

Consultation Draft Proposal

Gloucestershire Local Enterprise Partnership

**Version 1.0
4th March 2011**

Please Note:

This proposal has been developed following extensive discussion with private and public sector representatives of the Gloucestershire economy.

This is a draft proposal. The final submission document will be designed to ensure that Gloucestershire's entrepreneurial flair is demonstrated through word and imagery.

Support for Our LEP

Support from Business

Support from the Public Sector

Support from MPs

Endorsements to be completed – This page will include endorsements from the above groups

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Gloucestershire Integrated Economic Strategy

<http://www.gfirst.co.uk/the-big-plan.php>

Foreword

We believe that Local Enterprise Partnerships present a real opportunity to build a new understanding between the public and private sectors that will underpin the economic recovery in a very challenging environment and put in place the right partnership and tools to deliver a growing Gloucestershire economy.

Gloucestershire has the advantage of a strong foundation on which to build – GFirst (formerly Gloucestershire First) - and the ambition to stretch our horizons to achieve with others. GFirst is a well established, long standing private/public partnership, led by business and providing a voice for business in our locality. With an enviable record of achievement upon which to build, our LEP will help us achieve a critical mass for those bigger, strategic challenges through connections with neighbouring LEPs whilst remaining close to our local communities.

Our ambition is to help to turn this prospectus into reality. To drive economic growth, improve productivity through increasing GVA and encourage business creation – changing and challenging cultural attitudes so that the potential of our local entrepreneurs is realised. We will do this through seizing the commercial opportunities that will arise as we transit to a low carbon economy and continue to balance our economic activity across a broad sectoral base and intervention ratio.

Our role and approach will be strategic, collaborative, and driven to add value and achieve private sector growth. We will be challenging to Government at all levels, and to our partners, the private sector, and ourselves – recognising that radical change is needed to meet the challenges of Globalisation and the structural deficit faced by the nation.

Executive Summary

Our LEP covers seven local authorities, 2,653 square kilometres, a population of 600,000 and a stock of 25,840 businesses. With a unique mix of urban and rural landscape at the heart of Southern England, we are the gateway to the South West, Wales, the West Midlands, and the Thames Valley.

Our expression of interest is based on two underpinning principles:

- A strong geographic core – Gloucestershire – that represents a natural economic area with economic attrition rates¹ of just 15%, amongst the lowest in England;
- A re-defining of traditional geographic boundaries to encompass sectoral connections with neighbouring geographies based on private sector need and strong economic evidence.

The focus of our LEP activity will be on measures to enhance and encourage economic growth and the creation of private sector jobs. Built on strong foundations created by an excellent tradition of delivering economic support in partnership, we are ready for the challenges that the current economic situation presents and confident in the strength of our private and public sector relationships to make a real positive difference.

In delivering our vision we will focus on four core activities:

Growing and **developing businesses**;
Working with partners to develop the right sustainable **infrastructure**;
Connecting **education and skills** with the needs of business;
Promoting Gloucestershire as a great place to invest, live, and visit;

All of which support the development of our key growth and emerging **sectors**.

In order to achieve our ambition we have a number of asks of Government, including the local transfer of assets from the RDA to appropriate bodies and the ability of the private sector – through our LEP - to influence delivery of key Government funded programme such as inward investment, the Work Programme and the activities of the Skills Funding Agency.

We are committed to further development of relationships with neighbouring LEPs, based on economic function, and to implementing our LEP as a matter of urgency – we will be fully operational by May 2011.

Our ambitions for our LEP are to continue to develop a world-class area to invest in, work in, and visit. We intend to position Gloucestershire as a county that delivers significantly above average results across the board, one that delivers on a low carbon economy, attracts investment and visitors to the UK and continues to deliver great value for money for the UK plc.

¹ Economic attrition rates refer to the level of incoming and outgoing employees within an economic area

Economic Profile

Gloucestershire has been a significant location for commerce since the Roman era, and its location at a crossroads between trading routes between London and Wales and the Midlands and the South West continues to give it advantages as a business location today.

