Promoting Local Economic Growth Scrutiny Committee

Scrutiny Review: Scrutiny Review of the benefits realised from membership of GBSLEP

Committee Members

- Councillor Simon Gaskin (Chairman)
- Councillor Ms S Andjelkovic
- Councillor Alan Johnson
- Councillor Duncan Goodfellow
- Councillor Julian Mott
- Councillor Julie Killoran
- Councillor Michael Rodgers
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- Councillor Michael Fitzpatrick (prior to 22nd February 2016)

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1. Review Scoping Questions

1.1 At the meeting of the Promoting Local Economic Growth Scrutiny Committee held on Thursday 18th June 2015, it was agreed that the committee would scrutinise the benefits the Council has realised as a result of its Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) membership.

1.2 The following questions have been suggested in order to provide a focus for this review. Please note that the list below is not exhaustive. The sub-committee is not limited to answering only the questions contained within this scoping paper.

1.3 The following questions were suggested by the Committee in order to provide a focus for this review. The Committee was not limited to answering only the questions below.

1. Which LEPs were originally considered by the Council?

2. What were the reasons for joining the GBSLEP?

3. What evidence was taken into consideration when making the decision?

4. Is the original decision making criteria still relevant?

5. Have circumstances changed within the LEPs that were considered at the time?

6. Is it possible to belong to more than one LEP?

   a) If yes, what are the benefits and drawbacks of belonging to more than one LEP?
   Benefits of LEP Membership

7. a) What benefits has East Staffordshire Borough Council realised as a result of its GBSLEP membership?

   b) What benefits have East Staffordshire businesses realised as a result of the Council's GBSLEP membership?

8. How are businesses able to influence the GBSLEP?

9. What are the Business Rate pooling arrangements within GBSLEP?

10. What are the Business Rate pooling arrangements within the other LEPs that were initially considered?

11. What funding has been obtained from the LEPs to date?
a) Grants
b) Loans
c) Capital
d) Revenue

12. How much funding has each LEP received?

2. Research approach

2.1 To aid this scrutiny review and to answers the questions outlined in the scoping paper, previous cabinet reports have been analysed to determine what information was considered during the original decision making process.

2.2 A detailed analysis of nationally available statistics and a comprehensive benchmarking exercise was undertaken to gain understanding of what benefits the Council has realised as a result its membership with the GBSLEP and what benefits our membership has provided to our residents and businesses.

2.3 To assist with background information and to ensure that all key information is included within the report, interviews and discussions with the relevant officers have been held.

2.4 The results of the research are presented below. A comprehensive list of data and information can be found in the appendices.

3. Background

3.1 In the coalition agreement, the Government committed to establishing Local Enterprise Partnerships to replace the Regional Development Agencies.

3.2 In June 2010, Government invited businesses and councils to come together to form Local Enterprise Partnerships whose geography reflects the natural economic areas of England.

3.3 Local Enterprise Partnerships are partnerships between local authorities and local businesses. They play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.

3.4 On the 9th August 2010 and 23rd August 2010, East Staffordshire Borough Council's Cabinet was presented with reports detailing three potential options.

The three proposed LEPs were:

- Derby City, Derbyshire, Nottingham City, Nottinghamshire City LEP.
- Greater Birmingham and Solihull LEP
- Stoke-on-Trent in Staffordshire LEP

Both reports can be found on the Council's CMIS system.

3.5 Cabinet voted to join the Greater Birmingham and Solihull LEP (GBSLEP).

4. Who and what was considered when the decision was made

4.1 The following sections will explore the evidence and information that the Council considered when deciding which LEP to join. Background and economic information, governance arrangements and a summary of the advantages and disadvantages that were highlighted and considered during the decision making process are described.

4.2 Derby City, Derbyshire, Nottingham City, Nottinghamshire City LEP (D2N2 LEP)

4.2.1 Background and Economic Information

4.2.1.1 This LEP covers Derbyshire and Nottinghamshire. The LEP area includes the two large city regions of Derby and Nottingham, a strong manufacturing base with a cluster of high technology companies, a growing service sector and a large rural economy concentrated on a number of market towns in both areas**.**

4.2.1.2 East Staffordshire has a strong economic geography with Derby City and Derbyshire County but in contrast the Nottingham City/Nottinghamshire economic geography is much weaker.

4.2.2 Governance

4.2.2.1 The composition of the Board is made up of fifteen members, with at least eight of those from the private sector (including the Chair).

4.2.2.2 It was proposed that the four upper tier local authority leaders sit on the Board. There would be no place for District Council Leaders in Derbyshire, Nottinghamshire or neighbouring areas.

4.2.2.3 The Council was notified by Derby City Council that East Staffordshire Borough Council would not be formally invited to sit on the main LEP Board, and that the LEP would only seek to form a “sub-alliance” with the Borough Council.

4.2.3 Summary

4.2.3.1 The reports highlighted that there is a large mass of businesses and people located within the LEP area, with boundaries stretching as far as Sheffield and Manchester. There is a strong economic geography between East Staffordshire and Derby and opportunity to share expertises on economic development, planning, transport and housing.

4.2.3.2 However, the only reference made to East Staffordshire in the proposal was a short acknowledgement of the National Football Centre in Burton as a strategic opportunity to develop the LEP area’s cultural and sports infrastructure. There is no detail as to how the LEP will work strategically with East Staffordshire to maximise this opportunity.

4.2.3.3 There was no reference in the document to Derby/Derbyshire's functioning economic geography with East Staffordshire. There was also no reference to Burton upon Trent's Growth Point status.

4.3 Stoke and Staffordshire LEP

4.3.1 Background and Economic Information

4.3.1.1 The second option that was available to East Staffordshire was to join a Staffordshire and Stoke-on-Trent wide LEP, which covers the existing administrative county boundaries plus the city of Stoke-on-Trent.

4.3.1.2 The Staffordshire and Stoke-on-Trent LEP encompass a large strategic area, covering approximately 1 million people, 40,000 businesses and 240,000 employees.

4.3.1.3 A decision was made by the Stoke-on-Trent City Council to work with Staffordshire County Council to prepare a joint Staffordshire and Stoke proposal, the emphasis of the document focused on the regeneration needs of Stoke-on-Trent and North Staffordshire.

4.3.2 Governance

4.3.2.1 It was proposed that the LEP Board will consist of 12 full Board members, with 6 of its members coming from the private sector (including the chair) and 6 from local authorities.

4.3.2.2 In regards to local authority representation, there is 1 x Deputy Leader and Chief Executives, of the upper tier Local Authorities and Leaders from 4 of the 8 District Councils.

4.3.3 Summary

4.3.3.1 East Staffordshire economy (particularly Uttoxeter) has some functioning economic linkages with other parts of Staffordshire and the composition of the board aimed to ensure that all parts of the County and City and of each business sector are represented.

4.3.3.2 At the time, there was uncertainty as to whether Stoke on Trent would align itself with Staffordshire, potentially weakening the size and scale of the LEP. The position of Southern Staffordshire authorities was unclear and there was no firm commitment from large businesses in the county to join the LEP which potentially could weaken the size of the LEP.

4.3.3.3 The economic geography between East Staffordshire and rest of Staffordshire is overall weaker than the relationship with Derby/Derbyshire. The economic geography between East Staffordshire and the LEPs major urban area, Stoke, is very weak.

