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19<sup>th</sup> January, 2007

Dear Sir Michael

### **LSEP RESPONSE TO LYONS INQUIRY**

The Leicester Shire Economic Partnership (LSEP) is a not-for-profit, private sector led company, established by the East Midlands Development Agency (emda) to foster and promote economic development within Leicester City and Leicestershire County.

The LSEP plays a significant role locally in developing sub-regional economic development priorities. The organisation has three key roles; leadership, influencing and investing in the sub-region. The LSEP's overarching vision is to create the right economic conditions, which can improve the quality of people's lives and the environment within which people live.

The LSEP welcomes the opportunity to comment on some of the issues raised in your inquiry document. We have not expressed specific views about the role of local authorities, as it is not our place to do so. However, we would encourage the recognition that where there has been effective local partnership working this should be encouraged to continue. It would be a pity to undermine existing arrangements that have developed over time with a proven track record. Where there are gaps in joint working, then new partnerships need to be developed, led by the most appropriate organisation.

In particular, we consider the observation made by all three reviews that economic activity does not respect administrative boundaries is particularly pertinent. In the Leicester Shire sub-region, it is essential to consider the inter-dependency between the city and county, and also links with the East Midlands and West Midlands economies. Leicester City has a tight administrative boundary, but its economic impact extends into a much wider area and it draws its labour market from Leicestershire County and beyond. There are significant differences in the skills profiles within the City and County and the County is relatively more prosperous. It is therefore important to take a holistic view about the strengths, weaknesses, opportunities and threats facing the sub-region. The local economy faces both urban and rural issues, which need to be addressed through a joined-up strategic approach.

Your paper has emphasised the importance of “convening” which we agree is essential. The LSEP has played a significant “convening” role and has, for example, facilitated joint research activity, discussions about employment land issues, investment priorities and work in determining skills priorities across the sub-region. This has involved engagement with local authorities as well as other local agencies and partners. The fact that the LSEP is “politically neutral” and strongly connected with wider regional priorities can be advantageous. It would be helpful to build on existing partnership arrangements, where they have demonstrated success, rather than setting up new arrangements. Where there are gaps, then we support the establishment of new “fit for purpose” partnerships, but they do need to be inclusive. We would hope to continue our good working relationship with all the local authorities operating in the sub-region.

We would suggest that the LSEP, local authorities and key agencies need to continue to work together to ensure that there are appropriate links between economic priorities, planning, housing and transport issues. The LAA work is already starting to have benefits locally and we would like to build on this framework. In particular, we support the concept of multi-area agreements outlined in the recent White Paper. The LSEP led on the Leicestershire County Council Economic block and was also involved in the Leicester City Council Economic block.

With regard to the skills agenda, the LSEP initiated work to align the priorities of the key agencies involved in developing skills strategies for the sub-region. This approach was beneficial in defining shared priorities and raising the debate about resources and implementation plans. We suggest that improving skills is a complex area, which benefits from collaborative working between a number of agencies. It is critical that local skills provision meets the needs of local employers, however, many partners need to be engaged in the debate about how best to meet these needs.

The three reviews have also raised the importance of private sector engagement in the place-shaping agenda. The LSEP supports this view but recognises that employer engagement is highly beneficial. The LSEP is private sector led and has the framework to engage and involve the wider private sector. We believe it is vital that the private sector have a key role in developing and shaping economic priorities. Again, we feel it is important to build on some of the existing successes, such as the City Growth Strategy work conducted in several cities across the country.

I hope that you find the above comments helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kishor Tailor', with a stylized flourish at the end.

Kishor Tailor  
Chief Executive, LSEP