2,653 square kilometres, a population of 600,000 and a stock of 25,840 businesses, a £10 billion economy: from regency Cheltenham to heritage Gloucester; our twenty-five vibrant market towns including Stroud, Cirencester, Tewkesbury, Coleford, and Lydney; and numerous rural villages; our mixed economy creates a quality of life and natural environment that we believe provides a distinct competitive advantage.

Our economic attrition rates are amongst the lowest for any similar area in the UK at around 15%: 15% of our employed residents work out of county and 15% of our jobs are filled from those who commute in to county (Figure 1).

Insert Figure 1: Gloucestershire Travel to Work Activity

34.9% of our workforce are qualified to NVQ4 and above, higher than the national (32%) and south west (31%) average. On average school qualifications are consistently above the national and south west averages and the number of employees with no qualifications is consistently below the national and south west averages. Unemployment levels in Gloucestershire are below the national average but slightly above the south west average (insert latest figures mid-March).

The averages hide some real areas of deprivation in the county: 28 of the county's lower super output areas are ranked in the most deprived 20% nationally and 7 are within the most deprived 10% nationally – all within the urban centres of Gloucester (5) and Cheltenham (2). A number of wards experience unemployment that is higher than the national average and in some cases as high as (X% -insert latest data mid-March).

Business

Based on an historic concentration of defence and advance manufacturing companies, Gloucestershire maintains a significant manufacturing presence including companies such as GE Aviation, Messier Dowty, Moog Controls, Renishaw, and Spirax Sarco. In recent years we have seen major growth in the energy sector through the investment of Horizon Nuclear, EDF, Ecotricity and others as well as an increase in significance of environmental goods and services through Green Fuels, Commercial Group, Heath Avery, and the Green Shop.

Our county is also a major centre for finance and business services with a significant presence for companies such as Cheltenham and Gloucester plc, Ecclesiastical Insurance, Fortis Insurance, and Zurich.

Gloucestershire is also home to a number of important public sector bodies such as the Government Communication Headquarters in Cheltenham and the Quality Assurance Agency in Gloucester. Our rich cultural heritage through the Cheltenham Festivals, Cheltenham Racecourse, and the Cotwolds and Forest of Dean tourism brands is world-renowned, pioneering *and* economically significant.

We are particularly proud of our home grown businesses such as the Watts Group of Lydney, Star Internet, Bottlegreen Drinks, and Supergroup – one of the fastest growing global retail clothing brands – amongst many others. Our entrepreneurial spirit is demonstrated through the growth of these large organisations as well as

through the thousands of small and micro niche businesses that thrive in our county, which demonstrates a 4:1 ratio of starts to closures.

Future Growth

Our future growth will come from our key sectors and the support we are able to provide to them:

- Finance & Business Services
- Food & Drink
- Distribution
- Leisure & Tourism
- Construction
- Creative Industries
- Advanced Engineering
- Information & Communications Technology
- Environmental Technologies

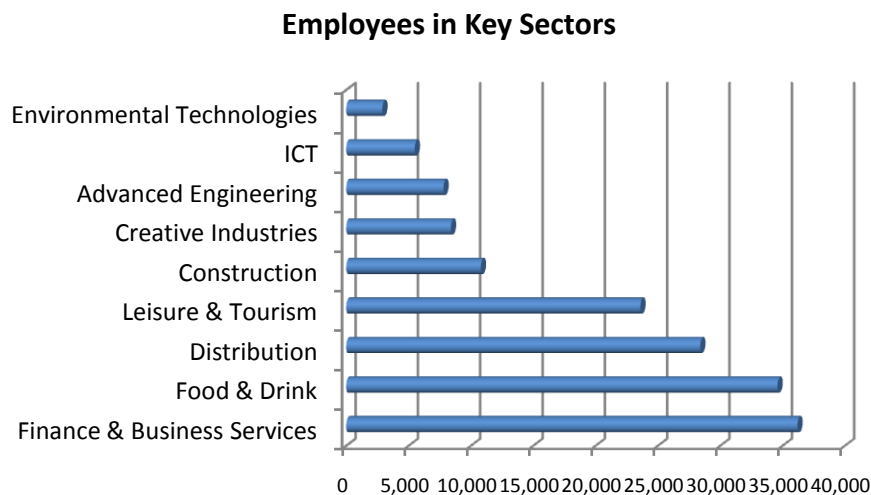


Figure 2: Gloucestershire Key Employment Sectors

Although modest in employment terms, the rurality of our county means that land-based industries deploy an asset base that has significant economic impact – still employing 0.6% of the workforce, double the national average. Consequently our partnership already has a tradition, particularly in the South West, for effective partnership-based intervention in terms of working closely with the private sector to support growth in the rural economy.

