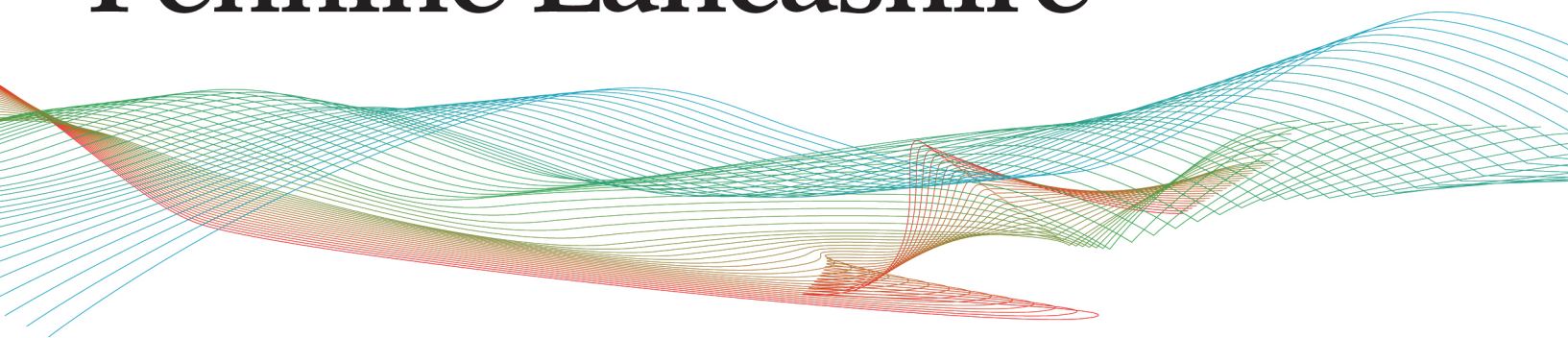


Pennine Lancashire



Local Enterprise Partnership

Total Business Environment

Pennine Lancashire



Foreword

We welcome this opportunity to put forward our proposal for a Local Enterprise Partnership. It is built on a strong evidence base, years of existing partnership work, and a determination to work together to stimulate economic growth in the area.

We understand how our local economy works and we know what is required to foster private sector jobs growth. Our proposal sets out how we intend to create **a total business environment** to ensure that, in an era of small government, we maximise the impact of our resources for the benefit of our businesses and communities.

Supporting growth in our strong manufacturing sector will be at the heart of our plans. Pennine Lancashire has a diverse population, a strong entrepreneurial flair, and a large business export base. We intend to build on recent investment made in our understated visitor, food and recreational offers which reflect our scenic setting and location. We will also focus on maximising the contribution to growth and innovation that can be made within the vibrant Pennine Lancashire rural economy.

We welcome the Coalition Government's recognition that economies must be planned on natural economic footprints regardless of administrative boundaries, and we welcome the real commitment to devolving power down to the most appropriate level. This proposal is an example of that principle in action. It has been developed and endorsed jointly by business and local authority leaders. We look forward to working together to address the challenges that face us.

September 2010

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Executive Summary

Why a Pennine Lancashire Partnership?

A strong 'private – public' sector partnership

- This proposal has been developed and endorsed by the Chamber of Commerce, the Federation of Small Businesses, key business leaders including Rolls Royce, Capita and BAE Systems, and local authority leaders.
- The Pennine Lancashire Local Enterprise Partnership will be business focused and democratically accountable. Governance structures, including a local authority Joint Committee and a public-private delivery vehicle (Regenerate Pennine Lancashire Ltd) are already established.
- Public, Private and Voluntary sectors in Pennine Lancashire have over 20 years experience of partnership working which has been recognised regionally and nationally.

A natural economic area

- Pennine Lancashire has a larger population than many major cities in the UK.
- 84% of the area's resident employees work in the area.
- There is high level of interdependency between Pennine Lancashire towns e.g. Blackburn and Burnley provide 10,000 jobs each to the other districts - Hyndburn provides 9000.
- Of those that do commute out of Pennine Lancashire - over three times as many travel into the Manchester City Region (approx 17,000) than go to Preston (approx 5,200). Pennine Lancashire's strengths are complementary to its neighbours.
- The Pennine Lancashire economy is characterised by a strong manufacturing base - 21% compared with 10% nationally.
- The area is dominated by Small to Medium Sized Enterprises - there are approximately 10,000 SMEs and just over 50 companies employ more than 250 staff.
- Travel to learn catchments map closely on to the economic footprint with local colleges serving, almost exclusively, the sub-region's residents.
- A number of our towns are characterised by a diverse population - around 12% of our population are of Asian heritage
- Self employment rates are higher than regional and national levels
- Pennine Lancashire is a place of rural and urban interface, where areas of outstanding natural beauty adjoin post-industrial urban areas. A very distinctive and coherent rural area emerges with its own identity which transcends local authority boundaries.
- The area has a recognised self contained housing market; 74% of migration occurs from within, and over 70% of the population expect to be living here in five years time.

Executive Summary continued

What will the Local Enterprise Partnership deliver?

- Applying the Office of Budget Responsibility's formula, forecasts suggest that the area will lose 4,800 public sector jobs – independent research has shown that the delivery of key strategic interventions in Pennine Lancashire by our Partnership would create 4,745 new private sector jobs – a large proportion of which are in higher value employment.
- The Local Enterprise Partnership will take strategic responsibility for driving private sector jobs growth and investment. It will achieve this through creating a **total business environment** across a range of different functions, including: enterprise and business support; employment and skills; funding and investment; physical and digital connectivity; and spatial planning and housing.
- Private sector jobs and investment will be created through focusing support on our strong advanced manufacturing base; promoting enterprise in both rural and urban communities; accelerating the delivery of key strategic employment sites; and connecting to neighbouring city regions, supporting and benefiting from their economic growth.
- The area contributes £6.1 billion GVA to the economy each year. There is no other place in the UK which has the history and comparable expertise in aerospace engineering and advanced manufacturing than Pennine Lancashire, and as part of this proposal we offer to become the advisory Local Enterprise Partnership for Government on issues relating to these sectors.

Pennine Lancashire - Context

Pennine Lancashire is an area characterised by innovative people and a beautiful natural environment and was once at the forefront of the industrial revolution, specialising in the textile industries. It has a population of 525,000 people, greater in size than many major cities in the UK. It faces common economic challenges and opportunities around its manufacturing base, natural environment, employment rates, diverse communities, skills deficits, enterprise development and business competitiveness. The commonality of economic conditions has led to an unprecedented amount of joint working and joint decision making within a strategic governance model, which sees business leaders, the Chamber of Commerce and political leaders driving the agenda for Pennine Lancashire together.

For almost 20 years key partners in the area have been working together to better understand our local economy and address the issues that it faces. In 1997 this was formalised with the establishment of the East Lancashire Economic Partnership. More recently, in January 2009 a Multi Area Agreement (MAA) was signed with Government which identified the agreed priorities for the area and signified a major milestone in the collaboration of local authorities and their partners across the whole of Pennine Lancashire.

