



## Northamptonshire County Council

25<sup>th</sup> August 2010

Dear Colleague

We are both proud and excited to attach Northamptonshire's 'Strategic Outline Business Case' for a Local Enterprise Partnership - **The Crossroads of England** which we are submitting to Government today.

As you will read Northamptonshire's submission is a world-leading offer in both high performance engineering and motorsport. We are the national centre for distribution and logistics. Our unique location at the hub of national infrastructure connections and economic arteries, and our potential to build on innovation is at the core of this offer to Government. Our innovative 'enterprise hub' concept combined with the ability to harness the growing potential of the Crossroads of England and maximise the input to the United Kingdom will ensure Northamptonshire's submission meets Government demands for a dynamic and significant LEP.

Our well established delivery mechanisms and robust partnership frameworks point to our strong history of delivering large scale growth. The submission articulates our ability to provide strong strategic leadership from both the public and private sector, key to motivating and creating the necessary conditions for a stronger and more competitive economy, capable of sustained growth.

Northamptonshire is ready to go. Our county submits the Crossroads of England with the confidence of an innovator at the forefront of the Coalition's ambitions for a successful economy.

Yours faithfully

**Jim Harker**  
Leader of the Council

**Milan Shah, President**  
Northamptonshire Chamber of Commerce

**Paul Blantern**  
Chief Executive

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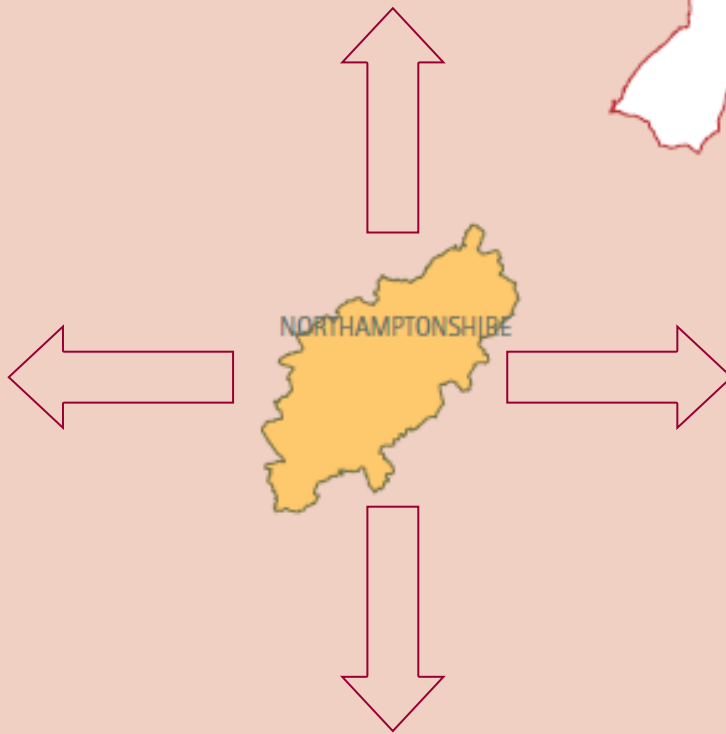
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Northamptonshire  
County Council



# Northamptonshire: Crossroads of England Local Enterprise Partnership Outline Business Case



**August 2010**

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## Crossroads of England: Headlines

- A world-leading offer in high performance engineering and motorsport centred around Silverstone and the national centre for distribution and logistics
- A unique location at the hub of national infrastructure connections and economic arteries, and the potential to build on innovation
- An innovative 'Enterprise Hub' concept with the ability to harness the growing potential of the Crossroads of England and maximise the input to UK plc
- Established delivery mechanisms with robust partnership frameworks with a strong history of delivering large scale growth
- Strong strategic leadership from both the public and private sector with the motivation to create conditions for a stronger and more competitive economy, capable of sustained growth
- Backed by a strategic planning framework - the Northamptonshire Arc
- Appropriate resources and skills are in place to demonstrate commitment and capacity to deliver
- We're ready to go



## Executive Summary

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### Northamptonshire: The Crossroads of England

This submission sets out the Strategic Outline Business Case for a Local Enterprise Partnership for Northamptonshire called '**The Crossroads of England**'.

