering start ups</p> <p>“The LEP will establish a peer support mechanism to increase survival rates, foster the growth of existing businesses and support new ones.”</p> <p>The LEP will work with local schools</p> <p>The LEP will grow the Think Local 4 Business infrastructure⁷, to allow easy set up and growth environment for small businesses</p> |

⁷ **Think Local 4 Business project** <http://www.thinklocal4business.co.uk> (last accessed 03/2011)

“‘Think Local’ is a rapidly developing initiative to promote business in predominately Staffordshire by nurturing opportunities for inter-trading amongst local businesses and to encourage public sector bodies and larger commercial organisations to recognise the benefits of using local suppliers... Successful businesses mean employment opportunities for local people and thinking local to buy local means reducing transport costs, cutting environmental pollution and building relationships between suppliers and customers... ‘Active participation in the ‘Think Local’ project gives access to vital advice and support services – invaluable assistance in developing and securing new business”

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| <p>Support for social enterprise and community ownership</p> | <p>“The LEP will explore opportunities for the LEP and local authorities to involve the third sector more in service delivery, acknowledging the enormous scale of opportunity to contribute towards the Big Society.</p> <p>The LEP “see a big future for more social enterprises and associated volunteering - from inner city areas such as Handsworth and the Heart of Burton (a neighbourhood management pathfinder) to the villages of Solihull and Lichfield.</p> | <p>The LEP will “Establish a peer support mechanism for new and existing businesses, including social enterprises, and remove regulatory barriers.</p> <p>Regional Action West Midlands has sent the LEP a paper that outlines what the voluntary and community sector can bring to the Partnership, which will be informing future work. .</p> <p>The LEP will establish a Social Enterprise working party, with an immediate focus on connecting up all our communities to a business and enterprise agenda.</p> |
| <p>Use/up-skill of local skills and labour</p> | <p>The LEP “will drive up the skill levels of the adult population in order to meet existing and forecast skills shortages, for example engineering skills shortages.</p> | <p>The LEP will focus on local graduates by building upon successful projects such as SPEED, BSEEN and Entrepreneurs for the Future at local universities.</p> <p>The LEP will drive up skill levels through the Multi Area Agreement- to partner employment and skills boards</p> <p>The LEP will support universities in their role of business support for example the EREBUS (Engaging Research for Business Transformation) Capacity Building Cluster partnership</p> |
| <p>Support for decentralised energy schemes and energy efficiency</p> | <p>The LEP will use and invest in local low carbon infrastructure to deliver Green New Deal</p> <p>Birmingham has an agreed CO2 emissions reduction target of 60% by 2026, providing opportunities for low carbon and green technologies innovations and new "green" job and entrepreneurial opportunities:</p> | <p>“The LEP will pursue ideas such as the Green New Deal to create a £100m retrofit carbon reduction programme for existing homes and business premises in the LEP area in order to help create jobs and supply chains”</p> <p>The LEP will develop environmental technologies by supporting and accelerating projects such as the CABLED electric vehicle project</p> <p>“A ‘Partnership Energy Plan’ will be completed in early 2011 which will reduce the area’s total energy bill by over 50% by identifying energy efficiency mechanisms through new district energy schemes and renewable energy capture opportunities</p> |

| | | |
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| | | <p>“Promotion of low carbon/electric vehicle uses, and technology developments through a "Green Vehicle Exploitation Plan";</p> <p>“Development of a 10 year building retrofit programme - building on the "Birmingham Energy Savers" programme to raise building insulation standards;”</p> <p>“Establishment of "Green Funding" mechanisms to reduce the area's total energy bill of over £1.5 billion per annum;”</p> <p>“The Chasewater Green Park project bringing together Lichfield DC, Staffordshire County Council, the University of Birmingham and other partners to address issues around climate change, and energy usage / demand;”</p> <p>“Investigating the scope for fast tracking planning applications for proposals that contribute to green objectives – for example renewable energy.”</p> |
| Support for food growing and for local supply chains for foodstuffs | Not mentioned | Not Mentioned |
| Measures to reduce mileage for raw materials, products, people or services | Not mentioned, although there is some clear analysis of journeys to work and other facilities that could be useful for this purpose ⁸ . | Not Mentioned |

⁸

“A particularly strong functional relationship exists between Birmingham and Solihull with 32,000 (36%) of Solihull’s employed residents working in Birmingham and 24,000 (7%) of Birmingham’s being employed in Solihull.”

“The West Midlands Regional Observatory published an “*Analysis of sub-regional dynamics in the West Midlands*” in 2010, creating “best-fit” sub-regions based on travel to work, travel to shop, travel to leisure and housing markets. Under each of these, except housing, Tamworth was most strongly linked to the Birmingham and Solihull sub-region.”

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| Measures to maximise local resource use | Generally weak: The proposal throughout defines the area's 'resources' only as "people and money" rather than economic activities, material and energy resources and local markets Intends to develop the National Forest in East Staffordshire as a sustainable economic resource. | "Development of the National forest as a 'green lung' to encourage sustainable development and business diversification opportunities in East Staffordshire;" otherwise not addressed |
| Support for industrial symbiosis/local reuse & recycling industries | Not mentioned | Not Mentioned |
| Support for general supply chain developing and linking activities | "There are considerable supply chain links across the LEP area." | Addressed in part by procurement measures below. |
| Measures to harness public and other large scale procurement to develop local supply chains or support SME's | "Use public procurement, capital and revenue, to create supply chains in businesses, apprenticeships and jobs" "Use public procurement...to create supply chains in all businesses, apprenticeships and jobs. | "For example, of Jaguar Land Rover's purchased materials, 50% is spent in the UK, a high proportion of which is in the Birmingham / Solihull area. There needs to be a strategic approach for supporting this supply industry and encouraging further investment". The LEP intends to use both capital and revenue spend on (e.g. New Street Station, Highways PFI)to create local supply chains |
| Measures that target geographical areas of need as well as of opportunity | The proposal (p44) recognises the need for the Aston East Regional Investment site in providing employment in one of the most deprived areas of the city | Not addressed |
| Involvement of community and third sector reps in LEPs | LEP shadow board liaison with BVSC and RAWM | |
| Economic centralisation priorities | | |
| Some supported 'pipeline' infrastructure projects potentially facilitate longer distance trade links at the expense of the local – apart from short term construction employment | Projects include: <ul style="list-style-type: none"> • Runway Extension at Birmingham International Airport-'create thousands of jobs' • High Speed Rail | |

