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##### Cheshire and Warrington Local Enterprise Partnership

**Overview and Scrutiny Committee**

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| **Title: Review of Private Sector Engagement – Scoping Document** | **Agenda Item: 5** |
| **Prepared by: Julian Joinson, Principal Democratic Services Officer, Warrington Borough Council for the Cheshire and Warrington Local Enterprise Partnership** | **Date of Report: 7 June 2018** |

1. **Executive Summary**

This report is intended to provide some background information to enable the Committee to scope its review of effective engagement of private sector stakeholders by C&WLEP

1. **Recommendations /Actions Requested**

To approve the scope, methodology, resources and timescales for the review of effective engagement.

1. **Details**
2. **Background**
   1. The role of the LEP is to promote and deliver strategic economic development across the sub-region, in a way that is sustainable and which benefits as many local communities as is possible. It undertakes this using funding from a variety of sources, including local authorities, DCLG, BEIS, Growing Places Fund, Local Growth Fund, Enterprise Zone funding and various European Monies. The detailed delivery of its aims are currently being programmed through a number of underpinning strategies and plans, which will focus on the following areas:-

* Transport;
* Skills and Education;
* Energy;
* Quality of Place;
* Digital;
* Housing; and
* Science and Innovation
  1. Effective engagement with key stakeholders is essential to providing the right infrastructure, skilled workforce and economic conditions necessary to respond to and support local businesses in the immediate and longer term.

1.3 The Committee, at its first meeting, has already identified engagement as a key review theme for it to pursue. The Committee has expressed an interest in understanding how successful the LEP is in communicating with the private sector and, in particular, with small and medium enterprises (SMEs), who might have less of a profile within the work of the LEP as compared to large scale or multi-national businesses. It is envisaged that a fresh insight into stakeholder engagement will be particularly valuable to the LEP as it seeks to better understand those who benefit from its economic development activities and who may use its business services directly.

1. **Engagement**

2.1 The refreshed Strategic Economic Plan (SEP), published in July 2017, indicates the LEP’s commitment to engagement, expressed in the following terms:

“The LEP team has already engaged widely as part of the refresh process and will continue to do so as we move forwards, making sure that the SEP is a ‘living document’. Ensuring that the ‘voice of business’ is heard and properly reflected in strategy and policy is a key role for the LEP and one which we continue to take seriously.”

Central to delivering the SEP is the need to understand what it is that businesses are most concerned about and how the LEP can make a difference.

2.2 The LEP’s business demography analysis has found that the LEP is home to 150 large, 590 medium, 3,365 small and over 32,000 micro enterprises.

2.3 The LEP should consider how it will engage across the full spectrum of businesses, which are listed below, based upon the main private sector Standard Industrial Classification (SIC) codes:-

* Arts, entertainment, recreation and other services;
* Agriculture, forestry & fishing;
* Production;
* Construction;
* Motor trades;
* Wholesale;
* Retail;
* Transport and Storage (inc. postal);
* Accommodation and food services;
* Information and communication;
* Finance and insurance;
* Property;
* Professional, scientific and technical; and
* Business administration and support services.

It may, therefore, be necessary to understand the market share of each of these sectors to understand the where best to target any engagement activity.

1. **Legislation and Guidance**

3.1 The LEP is required to carry out engagement with the business sector on the SEP and the various supporting policies being developed. The National Accountability Framework (revised November 2016) requires LEPs to:-

* ensure that there is ongoing local engagement with public and private sector stakeholders to inform key decisions and set out how they will evidence effective engagement;
* ensure that there is local engagement with and feedback to the general public about future Local Enterprise Partnership strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced;

3.2 CWLEP’s Growth Programme Assurance and Accountability Framework (revised 22 February 2018) states that:-

“The CWLEP will ensure that it continues to engage members of the public and other key stakeholders in the development of its key strategies and investment priorities. The nature of this engagement will be set out in the CWLEP Stakeholder Communications Plan.”

3.3 A report by Centre for Local Economic Strategies (CLES) and Federation of Small Businesses (FSB): *The Future of Local Enterprise Partnerships: The Small Business Perspective* (September 2014) presented the findings of a study undertaken into the relationship between SMEs and LEPs. It noted that small businesses were crucial to the UK economy in terms of jobs, output, and growth and that LEPs were the vehicle chosen by Government in England to stimulate jobs and growth at the sub-national level. Yet its findings suggested that small business involvement in LEPs had been questionable in many areas.

3.4 The CLES/FSB report recommended, *inter alia*, that:-

“All LEPs should have a clearly defined mechanism for facilitating communication between the board and the small business community. This should include a named individual on the board with responsibility for small business issues. Such an individual would be expected to have relevant experience and the demonstrable support of the local small business community.”