Northamptonshire occupies a unique location at the hub of national infrastructure connections and economic arteries and is surrounded by no less than ten upper tier authorities. The county has previously been designated as a National Growth Area for housing, accommodating growth pressures from London and the Greater South East. It is the fastest growing area in the country, with a population that is set to increase from 690,000 to 880,000 by 2026. Significant amounts of new housing and commercial development already have planning permission. There is also increasing interest from major businesses and potential investors in the area.

Northamptonshire is well placed to help lead and sustain an economic recovery as the core of a new '**Enterprise Hub**', a group of neighbouring Local Enterprise Partnerships working in collaboration. This



will require continued effective partnership working between the private and public sectors, and with the support of central Government.

This Strategic Outline Business Case is founded on the principle that Local Enterprise Partnerships need to provide the strategic leadership necessary to create the conditions for a stronger and more competitive economy which is capable of sustained growth. The intention is to move away from traditional administrative boundaries and constraints towards a new economic geography that provides national and world offers through local direction and governance. To do this they must be 'fit for purpose' i.e. not 'talking shops' and bring together economic activity in a way that provides added-value and opportunities that otherwise would not be realised.

Northamptonshire has recognised the need for a single overarching policy framework to help create buoyant economic conditions through the '**Northamptonshire Arc**' concept. This is a locally owned and innovative 'place-based' approach which will help to guide future plans and investment decisions on economic development, regeneration, transport, climate change and other activities. Three thematic outcomes underpin the Northamptonshire Arc, help to inform priority setting and provide the basis for transformational change. These are:

- Improved connectivity
- Leadership on climate change and biodiversity
- A stronger and greener economy

### The Crossroads of England

This part of England benefits from a unique central strategic location at the hub of national infrastructure connections, communications and networks. As a result, it is often referred to by industry, as the **'Golden Triangle'** for distribution and logistics. The area has a world-class reputation in high performance engineering and research, particularly centred on motorsport and on Silverstone, the venue for the British Grand Prix, and is widely acknowledged as being the centre of England's **'Motorsport Valley'**. The presence of a strong academic offer and industry-based innovation centres mean that it is well-placed to be a leader in the growth of emerging sectors such as low-carbon technologies and sustainable construction. The locality also has substantial housing and other development opportunities to support economic recovery ready to go with the new Local Enterprise Partnership as a catalyst.

Figure 1: Local Enterprise Partnership Economic Geography



LEP Economic Geography	
Potential LEP cooperation areas	
Strategic links	
	Roads M1, M40, M6, M42, M69, A14, A45, A1, A43, A42, A47, A5, A6
	Railways East Coast Mainline, West Coast Mainline, Midland Mainline
High Performance Engineering	
	International racing circuit Silverstone
	Other racing circuits Donington, Mallory Park, Rockingham
	Motorsports engineering Mercedes (Brackley), Cosworth (Northampton), Ilmor (Brixworth), Aston Martin (Gaydon), Jaguar (Coventry)
Innovation	
	Academic centres of excellence Universities of Leicester, De Montfort, Loughborough, Coventry, Warwick, Northampton and Moulton College,
	Innovation Centres iCon (Daventry), Space Centre (Leicester), Transport iNet (Loughborough), Portfolio Centre (Northampton), PERA (Milton Mowbray)
International assets	
	Airports East Midlands, Coventry, Luton, Birmingham
	NEC
	Tourism Warwick Castle, Stratford upon Avon, Althorp,
Logistics	
	Logistics DIRFT, Eurohub, Hams Hall, Magna Park

### **Enterprise Hub concept**

The Strategic Outline Business Case also recognises the **wider economic synergies and business connections** that extend beyond Northamptonshire's administrative boundaries, particularly into Leicestershire and Warwickshire as a potential core hub for economic development. These are listed below. These areas are submitting separate LEP proposals, but both these, and other neighbouring areas recognise that strong inter-relationships exist and that a co-operative effort and co-ordinated approach is needed to maximise economic growth potential.