4.4 Greater Birmingham and Solihull LEP (GBSLEP)

4.4.1 Background and Economic Information

4.4.1.1 The Greater Birmingham and Solihull LEP (GBSLEP) area covers southern and east Staffordshire, Birmingham and Solihull and North Worcestershire. The area has a population of nearly two million and contains 918,000 jobs.

4.4.1.2 In terms of economic geography between East Staffordshire and the Birmingham City Region, the reports highlighted that 2,500 commuters cross the East Staffordshire and conurbation boundary. The travel to work patterns showed that Uttoxeter and the rural areas have very little dependence on the Birmingham City Region economy.

4.4.2 Governance

4.4.2.1 The LEP Board is a joint partnership consisting of the Leaders of each local authority plus an equal number of local business leaders. There are a total of 18 Directors, ten from the business community, seven from local authorities and one representing higher/further education

4.4.2.2 A place on the board was offered to East Staffordshire Borough Council.

4.4.2.3 It was presented to Cabinet that the LEP had committed to the principles of 'balanced benefit' and 'balanced growth' across the LEP area. The reports stated that not only would this prevent a concentration of economic activity in Birmingham but East Staffordshire could potentially develop its business competitiveness by positioning itself alongside the economic power of Birmingham.

4.4.3 Summary

4.4.3.1 The reports highlight numerous benefits to joining the GBSLEP. This is an opportunity to link up with Birmingham, the UK's second city and major economic centre and attract further inward investment and skills into East Staffordshire.

4.4.3.2 It was also noted that the Southern Staffordshire Chamber (including Burton and District) has a strategic relationship with Birmingham Chamber, which could encourage business engagement and have indicated their support to working with the Birmingham LEP.

4.4.3.3 Whilst a list of benefits were presented, a number of drawbacks were also considered including an admission that although the Council would sit on the board there was uncertainty as to whether the area may not be able to exert sufficient influence on funding decisions and allocation of resources.

4.4.3.4 There were weak economic linkages between Birmingham /Black Country and East Staffordshire and it was unclear how the principle of achieving ‘balanced growth’ would be delivered.

5. Benefits East Staffordshire Businesses have realised as a result of GBSLEP membership

5.1 By being a member of the GBSLEP, businesses in East Staffordshire have been able to apply for funding to help businesses deliver growth and create and safeguard jobs.

5.2 It should also be noted that whilst East Staffordshire Borough Council is not a member of the Staffordshire and Stoke LEP, businesses within East Staffordshire can still apply for grants and loans from the Stoke and Staffordshire LEP business support programs. This means they can access two funding pots.

5.3 This section will detail the support that has been take up by East Staffordshire businesses and will explore the economic benefits the borough has received over the last few years.

5.4 Business Development Programme (BDP)

5.4.1 The BDP is a GBSLEP programme funded by ERDF. ESBC is a delivery partner for the programme and the output target was to support 20 businesses in East Staffordshire to obtain grants of between £10k-£15k to support them to deliver growth and new jobs.

5.4.2 Grants of between £10k-£15k were awarded to East Staffordshire SME's, aimed at those looking to grow, particularly relocate. In total, businesses in East Staffordshire received approximately £212,553.

5.4.3 Businesses were required to create or safeguard at least one job to be eligible to receive funding. Between 2013 and 2014, 24 jobs were created and 4 were safeguarded.

5.4.4 16 businesses in East Staffordshire received financial assistance over the lifetime of the programme (8 in 2013 and a further 8 in 2014).

- Belmont Shot blasting Ltd (£10,608)(Burton)
- Effetech (Uttoxeter) (£15k)
- Freedom Brewery (Abbots Bromley) (£14,702)
- Hardy Holdings Ltd (Burton) (£15k)
- Hayes Fabrications Ltd (Uttoxeter) (£15k)
- Jones and Clark (Burton on Trent) Ltd (£10,771)
- JWCI (Fole, Uttoxeter) (15k)
- Merico Ltd (Burton) (£14,877)
- Pugh and Sanders (Burton) (£14,625)
- Spectrum Telecommunications (Barton) (£15k)
- TAG Sports & Promotional Clothing (Burton)(£15k)
- The Alphabet Gift Shop (Burton) (£15,073)
- Tropical Ice North (Burton) (£9,458)
- Tuffa UK (Uttoxeter) (£15k)
- Urban Design (Burton) (£11,600)

- Zazz Projects Ltd (Uttoxeter) (£5,836)

5.5 **Great 200 Leaders Programme**

5.5.1 The Great 200 Leaders Programme was a personal performance and business growth scheme created by Birmingham City Council as part of its Business Development Programme.

5.5.2 Businesses in East Staffordshire were eligible to receive up to a £4,000 grant towards the cost of a leadership development programme. Eight East Staffordshire business people joined the programme over its lifetime.

- Blues point
- Flexibulk Ltd (Abbots Bromley)
- Freedom brewery
- GB plastics
- JWCI
- Spectrum Telecommunications Ltd
- Tag sports and promotional clothing Ltd
- Urban design

5.6 **Business Innovation Programme**

5.6.1 The Business Innovation Programme was mainly a capital programme which offered grants of between £10,000 and £30,000. The programme, which has now finished, funded marketing, mentoring and new product development.

5.6.2 Businesses needed to create three jobs and safeguard two jobs to be eligible for funding.

5.6.3 Five businesses from East Staffordshire were successful with the BIP

- CJ Ward Stove Enamelling (Burton)
- Croboride Engineering Limited (Burton)
- Darley Limited (Burton)
- Duslasst Ltd (Burton)
- Yeeuk (Mace Midlands Ltd)

5.7 **Green Bridge**

5.7.1 The Green Bridge programme aimed to support existing businesses in the' green sector' and those wishing to diversify into that sector by offering funding for investment in new equipment, relocation or expansion into new premises and improvements in systems or processes.

5.7.2 Grants from £20,000 up to £500,000 were available to East Staffordshire businesses.

5.7.3 The total grant that has been awarded to East Staffordshire businesses through Green Bridge is £251,124.

5.7.4 Over the course of the programme, five East Staffordshire businesses were awarded funding.

- Freedom Brewery
- Office Recycling Solutions
- Spectrum Telecommunications
- Trent construction
- Tuffentech

5.7.5 This funding led to the creation of 34 jobs and the safeguarding of 19 jobs.

5.8 Enterprise for Success

5.8.1 Enterprise for success was a free programme of business support that was provided by East Staffordshire Borough Council and part-funded by the European Regional Development Fund. This programme was open to any resident of the borough who is considering self-employment or starting a small business and for young businesses less than three years old.

5.8.2 Whilst this was an official LEP led project, ESBC's relationship with our LEP colleagues led to the Council partnering Solihull MBC and other Staffordshire authorities to deliver this project.

5.8.3 The project accessed ERDF funding to provide mentoring support, coaching, training and advice to individuals who want to start up a business / become self employed.

5.8.4 Over the course of the programme, the council received 172 enquires, 92 applications from pre-start businesses and assisted with 27 pre-start businesses by helping with business planning. 10 individuals who were supported through the programme began to trade. The Council received 21 applications from existing businesses and assisted 9 of those with business planning and growth plan.

6. What does this mean for businesses in East Staffordshire?

6.1.1 The following section shows how East Staffordshire compares when benchmarking economic data across the GBSLEP, Stoke and Staffs and D2N2 areas.