Priorities

As a business community in Gloucestershire we are clear about the focus of our LEP in supporting the desire for growth and the creation of private sector jobs. Our work programme will be based on four core activities:

1. Growing and **developing businesses** through the implementation of locally-based business support networks across the county – improving business and encouraging innovation;
2. Working with partners to develop the right planning environment and **infrastructure** – encouraging investment and sustainable growth;
3. Connecting **education and skills** with the needs of business and the local economy – ensuring the ready supply of talent, and attracting and retaining young people;
4. **Promotion** of Gloucestershire as a great place to invest, live, and visit – attracting inward investment and tourists;

All of which underpin the development of our key growth **sectors** (identified in the previous section) such as leisure and tourism, advanced engineering, and environmental technology, – growing Gloucestershire and ensuring jobs for the future.

This proposal is based on a clear set of three year ambitions for each priority activity and a detailed year one delivery plan (appendix 1 to 4). The delivery plans will provide a platform through which Gloucestershire is able to create a USP for investment, business engagement, and visitors:

1. Developing Businesses

Our ambition is to create a comprehensive network of business support for Gloucestershire based on the lessons learnt from the acclaimed Parklife business support service which has put the private sector at the centre of business growth. Our detailed year one delivery plan (appendix 1) outlines our partnership's activity for 2011-12 and is a route to our wider three year ambitions to:

- Establish locally resourced self funding 'Parklife-style' operations;
- Widen geographically locally based business support networks and increase their effectiveness;
- Stimulate key sector growth
- Develop the collective business support role of the Gloucestershire Chamber of Commerce and Industry, the Federation of Small Businesses, the Confederation of British Industry, the Institute of Directors and local Chambers of Trade;
- Support the development of community based enterprise plans
- Reinforce the reputation of being a county of innovative businesses, through enhanced export opportunities

2. Planning Environment and Infrastructure

Our ambition is to continue to develop joint-working of the local authority strategic planning and development functions with the economic development functions, therefore aligning planning and infrastructure with the economic success of the county whilst also ensuring it is tuned into the needs and expectations of businesses. This unique partnership would give Gloucestershire a competitive edge in the investment market continuing the success of the county

in attracting investors, creating the right infrastructure, and latterly in attracting funding for superfast broadband roll-out. The detailed year one delivery plan (appendix 2) sets the directions for our wider three year ambitions:

- Plans in place that anticipate the needs of the economy and encourage investment;
- Transformed the relationship between businesses and planners so that the economy can grow quickly, appropriately and sustainably;
- Developed and implemented solutions to strengthen the critical infrastructure (broadband, power, water, etc.) of Gloucestershire;
- Reduced business energy consumption per unit of output;
- Increased significantly the proportion of energy consumption sourced from renewable resources within the County

3. Education and Skills

Our ambition is for a Gloucestershire that enjoys co-ordinated skills development activity across the spectrum of education and skills and in line with the needs of the local economy. Building the ready supply of talent, retaining and attracting young people to Gloucestershire, and enabling individuals to achieve their potential are at the core of our strategy. Appendix 3 outlines our detailed year one delivery plan in the context of our three year ambitions:

- Higher and Further Education provision, which more employers value, promote and utilise to meet their business needs.
- A robust and integrated Employment and Skills Strategic Plan led by employers that guides investment in the County and builds on the model developed under the Gloucester Works programme
- Retain our position of having one of the lowest UK rates of 16-19 year olds who are Not in Employment, Education or Training (NEET).
- Increase the number of employers who recognise and implement workforce and succession planning measures in their Business Plans
- Contribute to the 'Narrowing the Gap' agenda by reducing worklessness and supporting people to progress into sustainable employment