| Shadow Board Members | | |
|-----------------------------|-------------------------------------------------------|-----------------------------------------------|
| Name | Organisation/ Ward | Position |
| Bridget Blow (Chair) | Former President Birmingham Chamber of Commerce | - |
| Kathryn James | NEC | Managing Director |
| John Haywood | Burton and District Chamber | - |
| Debbie Baker | Hawthornes: Research & Business Development Ltd | Owner |
| David Caro | Birmingham branch of the Federation of Small Business | Chairmen |
| Spencer Wright | Dains accountants | Chief Executive |
| David Maguire | Birmingham City University | Pro-Vice-Chancellor for Corporate Development |
| Mike Whitby | Birmingham | Cllr |
| Ian Headley | Solihull | Cllr |
| Richard Grosvenor | East Staffordshire | Cllr |
| Michael Wilcox | Lichfield | Cllr |
| Daniel Cook | Tamworth | Cllr |
| Neil Stanley | Cannock Chase | Cllr |
| Roger Hollingworth | Bromsgrove | Cllr |

| Sector | Number of Board Representatives (<i>shadow</i>) |
|------------------------------|--------------------------------------------------------|
| Public Sector | 7 |
| Private Sector: large | 4 |
| Private sector: SME | 2 (Hawthornes; FSB rep) |
| VCS | 0 |
| Higher Education | 1 |

Early stage consultancy work has begun between Greater Birmingham and Solihull LEP and the BVSC, indicating an encouraging step by the LEP to acknowledge the importance of the third sector and the role it can play in shaping the LEPs strategy.

Evaluation – Greater Birmingham & Solihull

Principally the proposal supports a strong local economy by:

- Aspirations ('duty to SME-proof all decisions) matched by practical measures to support SMEs and business startups, including
- financing startup and growing enterprise activity through local stock exchange
- Aspirations and practical actions to develop the area's social enterprise sector
- Upskilling local population including by working with schools as well as higher education
- A wealth of practical measures to maximise decentralised energy markets and supply chains and create a low carbon economy, including funding and planning measures for decentralised energy.
- Harnessing public and corporate procurement to strengthen local supply chains – including Jaguar-Landrover, New Street Station refurbishment.
- Identifying travel patterns and economic supply chain links within the LEP area and in neighbouring areas - such as Tamworth and Solihull

The proposal is weak in supporting a localised economy in the following ways:

- No mention of local food supply chains or production
- No measures to reduce mileage of materials or people and little consideration of local resource use and reuse (apart from proposed use of National Forest in East Staffordshire for sustainable development)
- Little to directly target areas of deprivation
- The LEP's 'big spend' projects - airport runway extension and High Speed Rail – support a centralised approach to the area's economy and could take a high proportion of LEP resources leaving little to deliver the aspirations and measures for the local economy.

As second city and regional capital, Birmingham inevitably has a focus on its role in the globalised economy. The Birmingham LEP however, refreshingly balances this with a strong focus on harnessing larger player and public sector procurement to build local supply chains, and on the needs of smaller enterprises and social enterprise.

The commitment to "SME-proof all decisions" is good and needs to be supported with the right structures to enable this to happen.

The LEP board's representation is reasonably representative, with two SME businesses and 4 larger businesses in its private sector representation as well as Higher Education. The Board's early engagement with BVSC is very promising although Board representation of the VCS sector is desirable.

Marches LEP

| <i>"The overriding ambition for the Partnership is to create the conditions for a strong, diverse and enterprising business base resulting in an increase in sustainable private sector jobs."</i> | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Localisation Indicators:</i> | <i>LEP policy:</i> | <i>How the LEP will achieve this:</i> |
| <i>Support for small-scale enterprise</i> | <p>"Create the right conditions for substantial business growth and increased enterprise to emerge quickly from the current recession" ...as the "area can be typified as comprising a high proportion of micro, small and medium enterprises, with in excess of 97% of total business employing less than 50 staff,"</p> <p>"Locally deliver advice and support for new and existing businesses, ensuring it is adequately designed around the needs of the local business community/economy"</p> <p>"Positively promote self employment and enterprise"</p> | <p>The LEP will harness and support the skills that exist among our business community, through a business angel support scheme providing mentoring to fledgling SMEs based on the "Business Ambassador Scheme"</p> <p>"Work with successful existing business support structures to provide a locally-based service responsive to local needs"</p> |
| <i>Support for enterprise startups</i> | <p>"Improve...business start-ups in the Marches"</p> <p>"For the Coalition Government [to] consider the Marches Local Enterprise Partnership area as a location for an Innovation Growth Hub."</p> | <p>"Use Partnership resources to promote and provide risk finance to new business start ups in the area"</p> |
| <i>Support for social enterprise and community ownership</i> | <p>"Social enterprise [is] highly important to the local economy"</p> <p>"Social enterprise sector... will be a major focus of activity to stimulate growth in the local economy."</p> | <p>"We will deliver locally advice and support for new and existing businesses including... social enterprise" is the only reference to SE</p> |
| <i>Use/up-skill of local skills and labour</i> | <p>"Encourage the local business community to invest in the skills of their workforce by promoting the benefits to business productivity; "</p> <p>"Strengthen the role and remit of our Employment and Skills Boards and ramp up by thousands the number of apprenticeships in local businesses and business contribution to training"</p> <p>"Expand local Higher Education provision to support the identified needs of local business, and maximise graduate placement and employment opportunities to increase business interaction with universities, to promote more effective and knowledge transfer to generate innovation among those of</p> | <p>"Work with local primary and secondary schools to instil an early emphasis on entrepreneurial skills and enterprise"</p> <p>"Commission and influence providers of skills and training to improve the employability of the local workforce and encourage the increased"</p> |