The Enterprise Hub concept will enable the potential core area partners of Northamptonshire, Leicestershire and Warwickshire to work together to harness the unique potential that their location at the crossroads of England offers. Agreement has also been reached with other neighbouring Partnerships to pursue other opportunities to work together where there are mutual benefits.

Existing partnerships will be maintained and enhanced. For example, Northamptonshire is already working with Cambridgeshire on a local government shared services arrangement and with Milton Keynes on a waste partnership.

The economy of the south of the county also has strong links with areas to the south and the Greater South East.. These links will be enhanced through close partnership working.

**Economic strengths of the Crossroads of England Local Enterprise Partnership and synergies with the potential wider core area**

1. Crossroads of England has a population of 690,000 rising to 880,000 by 2026 and an economy worth £13.5bn (for 2007). Including the potential wider core localities this would create a critical mass with a current population of almost 2.5m (in 2009) and an economy of £53.2bn
2. An unique location at the intersection of the UK's two priority Trans European Networks (Transport) i.e. the High Speed Train Paris-Bruxelles-Koln-Amsterdam-London route & the West Coast Main Line and the Ireland-UK-Benelux road link which includes the A14
3. Part of the potential route of High Speed Rail 2 linking London, Heathrow and Birmingham
4. Diverse economic structure not overly reliant on any one sector
5. Strong trade links with the fast growing economies of South East Asia (including a China trade bureau and cultural and business links with India)
6. 'Golden Triangle' recognised as of national importance for distribution and logistics
7. Acknowledged world-class offer in high performance engineering and car manufacturing with leading companies such as Aston Martin, Jaguar and Mercedes HPE all based in the area
8. World-class motorsport offer, at the heart of the UK's 'Motorsport Valley®' and home of the British Grand Prix
9. Growing reputation in green car and other environmental technologies
10. 'Sector-based' innovation centres (including sustainable construction at Daventry in Northamptonshire and transport at Loughborough in Leicestershire)
11. Top performing universities (including De Montfort, Leicester, Loughborough and Warwick)
12. Strong and improving Further Education sector
13. Important agricultural sector for local food production
14. Leading area for food and drink manufacturing and supply with leading brands including Alpro, Weetabix, Coca Cola Schweppes, Carlsberg (all in Northamptonshire), Walkers Crisps (in Leicester) and KP snacks (Ashby-de-la-Zouch in Leicestershire)
15. Excellent track record on delivering development and growth as a National Growth Area
16. Leading edge approach to public engagement (You Choose) and strong links with the voluntary and Third Sector



The Enterprise Hub and the Crossroads of England Local Enterprise Partnership would bring together business acumen, energy and experience with the creative and innovative drive of the academic sector coupled with the leadership, resources and accountability of local government and the public sector. This will help secure real improvement in economic performance through local decision-making, leadership and public accountability in line with the 'localism' agenda.



**New Pit and Paddock complex (under-construction), Silverstone Northamptonshire**

The potential economic benefits of this approach are significant. They include **a new and stronger relationship with business, a more efficient use of public resources through streamlined delivery and joint commissioning, reduced bureaucracy and red-tape, and increased flexibility and accountability at the local level.** This will help to deliver real and sustainable economic growth and regeneration across the area far more swiftly and effectively than under current arrangements.

### The 'big offer' for business

1. Locally developed and flexible approaches founded on collaborative working and a shared vision for, and approach to, sustainable economic growth
2. A locally focused emphasis on skills and business support
3. Through the Northamptonshire Arc a joined-up investment plan will be developed which identifies and prioritises infrastructure, investment, actions and activities. This includes energy supply, transport and broadband connectivity
4. Incentives and revenue streams for economic investment and innovative funding mechanisms
5. Strengthened international connections and trade with overseas markets
6. Simplified interface with the public sector and reduced red-tape which will speed-up processes (e.g. easing the burden for businesses by removing the need to deal with multiple planning authorities and agencies)
7. An industry-led approach on key strategic economic themes (e.g. Freight Transport Association leading on logistics and distribution)
8. Greater local opportunities for shared services and procurement
9. Better opportunities to secure external investment, including Government and European funding
10. Support for local businesses to expand and develop
11. Economies of scale in marketing, attracting the right skills and inward investment (e.g. Northamptonshire Let Yourself Grow campaign)

The Enterprise Hub, through the Northamptonshire Crossroads of England LEP, and its potential core partners of Leicestershire and Warwickshire, would focus on creating a critical mass building on local strengths across the wider economic area in order to provide added-value and make a real difference. Such opportunities could include enhancing strategic infrastructure connections, High Performance Engineering & Motorsport, Distribution & Logistics, external investment and international trade.