4. Promotion of Gloucestershire

Gloucestershire is a great place to invest, live, and visit. Our ambition is to work across the private and public sectors to ensure that the widest global audience possible receives this message. Focusing on core development sites and growth sectors to identify Gloucestershire as the intelligent location for business, continued promotion of the Gloucestershire brand nationally and internationally will ensure the county continues to develop as a primary destination for investment and tourism. Our detailed year one delivery plan (appendix 4) sets out our agenda for the next twelve months in the context of our three year ambition:

- Attract a steady stream of investors who are successful and feel they have made the right decision;
- Establish an exemplary inward investment service for all potential investors;
- Increase our profile as a place in which to invest in the BRIC countries (Brasil, Russia, India and China);

- Increase our profile as a tourist destination in the BRIC countries;
- Maintain our reputation for high quality education and quality of life as two of the key factors in individuals deciding to move to the County;

Appendix 5 also includes a 'Partnership Enabler' activity schedule which outlines the principle process improvements which will be required to support the transition of the GFirst Partnership into an effective LEP.

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Ask of Government

Our partnership will need the right mix of powers, assets and finance to deliver the priorities identified in this proposal. We will be able to achieve certain outcomes through statutory powers that our local authority partners already have and with the power of general competence that will be the subject of Government legislation.

In addition, and in order to achieve our aspirations to grow private sector jobs and unlock investment we require:

Business Rates – Local control in order to further support implementation of our vision;

Strategic Planning – Over-arching responsibility for strategic infrastructure planning;

Inward Investment – Local capacity to pro-actively manage Inward Investment enquiries in partnership with relevant Government Departments, specifically UKTI;

Skills & Learning – Greater influence over the commissioning and delivery of adult skills to ensure local needs are better catered for. A shift from student-based funding to employment needs-based funding would give business better traction and to support the growth of the business base. We would welcome the opportunity to work with Government, the Skills Funding Agency and the National Apprenticeship Service to develop effective delivery mechanisms;

Unemployment – Authority to direct the *Job Centre Plus Work Programme* to ensure appropriate local delivery;

Local Asset Transfer – Transfer of assets currently held by agencies such as SWRDA and HCA to relevant local organisations so that they can provide leverage for growth and secure income to support the vision. We will undertake a full feasibility study for future programme activity so that each transferred asset will contribute to the drive for growth and private sector job creation.

Finance and Delegated Authority – Funding will be provided from existing resources within Gloucestershire and, in addition, we will coordinate submissions to the *Regional Growth Fund* and other relevant national initiatives whilst building on existing strengths to coordinate the delivery of European funding – specifically *Competitiveness Funding*;

Processes and Controls – Our partnership welcomes measures to reduce bureaucracy for businesses and believes that simplification of processes and controls to meet the needs of business will enable LEPs to focus on delivery.

Wider Alliances

Our proposal is built on a core geographic area that recognises the natural economic area and the strength and achievements of existing partnership activity. In addition we recognise that in order to pursue wider strategic priorities our partnership will need to develop strong relationships with neighbouring Local Enterprise Partnerships on particular cross border sectoral and strategic issues.

Our proximity and position in relation to Bristol, Cardiff, Birmingham and the South East, means that there are other functional economic areas that we will interact with to stimulate and support economic growth. We have discussed our aspirations with neighbouring LEP groups and are intent on formalising those wider alliances as an early phase of development, for example:

North - Connections into the West Midlands and Birmingham sub-region are apparent in advanced engineering and manufacturing, security and defence, tourism, and in relation to the food and drink sector and rural economy. Our relationship with the Worcestershire LEP is strong and we are currently developing a partnership agreement. Initial contact has been made with Oxfordshire LEP and we are extremely positive about future co-working.

East - There are clear synergies along the strategic transport corridors into the South East and London through the Thames Valley and in sharing resources for urban regeneration with Swindon. In addition there are shared sectors of importance in advanced engineering and finance and business services with Swindon. Our partnership with Swindon is strong, with a commitment to work together on issues of common interest including the sharing of best practice for urban regeneration.