6.1.2 <u>Business Enterprise Score</u>

6.1.2.1 This is an indicator of the enterprise of businesses within the locality. The higher the score, the more business enterprise in an area. Business enterprise takes into consideration an areas business formation rate, the change of in VAT registered business stock, and new business survival rates.

Rank	District	Region	Bus & enterprise: score score (2014)	National Rank
1	Bolsover	Derbyshire	118.97	30
2	Derby City	Derbyshire	106.86	86
3	Solihull	Birmingham Solihull	105.53	95
4	Lichfield	Staffordshire	98.91	163
5	East Staffordshire	Staffordshire	98.63	168
6	South Derbyshire	Derbyshire	97.91	177
7	Mansfield	Nottinghamshire	97.55	183
8	Rushcliffe	Nottinghamshire	97.3	187
9	Bromsgrove	Worcestershire	96.9	192
10	Erewash	Derbyshire	95.64	202
11	Nottingham	Nottinghamshire	95.57	203
12	Broxtowe	Nottinghamshire	95.54	204
13	Chesterfield	Derbyshire	94.88	212
14	Newark and Sherwood	Nottinghamshire	94.78	218
15	Tamworth	Staffordshire	94.61	221
16	Stafford	Staffordshire	93.52	242
17	Amber Valley	Derbyshire	92.75	250
18	Birmingham	Birmingham Solihull	92.58	254
19	Bassetlaw	Nottinghamshire	92.22	256
20	Redditch	Worcestershire	91.07	269
21	High Peak	Derbyshire	90.93	272
22	Derbyshire Dales	Derbyshire	89.99	282
23	Ashfield	Nottinghamshire	89.89	283
24	Gedling	Nottinghamshire	89.74	284
25	Cannock Chase	Staffordshire	88.97	295
26	South Staffordshire	Staffordshire	88.62	300
27	Newcastle-under-Lyme	Staffordshire	83.76	354
28	Stoke on Trent	Staffordshire	83.34	357
29	North East Derbyshire	Derbyshire	82.28	362
30	Wyre Forest	Worcestershire	82.02	363
31	Staffordshire Moorlands	Staffordshire	81.63	368

Source: National Statistics website *Last updated: November 2015*

6.1.2.2 The data, last updated in November 2015, shows that East Staffordshire ranks 3rd in comparison with Staffordshire and GBSLEP partners in business enterprise and ranks 5th when compared with all LEP areas. The national average score is 100.

6.1.3 Gross Value Added

6.1.3.1 Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy. It is an indicator of economic output and income generation, measuring the contribution to the economy of each producer, industry or sector.

6.1.3.2 Gross value added is often used as the primary indicator of economic activity within a region.

Rank	District	Region	GVA GBPmillion (2013)	Nat. Rank
1	Birmingham	Birmingham Solihull	24067	5
2	Nottingham	Nottinghamshire	8726	23
3	Derby City	Derbyshire	7002	32
4	Solihull	Birmingham Solihull	5310	65
5	Stoke on Trent	Staffordshire	4628	83
6	East Staffordshire	Staffordshire	2736	179
7	Stafford	Staffordshire	2564	193
8	Amber Valley	Derbyshire	2527	197
9	Ashfield	Nottinghamshire	2360	213
10	Chesterfield	Derbyshire	2142	229
11	Newark and Sherwood	Nottinghamshire	1929	251
12	Lichfield	Staffordshire	1922	252
13	Bassetlaw	Nottinghamshire	1900	253
14	Redditch	Worcestershire	1869	257
15	Newcastle-under-Lyme	Staffordshire	1855	259
16	Rushcliffe	Nottinghamshire	1793	266
17	Broxtowe	Nottinghamshire	1762	273
18	Erewash	Derbyshire	1657	283
19	Bromsgrove	Worcestershire	1643	284
20	South Derbyshire	Derbyshire	1611	289
21	Gedling	Nottinghamshire	1470	304
22	Cannock Chase	Staffordshire	1427	311
23	Mansfield	Nottinghamshire	1363	314
24	Derbyshire Dales	Derbyshire	1316	317
25	High Peak	Derbyshire	1316	317
26	Bolsover	Derbyshire	1304	321
27	Tamworth	Staffordshire	1266	324
28	South Staffordshire	Staffordshire	1220	327
29	Wyre Forest	Worcestershire	1145	332
30	Staffordshire Moorlands	Staffordshire	1108	334
31	North East Derbyshire	Derbyshire	1082	336

Source: National Statistics *Last updated: December 2014*

6.1.3.3 East Staffordshire is ranked 4th in comparison with neighbouring Staffordshire authorities and GBLSEP partners.

6.1.4 Business Formation Rate

6.1.4.1 This indicator shows the percentage of businesses that have registered for VAT within the last year.

Rank	District	Region	Business formation rate % (2014)	Nat. Rank
1	Bolsover	Derbyshire	20.09	7
2	Birmingham	Birmingham Solihull	15.63	53
3	Derby City	Derbyshire	14.7	74
4	Nottingham	Nottinghamshire	14.25	95
5	Mansfield	Nottinghamshire	13.77	113
6	Solihull	Birmingham Solihull	13.63	125
7	Gedling	Nottinghamshire	12.92	169
8	South Derbyshire	Derbyshire	12.78	182
9	Broxtowe	Nottinghamshire	12.73	190
10	Bassetlaw	Nottinghamshire	12.72	191
11	Stoke on Trent	Staffordshire	12.47	205
12	Erewash	Derbyshire	12.36	215
13	Stafford	Staffordshire	12.24	219
14	Ashfield	Nottinghamshire	12.24	219
15	Rushcliffe	Nottinghamshire	12.21	221
16	Newcastle-under-Lyme	Staffordshire	12.16	222
17	East Staffordshire	Staffordshire	12.15	223
18	South Staffordshire	Staffordshire	12.03	237
19	Chesterfield	Derbyshire	12.01	240
20	Redditch	Worcestershire	11.85	252
21	Lichfield	Staffordshire	11.8	253
22	Amber Valley	Derbyshire	11.66	263
23	Cannock Chase	Staffordshire	11.32	286
24	High Peak	Derbyshire	11.17	297
25	Newark and Sherwood	Nottinghamshire	11.17	297
26	Bromsgrove	Worcestershire	10.98	303
27	Wyre Forest	Worcestershire	10.64	319
28	Tamworth	Staffordshire	10.55	326
29	Staffordshire Moorlands	Staffordshire	10.52	329
30	North East Derbyshire	Derbyshire	10.17	343
31	Derbyshire Dales	Derbyshire	8.51	375

Source: ONS Publication 'Business Demography' *Last updated: November 2015*

6.1.4.2 The national business formation rate is 13.86%.

6.1.4.3 ESBC ranks 17th out of the 31 authority areas for business formation rate and 6th out of 14 when comparing Staffordshire and GBSLEP areas.