**The 'wider offer' to Government and UK plc**

1. A new national 'Enterprise Hub' for business and innovation
2. National lead for High Performance Engineering & Motorsport, including the commissioning and delivery of interventions promoting growth in this sector
3. National lead for promoting innovation and a shift to low-carbon in the Distribution & Logistics sector with the Freight Transport Association
4. 'Test-bed' for sustainable construction and green car technologies
5. New innovative funding mechanism
6. Pilot for sustainable development building on our excellent track record of delivery

As part of the Local Enterprise Partnerships there will be a Local Commissioning Body. In Northamptonshire, this would build on the current Northamptonshire Enterprise Ltd model which involves a public/private sector board chaired by the private sector. Local delivery structures, including economic development which is currently led by Northamptonshire Enterprise Ltd, would be

aligned with other delivery arrangements and programmes to remove duplication, save money and deliver better results. Initial estimates indicated that aligning delivery and planning activities could save up to £5m per annum. Positive steps have already been made by Northamptonshire Enterprise Ltd and the West Northamptonshire Development Corporation towards more collaborative working in order to save money and deliver better results. The Crossroads of England Local Enterprise Partnership will create a single delivery vehicle for economic development and spatial planning for the whole of the area where currently there are many.



### **Operational arrangements for the Local Enterprise Partnership**

*Board – strategic leadership and joint working with other LEPs*

1. Promoting strategic infrastructure improvements
2. Sector support e.g. high performance engineering & motorsport and distribution & logistics
3. Facilitating international trade
4. Co-ordination of strategic economic activities in order to avoid duplication of efforts
5. Strategic oversight of economic performance and development
6. Guidance on targeted investment

*Local Commissioning – place-based local accountability and commissioning*

1. Setting local priorities
2. Targeting business investment and support
3. Encouraging innovation and enterprise
4. Strengthening the academic offer and aligning skills and training with local business needs
5. Regeneration and infrastructure investment, including energy supply
6. Tackling long term unemployment, worklessness and economic inclusion
7. Place marketing and inward investment
8. Joint commissioning of shared services

*Collaborative Delivery – single approach*

1. Aligning existing delivery arrangements
2. Streamlined processes to reduce red tape
3. Procurement of service delivery
4. Programme and project management
5. Performance management and review
6. Pooled resources and funding

### **Design principles**

1. Activities will be delivered via the Commissioning Body
2. Joint commissioning will be undertaken where it makes sense, for example to create a critical mass and to ensure that the area can compete on an equal footing with other large economic areas when it comes to having a voice on strategic matters, securing Government and private investment and supporting business and external trade.
3. The Local Enterprise Partnership Board would have equal representation between business and the public sector and be chaired by a leading business figure.
4. Funding would be devolved to the Commissioning Body. This would be supported by Northamptonshire County Council as the upper tier authority, strategic lead and the 'accountable body' for funding.
5. Arrangements will reflect local sovereignty on matters such as local planning and transport and hence remove any necessity for new legislation.
6. Local delivery arrangements will be reviewed to align activity and programmes, remove duplication, reduce bureaucracy and costs and deliver better results.
7. An 'Enterprise Hub' concept will be established for business and innovation. It would operate virtually and not as a separate organisation or employer, therefore avoiding the need for legislation and complicated bureaucracy

The principle of a Crossroads of England Local Enterprise Partnership and working through an Enterprise Hub with potential core partners of Leicestershire and Warwickshire has the support of both the local business community in Northamptonshire and the Northamptonshire Public Service Board. This includes Northamptonshire County Council, the borough and district councils, police, health sector, the voluntary sector and the business community.