The MAA represented a step change in our approach to economic development – underpinned by a strong evidence base it integrated a number of different themes and recognised that in order for the economy to grow the right building blocks must be in place. It prioritised key strategic interventions, and set out how we would maximise our strong manufacturing base, link education and skills provision to meet the needs of the economy, connect to areas of growth and create a balanced housing market¹. Following the signing of the MAA Pennine Lancashire was one of the first partnerships in the country to sign a Joint Investment Plan and Local Investment Agreement with the North West Development Agency and the Homes and Communities Agency. This was an endorsement of our joined up approach to the economy and housing, our robust governance structures, and the strategic prioritisation of major projects.

¹ Pennine Lancashire Multi Area Agreement – PLACE Strategy Unit (2009)

Independent research commissioned by Pennine Lancashire partners showed that the key strategic projects in our MAA would add an additional £384 million GVA to the economy, create 4,745 new jobs, a high proportion of which are at Level 4 and above, and place over 1,100 people currently out of work into employment, saving over £5.3 million per annum to HM Treasury through reduced benefit payments and increased tax revenues². A number of these projects have come to fruition and are already having an impact. However, all too often national, regional, or local bureaucracy has slowed their delivery. For example: protracted funding appraisal systems imposed by the Regional Development Agency; slow progress of national agencies such as Network Rail; or delays in local planning processes. Our Local Enterprise Partnership will address these issues head on – challenging central and local government to relinquish control and speed up important developments.

Central to the MAA was greater delegation of funding from regional agencies, to allow us to take decisions locally within a democratic setting, against an agreed set of outcomes. This model would allow us to align our local spend and planning systems behind our strategic priorities in one joint investment plan, adopting the principle of a **'Total Business Environment'**. Creating the right environment for businesses to grow is a central tenet of our Local Enterprise Partnership proposal.

² Pennine Lancashire Multi Area Agreement Economic Impact Assessment – Ekosgen (2008)

Pennine Lancashire – A Natural Economic Area

Pennine Lancashire is a natural economic area, with 84% of its resident employees working in the area. There is a high degree of connectivity between the Pennine Lancashire districts. Both Blackburn and Burnley employers provide over 10,000 jobs each for residents of other Pennine Lancashire districts – Hyndburn provides over 9,000. Around 17,000 people commute to Greater Manchester every day, which is almost three times as many that travel west into Preston ³.

The area has a recognised self contained housing market; 74% of migration occurs from within, and over 70% of the population expect to be living here in five years time. Travel to learn catchments map closely onto the economic footprint with local colleges serving almost exclusively the resident population ⁴.

Over £800 million is spent annually on non-food items by Pennine Lancashire residents within the catchment area, equating to a 65.9% retention level, which reflects the collective importance of our town centres to the sub-regional economy. A further £102 million is spent via internet, home catalogue and interactive television ⁵.

Pennine Lancashire has a strong manufacturing base, 21% of employment is in this sector compared to 10% in the UK as a whole, with many more employed indirectly in support services. Evidence suggests that for every direct job provided by companies classified to the local aerospace industry at least another is indirectly dependent ⁶. A number of local companies are world leaders across a range of different activities, including: advanced engineering, electronics, advanced flexible materials, and health care manufacturing. These, together with the remaining traditional companies which are capable of making the transition, are the businesses that must be nurtured, and represent a real opportunity for the area.

Pennine Lancashire is also home to two prime aerospace contractors – BAE Systems and Rolls Royce, together with a significant number of subcontractors and support companies. The average job in aerospace contributes £75,000 GVA to the economy, this rises to £115,000 at BAE Systems, compared to just £15,000 GVA per job in other sectors in our local economy ⁷. Pennine Lancashire has over a 30% share nationally of BAE Systems' employment in knowledge intensive production ⁸. The East Lancashire Chamber of Commerce specialises in supply chain development and it is vital that we continue to partner with the Chamber of Commerce, as we have done for over 18 years, in recognition of the importance of exporting, and providing support for our businesses to develop trade links both here and abroad.

³ Economic Relationship between Pennine Lancashire and Greater Manchester – Ekosgen (2008)

⁴ Living and Working in East Lancashire. Collaborative Research and Consultation Service c/o Pendle Borough Council (May 2009)

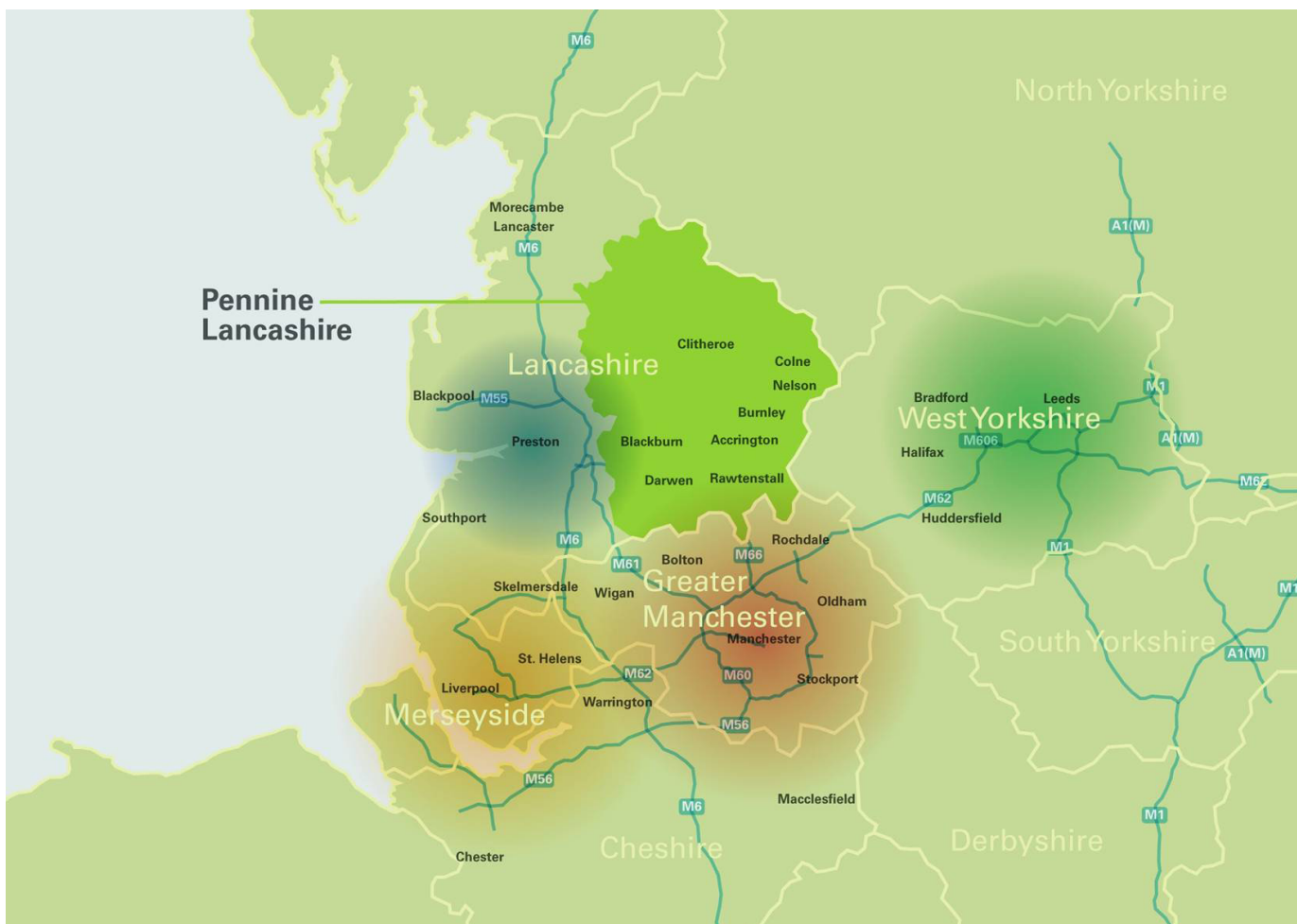
⁵ Sub regional survey of households – Roger Tym & Partners (2010)