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| | our companies with growth potential” | |
| <i>Support for decentralised energy schemes and energy efficiency</i> | Strengthen already strong, established business sectors, such as environmental technologies, renewable energies...” “Focus support on identified growth sectors, such as Environmental and Building Technologies, Renewable Energies” “Promote a modern, low carbon economy for the 21st century” | Not addressed |
| <i>Support for food growing and for local supply chains for foodstuffs</i> | Agriculture and food production recognised as important to the Marches economy | No specific actions to address this sector other than aspiration to be “centre of excellence for national support to the food and drink sector” and engagement with NFU |
| <i>Measures to reduce mileage for raw materials, products, people or services</i> | Not mentioned | Not addressed |
| <i>Measures to maximise local resource use</i> | Not mentioned | Not addressed |
| <i>Support for industrial symbiosis/local reuse & recycling industries</i> | Not mentioned | Not addressed |
| <i>Support for general supply chain developing and linking activities</i> | Engage local Business Boards with local business networks Support business networks by developing the local supply chains in our key growth sectors “Collaborative activities to develop sustainable business and local enterprise practices” | The LEP will strengthen and extend business networks by encouraging collaboration between local businesses to form strong consortia |
| <i>Measures to harness public and other large scale procurement to develop local supply</i> | Not mentioned, in spite of recognition of the scale of the public sector contribution to the area’s economy. | Not addressed |

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| <i>chains or support SMEs</i> | | |
| Measures that target geographical areas of need as well as of opportunity | Not mentioned | Not addressed |
| Economic centralisation priorities | | |
| Support of the High Speed 2 rail link. | “We will support the High Speed 2 rail link which will free up capacity on an upgraded local network to boost labour mobility and increase growth” | |
| Other | | |
| Public sector dependence | “We also aim to reduce our over-dependency on public sector jobs which, at over 28% of all jobs in the area, is higher than both the regional and national averages.” | |
| Linking/sharing local activities and cross-boundary working | “The Partnership will fully engage with existing business networks” Cross Local Enterprise Partnership work will be undertaken | <p>The LEP will use existing networks such as the Chambers of Commerce, National Farmers Union, Country Land and Business Associations, the Federation of Small Business and the Marches Environmental Technologies Network.”</p> <p>Work across LEP regions will include sector leadership and specialist business support, access to finance, skills and training, strategic transport and other infrastructure planning, responding to economic shocks and providing a single voice for lobbying, influence, and promotion to attract inward investment through a single prospectus.</p> |

| Marches LEP shadow board membership | | |
|--------------------------------------------|------------------------------------------------|-------------------------|
| Name | Organization/ Ward | Role |
| Dr. Geoffrey Davies OBE | McConnel Ltd and the Alamo Group Europe | Managing Director |
| Ian Dosser | Capgemini | Chief Financial Officer |
| Angela Smith | Herefordshire Economic Development Partnership | Vice Chair |
| Cllr Roger Phillips | Herefordshire | Cllr |
| Cllr Keith Barrow | Shropshire | Cllr |
| Cllr Andrew Eade | Telford and Wrekin | Cllr |

| Sector | Number of Board Representatives (<i>shadow</i>) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Public Sector | 3 |
| Private Sector: Large | 2 |
| Private sector: SME | 1 ⁹ |
| VCS | 0 |
| Higher Education | 0 |
| The Marches LEP website reveals their partners include: Federation of Small Businesses ; Herefordshire and Worcestershire Chamber of Commerce; Shropshire chamber of commerce; Herefordshire Council; Shropshire Council; Telford and Wrekin Council http://www.marcheslep.org.uk/live/welcome.asp?id=2937 (Last accessed 03/11) | |

⁹ Shadow Board member Angela Smith is involved in the FSB although it is unknown whether she is representing the FSB in this role.

Evaluation - Marches

Principally the proposal supports a strong localised economy by:

- Supporting small scale enterprise and startups with specific actions
- Increasing indigenous skills, principally through higher education
- Utilising and strengthening business links and networks.
- Linking to support 'pioneering sustainability schemes', recognising these as important in the subregional economy.

The proposal has aspirations but no practical measures to meet them on the following:

- Social enterprise: supported in principle but little in terms of practical measures
- Aspirations on low carbon economy; no measures to address
- Some aspiration to developing local supply chains but no measures to harness public or corporate procurement.
- Recognition of the importance of agriculture but no measures to maximise local markets.

The proposal is weak in supporting a strong local economy in the following ways:

- No mention of maximising local resources and reuse
- No identification or addressing of geographical areas of need
- A risky strategy of supporting High Speed 2 in the hope that this frees up local rail capacity, when it could divert investment from local rail and support centralised and south-east-centric growth and commuting patterns.

The rather small LEP shadow board has one representative with a small business background: the board's representative from the Herefordshire Economic Development Partnership works with the Federation of Small Businesses – but the other two private sector representatives are major economic players and the FSB board member will be representing the wider Partnership. There are no Higher Education representatives on the shadow board.