The Crossroads of England Local Enterprise Partnership is well placed to create the conditions for sustained economic growth and in a good state of readiness to deliver on the necessary activities. We are already aligning the appropriate resources and skills in order to demonstrate commitment and capacity to deliver.

#### **Commitment, capability and competence to deliver**

1. Local business support including the Northamptonshire Chamber of Commerce and Industry, Institute of Directors, Freight Transport Association and Federation of Small Businesses
2. Local public sector and Third Sector support, via the Northamptonshire Public Service Board
3. Commitment of funding and support from Northamptonshire County Council and its strategic partners
4. Strategic commercial partner in place to help on a range of deliverables and prepared to commit expertise and resources alongside local government
5. Established track record of being innovative and investing alongside private enterprise e.g. £10m Northamptonshire County

Council loan to Silverstone Holdings and a further commitment of £300k per annum for the next five years and the Fit for Market programme which provides a stimulus for commercial development (investments to date of £16m will bring in over £117m through wider leverage)

6. Links with potential developers already established and a track record of delivering infrastructure economic development and growth
7. Public-private sector capital programme delivery unit already established to implement major projects
8. Asset utilisation strategy already developed
9. Economic development and regeneration skills and capacity already in place
10. Single accountable body capacity for strategic finance and performance already in place and operational

Although there is a commitment to new ways of working through the Local Enterprise Partnership, the ability to achieve its full potential will require the support of the Coalition Government. This will be needed to help with the transition from RDAs to Local Enterprise Partnerships and the package of reforms which are being brought forward by the Coalition Government.



Innovation Centre

### **'Asks' of the Coalition Government**

1. Better alignment of investment by Government departments and national agencies with local priorities as part of a 'Place-based' approach
2. Provision for real delegated local decision-making on investment and infrastructure priorities
3. The transfer of appropriate assets held by the RDAs
4. Delegation of appropriate functions currently provided or commissioned by the RDAs, such as skills, business support and sector leadership
5. Support the promotion of the Northamptonshire Arc concept as a replacement plan for the Regional Spatial Strategy at the local level
6. The Crossroads of England Local Enterprise Partnership to be a pilot for the Enterprise hub concept, new forms of sustainable development and associated innovative funding mechanisms
7. The power to allow the retention and hypothecation of increases in local tax revenues in order to finance capital investment
8. Recognition as the national lead for High Performance Engineering & Motorsport, including the commissioning and delivery of interventions promoting growth in this sector
9. Recognition as the national lead for promoting innovation and a shift to low-carbon in the Distribution & Logistics sector with the Freight Transport Association
10. Modest pump-priming funding/match-funding to enable transformational activities to commence
11. Further discussions to help deliver the Crossroads of England Local Enterprise Partnership concept and related deliverables

### **Next Steps**

This is an iterative process and it marks the start of a significant shift in responsibility, accountability and power from the national and regional level to the local level. It also marks the start of a much closer relationship between local business and local government.

Further details would be developed through continuing discussions with the business community, local authorities, the academic sector, the Third Sector and Government on the basis of the principles set out in this document and further Government policy and guidance, including White Papers which are expected later in the year. It is anticipated the shadow arrangements could be in place by April 2011 with the transition concluded by April 2012.

# 1. Introduction

## Northamptonshire

Northamptonshire occupies a key location at the heart of the country and at the crossroads of many of the major strategic networks. It is already the fastest growing county and its population is forecast to increase further from 690k to 880k by 2026. Significant amounts of new housing and commercial development already have planning permission and there is increasing interest from major businesses wishing to take advantage of its strategic location and investment opportunities.

Northamptonshire is well placed to help lead and sustain an economic recovery. However, this can only happen if the public and private sectors work closely together, with the support of Government.