⁶ Lancashire County Council website: Accessed 02/09/10 12:26 http://www.lancashire.gov.uk/office_of_the_chief_executive/lancashireprofile/sectors/aero.asp?sysredir=y

⁷ North West Aerospace Alliance

⁸ The Economic Contribution of BAE Systems to the UK in 2006 – Oxford Economics (2008)

Pennine Lancashire is strategically located in the North of England between two major city regions: Leeds and Manchester. However, Pennine Lancashire's economy is largely independent from these two centres. A report from Centre for Cities showed that just 2.6% and 3.6% of resident employees in Burnley and Blackburn commute to Manchester city centre⁹, despite being only 20 miles away; reflecting the poor transport connectivity between the areas. The Greater Manchester Urban core is expected to grow by 122,000 jobs to 672,000 by 2026; this is driven by the City of Manchester, where an additional 92,000 jobs are forecast to be created¹⁰. These are predominantly in higher value financial and business service sectors; the Leeds City Region is also targeting the expansion of these sectors¹¹. Pennine Lancashire's manufacturing strength is complementary to its neighbours. In the future it is important that Pennine Lancashire connects more closely with these two growing City Regions with mutual advantages through deeper labour market and agglomeration benefits generated by increased commuting and business ties.



⁹ City Links – Centre for Cities (2008)

¹⁰ Economic Relationship between Pennine Lancashire and Greater Manchester – Ekosgen (2008)

¹¹ Empowering Local Leadership for economic growth. Leeds City region pilot programme November 2009. (http://www.leedscityregion.gov.uk/uploadedFiles/About_Us/LCR%20Pilot%20Agreement-Final-27.11.09.pdf)

Despite not having a dominant city centre and relatively high levels of economic inactivity the area contributes £6.1 billion to the economy each year¹². Pennine Lancashire relies on public sector jobs to prop up its economy: over 28% of the work force is employed in this sector, compared to 26.9% nationally. The Office for Budget Responsibility (OBR) predicts that there will be a reduction of over 600,000 public sector jobs across the UK by 2016; applying these projections to Pennine Lancashire this equates to 4,800 jobs¹³. The OBR also forecasts private sector jobs growth in the Manchester City Region to number 81,900 - compared to 11,000 in the Preston City Region and 13,500 in Pennine Lancashire.

Pennine Lancashire is a place of rural and urban interface, where areas of nationally important landscape value adjoin post-industrial urban areas. A very distinctive and coherent rural area emerges with its own identity which transcends local authority boundaries, particularly to the North by the Ribble Valley and to the East and South by the West Pennine Moors - the area is identified by DEFRA in the Rural Development Programme for England (RDPE) and recognises Rural Pennine Lancashire as a single cohesive economic area in itself. The opportunities for strengthening entrepreneurial activity in this part of Pennine Lancashire and providing premises to give it form are considerable.

The area's stunning green infrastructure provides an opportunity for Pennine Lancashire to become a premier destination for adrenaline sports. Cycling is already a well established visitor attraction, with major national events being staged in recent months. The sports economy provides thousands of jobs in the area, and adds over £95 million GVA to the local economy¹⁴.

The area has an enviable reputation for enterprise and entrepreneurship, at 10.2% the Pennine Lancashire self employment rate is higher than both Regional (9%) and National levels (7.9%)¹⁵. And there has been an increase in VAT registered business start-up rates in recent years¹⁶. Many of these are in digital, communications and creative industries. Some of these businesses stay small and serve the locality, others have grown exponentially and become national and international players.

Export led growth will drive the economic recovery in the UK; Pennine Lancashire is well placed to capitalise on this, over 700 businesses are involved in significant export activity¹⁷. Every year the British Asian community generates around 10% of the country's GDP despite making up only 4% of the population¹⁸. In Pennine Lancashire 12% of residents are of Asian descent – and as a result hundreds of British Asian owned businesses operate in the area, with many of those having established trade links with India and the wider sub-continent.

¹² Housing and the Economy: The Pennine Lancashire Market in 2007 – Ekosgen (2007)

¹³ North West Development Agency calculation based on the Annual Business Inquiry data and the Office of Budget Responsibilities (OBR) national forecasts for jobs from 2010-2015 (2010) (OBR does not give data below a national level so we have extrapolated)

¹⁴ Lancashire Economic Impact of Sport – Knight, Kavanagh & Page (2010)

¹⁵ <https://www.nomisweb.co.uk/Default.asp> Annual Labour Force Survey (2009)

¹⁶ NOMIS website <https://www.nomisweb.co.uk/Default.asp> (sourced from estimates of the number of enterprises registering and de-registering for VAT as published by the Department for Business, Enterprise and Regulatory Reform (BERR).)

¹⁷ East Lancashire chamber of Commerce (2010)

Pennine Lancashire's business base is dominated by SMEs – there are approximately 10,000 and just over 50 companies that employ more than 250 staff ¹⁹. This presents both a challenge and an opportunity. Not relying on one major employer brings resilience to the economy, but ensuring that our diverse business base is supported across a range of needs is a challenge that the Partnership will have to address.

Local Enterprise Partnership – Functions

Total Business Environment

The most important contribution that our Local Enterprise Partnership will make will be to create a total business environment – at both a strategic and operational level; meaning that economic development, business support and the full range of public services are planned and delivered through the lens of the private sector. For example, this will mean creating a more responsive approach to planning and ensuring that our education and skills provision supports local industry with a greater emphasis on vocational qualifications and apprenticeships. It will require the public sector to aggregate demand when procuring broadband and internet services to ensure that there is a viable case for investment in vital Next Generation Access (NGA) infrastructure, and will require practical support such as allowing local businesses to rent secure computer server space from local authorities at low cost rates, and reducing the number of regulation visits through shared service models. The principle however, cuts across the Partnership and represents an efficient way of facilitating private sector growth; it will be important to focus any additional external resource on schemes which bring the greatest reward.