Stoke-on-Trent & Staffordshire LEP

| Localisation Indicators: | LEP policy: | How the LEP will achieve this: |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Support for (small-scale) enterprise and</p> <p>Support for enterprise startups</p> | <p>“This [LEP] will act swiftly to develop an economy that has innovation and enterprise at its heart.”</p> <p>“Help accelerate our transformation to an economy based on enterprise and innovation”</p> <p>“Develop an entrepreneurial economy, with high levels of new business formation and survival.”</p> <p>“Support new business starts and survival.”</p> | <p>“Through addressing barriers to enterprise: Access To Finance; a good Portfolio of Business Premises; opening up supply chains to local small providers; extending business mentoring networks.”</p> <p>“Through creating an enterprising culture amongst young people and adults alike.”</p> |
| <p>Support for social enterprise and community ownership</p> | <p>“Local partners also recognise the important role that the Voluntary and Community sector can play in economic regeneration, including supporting the development of social enterprises.”</p> | <p>Not addressed</p> |
| <p>Use/up-skill of local skills and labour</p> | <p>“Reducing the number of workless people”.</p> | <p>Invest more in developing our skills base, with improved provision of “in work” training and qualifications, including management and enterprise skills.</p> <p>The LEP will produce a joint economic delivery plan-to initially reduce worklessness in North Staffordshire and making Stoke-on-Trent a ‘Working City’ and supporting Stafford and Burton upon Trent as growth points.</p> |
| <p>Support for decentralised energy schemes and energy efficiency</p> | <p>“Support growth and rebalancing of the economy, including the low carbon sector.”</p> <p>“Develop jobs in growing sectors such as...low carbon”</p> <p>“Improve fuel security by developing more local decentralised low carbon energy supply and distribution.”</p> | <p>“Complete retrofit for energy efficiency in a significant number of homes.”</p> |

| | | |
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| Support for food growing and for local supply chains for foodstuffs | “The importance of land based industries is likely to increase in the longer term as local sourcing and food security issues become more prevalent.” | Not addressed |
| Measures to reduce mileage for raw materials, products, people or services | The LEP recognises that this will be of growing importance given food security issues | Not addressed |
| Measures to maximise local resource use | “The importance of land based industries is likely to increase in the longer term as local sourcing and food security issues become more prevalent.” | Not addressed |
| Support for industrial symbiosis/local reuse & recycling industries | Not mentioned | Not addressed |
| Support for general supply chain developing and linking activities | “Facilitate diversification and stimulate supply chains” | “Through addressing barriers to enterprise: Access To Finance; a good Portfolio of Business Premises; opening up supply chains to local small providers; extending business mentoring networks.” |
| Measures to harness public and other large scale procurement to develop local supply chains or support SMEs | “Aim to help the public sector engage more strategically and relevantly with the private sector”. | “Encourage all public bodies and social landlords within Stoke-on-Trent Staffordshire to sign up to a Public Procurement Compact.” “Ensure that all large contracts tendered will include clauses securing local employment and skills outcomes, as well as benefiting the local supply chain.” “The LEP will be Involved in the Business Matters project, and the Think Local 4 Business project [to support local procurement] ¹⁰ ” |

¹⁰ **Think Local 4 Business project** <http://www.thinklocal4business.co.uk> (last accessed 03/2011)

“‘Think Local’ is a rapidly developing initiative to promote business in predominately Staffordshire by nurturing opportunities for inter-trading amongst local businesses and to encourage public sector bodies and larger commercial organisations to recognise the benefits of using local suppliers... Successful businesses mean employment opportunities for local people and thinking local to buy local means reducing transport costs, cutting environmental pollution and building relationships between suppliers and customers... ‘Active participation in the ‘Think Local’ project gives access to vital advice and support services – invaluable assistance in developing and securing new business”

| | | |
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| Measures that target geographical areas of need as well as of opportunity | <p>“LEP approach more focused on notion of enterprise as they understand the need to boost the failing economies especially in Stoke and North staffs.”</p> <p>“Stoke-on-Trent and North Staffordshire displays the most serious economic weaknesses and the work to transform the economy will need ongoing support from the LEP. North Staffordshire will need to generate significantly more private sector jobs to reduce worklessness, increase graduate retention, raise the aspirations of its young people and attract new investment.”</p> | The LEP will “develop a Special Investment Zone, inward investment, first class office and commercial accommodation and modernising infrastructure in our towns and centres <i>with North Staffordshire as a key priority.</i> ” Otherwise not addressed |
| Sustainable development | “Create growth which is “economically and environmentally sustainable.” | Not addressed |
| Economic centralisation priorities | | |
| | | |
| Other | | |
| | <i>Promote Tourism</i> | The LEP board will be supported by a small number of delivery groups focusing on the key priorities. The Destination Management Partnership (DMP) would be one of these groups. ¹¹ |
| | <i>Private sector growth</i> | “will be ensuring that the way in which the public sector engages with and does business with the private sector is efficient and focus on facilitating private sector growth. |

¹¹ The DMP focus on ‘developing the visitor economy in terms of attractions, support facilities (hotels, restaurants etc) business support and skills training’

| Stoke & Staffordshire LEP (Shadow) Board members | | |
|-------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------|
| Name | Organisation/ward | Position |
| Jim Rickard, Chairman | Michelin Tyre | Former Director |
| Tom Fanning | Midland Expressway Limited | CEO |
| Mark Kerrigan | Alton Towers | Operations and Development Director |
| Steve Burgin | Alstom | Head |
| Ian Dudson | The Dudson Group | Chairman |
| Ken Stepney* | JCB group | Head of People Development |
| Nick Bell | Staffordshire County Council | Chief exec |
| Phil Atkins | Staffordshire | Cllr |
| John van de Laarschot | Stoke-on-Trent City Council | Chief executive |
| Mohammed Pervez | Stoke on Trent City Council | Cllr |
| Simon Tagg | Stafford Borough, Staffordshire Moorlands & Newcastle-under-Lyme Borough | Cllr |
| Brian Edwards | Kinver Division | Cllr |

| Sector | Number of Board Representatives (shadow) |
|------------------------------|-------------------------------------------------|
| Public Sector | 6 |
| Private Sector: Large | 6 |
| Private sector: SME | 0 |
| VCS | 0 |
| Higher Education | 0 |

Evaluation – Stoke-on-Trent & Staffordshire

Principally the proposal supports a strong local economy by:

- Some practical measures to support local businesses, enterprise and startups.
- Addressing local skills needs, via a Joint Economic Plan
- Local procurement, via a Public Procurement Compact and the engaging of the public and private sector bodies through the Think Local 4 Business project.
- Some addressing of decentralised energy through housing retrofit
- Targeting geographical areas of need, including promoting enterprise in the failing economies of Stoke and North Staffs – although not fully addressed by practical measures as yet

The proposal has some excellent aspirations but weak delivery proposals for the following:

- A rare and significant recognition of the increasing need for fuel security as well as a low carbon economy, but few measures to address this.
- A rare and significant recognition of the increasing need for landbased industries, food production and local sourcing, but no measures yet to support this economic shift.
- Recognition of the importance of the VCS to the subregional economy, but no measures to support the VCS.