6.1.5 Business closure rate

6.1.5.1 This indicator shows the percentage of businesses that have deregistered for VAT within the last year.

Rank	District	Region	Business closure rate % (2014)	Nat. Rank
1	Bolsover	Derbyshire	7.81	351
2	East Staffordshire	Staffordshire	8.02	336
3	Erewash	Derbyshire	8.02	336
4	North East Derbyshire	Derbyshire	8.27	315
5	Staffordshire Moorlands	Staffordshire	8.3	311
6	Derbyshire Dales	Derbyshire	8.39	299
7	Lichfield	Staffordshire	8.54	286
8	Redditch	Worcestershire	8.62	270
9	Amber Valley	Derbyshire	8.69	262
10	Newark and Sherwood	Nottinghamshire	8.72	256
11	Stafford	Staffordshire	8.74	253
12	Gedling	Nottinghamshire	8.85	245
13	Rushcliffe	Nottinghamshire	8.87	242
14	Bromsgrove	Worcestershire	8.87	242
15	Newcastle-under-Lyme	Staffordshire	8.91	234
16	High Peak	Derbyshire	8.91	234
17	Solihull	Birmingham Solihull	8.96	227
18	South Staffordshire	Staffordshire	9.03	219
19	Tamworth	Staffordshire	9.07	214
20	Broxtowe	Nottinghamshire	9.09	212
21	Bassetlaw	Nottinghamshire	9.2	197
22	South Derbyshire	Derbyshire	9.4	168
23	Wyre Forest	Worcestershire	9.52	156
24	Chesterfield	Derbyshire	9.7	138
25	Ashfield	Nottinghamshire	10	101
26	Mansfield	Nottinghamshire	10.14	89
27	Derby City	Derbyshire	10.15	87
28	Nottingham	Nottinghamshire	10.53	63
29	Stoke on Trent	Staffordshire	10.97	39
30	Birmingham	Birmingham Solihull	11.59	23
31	Cannock Chase	Staffordshire	12.55	9

Source: ONS Publication: 'Business Demography' *Last updated: October 2015*

6.1.5.2 The data shows that East Staffordshire has the lowest percentage of business closure rate over the last 12 months both in Staffordshire and across the GBSLEP region. The national business closure rate is 9.67%.

6.1.6 Number of businesses

6.1.6.1 This indicator shows the number of enterprises registered for VAT per 1000 population.

Rank	District	Region	Businesses: per 000 pop number (2015)	Nat. Rank
1	Derbyshire Dales	Derbyshire	84.4	19
2	Bromsgrove	Worcestershire	62.59	114
3	Lichfield	Staffordshire	60.94	128
4	High Peak	Derbyshire	56.62	166
5	East Staffordshire	Staffordshire	56.27	170
6	Rushcliffe	Nottinghamshire	55.72	175
7	Newark and Sherwood	Nottinghamshire	54.9	183
8	Staffordshire Moorlands	Staffordshire	54.84	184
9	Stafford	Staffordshire	53.9	191
10	Solihull	Birmingham Solihull	53.35	202
11	Amber Valley	Derbyshire	48.31	236
12	Bassetlaw	Nottinghamshire	48	240
13	South Staffordshire	Staffordshire	47.98	242
14	South Derbyshire	Derbyshire	47.92	243
15	Cannock Chase	Staffordshire	47.6	248
16	Wyre Forest	Worcestershire	47.52	250
17	Chesterfield	Derbyshire	45.66	268
18	Bolsover	Derbyshire	45.22	273
19	Redditch	Worcestershire	45.07	276
20	Erewash	Derbyshire	43.96	290
21	Derby City	Derbyshire	43.27	291
22	North East Derbyshire	Derbyshire	42.89	297
23	Birmingham	Birmingham Solihull	42.84	298
24	Tamworth	Staffordshire	41.85	308
25	Nottingham	Nottinghamshire	41.75	309
26	Broxtowe	Nottinghamshire	39.73	325
27	Gedling	Nottinghamshire	39.42	327
28	Newcastle-under-Lyme	Staffordshire	39.02	334
29	Mansfield	Nottinghamshire	37.64	353
30	Stoke on Trent	Staffordshire	36.57	358
31	Ashfield	Nottinghamshire	34.18	367

Source: National Statistics website *Last updated: October 2015*

6.1.6.2 East Staffordshire is ranked 3rd across the GSBELP membership and authorities in Staffordshire for the number of businesses per 1000 population. The Council is ranked 5th out of 31 across all the LEP areas. The national average is 55.05.

6.1.6.3 East Staffordshire also has the 3rd largest number of businesses in Staffordshire with 5295. Only Stafford (6005) and Stoke on Trent (7450) have more businesses.

6.1.6.4 Across the GBSLEP region only Birmingham (36720) and Solihull (9165) have more businesses than East Staffordshire.

6.2 **How can businesses influence the GBSLEP**

6.2.1 The GBSLEP board consists of members from the private sector, local authorities, Universities and Colleges. Out of a total of 18 directors, there are nine from the business community.

7. Is it possible to join more than one LEP?

7.1 Although the Government did not publicly rule this out, advice at the time suggested that a local authority will only in “exceptional circumstances” be able to sit on more than one LEP. A strong case would have needed to have been put forward by a local authority to convince Government that this serves an area’s best interests.

7.2 However findings from the research show that across Staffordshire, Derbyshire and Nottinghamshire some authorities do belong to more than one LEP.

7.3 The main reasons given for belonging to more than one LEP were geography and economy. Bassetlaw Council however stated that there reasons for joining more than one LEP were: "Ov*erlapping geography and not a local decision – dictated by government.”*

7.4 At the scrutiny meeting (22nd December 2015), Councillors enquired as to whether it would be possible to join more than one LEP as there may be the potential for additional funding for the Council. The response from officers outlined that whilst there are no rules as to why the Council couldn’t apply to join another LEP, it could be argued that by being a member of two LEPs you may have reduced focus of the intended outcomes however it’s very difficult to prove one way or the other.

7.5 It was also pointed out by officers at the same meeting that there is also joined up thinking between the LEPs. For example, with European Structural and Investment Funds, all the West Midland’s LEPs work together.

7.6 The table below demonstrates which LEP(s) the local authorities within D2N2, Stoke and Staffs and GBSLEP are members of.

Local Authorities and their LEP membership

Organisation	County	LEP 1	LEP 2
Amber Valley	Derbyshire	D2N2	
Bassetlaw	Nottinghamshire	D2N2	SCR*
Bolsover Council	Derbyshire	D2N2	SCR
Broxtowe Borough Council	Nottinghamshire	D2N2	
Cannock Chase District Council	Staffordshire	GBSLEP	SSLEP
Chesterfield Borough Council	Derbyshire	D2N2	SCR
Derbyshire Dales	Derbyshire	D2N2	
East Staffordshire Borough Council	Staffordshire	GBSLEP	
Gelding Borough Council	Nottinghamshire	D2N2	
High Peak	Derbyshire	D2N2	
Lichfield District Council	Staffordshire	GBSLEP	SSLEP
Mansfield District Council	Nottinghamshire	D2N2	
Newark and Sherwood District Council	Nottinghamshire	D2N2	
Newcastle-under-Lyme	Staffordshire	SSLEP	
North East Derbyshire District Council	Derbyshire	D2N2	SCR
Rushcliffe	Nottinghamshire	D2N2	
South Derbyshire District Council	Derbyshire	D2N2	
South Staffordshire Council	Staffordshire	SSLEP	
Stafford Borough Council	Staffordshire	SSLEP	
Staffordshire Moorlands	Staffordshire	SSLEP	
Tamworth	Staffordshire	GBSLEP	SSLEP
Stoke City Council	Staffordshire	SSLEP	