We've long since recognised that the strength of our economy is reliant on a number of different factors. Our Local Enterprise Partnership will have a strategic responsibility across several different themes; the remainder of this section outlines the functions the Partnership will adopt and influence, and the powers which it will need.

Enterprise and Business Growth

We are encouraged by the Government's commitment to reduce National Insurance contributions for new business start-ups; our experience suggests that the first 12-months of trading are often the most difficult. Not having to pay the first £5,000 of Class 1 employer contributions is a real boost for Pennine Lancashire, which relies heavily on starting and growing businesses to provide new jobs and investment.

Pennine Lancashire has an excellent track record in delivering regeneration, economic development and business support programmes. The Local Enterprise Growth Initiative (LEGI) programme has seen over 1200 new businesses started in our most deprived communities. We have twice been named Enterprise Capital of the North West and lead on behalf of all LEGI programmes nationally on evaluation and disseminating best practice. We know what works, and we will develop a local business support model which reflects the needs of the local business community. Existing business support structures are crowded, inefficient and confusing – they must be simplified. We welcome the abolition of Regional Business Link and a mandate will be given to the Chamber of Commerce, Local Enterprise Agencies, Local Authorities, and third sector partner organisations, to develop an efficient

and effective support model. This will aim to move towards a greater level of financial sustainability over a period of time through increasing their income streams and reducing grant dependency. The Partnership will provide the strategic leadership to oversee this process.

We will target growth companies: working with them to adopt new innovation and technologies, particularly to aid the transition to a low carbon economy. The rural economy will assist in this process through the ability of farms to host new technology that will not only reduce agriculture's greenhouse gas emissions, but also act as a disposal point for higher value energy waste products. Building on the strength of our manufacturing base we will assist companies to develop new products and access new markets through encouraging international trade, and help improve the flow of credit to SMEs. The simplified model will provide a brokerage service directing businesses into the Solutions for Business portfolio; and we will ensure businesses can access land and property advice to help them expand in Pennine Lancashire.

Employment and Skills

Our private sector led Employment and Skills Board recognises the importance of having a responsive skills system to support our local business base, and stimulate long term sustainable economic growth. Rebalancing the economy towards the private sector will mean that we need to understand the employment and skills needs of our businesses more than ever. The Chamber of Commerce and Blackburn College have undertaken detailed research to identify the barriers that prevent our businesses from accessing the skills supply which they require; and also understanding student pathways to ensure these provide a route into employment. The former Managing Director of **Promethean**, a market leader and one of the world's largest manufacturers of interactive education technology is project lead; our Local Enterprise Partnership will draw on the expertise of private sector partners and business leaders to develop a stronger more reactive interface between employers and skills providers.

There has been significant capital investment into two new University Campuses in Burnley and Blackburn. New courses specialise in advanced manufacturing and have been designed with local employers. For example: Burnley University Centre have worked with aerospace company **Aircelle** to develop a range of courses, from management and leadership to advanced engineering, supporting the development of their workforce in order to grow the business and stay competitive. Enterprise is also a core part of all courses, with dedicated on-campus support for graduate business start-ups. Over 3,000 higher education places are now available in Pennine Lancashire.

Our Partnership already engages with skills providers and employers to provide specialist courses and centres of excellence in advanced manufacturing and aerospace engineering – we must seek to expand this - not only to serve the locality but to provide an expertise and resource for the industry more widely. There is no other place in the UK which has the history and comparable expertise in aerospace engineering and advanced manufacturing than Pennine Lancashire, and as part of this

proposal we offer to become the advisory Enterprise Partnership for Government on issues relating to this sector.

We welcome the Coalition Government's approach on Apprenticeships and we too recognise the importance of this as part of our skills strategy. Due to our large SME base it is important that businesses and apprentices have access to flexible programmes. Individuals must be able to aggregate placements across more than one business to achieve a full Apprenticeship, with progression routes through to Level 4. Our Partnership will support the Group Training Associations in the area to do this, and seek to increase the number of Apprenticeships in our key growth sectors.

Unemployment and benefit dependency continues to be a challenge and significantly contribute to our high levels of economic inactivity. The DWP selected Pennine Lancashire as a pilot area to fast-track incapacity benefit claimants on to Work Capability Assessments – we welcome this as it will allow us to identify and support those people claiming incapacity benefits that can work, and want to work.

In preparation of the Work Programme we have begun to engage with potential investors and inform local suppliers of this sub-contracting opportunity. We intend to form a close working relationship with the winning organisation so that we utilise their services to support unemployed people into work. The Work Programme will enable us to simplify and streamline local welfare to work services and ensure that existing services complement the support from the Work Programme provider. We will be the conduit between the Work Programme provider and the businesses that are creating jobs as a result of the strategic interventions promoted by the Local Enterprise Partnership. We will also be the link between Colleges, Training Providers, Higher Education Institutions, and businesses so that apprenticeship, graduate and work placement opportunities are not lost and vocational qualifications meet the needs of the business community. To assist this process, we believe that a Work Programme contract should be let on our geographic footprint, thus dividing the North West regional lot which is currently defined as one area in the DWP framework.

Funding and Investment

The imperative over the immediate future will be to unlock private sector investment. In order to do this we need to create the right environment which enables developers and investors to work with a high degree of confidence in achieving a financial return. The Local Enterprise Partnership will help to streamline the planning process and to remove bureaucracy wherever possible. Unlocking public sector land, working together to provide the right physical infrastructure and identifying flexible funding solutions will be high priorities for the partnership. In 2009, despite a difficult economic climate the area announced over £400 million of private sector investment ²⁰.

²⁰ Pennine Lancashire Quarterly Intelligence Reports - Investment Observatory – Regenerate Pennine Lancashire (2009)

In an era of reduced public sector grant funding and a challenging financial climate there are several different funding packages which we will need to consider in order for us to progress key strategic priorities. Funding through loans rather than grants reduces the burden on the public purse and limits risk. It also requires greater financial scrutiny in approving schemes and rewards success. For example: the Evergreen Fund is a new Urban Development Fund managed under the JESSICA regime to provide loans drawn from a £320m pot supported by Greater Manchester and Lancashire County Council pension funds, NWDA and ERDF. Pennine Lancashire has several key strategic sites which would seek to access Evergreen funding.

Local funding models will also become more important; local business levies have already proved effective in areas of Pennine Lancashire in the form of Business Improvement Districts. We believe that recycling locally generated tax revenues from business development to support infrastructure costs will play an increasingly important role in the area. Accelerated Development Zones (ADZ) could allow key sites to be brought forward more quickly with infrastructure costs paid back from taxes generated by future development; for those schemes with developer interest, but high up front development costs, an ADZ could prove to be the right vehicle.

Local authority prudential borrowing provides an opportunity to match with ERDF and develop partnerships with private investors; ERDF will remain an important source of funding up until 2013 – the ability of the Partnership to identify clean match funding will be crucial, and prudential borrowing represents an opportunity.

Pennine Lancashire benefits from the Rural Development Programme for England (RDPE); it aims to safeguard and enhance the rural environment, improve the competitiveness of the agricultural sector and foster sustainable and thriving rural businesses and economies. In Pennine Lancashire a Local Action Group has been set up to manage the fund, our Enterprise Partnership must support our rural economies, ensuring that we maximise investment opportunities.