3.5 Rt Hon Sajid Javid MP, in a speech on 28 March 2017, to leaders of Local Enterprise Partnerships (LEPs) about the important role they have to play in growing the UK economy, said:-

“…as you look at the opportunities for expansion and diversification, it’s important that you don’t neglect the basics. For example, there are still too many businesses, well over half in fact, who say they’re not aware of their LEP. And of course there’s also a difference between a dim awareness and active engagement.

I hear a lot of positive feedback from businesses, particularly larger ones, about the support they get from LEPs and the growth hubs you’ve created. But I want you to ask yourselves whether you’re doing enough to communicate with smaller businesses, with those outside the LEP bubble.

Are you talking to people who don’t have a lobby group to speak for them?

Are you meeting the needs of everyone in your area, or just the ones who reach out to you?...”

1. **Where C&WLEP Engages Well**
   1. At the very simplest level it could be argued that engagement with the various sectors is built into the LEP Board by the appointment of representatives of key sectors. There are currently 15 members of the Board and this number has increased from the original 8 representatives, as the role and statutory responsibilities of the LEP have developed over time. The current membership has a range of experience drawn from diverse sectors as follows:-

* Motor industry;
* Local authorities;
* Technology and innovation;
* Pharmaceuticals;
* Agriculture;
* Education;
* Regeneration;
* Youth services;
* Legal services;
* Telecommunication;
* Transportation; and
* Leadership consultants

4.2 As part of its private sector engagement activities the LEP has held business breakfasts for the sector. C&WLEP has also delivered presentations at appropriate business events. Furthermore, direct consultation has been undertaken with a few specific businesses or sectors.

4.3 Business Support and SME growth is a core element of the growth plan. The LEP has made good progress in bringing together all the representative business organisations to form a fledging federation.

4.4 Direct support to the business sector has largely been via the Cheshire & Warrington Growth Hub. Since September 2016 the Growth Hub, has been operated on behalf of the LEP by Blue Orchid Enterprise Solutions Ltd. The Hub provides a First Stop Shop to provide impartial, clear and expert support to help local businesses get the best support and advice, for both start up business and those wishing to grow. It provides and also co-ordinates the wide range of business offers and funding opportunities across Cheshire and Warrington and aims to connect local businesses with high quality support from local professional businesses, local and national government and academia.

4.5 The contract with Blue Orchid expired in March 2018. However, Government funding is likely to be available until 2022. The LEP Board has decided that it would like to bring the business advice portal physically and legally inside the LEP, with the objective of creating a well-known and trusted portal for business support, co-ordinating activity, making referrals and capturing local intelligence. It will, therefore, be necessary to disaggregate Blue Orchid’s business advice portal from their other activities and transfer these into the LEP. One advantage of the proposed new arrangements is that the LEP should have better access to direct feedback about what types of queries are being raised by SMEs.

4.6 The LEP could also learn from its past experiences, such as the good practice in relation to sector specific engagement during the development of its Skills and Education Plan, which included a full programme of meetings and workshops with universities, colleges, University Technical Colleges, secondary schools, local authorites, businesses, other training providers Careers Enterprise Company, National Apprenticeship Service, Inspiration Advisors and Federation of Small Businesses. Additionally the LEP is already beginning to carry out engagement to develop its Local Industrial Strategy at the Cheshire & Warrington Annual Conference on 15 June 2018.

4.7 In some instances engagement can be made directly with interested groups by virtue of the LEP having its own Board Members appointed to external bodies. For example, a Member of the LEP Board serves on the Board of Warrington and Co., Warrington’s economic development and urban regeneration partnership.

4.8 The C&WLEP website “871” has been significantly improved in recent years and now includes a section clearly aimed at Helping Business. The site signposts businesses to information on the following:-

* Cheshire and Warrington Growth Hub;
* Apprenticeships;
* Cheshire Science Corridor Enterprise Zone; and
* Exports.

In addition there is clear a News section which includes information on Cheshire and Warrington, on the LEP itself and blogs from key personnel. However, the potential to make the most of the website could be further explored.

1. **Where C&WLEP does not Engage Well**

5.1 There are a number of areas where C&WLEP could potentially do more to support businesses, particularly in the areas of inward investment and in promoting international trade. C&WLEP’s website includes a link to the Department for International Trade’s webpages, but there may be a case for a more local LEP led offer. Options for these issues have not yet been fully explored with the sector.

5.2 Although the membership of the LEP Board include a wide cross-section of experience (see paragraph 4.1), a valid question might be whether those individuals are in touch with and communicate effectively across the various networks of their wider sector colleagues. It may be that Board members are only able to effectively speak from the perspective of their own interests. Potentially, there will be a mixture of approaches to engagement across the Board. A survey of Board Members could identify the extent to wish Members themselves believe that they are effective spokespersons for the sector and a Member Development session aimed at improving awareness of and techniques for cascading information could be one possible solution. Strengthening job descriptions for any new appointments to the Board by including the need for a commitment to sector specific engagement might also lead to improved communications.