SCR – Sheffield City Region

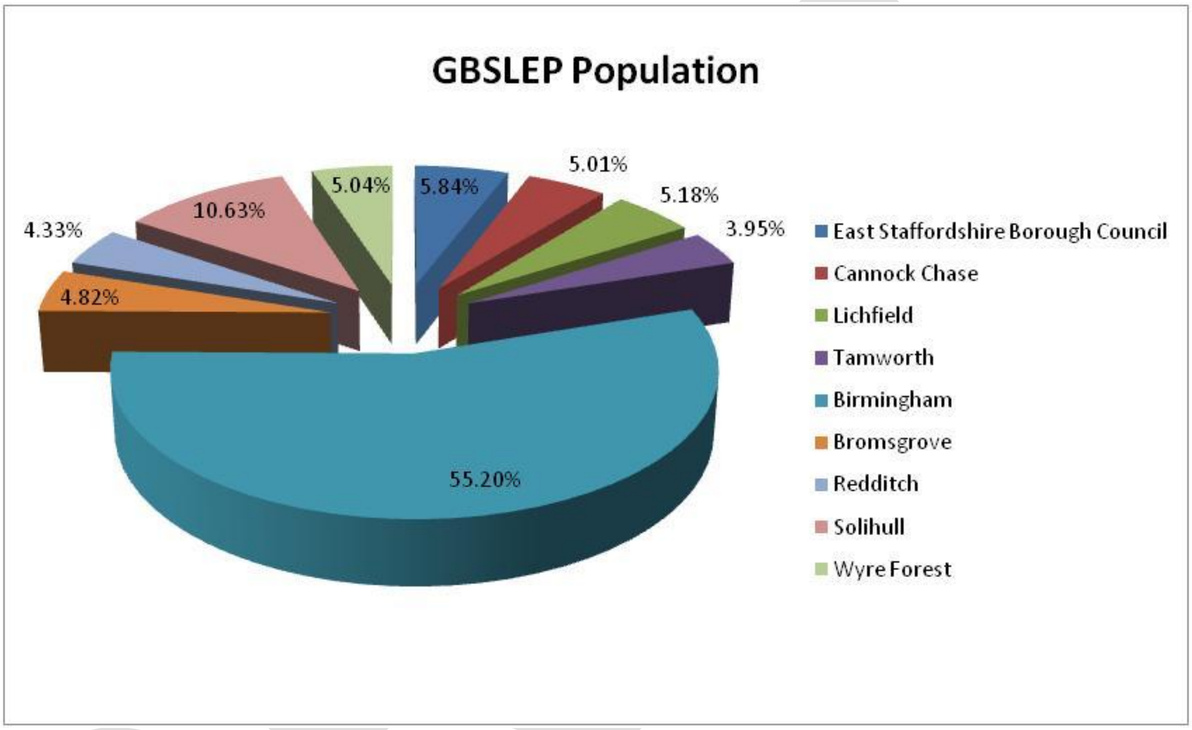
8. LEP Demographics

8.1 The following section outlines the population and business breakdown within the three LEP areas.

8.2 GBSLEP

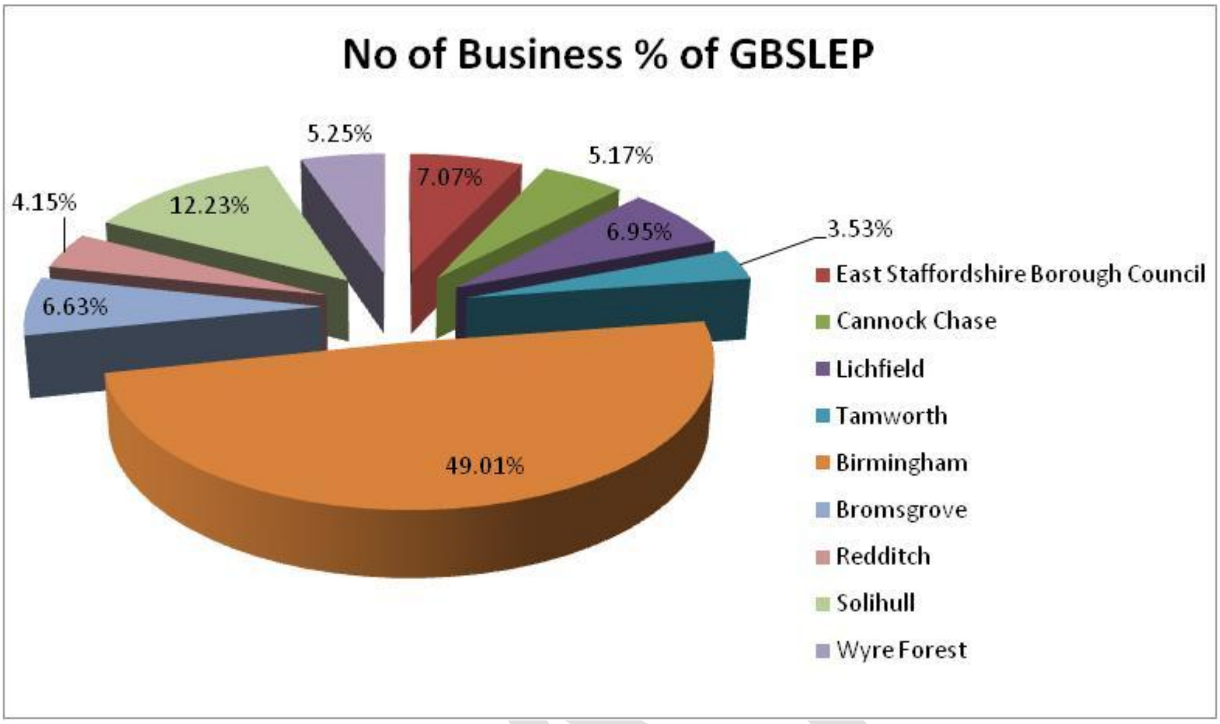
8.2.1 East Staffordshire's population (113,583) is 5.84% of the total GBSLEP population. Not surprisingly, Birmingham City holds the majority share of the population with 55.2%.

% Breakdown of GBSLEP population



8.3 In terms of businesses, East Staffordshire has 5,295 businesses or 7.07% of the GBSLEP businesses. Again, Birmingham City has the majority of businesses with 36,720 or 55.2%.