Creating the right environment for investment will be an important function of the Partnership; we will coordinate bids to the Regional Growth Fund as part of a wider joint investment plan, focusing on interventions which will have the highest impact in terms of job creation, private investment and GVA outcomes. We strongly advocate a radical overhaul of protracted funding approval processes that have characterised recent Government funding streams. Whilst recognising the importance of demonstrating return on investment - areas should be measured against longer-term outcomes as opposed to project and programme outputs which foster a bureaucratic monitoring culture. This would also be assisted by greater delegation and 'un-ring fencing' of funding.

Connectivity

An important component of our economic strategy is improving physical and digital connectivity. Despite its close proximity to the Manchester City Region public transport links are poor. A number of key rail schemes connecting the two areas are being progressed, as well as links into the Leeds City Region, and our Local Enterprise Partnership will promote these strategic schemes, and ensure local transport investment priorities are aligned. A Pennine Lancashire Implementation Plan is in development to inform Local Transport Plan 3 investment priorities.

In March 2010 the Department of Communities and Local Government published a report that outlined the risks of certain areas in the UK not having access to superfast broadband or NGA networks²¹. This showed Pennine Lancashire to be particularly vulnerable; work is underway to develop an NGA action plan for the area, which will consider the practicalities of demand aggregation through public sector procurement models. Private sector supplier engagement events are also planned and we have submitted a proposal to Broadband Delivery UK to become a pilot area.

Developing a comprehensive digital infrastructure is important for Pennine Lancashire – we need to ensure that our rural communities can start and grow businesses, as well as access government services over the internet. We must also support the growth of MediaCity UK, in Salford; Pennine Lancashire is part of 'NorthernNet': a superfast broadband infrastructure, which links directly to MediaCity and other hubs across Northern England. A Media Access Bureau situated in Burnley allows businesses to remain competitive through access to facilities to store and transfer huge amounts of data, as well as make use of meeting rooms, video conferencing and MAC/PC suites.

Spatial Planning and Housing

Pennine Lancashire signed off a Local Investment Agreement (LIA) with the Homes and Communities Agency (HCA) in March 2010. The LIA was an endorsement of our Local Investment Plan, which began to align housing investment more closely with economic priorities. Pennine Lancashire was the first area in the country to sign joint investment agreements with both the Regional Development Agency and HCA. The Local Investment Plan acknowledged that in order to support economic growth in the area we need to bring forward strategic housing sites to redress the current imbalance in our housing market, which is dominated by small terraced property. To facilitate this, work is underway to produce a spatial guide for the area which will identify key housing growth sites, alongside strategic transport projects and economic development opportunities. The Local Enterprise Partnership will oversee the spatial guide and ensure that it is linked to future Joint Investment Plans for the area. This approach aligns with Government's recent policy to introduce financial rewards based on council tax returns for every new home that is built, and maximise the impact of investment.

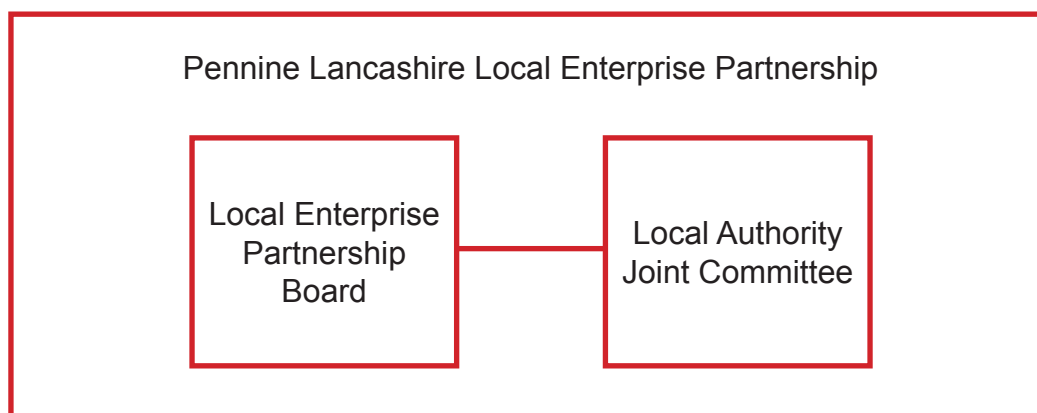
²¹ An assessment and practical guidance on Next Generation Access (NGA) risk in the UK – Communities and Local Government (2010)

Governance

Pennine Lancashire is perfectly placed to set up a Local Enterprise Partnership - it is a functional economic area, with robust governance structures and a good track record of collaborative working and delivering economic programmes. The MAA provided the platform for strengthening local governance structures; and in order to increase transparency we constituted our Leaders Board as a local authority Joint Committee, meetings are held in public, agendas and minutes are published, and key decisions are subject to local authority scrutiny arrangements. The Joint Committee is supported by a Business Leaders Forum, Third Sector Group and a Local Authority Chief Executives Group. Existing governance structures also include a private sector chaired Employment and Skills Board and a Strategic Housing Partnership.

In 2009 Pennine Lancashire Local Authorities formed an Economic Development Company (Regenerate Pennine Lancashire Ltd). The company is constituted to have a majority private sector Board – with a private sector Chair. The company provides local authorities with an efficient private sector led vehicle for delivering key strategic economic developments.

We intend to use the opportunity of forming a Local Enterprise Partnership to rationalise existing governance structures. The Local Enterprise Partnership will be made up of business leaders, with an expertise in the functions outlined earlier in this proposal, and will be representative of our business community. East Lancashire Chamber of Commerce and a number of key business leaders have supported the development of this proposal and will form the transitional Board. The President of the Chamber of Commerce will become a standing member. However, there is agreement that in the interests of transparency an open recruitment process will be held to appoint private sector Partnership Board members. We will also identify key strategic private partners that have a direct influence in areas which are a priority. All appointments will be made on merit. The Board will include Chief Executives from the constituent local authorities, and representatives from the existing Employment and Skills Board e.g. Higher Education Institutions. Shadow arrangements will be established within weeks of the proposal being approved. The Local Enterprise Partnership would 'wrap around' the existing Joint Committee:



This model would simplify existing arrangements, reduce the number of Boards and, through adopting the principles of openness and transparency which underpin the Joint Committee, a Local Enterprise Partnership Board would be visible to local communities and businesses, as well as providing clear links back to the constituent local authorities' decision making structures and statutory powers.

The Local Enterprise Partnership Board will be business led, and will operate in tandem with the Joint Committee to set the overarching strategy for the area. The Joint Committee will be able to use its influence to create the right environment for economic growth by aligning their spending power and influencing a range of different policy areas, including: education and skills, planning, transport, housing, health and business regulation/public protection. Of course this will require local authorities to be receptive to new ideas and be willing to push through change as necessary within their own councils, but there is already a real commitment to work with private sector partners to do just that.