In Northamptonshire, the policy context for the Local Enterprise Partnership and future investment decisions will be provided by the **Northamptonshire Arc** spatial framework. The Northamptonshire Arc is a new document which provides a joined-up approach in creating a strategic policy context for future

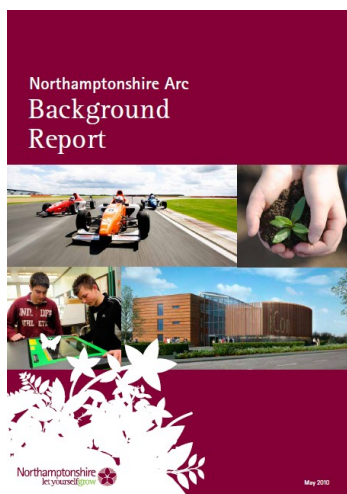
planning decisions on transport, economic development, environmental and other planning and investment decisions.

This is a new style plan and has been widely welcomed by the local business community and other local economic stakeholders. Three thematic outcomes underpin the Northamptonshire Arc and are crucial to the goal of a cleaner, greener and more prosperous county. These are:

1. Transformed connectivity
2. Leadership on climate change and biodiversity
3. A stronger and greener economy

Underpinning these outcomes are strategic priorities and interventions. Together these represent a single and shared 'Transformational Agenda' for Northamptonshire. There are a number of key projects to meet each outcome. For example, fundamental to improved external connectivity and generating growth through jobs and opportunities are the four nationally-led projects: HS2 High speed rail, upgrades to the Midland Mainline, M1 improvements and investment in the A14.

In spatial terms, the Arc represents a broad corridor running approximately south-west to north-east from Northampton, encompassing the larger towns of Daventry, Towcester, Kettering, Corby, Wellingborough, Rushden, Thrapston and Oundle. As a 'cluster' of intrinsically linked centres, it has the potential to provide an outstanding location to live and offers a diverse choice of employment opportunities, many at the leading edge of



their sector.

Northampton will become a major regional economic centre sitting between the World City of London and Birmingham. The Northamptonshire Arc recognises Northampton's growth offer and its potential role as a regional economic centre. It also recognises the benefits that this can bring to the wider Arc area. It is intended that Northampton will gain a reputation as a place with a thriving riverside providing the focus and heart for its surrounding network of neighbouring communities. It will be at the cultural heart of this region and fulfil a role as the leading retail, entertainment and employment, health and learning centre based on a thriving and growing economy and proud of its theatres, museums and professional sports teams.



Castle Station, Northampton

Having this clear plan in place will help to ensure that the Local Enterprise Partnership is not a talking shop, but is outcome focused.

### **Wider Potential Core Area**

Whilst recognising key economic opportunities within the county, Northamptonshire has been

keen to explore opportunities to develop closer relationships with surrounding areas. There have been a series of constructive discussions around potential LEP geographies and the advantages that a collaborative approach could bring.

Northamptonshire is bordered by ten upper tier authorities meaning a large number of potential partners.

A number of proposals have been considered by partners, and many authorities have shown an interest in developing relationships with other neighbouring authorities.

Building on the wider economic synergies and business connections that extend beyond Northamptonshire's Administrative boundaries, an **Enterprise Hub concept** has been developed. These areas are submitting separate LEP proposals, but both these, and other neighbouring areas recognise that strong inter-relationships exist and that a co-operative effort and co-ordinated approach is needed to maximise economic growth potential.

The Enterprise Hub concept will enable the potential core area partners of Northamptonshire, Leicestershire and Warwickshire to work together to harness the unique potential that their location at the crossroads of England offers. Agreement has also been reached with other neighbouring Partnerships to pursue other opportunities to work together where there are mutual benefits. Existing partnerships will be maintained and enhanced. For example, Northamptonshire is already working with

Cambridgeshire on a local government shared services arrangement and with Milton Keynes on a waste partnership.

### **This submission**

This submission document sets out a strategic outline business case to Government for a Local Enterprise Partnership for Northamptonshire (titled the '**Crossroads of England Local Enterprise Partnership**'). It represents Northamptonshire's response to the Government's invitation to local authority leaders and business leaders to work together to strengthen local economies.



The Guildhall, Northampton

Although the submission is principally focused on Northamptonshire, the strategic outline business case recognises the economic synergies and business connections that extend beyond Northamptonshire, particularly into **Leicestershire and Warwickshire**. It also recognises the need to continue to have the flexibility to work with other surrounding areas, and the benefits of a collaborative approach.