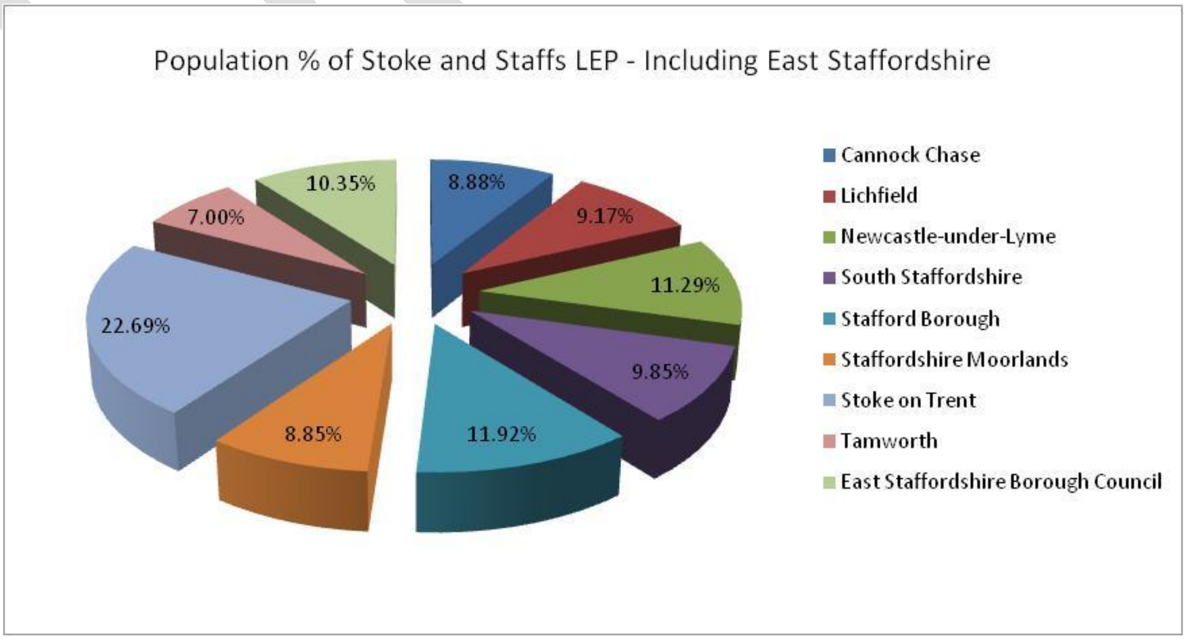
% Breakdown of number of business in GBSLEP



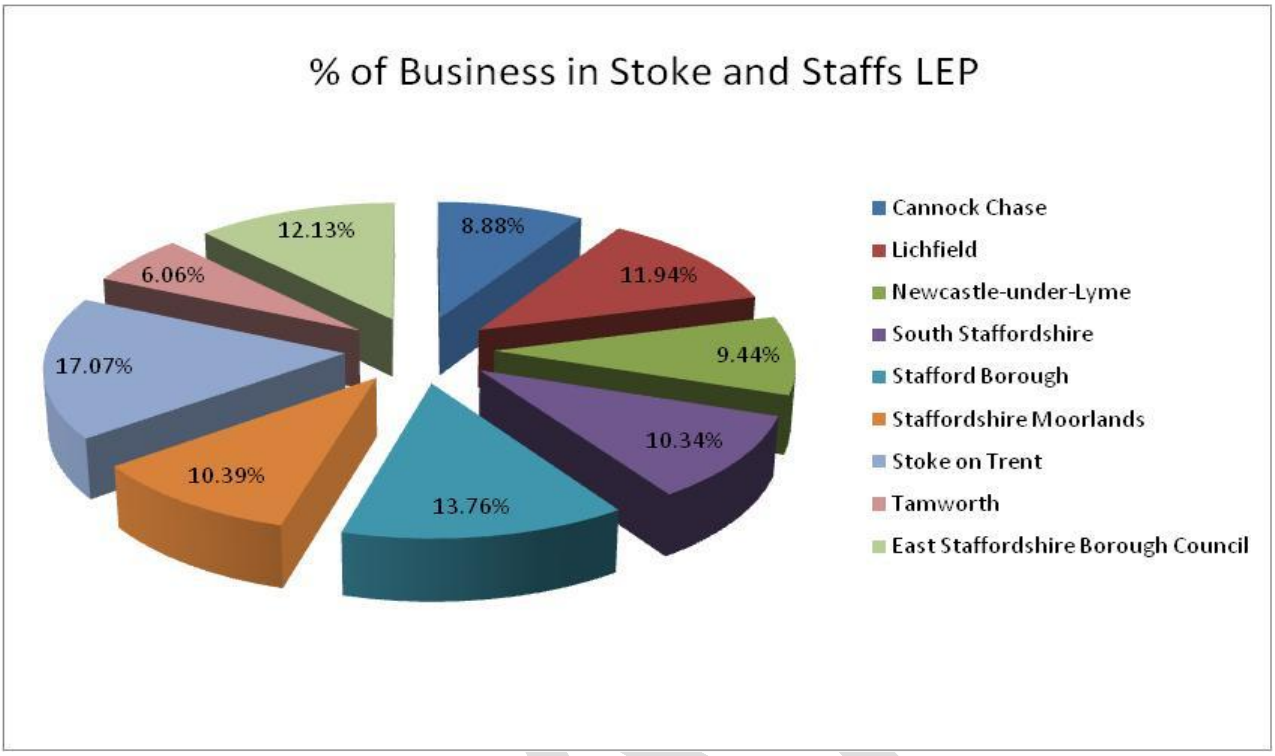
8.4 <u>Stoke and Staffordshire LEP</u>

8.4.1 The data shows that if East Staffordshire Borough Council was part of the Stoke and Staffs LEP then it would make up a more equal proportion of the total population and number of businesses.

8.4.2 The graph below shows that East Staffordshire would make up 10.35% of the total population if it were a member of Stoke and Staffs LEP. Stoke on Trent City makes up the majority with 22.69%. It's worth noting that Staffordshire County Council is also a member of the Stoke and Staffs LEP, meaning that Staffordshire makes up 77.31%.