The Pennine Lancashire Local Enterprise Partnership will collaborate across boundaries as and when appropriate – and whilst Lancashire County Council have highlighted their preference for a pan-Lancashire Partnership, we recognise that the County Council are an important partner and the governance described here forms the basis for a whole Lancashire solution. As existing members of the Pennine Lancashire Chief Executives Group, Company Board and the Joint Committee the arrangements would allow Lancashire County Council seats on the Partnership Board and Joint Committee. If replicated across the three economic footprints in Lancashire this would give full coverage across the historic county area of Lancashire and mean that the County Council are involved at every spatial level. There may be some common issues which require a Lancashire approach, and arrangements could easily be established on a Lancashire footprint with representatives from each of the three Local Enterprise Partnerships, including key Lancashire partners from business and the third sector.

It will also be important to foster good working relationships with the neighbouring city-regions and their Local Enterprise Partnership areas, particularly Manchester and Leeds, but also Merseyside. We are already developing concordats with other Partnership areas on themes which merit closer collaboration. Job growth in neighbouring City Regions is predicted to significantly outstrip that of Lancashire, and it is important we understand what type of jobs these will be and through our Local

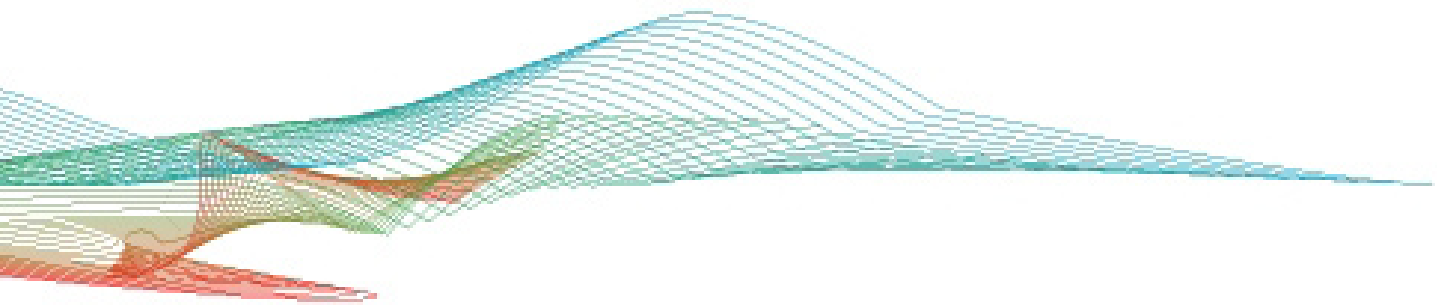
Enterprise Partnership influence provision to equip our residents with the skills necessary to access new opportunities and support the growth of those City Regions.

Blackburn with Darwen Council is already an associate member of the Association of Greater Manchester Authorities (AGMA). Over recent months Pennine Lancashire, AGMA and other neighbouring authorities have been meeting to discuss joint policy approaches across several different themes, including: spatial planning, transport, employment and skills, environmental sustainability and shared services. AGMA recognises Pennine Lancashire as an important partner due to its close proximity and complementary economies.

A set of principles to underpin joint working are being developed in the North West, which includes a transition plan to ensure an orderly transfer of functions to new structures as soon as circumstances permit. North West Leaders are clear that the definition of: the function, operating principles and structure of individual Partnerships should be a matter for each sub-region working with their own business leaders and stakeholders. However, there is recognition that on some cross boundary issues, a coordinated strategic approach will be required, and the North West Enterprise Partnerships are committed to work together on key opportunities and challenges, for example:

- Capitalising on our world class research, science and innovation capability.
- Delivering Europe-leading superfast broadband.
- Improving rail connectivity across the North West, especially the Northern Hub and securing High Speed Rail access.
- Improving international connectivity via Manchester Airport, Liverpool Airport and Liverpool Super Port, together with the Mersey Gateway multi modal link.
- Enhancing our natural environment and maximising the assets and functionality of our extensive green infrastructure.
- Support for advanced manufacturing.

Appendices



Appendix A

Selection of signatories and supporters of this proposal.

**Full letters of support are available on the PLACE website:
www.penninelancsplace.org**

DENNIS MENDOROS (OBE)

Managing Director – Euravia, Chair Regenerate Pennine Lancashire Board, Chair Pennine Lancashire Business Leaders Forum, High Sherriff of Lancashire. Dennis is the founder, owner and Managing Director of Euravia Engineering & Supply Co Ltd. based in Pennine Lancashire. Euravia is a multi-million pound company involved in the design, refurbishment, testing and certification of high speed aero-engines and is a prime contractor to the UK Ministry of Defence, NATO and international airline companies. In May 2010, Dennis was appointed as chair of Regenerate Pennine Lancashire, an economic development company working alongside the Pennine Lancashire authorities. In January 2009, the Pennine Lancashire Business Leaders Forum was established bringing business leaders and chairs of the constituent Local Strategic Partnerships to provide strategic economic leadership for the area. In March 2010, Her Majesty the Queen appointed Dennis as the High Sherriff of Lancashire.

JOHN GETTY

President of East Lancashire Chamber of Commerce, Chair of Lancashire's Advanced Manufacturing Group, Chair of PDS Engineering, Director of the charity FEW (Furniture for Education Worldwide). John is an engineer by trade and his team at PDS engineering are specialists in high precision detail engineering for prototypes and designs. John is President of the chamber of commerce which provides business support services into the wider business community with specific emphasis on gaining new markets, increasing sales and reducing costs. The chamber of commerce represents over 1000 local businesses and provides a strong, collective voice, for the business community in the area.

MIKE DAMMS (MBE)

Chief Executive of East Lancashire Chamber of Commerce, Chair of Pennine Lancashire Employment and Skills Board, Chair of Lancashire Strategic Manufacturing Group. Mike has been chief executive of the chamber since 1993 and during this time has ensured the interests of the business community in Pennine Lancashire are represented. As a member of the Pennine Lancashire chief executives group Mike has provided a key link between the private sector and local authorities. This has been built on further by his role as chair of the Pennine Lancashire Employment and Skills Board which provides the opportunity for the private sector, local authorities and education providers to work together to provide a well equipped workforce to meet employer demand.

MATTHEW RILEY

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Matthew established Daisy Communications in 2001 in Nelson with just three employees and has led the company through rapid growth to become one of the UK's leading business communication providers to SMEs. Named the UK's 18th fastest growing technology company in the 2008 Deloitte Fast50 chart, the company now has more than 200 staff and an annual turnover of more than £53m. The organisation has made a significant contribution to the local economy in Pennine Lancashire in recent years and its success is an indication private sector jobs can be created even during a difficult financial climate. Matthew's achievements with Daisy have been independently recognised through the award of Ernst & Young's UK Young Entrepreneur of the Year Award in 2007. In the same year he was also the inaugural winner of the Bank of Scotland Entrepreneur Challenge, securing a £5 million interest free loan from the Bank of Scotland and mentoring from Sir Philip Green.