As this is an outline business case it does not go into detail on future activities. Instead, it outlines what the main purpose, functions and activities of the Crossroads of England Local Enterprise Partnership would be, and extols the benefits of collaborative working arrangements.

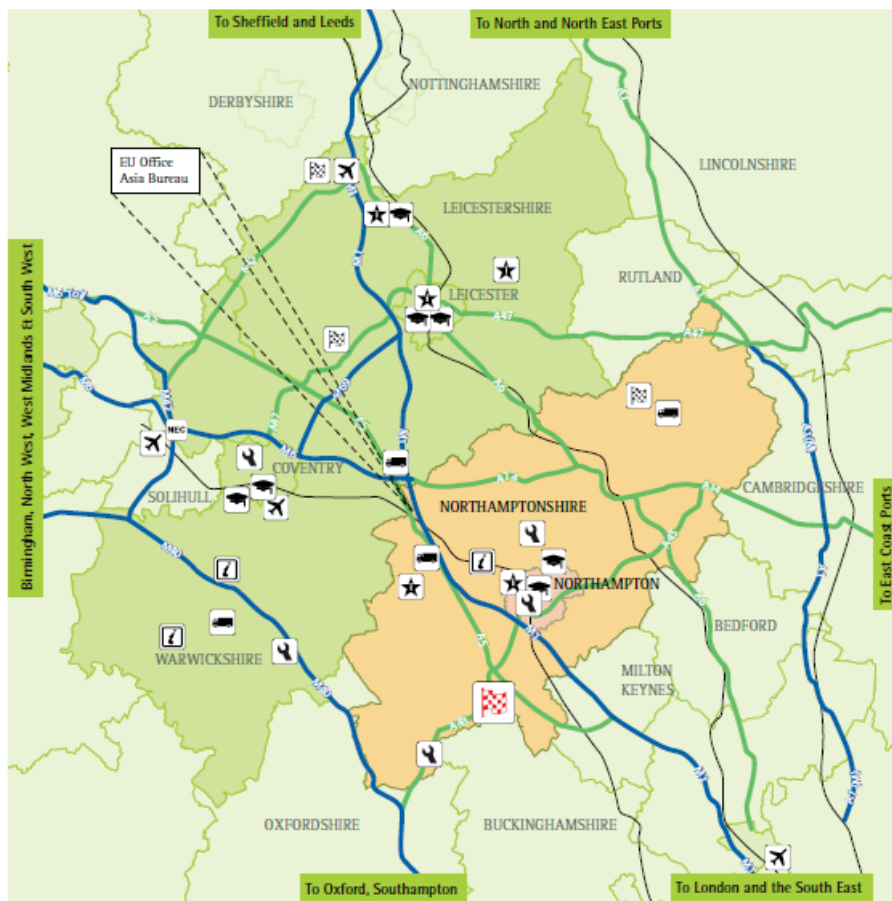
The submission outlines the design principles which underpin the proposed governance and operating arrangements, the key funding mechanisms which would be employed, and some 'asks' from Government which would be necessary for the Local Enterprise Partnership to support business and sustained growth. It also outlines the next steps in the process.



### 3. Economic geography and rationale

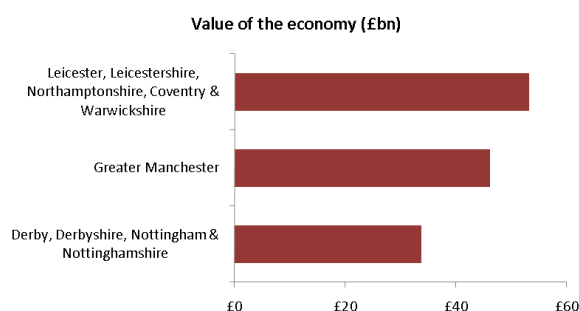
Including the potential wider core localities, the wider economic area has a current population of 2.5m (Leicester (305k, Leicestershire 645k, Northamptonshire 684k, Warwickshire 535k and Coventry 313k). This is projected to grow to approaching 3m by 2031. This figure could be reached even sooner as the official Government projections do not take account of growth which is already planned in Core Spatial Strategies or which has planning permission