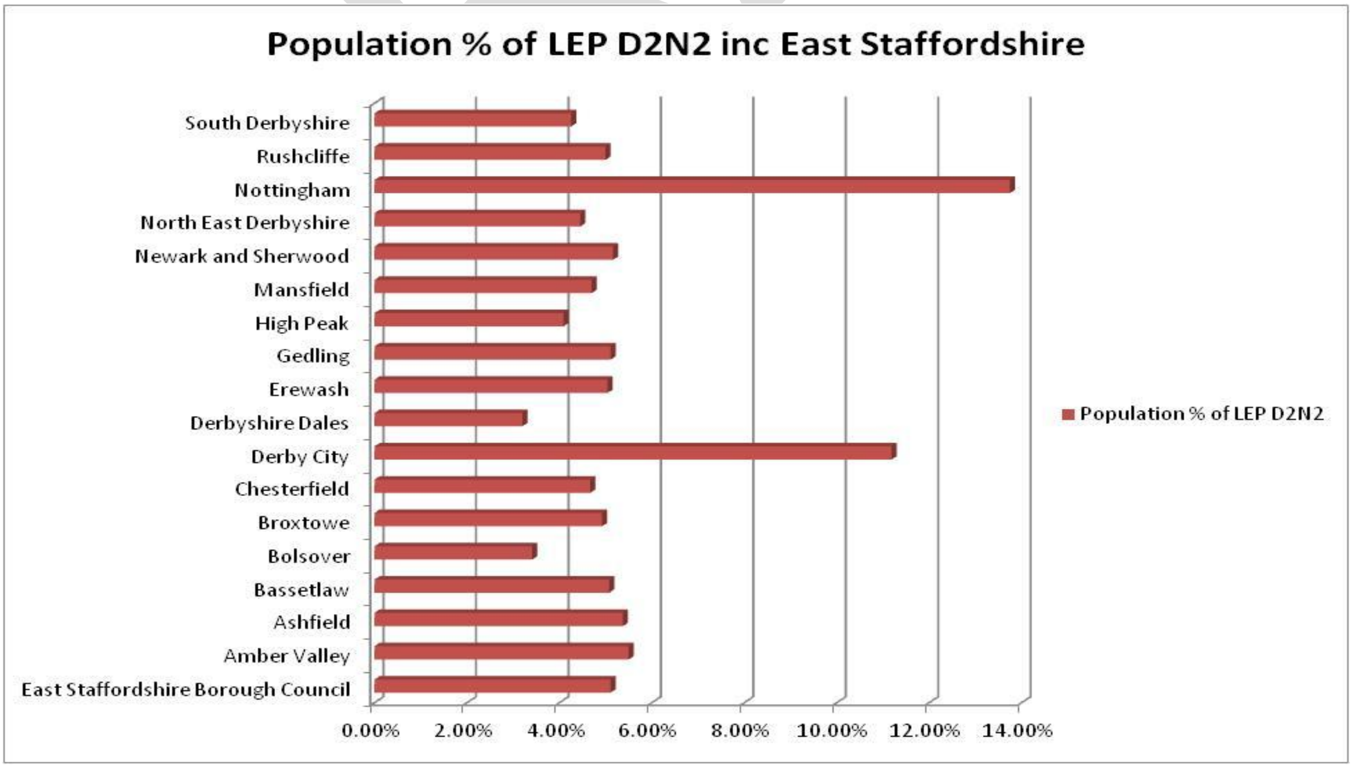


8.4.3 In terms of the number of businesses, East Staffordshire's 5295 would consist of 12.13% of the total amount of businesses in Staffordshire.



8.5 D2N2

8.5.1 Derby and Nottingham, as the major cities in the LEP region, have the largest proportion of the population. If ESBC were a member then it would contribute 5.11% of the population.



8.5.2 Derby and Nottingham have the majority of businesses (22.41%) in the LEP region. East Staffordshire's businesses would make up 6.09% of the total number of businesses.

9. What benefits has ESBC realised as a result of GBSLEP membership?

9.1 As a member of a LEP we are entitled to apply for grants or loans. As well as receiving funding from the Government's Growth Fund and Growing Places Fund, LEPs will receive around £5bn from the EU Structural and Investment Funds (ESIF) for 2014-2020 and will have access to over £2bn from the Local Growth Deal 2015-16.

9.2 All local authorities have the opportunity to apply for funding from their LEP(s) from each of the funding schemes described above. Funding is determined by the applicant's project, quality of application and the priorities and objectives of the LEP.

9.3 Not surprisingly, GBSLEP has been allocated a greater amount of funding than Stoke and Staffs and D2N2. This section will highlight how much funding each LEP has received for different funding streams, how much funding ESBC has obtained and what benefits this has had for the Council.

9.4 Growing Places (Capital Loan)

9.4.1 The £730 million Growing Places fund is designed to support infrastructure projects to enable economic growth, job creation and the building of the new houses.

9.4.2 GBSLEP received £20.2 million of Growing Place funding and ESBC has received £375,000.

	Total Fund	Allocation
GBSLEP	£20,200,000	£375,000*
Stoke and Staffs	£10,600,000	£197,000**
D2N2	£7,000,000	£130,000**

**Actual money received by ESBC which equates to 1.86% of the GBSLEP Growing Places fund.*
****** As an indicator, these figures represent 1.86% of the Growing Place fund allocated to each LEP*

9.4.3 The £20.2m Growing Places fund allocated to the GBSLEP equates to £10.39 per person and £269.62 per business across the GBSLEP area. The table compares this for Stoke and Staffs and D2N2.

Authority	Growing Places Allocated to LEPs			
	Per Person (Current)	Per Person (Alternative)	Per Business (Current)	Per Business (Alternative)
GBSLEP	£10.39	£11.04*	£269.62	£290.13*
Stoke and Staffs	£10.77	£9.66**	£276.37	£242.82**
D2N2	£3.32	£3.15**	£85.66	£80.45**

**As an indicator if ESBC was not a member of the GBSLEP*
***As an indicator if ESBC was a member of the LEP*

9.4.4 The table above shows that GBSLEP and Stoke Staffs offer a similar amount of funding per person and per business.

9.4.5 The £375,000 loan secured by ESBC will allow the Council to carry out key infrastructure works required at the Pennycroft development site in Uttoxeter. The funding will help unlock the potential of this Brownfield development site to bring new homes and jobs to Uttoxeter.

9.5 Local Growth Fund (Capital Grant)

9.5.1 The Local Growth Fund is a competitive fund which aims to provide grants and support to private sector organisations and local authorities to spend on infrastructure and housing projects with the aim of creating more jobs, more training opportunities and improving local infrastructure.

9.5.2 GBSLEP received £63 million and ESBC successfully secured a £1.5 million grant.

	Total Funds Received	Fund ESBC has received
GBSLEP	£63,000,000	£1,500,000
Stoke and Staffs	£21,000,000	
D2N2	£47,000,000	

9.5.3 The Council secured Local Growth Funding to deliver infrastructure works on a programme of brownfield regeneration sites.

9.5.4 The £63m Local Growth Fund allocated to the GBSLEP equates to £32.41 per person and £840.90 per business across the GBSLEP area. The table compares this for Stoke and Staffs and D2N2.

Authority	Local Growth Fund Allocated to LEPs			
	Per Person (Current)	Per Person (Alternative)	Per Business (Current)	Per Business (Alternative)
GBSLEP	£32.41	£34.32*	£840.90	£904.85*
Stoke and Staffs	£21.34	£19.13**	£547.52	£481.10**
D2N2	£22.28	£21.14**	£575.17	£540.17**

**As an indicator if ESBC was not a member of the GBSLEP*
***As an indicator if ESBC was a member of the LEP*

9.5.5 The table shows that GSBLEP has been allocated the most Local Growth Funding per person and per businesses.

9.6 European Regional Development Fund (RDF)

9.6.1 The Business Development Programme, funded by the European Regional Development Fund (ERDF), consists of financial assistance by way of a grant and coaching and mentoring. The programme aims to create more than 400 new jobs and safeguard more than 400 others.

9.6.2 The funding has allowed ESBC to support businesses across East Staffordshire in delivering growth and creating new jobs.

9.6.3 The details were presented in section 5.

9.7 European Structural and Investment Funds - 2014 - 2020

9.7.1 The European Structural and Investment Funds (ESIF) programme provides funds to help local areas grow. The funds support investment in innovation, businesses, skills and employment and create jobs.

9.7.2 The ESIF programmes comprise the European Regional Development Fund (ERDF), European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD). These programmes have been brought together in a single Growth programme.

9.7.3 The Growth Programme is delivered across England's LEP areas, each having its own ESIF strategy to support local delivery. ERDF can fund activity such as support to SMEs, ICT, Low Carbon and research and innovation. ESF supports employment, skills and social inclusion.

9.7.4 The ESIF funding is allocated on the basis of national 'calls' for proposals, with regard to local 'strategic fit'.

9.7.5 The total allocation for England was € 6.2 billion. The application stage 2014-2020 funding is still in process.

	Total Funds Received	% of England's Allocation
GBSLEP	€ 255,800,000	4.13%
Stoke and Staffs	€ 161,600,000	2.61%
D2N2	€ 249,700,000	4.03%

9.8 As well as securing funding, the governance arrangements of the GBSLEP ensures each member authority has representation on the board. The Leader of the Council, Councillor Richard Grosvenor is East Staffordshire Borough Council's representative on the board.

9.9 **Summary**

9.9.1 This section has shown the amount of funding that has been allocated to each LEP and how much funding ESBC has received. This section also shows how much funding this equates to per person and per business.