The proposal is weak on supporting a strong local economy in addressing:

- Maximisation and reuse of local resources
- Local food production and distribution

The LEP's shadow board is highly unrepresentative and one-dimensional, with very large businesses dominating the board and no clear routes of input from SMEs, Higher Education or the voluntary sector.

Worcestershire LEP

“Our central objective is to create the right environment to encourage investment from new and existing businesses; to foster our own success, build on our small number of large industries, develop new industries from medium sized companies with global promise and help them grow.”

| Localisation Indicators | LEP policy | How the LEP will achieve this |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support for (small-scale?) local enterprise | “Ensure that nationally-led provision of advice and support for new and existing businesses is adequately tailored to the needs of the local business community/economy.” | Not addressed |
| Support for enterprise startups | <p>“...have the right support for business start up, business growth, business retention and inward investment – focusing on meeting the needs of our strategic businesses and ‘high growth’ SMEs.</p> <p>“Use Partnership resources to promote and, where possible, provide finance to new business start ups in the area.”</p> | <p>“The Central Technology Belt is one example where the LEP collaborate with other areas on innovation and support for technology businesses in start up and growth.”</p> <p>“Promote the delivery of additional business start up units and seek to establish these as part of a network of technical and innovation centres.”</p> |
| Support for social enterprise and community ownership | “Deliver support and advice for new and existing businesses, including high growth SME’s, ensuring that it is designed around the needs of the local business community including social enterprises and the third sector. The LEP recognises the importance of consistent, tailored, advice and support and would seek to ensure the sustainability of this sector. We believe that this can best be delivered locally.” | Not addressed, although - “Partners for Social Enterprise – Worcestershire in collaboration with Herefordshire, pioneered this public, private and voluntary sector partnership to promote and support the development of a more business focused social enterprise sector.” |
| Use/up-skill of local skills and labour | <p>“Continue to tackle the problem of worklessness and support our young people into work, for e.g. in Redditch where concerns over educational attainment and aspiration and its long term affect on the economy are already acknowledged.”</p> <p>“Worcestershire must drive up its workforce skills base in the face of a significant shift in the composition of labour demand. In Worcester, a projected reduction in the need for low skilled jobs of around 14% over the next 10years</p> | <p>“work with local schools to instil an emphasis on entrepreneurial skills and ensure that the effective local partnership links between business and education continue to flourish”</p> <p>“The LEP will work with the region’s Universities. We will secure the coordination and delivery of nationally-funded programmes to support and</p> |

| | | |
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| | <p>combined with a significant increase of 12.5% in the demand for senior managers will further exacerbate the growing skills gap adding to the increasing difficulty of integrating those without qualifications into the workforce.”</p> <p>“The County lacks higher level skills in some sectors such as management and skilled trades in engineering, manufacturing and construction, and in some geographic areas”</p> | <p>encourage technology transfer and research and development, to improve business competitiveness.”</p> |
| <p><i>Support for decentralised energy schemes and energy efficiency</i></p> | <p>“Play a prominent role in the move towards a low carbon economy. As a county with rural and urban areas some areas suffer with high personal and business transport cost as oil prices rise and there is therefore an added incentive in Worcestershire to support moves to a low carbon economy.”</p> <p>“Transition to a low carbon economy – maximise opportunities around existing local sector specialisms and markets, whilst encouraging the involvement of businesses across all sectors with potential for growth.”</p> | <p>“Ensure that low carbon business support networks are maintained and will encourage a supportive environment for renewable generators to invest in the County.”</p> <p>Otherwise not addressed</p> |
| <p><i>Support for food growing and for local supply chains for foodstuffs</i></p> | <p>“We will focus support on identified growth sectors such as... food and drink” although no specific reference to agriculture or local supply chains</p> | <p>Not addressed</p> |
| <p><i>Measures to reduce mileage for raw materials, products, people or services</i></p> | <p>Not mentioned</p> | <p>Not addressed</p> |
| <p><i>Measures to maximise local resource use</i></p> | <p>Material resources not mentioned. Financial resources addressed thus:</p> | <p>“The LEP will explore how capital and revenue resources of councils can be best deployed to foster growth and enterprise in the county. For example, where such investments would offer equivalent security, returns and liquidity as other investment vehicles, the County Council could consider investing resources from the substantial local government pension scheme in Worcestershire businesses.”</p> |

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| | | |
| Support for industrial symbiosis/local reuse & recycling industries | Not mentioned | Not Mentioned |
| Support for general supply chain developing and linking activities | Not mentioned | Addressed to some extent through procurement as below and in the energy sector as above. |
| Measures to harness public and other large scale procurement to develop local supply chains/ SMEs | “open up opportunities for all our businesses, not just the larger ones.” | “Facilitate local procurement tools to enable both public and private sector to advertise opportunities. This will provide local businesses access to appropriate qualifications and documentation” |
| Measures that target geographical areas of need as well as of opportunity | <p>“Continue to tackle the problem of worklessness and support our young people into work, for e.g. in Redditch where concerns over educational attainment and aspiration and its long term affect on the economy are already acknowledged.”</p> <p>“LEP will work with neighbouring counties on the Rural Regeneration Zone projects to.....improving social inclusion in rural areas.”</p> | |
| Economic centralisation priorities | | |
| | | |
| Other | | |
| Other Policy | | The LEP will shape other relevant strategies for the County and its districts, so that all needs are taken into account for example, the Local Transport Plan, Local Development Frameworks and the Waste Core Strategy |