5.3 The LEP has not yet developed a formal Stakeholder Communications Plan, which would help to clarify its aims and ambitions, as well as identifying any gaps in relation to how it engages with both public and private sector stakeholders. This could be a key piece of work for the soon to be appointed PR and Communications Manager post, which is currently vacant. A strong vision about how communication with stakeholders will be developed and maintained will help to ensure that all groups are included in future strategic planning and access to direct services. Making the most of links to press and sector specific periodicals could also help to raise the profile of the LEP locally and Cheshire and Warrington nationally. The opportunity to raise the profile of the LEP through sponsorship, eg. Cheshire Business Awards, could also increase its profile. Making best use of the News section of C&WLEP’s website would also help to ensure that news and information gets disseminated quickly to stakeholders.

5.4 The potential to improve links to representative groups such as the Chambers of Commerce and the Federation of Small Businesses perhaps needs to be explored.

1. **Scope of Review**

6.1 To consider how C&WLEP can ensure that its engagement activities with private sector businesses are effective.

1. **Key Lines of Enquiry**

* What sort of engagement should the LEP have with the private sector?
* How active should the LEP be at seeking the views of the private sector?
* How might the LEP ensure that it is obtaining views across all relevant sectors?
* How should LEP Board members demonstrate that they are representative of and provide feedback to their sector?
* What level of resources should the LEP commit to engagement of the private sector?
* How should the LEP ensure that its brand is recognised consistently across the sub-region by all sectors and that its multi-faceted role, is understood?
* Are there any elements of the LEPs role that need to be targeted to specific sectors, either as a strategic planner or as a source of advice or funding?
* What opportunities will arise from the planned inclusion of the Growth Hub within the LEP structure?

1. **Methodology**

* Interview the Chief Executive of C&WLEP;
* Identify business sectors which are significant in Cheshire and Warrington;
* Identify the business sectors the Committee feels that the LEP may not be fully engaging with;
* Carry out a survey of SMEs to check their awareness of the LEP is, role and services and how they might prefer to engage (consider from where the Committee might obtain a list of e-mail addresses of relevant businesses);
* Consider good practice by LEPs elsewhere;
* Consider how Cheshire East, Cheshire West and Chester and Warrington Borough Council carry out engagement with businesses and whether LEP activities can be dovetailed in.
* Carry out a survey of LEP Board member’s perceptions of their own engagement activity.

1. **Resources**

* Market share - [Economic and Resident Baseline Appendix](http://www.871candwep.co.uk/content/uploads/2017/07/Appendix-Revised-March-2017-compact.pdf)
* CLES/FSB Report: [The Future Of Local Enterprise Partnerships: The Small Business Perspective (September 2014)](https://cles.org.uk/wp-content/uploads/2014/09/FSB-MAKING-LEPS-SUPPORT-SMALL-BUSINESS-BETTER-Report-SEPT14.pdf)
* Cumbria LEP - [Engagement Strategy](http://www.thecumbrialep.co.uk/wp-content/uploads/2018/02/Appendix-17-LEP-Engagement-and-Communications-Strategy.pdf)
* Hertfordshire LEP – [Communications Strategy](https://cmis.hertfordshire.gov.uk/Hertfordshire/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=Q6DL%2FuKmXyWEg40a1nQQ34Z1DmSVDEX2iMTnqeDBmOEVeUXhHIZQdw%3D%3D&rUzwRPf%2BZ3zd4E7Ikn8Lyw%3D%3D=pwRE6AGJFLDNlh225F5QMaQWCtPHwdhUfCZ%2FLUQzgA2uL5jNRG4jdQ%3D%3D&mCTIbCubSFfXsDGW9IXnlg%3D%3D=hFflUdN3100%3D&kCx1AnS9%2FpWZQ40DXFvdEw%3D%3D=hFflUdN3100%3D&uJovDxwdjMPoYv%2BAJvYtyA%3D%3D=ctNJFf55vVA%3D&FgPlIEJYlotS%2BYGoBi5olA%3D%3D=NHdURQburHA%3D&d9Qjj0ag1Pd993jsyOJqFvmyB7X0CSQK=ctNJFf55vVA%3D&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNJFf55vVA%3D&WGewmoAfeNQ16B2MHuCpMRKZMwaG1PaO=ctNJFf55vVA%3D)
* Black Country LEP – [Strategic Marketing and Communications Plan (draft)](https://www.blackcountrylep.co.uk/upload/files/Assurance%20Framework/2017%20appendices/Appendix%2030%20-%20BC%20LEP%20MarComms%20Strategy%20-%20DRAFT.pdf)

1. **Timescales**

10.1 The Committee would need to conclude its review and develop any recommendations by no later than its meeting on 6 September 2018 to report to the LEP Board and to feed into the work of the new PR and Communications Manager.

1. **Conclusion**

11.1 External engagement is central to the role of the LEP. The Committee’s findings will assist the Board to ensure that its methods of engagement are responsive and inclusive of all sectors, and underpin both its strategic planning activities and its operational decisions and direct services offer.