9.9.2 The data shows that GBSLEP has been allocated the most funding in the Local Growth Fund, Growing Places Fund and ESIF. The GBSLEP area has the highest population and greater number of businesses.

9.9.3 The table below shows how much funding is available across the Local Growth Fund and Growing Places funding steams. It's worth noting that the allocations may have been different if ESBC were a member of Stoke and Staffs or D2N2.

LEP	Funding Per Person	Funding Per Business
GBSLEP	£42.80	£1,110.52
GBSLEP – without ESBC	£45.45	£1,994.97
Stoke and Staffs	£32.12	£823.88
Stoke and Staffs – with ESBC	£28.79	£723.94
D2N2	£25.59	£660.83
D2N2 – with ESBC	£24.29	£620.62

9.9.4 However, as already outlined, funding is determined by the applicant's project, quality of application and the priorities and objectives of the LEP. Whilst the data provides an interesting overview in the potential distribution of funding, it doesn't relate to how funding is allocated and influence an area can have within a LEP.

9.9.5 As noted in section 4, East Staffordshire Borough Council has a place on the GBSLEP board which provides the Council with an equal opportunity to influence LEP priorities and objectives. This may not been the case in Stoke and Staffs and D2N2.

9.10 **What does this mean for East Staffordshire's residents?**

9.10.1 This section will highlight various resident based economic indications.

9.10.2 Employment Rate

9.10.2.1 This is a residence based indicator which provides the proportion of people aged 16 to 64 in employment.

Rank	District	Region	Employment: rate % (July 2014-June 2015)	Nat. Rank
1	Lichfield	Staffordshire	80.8	43
2	Staffordshire Moorlands	Staffordshire	80.1	52
3	South Derbyshire	Derbyshire	79.1	67
4	Derbyshire Dales	Derbyshire	78.5	85
5	Erewash	Derbyshire	78.1	92
6	Rushcliffe	Nottinghamshire	77.7	101
7	Bromsgrove	Worcestershire	77.7	101
8	Mansfield	Nottinghamshire	76.8	125
9	Cannock Chase	Staffordshire	76.2	140
10	North East Derbyshire	Derbyshire	75.9	149
11	Ashfield	Nottinghamshire	75.9	149
12	East Staffordshire	Staffordshire	75.8	154
13	Redditch	Worcestershire	75.7	160
14	High Peak	Derbyshire	75.4	164
15	Gedling	Nottinghamshire	73.9	206
16	Wyre Forest	Worcestershire	73.7	213
17	Amber Valley	Derbyshire	73.3	228
18	Derby City	Derbyshire	73.3	228
19	Solihull	Birmingham and Solihull	72.9	237
20	Newcastle-under-Lyme	Staffordshire	72.5	252
21	South Staffordshire	Staffordshire	72	267
22	Chesterfield	Derbyshire	72	267
23	Tamworth	Staffordshire	71.7	273
24	Bassetlaw	Nottinghamshire	71.6	276
25	Newark and Sherwood	Nottinghamshire	70.9	286
26	Stoke on Trent	Staffordshire	70	303
27	Stafford	Staffordshire	69.4	315
28	Broxtowe	Nottinghamshire	68.8	321
29	Nottingham	Nottinghamshire	64.7	361
30	Bolsover	Derbyshire	61.7	375
31	Birmingham	Birmingham and Solihull	60.9	377

Source: Annual Population Survey *Last Updated: October 2015*

9.10.2.2 This indicator ranks East Staffordshire 12th in comparison with the other authorities. It also ranks East Staffordshire above the national average which is 73.1

9.10.2.3 East Staffordshire has the highest number of employees in Staffordshire working full time (80.48%) and the 2nd lowest working part-time (24.71%).

9.10.3 Employee/resident ratio

9.10.3.1 This figure provides the ratio of the number of employed people in the area to the number of residents.

Rank	District	Region	Employee/resident ratio ratio (2014)	Nat. Rank
1	Nottingham	Nottinghamshire	66.35	14
2	Derby City	Derbyshire	47.97	70
3	East Staffordshire	Staffordshire	47.65	72
4	Chesterfield	Derbyshire	47.47	73
5	Solihull	Birmingham Solihull	47.28	78
6	Stoke on Trent	Staffordshire	43.49	119
7	Birmingham	Birmingham Solihull	43.26	120
8	Derbyshire Dales	Derbyshire	42.97	123
9	Redditch	Worcestershire	42.56	130
10	Stafford	Staffordshire	42.19	136
11	Lichfield	Staffordshire	40.18	165
12	Ashfield	Nottinghamshire	39.57	173
13	Amber Valley	Derbyshire	39.35	179
14	Bassetlaw	Nottinghamshire	39.19	183
15	Bolsover	Derbyshire	38.96	185
16	Newark and Sherwood	Nottinghamshire	38.11	196
17	Tamworth	Staffordshire	37.23	210
18	Bromsgrove	Worcestershire	35.65	238
19	Cannock Chase	Staffordshire	34.81	255
20	Newcastle-under-Lyme	Staffordshire	34.73	257
21	High Peak	Derbyshire	33.9	270
22	Rushcliffe	Nottinghamshire	33.22	286
23	Mansfield	Nottinghamshire	32.82	292
24	Broxtowe	Nottinghamshire	32.17	301
25	South Derbyshire	Derbyshire	31.35	310
26	Erewash	Derbyshire	31.17	311
27	Wyre Forest	Worcestershire	29.92	329
28	Staffordshire Moorlands	Staffordshire	28.44	342
29	South Staffordshire	Staffordshire	25.84	365
30	North East Derbyshire	Derbyshire	25.72	366
31	Gedling	Nottinghamshire	25.02	370

Source: National Statistics Website *Last updated: October 2015*

9.10.3.2 East Staffordshire is the highest ranked district across Staffordshire and the GBSLEP area and is the 3rd highest across all the GBSLEP areas. The national average is 43.3

10. Business Rate Retention Arrangements

10.1 As the accountable body, Birmingham City Council manages the day-to-day running of the Pool.

10.2 Pool members are required to freely share information regarding forecasts and collection levels of business rates income.

10.3 The establishment of a pool means that any levy on growth that would normally be payable to central Government can be retained locally. However, the pool must make its own arrangements for safety net payments to individual member authorities.

10.4 The arrangements for the GBSLEP are that 40% is retained by the LEP towards economic regeneration projects (as agreed by the board). 32.5% is re-distributed back to the authority which generated the income. 7.5% goes to Birmingham City Council as the only tariff authority within the pool and 20% is contingency to pay for authorities in a safety net position.

10.5 More detailed information on business rates retention pooling arrangements for all LEPs can be found at https://www.gov.uk/government/publications/business-rates-pooling-existing-governance-agreements

11. Contribution to Corporate Priorities

11.1 Promoting local economic growth

12. Financial Implications

12.1 There are no financial issues arising from this report.

13. Equalities and Health

13.1 **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

13.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed.

14. Human Rights

14.1 There are no Human Rights issues arising from this Report.

15. Sustainability (including climate change and change adaptation measures)

15.1 Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

16. Recommendations

16.1 *To be agreed by Committee Members*

17. Appendices

17.1 Appendix 1 - Data from Freedom of Information request.

17.2 Appendix 2 - Data from benchmarking analysis.