| Worcestershire LEP Shadow Board members | | |
|------------------------------------------------|--------------------------------|-----------------------------------------------|
| Name | Organisation | Position |
| Francis Christie (Chair) | Institute of Directors | Chairman |
| Ken Wigfield | Federation of Small Businesses | Vice Chair |
| Jed Marson | Malvern Inventors | Member |
| Mark Herriot | Community first H&W | Development Manager, Performance and Learning |
| Colin Foxall | Nexus Creative | Director |
| Louise Hewett | Worcestershire Ambassadors | Chairman |
| Paul Sampson | Worcestershire County Council | Business & Policy Manager |
| Mike Ashton | H&W Chamber of Commerce | Chairman |
| Gary Woodman | H&W Chamber of Commerce | Head of Policy and Education |

| Sector | Number of Board Representatives (shadow) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Sector | 4 |
| Private Sector: Large | 1-3 (Chamber representatives are said to run small businesses also) |
| Private sector: SME | 4-6 (Jed Marson of Malvern Inventors; Colin Foxall of Nexus Creative; Francis Christie of Institute of Directors; Ken Wigfield of Federation of Small Businesses) |
| VCS | 2 (Mark Herriot of Community First H&W; Louise Hewett of Worcestershire Ambassadors (sector uncertain)) |
| "Initial consultation with over 150 representatives from business, third sector and council leaders has led to board consisting of people who also run small and medium sized businesses" | |

| Business Board members | | |
|-------------------------------|-----------------------------------------------------|-----------------------|
| Name | Organisation | Position |
| Tony Hyde (Chair) | Thomas Vale Construction | Managing Director |
| Dean Attwell | Oakland International Limited | Managing Director |
| Juliet Betterton | betterpr | Managing Director |
| Ray Brookes | The Community Housing Group | Group Chief Executive |
| Jim Clark | AMS Group | Managing Director |
| David Greer | Skills for Security Limited | Chief Executive |
| Margaret Gray | MidWest Rural Enterprise Community Interest Company | Director |
| Robbie Hazlehurst | Chrysalis Performance | Director |
| Matthew Horton | Thomas Horton LLP | Managing Director |
| Viv Hudson | HotelShop UK Ltd | Managing Director |
| Tony King | Sanctuary Housing Association | Group Director |
| Mark Martin | One Creative Environments Limited | Director |
| Richard Quallington | Community First | Chief Executive |
| Richard Soper | Bosch Thermotechnology | Managing Director |
| Stephen Taylor | Taylor Property Development Limited | Chairman & CEO |
| Paul Walker | Malvern Instruments | Managing Director |
| Ed Webb | Webbs Garden Centres | Executive Chairman |
| Alan White | Malvern Hills Science Park | Chief Executive |

Worcestershire LEP Business Board-The Business Board will sit beneath the LEP Board. A Number of ‘special interest’ groups which will reflect the priority areas of the LEP will feed into the business board.

Evaluation - Worcestershire

The proposal supports a strong localised economy by:

- Harnessing local finance by investigating use of council pension funds to support enterprise.
- Some measures to address areas of need, including Redditch and rural social inclusion.
- Some measures to address public procurement, via contract opportunity advertising
- Upskilling the population, including by working with schools
- Limited measures to support social enterprise

The proposal has strong aspirations but insufficient measures to address the following issues:

- Decentralised energy and supporting a low carbon economy: a significant recognition that oil prices will continue to rise and thus make a low carbon economy essential, but few measures to address and benefit from this in practice (apart from maintaining low carbon business support networks)
- Support for small business and startups is weaker in practical measures than most proposals, with nearly all emphasis on 'high growth SMEs'.

The proposal is weak in supporting a strong local economy in terms of:

- food production and distribution
- use and reuse of local resources.

The LEP shadow board has good, diverse representation both directly on the board (4-6 SME representatives and 1-2 VCS representatives) and on the Business Board structure beneath it. The success of this will depend to what extent this truly influences LEP decision-making rather than diverting SME attention into a 'talking shop', but demonstrates better SME engagement than many LEP proposals. The LEP recognises the strength of this diversity in its promotional information.

Comparative evaluation of LEP Proposals

Below is a summary of the comparative strengths and weaknesses of LEPs in supporting strengthened local economies, community-scale enterprise, the local multiplier, resilience and local use of resources.

Small business support and upskilling

Common to all LEPs are objectives and measures to address **upskilling** the local population, and **supporting small enterprise and start-ups**. This could be expected from the government brief for LEPs. Greater Birmingham in particular has very strong policies and measures to support small business including a 'duty to SME-proof all decisions' which need to be reinforced with the right structures for this 'proofing'.

Potential failures in small business development and support proposals

However, no WM LEP proposal appears to have a strategy – or even to identify the need for a strategy – to identify and address the real needs of existing and new small business in developing resilience to economic centralisation - for example, on planning issues, supply chain issues, fiscal issues, and enterprise development around local needs and markets. Most LEP activity proposals are about **fostering enterprise culture** and developing programmes for business advice. Whilst these are important, there is a danger that without strategies that target the 'external' causes of business failure (as opposed to poor management), LEP strategies will help people to set up and lose new start-up businesses in an environment that is mainly geared up for economic centralisation.

Other common weaknesses amongst WM LEP proposals

All LEPs were poor on recognising the opportunities from **community ownership** of assets, enterprise and services, and most were weak on the potential of **social enterprise**. All were weak on maximising the potential of **local resource reuse**, opportunities of industrial symbiosis and waste streams. All were poor on **reducing the need to travel** and reducing product and service mileage, despite recognitions from Stoke and Worcestershire LEPs of energy security and oil price factors importance in the future economy. All except Birmingham were equally weak on measures to develop **decentralised energy and energy efficiency sectors**. All were weak on involving **food production** and agriculture as a priority area, despite a recognition in Stoke LEP that this will be increasing in importance over the LEP's lifetime.