PAUL PINDAR

Chief Executive of Capita

Paul became Chief Executive of Capita in 1999. Capita began a 15 year public-private partnership with Blackburn with Darwen Council in 2001 with over 500 council staff transferring to Capita. The partnership contract included 120 new jobs to be created within three years, local purchasing, construction of a new business centre located within the town centre, local recruitment and efficiency gains. All of these commitments have been achieved. The relationship demonstrates what can be achieved through proactive partnership working. The borough has seen huge benefits in regeneration and creation of jobs from having a FSTE100 company in the town centre. Equally, Capita have grown a successful business centre with national reputation for delivery good quality services. Capita is now a major employer in Blackburn with Darwen with 480 staff based in Blackburn Town Centre and 470 staff based in Darwen Town Centre administering TV licencing and Criminal Records Bureau nationally. Capita also have a 10 year partnership agreement with Rossendale Council providing a range of customer contact services and administer their revenues and benefits services since 2006.

NIGEL HOWARTH

Michelin star Chef and co-founder of Northcote Group

Following a successful catering career Nigel took the role of Head Chef at Northcote Manor in 1984 before becoming joint managing director with business partner Craig Bancroft in 1989. Northcote has played a major role in the tourism and food industry in Pennine Lancashire, transforming Northcote Manor into a highly sought after hotel venue and expanding the company to provide prestigious off-site catering, notably at Blackburn Rovers, and more recently the Ribble Valley Inns, a group of highly successful pubs providing award winning meals. Northcote work closely with the local food supply chain and credit local growers, farmers and producers within their restaurant settings. Northcote provide valuable training opportunities within the catering sector and many young chefs who have trained under Nigel are now themselves leaders in this profession heading up high profile kitchens across the country. Their group continues to invest and to employ significant numbers. Northcote and Nigel are strong partners in promoting Pennine Lancashire as a coherent economy. Believing the

excellence and the potential of the restaurant and hospitality sector to be understated, they take a lead in the recently established Pennine Lancashire Festival of Food and Culture which has already attracted tens of thousands of visitors nationally to the area, providing a significant boost to the local economy and raises the profile of the visitor-offer.

BUSINESS LEADERS FORUM

The Business Leaders Forum was formally established in January 2009 to support delivery of the MAA and bring business leaders together to provide strategic economic leadership for the area. The forum meets regularly, are supportive of a Pennine Lancashire approach to the economy and are actively engaged with the public sector and education providers to overcome barriers to business enterprise and growth. Members of the group are:

DENNIS MENDOROS, Euravia Engineering.

MIKE MURRAY, MTM Associates and chair of Community Business Partners.

BRIAN HOBBS, proprietor of Trinity Finance Group.

BOYD HARGREAVES, Managing Director - Oswaldtwistle Mills.

JOHN GETTY, Chairman PDS group and President Chamber of Commerce.

RUPERT SWARBRICK, Chairman and Director of Longridge Social Enterprise Company.

STEPHEN GREENHALGH, Joint Managing Director JJO Plc.

PETER NEILL, Managing Director Groundwork Pennine Lancashire

MIKE DAMMS, Chief Executive Chamber of Commerce

BAE Systems representative

PENNINE LANCASHIRE THIRD SECTOR BOARD

The Third Sector Board was formalised in January 2009, however the group had been meeting informally for some years prior to this. The Board was formalised to support delivery of the MAA and provide a voice within the Pennine Lancashire governance structures for the community, voluntary and faith sectors. The Board is chaired by Garth Hodgkinson, chief executive of Blackburn with Darwen Council for Voluntary Services (CVS). The CVSs across Pennine Lancashire are represented on the Third Sector Board along with local authority representatives, Social Enterprise Lancashire Network (SELNET) and Community Network. Collectively the Board represents over 500 local organisations who are active members of these networks and regularly provide support to over 1,000 voluntary, community and faith organisations which operate within Pennine Lancashire.

FEDERATION OF SMALL BUSINESSES (FSB)

East Lancashire Branch

The FSB is a non-profit making and non-party political organisation promoting and protecting the interests of the self-employed and owners of small firms. The East Lancashire FSB supports the Pennine Lancashire approach to creating a Total Business Environment, recognising that this resonates with their Small Business Engagement Accord.

BAE Systems

BAE, one of the UKs largest and technically most advanced manufacturers, has proven partnership credentials and believes in behaving responsibly within its local business and social communities, which also complements its national and international standing. The Company therefore welcomes the introduction of Local Enterprise Partnerships and the encouragement of public:private collaboration and local priority setting.

LORD PETER SMITH

Chair of the Association of Greater Manchester Authorities

AGMA support the Pennine Lancashire Local Enterprise Partnership proposal. AGMA already has close working relationships with Pennine Lancashire Local Authorities; and are working together on a number of key priority areas of shared importance, including: skills, inward investment, planning and environmental sustainability. There is a commitment to strengthen this working relationship further through Local Enterprise Partnerships.

MARTIN WRIGHT

North West Aerospace Alliance

Martin is a chartered engineer with over 30 years experience with major defence and aerospace companies. He was appointed as the Chief Executive Officer for NWAA in 2004. North West England's aerospace sector has long been recognised as one of Europe's leading industrial clusters and a model for development both within aerospace and in other areas of industry. The region's aerospace sector drives the UK's aerospace economy, employing more skilled people and generating more overseas income than any other region. The organisation represents 750 member companies and stakeholders involved in the UK's premier aerospace cluster and the model for industry-led organisations throughout Europe. The North West Aerospace Alliance believe that the Local Enterprise Partnership represents a great opportunity to 'future proof' the industry in the area and ensure Pennine Lancashire continues to support businesses to be world class market leaders.

IAN CLINTON

Principal and Chief Executive of Blackburn College

Ian has been Principal and Chief Executive of Blackburn college since 2004 and has played a role in creating better opportunities for learners in Pennine Lancashire so they can be equipped to meet the needs of employers. Blackburn College has been providing education for more than 120 years and is one of the largest and most successful colleges in the North West. The college has over 15,000 students of all ages, background and abilities studying on courses from entry level through to Masters degrees. The college attracts students from across the North West and works closely with employers and the public sector within Pennine Lancashire, helping the economy to thrive and grow. The college has received significant investment with a multi-million pound development programme to create a world-class campus. Phase 1, £9m centre was opened in 2007, phase 2, £14m university centre was opened in 2009 and the 3rd phase (£20m) to create a new core building has begun.

PETER NEILL

Executive Director – Groundwork Pennine Lancashire

Groundwork has been operating in the East of Lancashire since the early 1980s and was launched as Groundwork Pennine Lancashire in 2007. It is the largest environmental charity in Lancashire. They have been operating throughout Pennine Lancashire for over 20 years, providing a range of services to the public and private sectors. Their purpose is to build sustainable communities, working with partners to help improve people's lives, their prospects and potential and the places where they live, work and play. Groundwork Pennine Lancashire is a social business; there are no shareholders to distribute profits to, instead they offer social dividends to support the local community.