South - The M5 corridor from Tewkesbury to Bristol represents an area of strategic significance for the aerospace industry and advanced engineering. In addition there are shared strengths in finance and business services and knowledge intensive industries. Our history of working in partnership with the West of England, particularly in the Aerospace sector through the West of England Aerospace Forum and we will continue this strong relationship with the West of England LEP.

West - There are close and significant links to the Welsh economy and into Herefordshire through knowledge intensive industries, food production and processing, transport infrastructure, and more recently, our shared ambitions to significantly improve broadband connectivity. Our exemplar partnership project with Herefordshire to implement roll-out of superfast broadband across the two counties and into Wales demonstrates our ongoing and likely long-term working commitment.

In addition, we will seek to continue our development work with partners North, East, and West in building strong tourism provision across the natural visitor economy areas which that particular sector enjoys. We will also seek to build relationships with other local enterprise partnerships where there are clear shared business agendas and outcomes to be achieved.

Leadership and Governance

Our partnership is led by the private sector, supported by the public sector, and engaged with the voluntary and community sector. The governance model will build on the existing very strong GFirst partnership to deliver full private sector engagement in our LEP. Our goal is continuous improvement and in order to achieve this we have engaged, with support from LGID, the services of Shared Intelligence to test our governance and leadership against best practice. In addition, we have developed an *enabler card* that outlines our improvement plans (appendix 5).

LEP Board & Legal Entity

Our LEP board will be chaired by a prominent leader from the private sector with an entrepreneurial flair. The board will consist of seven members, including the Chair: five employers, one representative from Leadership Gloucestershire², and the Lead Cabinet Member with responsibility for the economy from Gloucestershire County Council.

GFirst, as our LEP, is the trading name for Gloucestershire Development Company Limited, a company limited by guarantee that has been responsible for our successful economic partnership, GFirst (formerly Gloucestershire First). The current board of directors of GFirst have approved a proposal to recruit a new board through open advertisement in order to ensure a transparent approach and attract the best talent. A selection panel consisting of two private sector members and one public sector member, advised by the Chief Executive of GFirst and appropriate HR expertise will carry out the selection process and make appropriate recommendations to the current board.

During the transition stage the current GFirst board (which consists of representatives from the private and public sector) will act as the shadow board for the LEP.



Figure 3: Gloucestershire LEP Governance Structure

² Gloucestershire Leaders Board consists of the leaders of the seven local authorities, chair of the NHS trust, and Chair of the Police Authority

Support Structure

Existing private sector dominated advisory groups will be further refined and developed to ensure that they are aligned to our priorities of economic growth and the creation of private sector jobs. Our Economic Strategy Advisory Panel, Employment & Skills Board, Destination Management Board, and Gloucestershire First Partnership Board have achieved considerable success historically in bringing together partners from the private, public, and voluntary sectors to address needs and exploit opportunities in our economy. All partners have approved an integrated economic strategy for Gloucestershire (<http://www.gfirst.co.uk/the-big-plan.php>), and annually developed in collaboration delivery plans that underpin the goals of our integrated economic strategy. Our partnership approach has not only achieved significant success in attracting investment into Gloucestershire but has also ensured the continued development and growth of our economy.

Our simplified governance structure includes an Enterprise Strategy Group³ of members from the private sector, employers, and business groups (chaired by a GFirst board member) and will meet quarterly to review performance and advise on future strategy. The GFirst Board and the Enterprise Strategy Group will commission task and finish groups to oversee the strategy and delivery of specific pieces of work.

In order to ensure a broad reach across the economy of Gloucestershire, an 'Ambassadors of Gloucestershire' stakeholder group will liaise with the GFirst board through annual consultation and regular events. In addition, strong communication lines with existing business fora such as the West of England Aerospace Forum, Chambers of Commerce, Federation of Small Businesses, and the Engineering Employers Federation will be maintained in addition to their membership of other parts of the partnership.

³ Initial membership will be drawn from the current Economic Strategy Advisory Panel, the Employment & Skills Board, and the Gloucestershire First Partnership Board