Few LEP proposals identified **areas of need (deprivation)** and fewer demonstrated strategies for targeting them, other than some recognition in Greater Birmingham, Worcestershire and Stoke LEPs. Promoting this could be a greater role for public sector input into LEPs, given public sector objectives of shared prosperity and wellbeing.

Four LEP proposals – Black Country, Coventry & Warwickshire, Greater Birmingham, Worcestershire - showed good practice on innovative measures to harness **local financing for small and local enterprise**, such as the use of council pension funds to do so (Worcestershire) and Investbx (Birmingham).

The LEP proposals show some good practice on **linking public and large scale procurement into local supply chains**. Greater Birmingham LEP identifies both larger companies such as Jaguar-

Landrover and public sector capital and revenue spend as opportunities to link into local supply chains, with public procurement measures such as portals and compacts also being mentioned in the Black Country and Stoke LEPs, and to some extent Worcestershire. Coventry and Marches LEPs are comparatively weak on the opportunities of procurement.

The recognition from Stoke and Worcestershire LEPs of **energy security and oil price factors** in the future economy are powerful in themselves, but in neither case does the LEP yet address these by measures to build resilience in to address these future problems.

Greater Birmingham LEP stands out on a wealth of practical actions to deliver a **low carbon economy and decentralised energy** and to use this as an opportunity for local markets and supply chains. This is a major strength of the LEP proposal's ability to deliver sustainable development. One potential mitigating factor is the LEP's commitment to the **big projects requiring prioritisation and spend**: Birmingham airport runway extension and High Speed Rail, both of which could easily divert attention and resources from delivering the LEP's measures to develop local enterprise and strong local economies. The LEP should ensure the economic benefits and disbenefits of these projects are adequately and independently identified and then priorities made with full information.

Only Greater Birmingham and Worcestershire identified specific measures to address the **social enterprise** sector, with the other LEPs having aspirations, at most, to support this sector.

Board representation and other forms of engagement vary enormously between LEPs (see Appendix 1). Stoke stands out as having very poor economic diversity on its shadow board, with its private sector members all from very large businesses and no clear routes of input for SMEs, Higher Education or the voluntary sector. Worcestershire has strong diversity of direct and secondary representation into LEP decision-making, and Birmingham is also good, with a commitment to "SME-proof all decisions" and to early engagement with the local voluntary services council. Others could do much better on SME and voluntary sector representation.

Conclusions and recommendations

Clearly, the proposals and shadow Boards from which these apparent shortcomings are identified at the initial stages of LEPs' lives and the very limited timescales within which proposals were put together, and the LEPs may already be addressing these issues in their ongoing development.

To support strong local economies and sustainable development, all West Midlands' LEPs should develop better approaches to: identifying the external factors that stop small businesses from thriving; emphasis on economic diversity and local multiplier; investigating the opportunities from local resources, land-based industries, food production; and addressing areas of need/deprivation as well of opportunity. The LEPs should learn from best practice within the region outlined above on SME proofing of decisions; recognition of the factors of oil prices and energy security in our future economy; harnessing procurement; and representation and engagement with the voluntary sector.

LEPs should develop stronger roles in using and sharing information for local SMEs to take advantage of upcoming markets and opportunities, and supply chain linking activities. They should also learn from good practice in measuring the impact of enterprise¹² (particularly in deprived areas, but applies to all areas) both for delivering enterprise based on past good practice and in terms of their own monitoring.

¹² <http://www.bis.gov.uk/files/file38356.pdf> *Measuring enterprise impacts in deprived areas*

Appendix 1: Definition of Terms

Localisation

“A process which reverses the trend of globalisation by discriminating in favour of the local” Hines (2000)

“It means nurturing locally owned businesses which use local resources sustainably, employ local workers at decent wages and serve primarily local consumers. It means becoming more self sufficient, and less dependent on imports. Control moves from the boardrooms of distant corporations and back to the community where it belongs”. Shuman (2000)

LEP- Local Enterprise Partnerships

Joint local authority-business bodies brought forward by local authorities themselves to promote local economic development.

RGF- Regional Growth Fund

“The Regional Growth Fund is a discretionary £1.4bn Fund that will operate for 3 years between 2011 and 2014 to stimulate enterprise by providing support for projects and programmes with significant potential for creating long term private sector led economic growth and employment.”¹³

SME- Small-Medium Enterprise

In the UK, definitions for small and medium sized companies refer to those having at least two of the following: a turnover of not more than £22.8 million, a balance sheet total of not more than £11.4 million and the average number of employees must be 250 or fewer.

Social Enterprise

“A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.”¹⁴

VCS-Voluntary and Community Sector

The characteristics of the voluntary and community sector (VCS):

- Self-governing organisations, some being registered charities, some incorporated non-profit organisations and some outside both these classifications
- A range of size and structure of organisations
- Work delivered for the public benefit, beyond the membership of individual voluntary and community organisations
- Independence of both formal structures of government and the profit sector
- An important reliance on volunteers to carry out its work¹⁵.

FSB- the Federation of Small Businesses

The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms¹⁶.