DERMOT JOYCE

Chief Executive of Liberata

As a successful outsourcing company, with thirty years experience providing solutions to local government, Liberata has a long established partnership with Pendle Council and has invested over £5million in the area in recent years, building a new business centre in the heart of the town centre and equipping it with appropriate information technology. This provides and supports many back office services for Pendle Council and other local authority clients across the country. During the 15 year £100m partnership deal, Liberata will create an additional 300 sustainable jobs in the area and reduce the cost of service provision. Liberata benefit from a skilled workforce and make a major contribution to the local economy.

ILYAS MUNSHI

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Based in Blackburn, Enterprise4All specialises in promoting entrepreneurship and maximising engagement in education and employment. It is a not-for-profit company, limited by guarantee and led by a panel of successful business professionals. Enterprise4all is recognised nationally as a centre of excellence for enterprise development amongst under-represented groups such as black and minority communities, female entrepreneurs and other 'hard to reach' sections of society. One of Britain's first Approved Women's Business Centres (WBC) the company works closely with a variety of partners and delivers publicly and privately funded enterprise support programmes from business start-up to high growth support and targeting key sectors such as manufacturing, healthcare and food and drink. Enterprise4All believes that the foundation of a unified and tolerant society is a vibrant local economy. By working in partnership with others, it aims to remove any barrier that might prevent businesses from starting, growing and creating wealth and opportunities for all.

MIKE WILKINSON

Chief Executive of Lancashire and Blackpool Tourist Board

The visitor economy in Lancashire is worth £3bn to the local economy. The Lancashire and Blackpool Tourist Board's relationship with local tourism businesses is strong; tourism and the rural economy have tremendous opportunities in Pennine Lancashire to expand further. Lancashire and Blackpool Tourist Board provide tourism marketing for the area alongside inward investment marketing. The Lancashire and Blackpool Tourist Board will work with the Local Enterprise Partnership to ensure the visitor economy is embedded in future economic strategies.

ROLLS ROYCE

Rolls Royce has a well established presence in Pennine Lancashire in their major manufacturing plant at Barnoldswick in Pendle. Over recent years they have made a significant investment in the area, and in 2009 secured contracts worth £1.2bn safeguarding over a 1,000 jobs at the site. A global business, the Rolls Royce site in Pennine Lancashire has been in operation since 1943 and manufacturers key components for the aerospace industry such as wide-chord fan blades, front bearing housings and a wide range of other parts. The organisation works with the local authority and agencies in the area and have participated in a range of partnership organisations such as the North West Aerospace Alliance and the East Lancashire Chamber of Commerce, as well as more locally based partnerships such as the Pendle Vision Board and Pendle Partnership.

MIAN ISRAR SARWAR

Director of Reach Global

Reach Global was established in 2002 in Pennine Lancashire and comprises several companies, all of which have a focus on technological innovation, especially in the arena of the internet, e-Commerce and marketing. These include: Searchers - the first privately-owned internet search engine developed for the UK; Adrac - an internet marketing company; Tundu - a creative media company; and NetMovers - among the top 10 largest estate agents operating online. Its products, management structure and teams have been recognised by media and industry figures as successful, important and having future potential. The group achieved a turnover of millions within four years of trading and has a global client base. It employs around 70 local people and support local suppliers.

ANDREW WHITE

Managing Director of Aircelle

The French company Aircelle have only one UK base – Burnley. The site is the composites centre of excellence for the worldwide SAFRAN group of large aerospace manufacturers. Aircelle chose Burnley as a base due to the good local supply chain and the large number of skilled people in the area with the right level of skills and aerospace knowledge. The site employs more than 780 staff and this is due to increase over the next few years. The company specialises in the assembly of streamlined outer castings for engine parts for all type of aircraft and more specifically complex composites manufacturing which is a growing part of today's aerospace industry. Aircelle is well established in the area, being the largest private sector employer in Burnley, and has won awards for its work within schools and the community.

ROBERT SHEASBY

National Farmers Union (NFU)

The NFU advocates the inclusion of agriculture and wider rural economy in Local Enterprise Partnership, as an industry they are keen to work in partnership with government at all levels to develop and enhance the performance of the farming industry. The NFU welcome the references to agriculture and the foodchain in the pennine lancashire proposal.

LOCAL BETTER REGULATION OFFICE (LBRO)

The LBRO was set up to address the issue of local regulations on businesses eg environmental health, fire safety, licensing and trading standards hampering economic growth. The aim of the LBRO is to work with businesses and local authorities to reduce red tape for law-abiding businesses to allow greater focus on targeting rogue traders. The LBRO acts as a catalyst to deliver better local regulations. The LBRO welcome the Pennine Lancashire Local Enterprise Partnership and will work with the Local Enterprise Partnership to offer tailored support for businesses to ensure an integrated approach across business regulation and economic development.

GRAHAM JONES

MP for Hyndburn

Graham was elected as Labour MP for Hyndburn at the general election on May 6, 2010. Previously he was a County Councillor for Lancashire County Council and Hyndburn and Leader of the Labour Group at Hyndburn Council.

NIGEL EVANS MP

MP for Ribble Valley

Nigel has served as the Conservative MP for the Ribble Valley since 1992. His parliamentary career has included positions of Opposition Spokesperson for Scotland and Wales, Shadow Secretary of State for Wales and First Deputy Chairman.

GORDON BIRTWISTLE MP

MP for Burnley

Gordon was elected as the Liberal Democrat MP for Burnley in the general election on May 6, 2010. Previously he was Leader of Burnley Borough Council having been a local councillor since 1982.

JAKE BERRY MP

MP for Rossendale and Darwen

Jake was elected as the Conservative MP for Rossendale and Darwen in the general election on May 6, 2010.

JACK STRAW MP

MP for Blackburn

Jack was elected as Labour MP for Blackburn in 1979. His political career has included Shadow Education Secretary, Home Secretary, Foreign Secretary, Leader of the House of Commons, Lord Chancellor and Secretary of State For Justice and more recently he is Shadow Lord Chancellor and Secretary of State for Justice.

ANDREW STEPHENSON MP

MP FOR PENDLE

Andrew was elected as the conservative MP for Pendle in the general election on May 6, 2010. Previously he was a councillor for Macclesfield Borough Council. He has been National Deputy Chair of Conservative Future 2001-02 and Vice-chair (youth).

Appendix B

Evidence Base Bibliography

The documents listed below are available on the PLACE website -
www.penninelancsplace.org

City Links (Centre for Cities, 2008)

Economic Relationship between Pennine Lancashire and Greater Manchester (Ekosgen, 2008)

Housing and the Economy: The Pennine Lancashire Market in 2007 (Ekosgen, 2007)

Inquiry into Stimulating Economic Activity in Areas Remote from Growth (Regeneris Consulting, 2008)

Pennine Lancashire Employment and Skills Board Position Statement (PLACE, 2010)

Pennine Lancashire Housing Strategy (PLACE, 2009)

Pennine Lancashire Integrated Economic Strategy (PLACE, 2009)

Pennine Lancashire Multi Area Agreement (PLACE, 2009)

Pennine Lancashire MAA Economic Impact Assessment (Ekosgen, 2008)

State of the English Cities (ODPM, 2006)