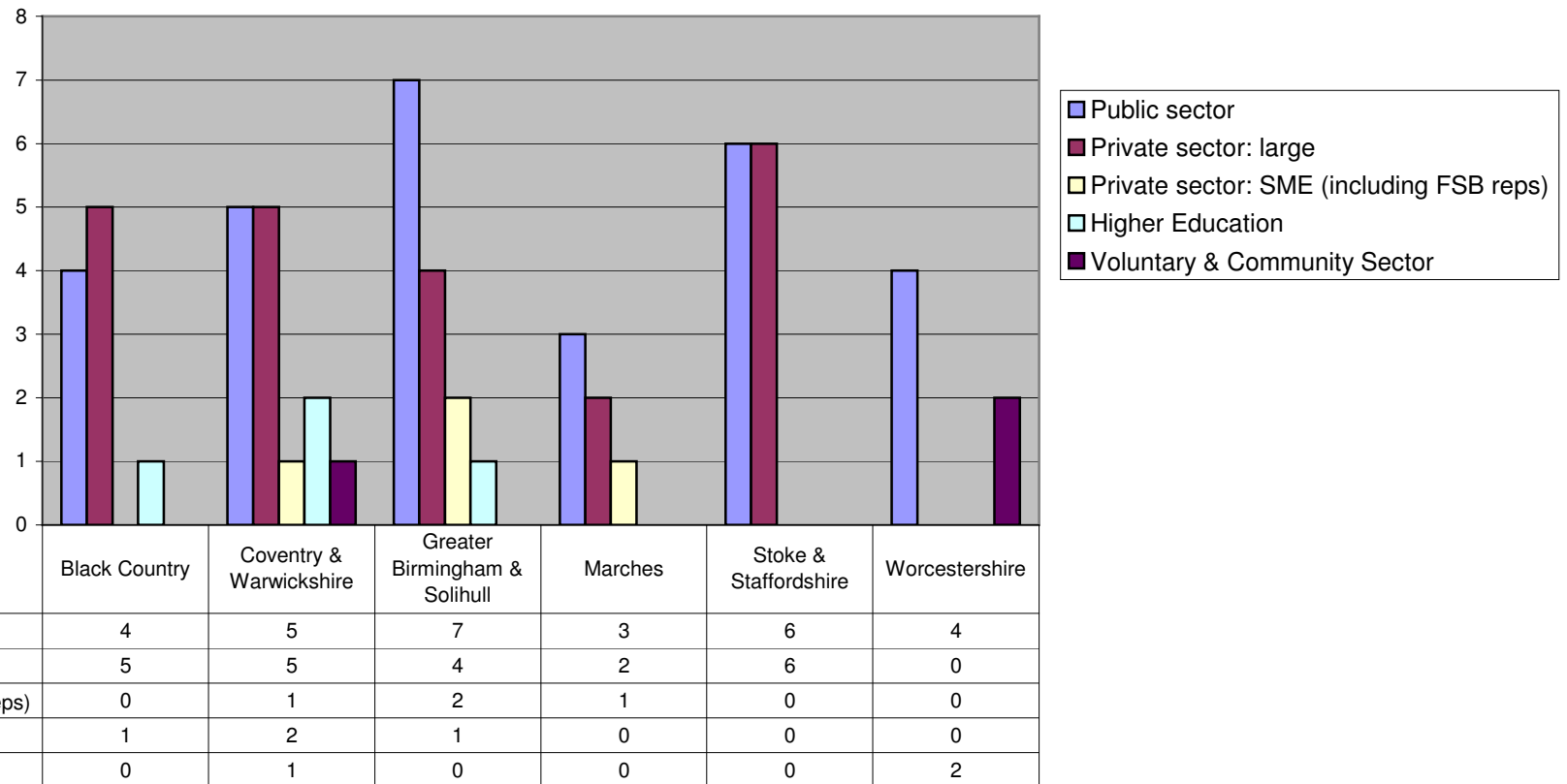
¹³ HMG - BIS [2010] <http://www.bis.gov.uk/policies/economic-development/regional-growth-fund> (Last accessed 13/04/11)

¹⁴ HMG - BIS : Social Enterprise Barometer February 2010
<http://www.bis.gov.uk/assets/biscore/enterprise/docs/s/10-1076-social-enterprise-barometer-feb-2010.pdf> (Last accessed 13/04/11)

¹⁵ The National Council for Voluntary Organisations

¹⁶ Federation of Small Businesses

Appendix 2: Comparison of LEP (shadow) board memberships



| LEP board | Black Country | Coventry & Warwickshire | Greater Birmingham & Solihull | Marches | Stoke & Staffordshire | Worcestershire |
|-----------|---------------|-------------------------|-------------------------------|---------|-----------------------|----------------|
| % SME/VCS | 0% | 14% | 14% | 16% | 0% | 53% |

Appendix 3: LEP Contact Details

| LEP | Contact Officer | Contact Details (from BIS.gov.uk) | Approved Proposal Location, LEP website | Additional Websites |
|------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Black Country | Sarah Middleton | 01384 471102 sarah_middleton@blackcountryconsortium.co.uk | http://www.the-blackcountry.com/default.asp?PageID=270 | www.the-blackcountry.com Brief summary of partnership. Proposal linked to page. board member details |
| Coventry & Warwickshire | Paula Deas | 024 7683 3776 paula.deas@coventry.gov.uk | http://www.wmleadersboard.gov.uk/economy | http://www.cwlep.com http://www.cw-chamber.co.uk/homeTemplate.aspx/Home http://www.coventry.gov.uk/ brief news summary http://www.coventryfirst.co.uk/ business forum. Diary of events which include LEP meetings |
| Greater Birmingham & Solihull | Mark Barrow | 0121 303 4915 mark.barrow@birmingham.gov.uk | http://www.wmleadersboard.gov.uk/economy | |
| Stoke and Staffs | - | | http://www.wmleadersboard.gov.uk/economy | http://www.stokestaffslep.org.uk/ good info on members, recent news and forthcoming events http://www.staffordshire.gov.uk/ LEP search gives brief detail on LEP event and current direction |
| The Marches | Mark Pembleton | 01743 252593 mark.pembleton@shropshire.gov.uk | http://www.wmleadersboard.gov.uk/economy | http://www.marcheslep.org.uk pdf business plans and info sheets , shadow board contact details, links to partners |
| Worcestershire | Gary Woodman | 0845 1641 ext 2187 garyw@hwchamber.co.uk | http://www.worcestershirepartnership.org.uk/cms/pdf/Worcestershire%20Works%20-%20Final%20Bid%20Sept%202010.pdf | www.worcestershirelep.org/ main site. Mission brief, News, associates, contact details all available www.worcestershirepartnership.org.uk very brief success summary plus proposal link and contact detail of board member |