Figure 1: Local Enterprise Partnership Economic Geography



LEP Economic Geography	
Potential LEP cooperation areas	
Strategic links	
	Roads M1, M40, M6, M42, M69, A14, A45, A1, A43, A42, A47, A5, A6
	Railways East Coast Mainline, West Coast Mainline, Midland Mainline
High Performance Engineering	
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International assets	
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	Tourism Warwick Castle, Stratford upon Avon, Althorp,
Logistics	
	Logistics DIRFT, Eurohub, Hams Hall, Magna Park

The latest official figures indicate that the value of the economy of this potential wider core area was £53.2bn in 2007 (Leicester £6.2m, Leicestershire £12.3m (NB includes Rutland), Northamptonshire £13.5m, Coventry £5.8m and Warwickshire £10.3m). These figures indicate that this economic area is larger than both Greater Manchester and the Derby, Derbyshire, Nottingham and Nottinghamshire area.



Shared economic drivers, linkages and interests across the potential wider core area reflect:

- Crossroads of England has a population of 690,000 rising to 880,000 by 2026 and an economy worth £13.5bn (for 2007). Including the potential wider core localities this would create a critical mass with a current population of almost 2.5m (in 2009) and an economy of £53.2bn
- An unique location at the intersection of the UK's two priority Trans European Networks (Transport) i.e. the High Speed Train Paris-Bruxelles-Koln-Amsterdam-London route & the West Coast Main Line and the Ireland-UK-Benelux road link which includes the A14
- Part of the potential route of High Speed Rail 2 linking London, Heathrow and

#### Birmingham

- Diverse economic structure not overly reliant on any one sector
- Strong trade links with the fast growing economies of South East Asia (including a China trade bureau and cultural and business links with India)
- 'Golden Triangle' recognised as of national importance for distribution and logistics
- Acknowledged world-class offer in high performance engineering and car manufacturing with leading companies such as, Jaguar and Mercedes HPE both based in the area
- World-class motorsport offer, at the heart of the UK's 'Motorsport Valley®' and home of the British Grand Prix
- Growing reputation in green car and other environmental technologies
- 'Sector-based' innovation centres (including sustainable construction at Daventry in Northamptonshire and transport at Loughborough in Leicestershire)
- Top performing universities (including De Montfort, Leicester, Loughborough and Warwick)
- Strong and improving Further Education sector
- Important agricultural sector for local food production
- Leading area for food and drink manufacturing and supply with leading brands including Alpro, Weetabix, Coca Cola Schweppes, Carlsberg (all in Northamptonshire), Walkers Crisps (in Leicester) and KP snacks (Ashby-de-la-Zouch in Leicestershire)
- Excellent track record on delivering development and growth as a National Growth Area

- Leading edge approach to public engagement (You Choose) and strong links with the voluntary and Third Sector

The purpose of this section is to illustrate some of the economic challenges and opportunities across the wider potential core area and reflect the reality of how business and the economy works, rather than focus on administrative boundaries.

A more detailed economic analysis is contained in the Local Economic Assessments covering each area. This includes information on travel-to-work areas and other data sets. This information is particularly useful to inform more local activities e.g. to identify and help target 'worklessness'.

**a. Strategic location, infrastructure connections and communication networks**

This potential wider core area shares a unique strategic location geographically at the centre of England and is at the hub of the national infrastructure connections and communication networks.

All the strategic national roads (including the M1, M6, M40, M42 M69, A14, A43, A45 and A5) which connect the South, the East, the Midlands and the North pass through the area as well as other important sub-national connections such as the A46 and A47. Rail connections, principally via the West Coast Main Line and Midland Main Line, and also the Chiltern Line, are important to the economy, but need to be improved to support economic growth.

The area also has an interest in High Speed

Rail as the proposed route of High Speed 2 (HS2) passes through Northamptonshire and Warwickshire. It is important for the area to understand and maximise any economic benefits associated HS2 and minimise any adverse impacts for local communities and the environment should it go ahead.

Strategic information technology networks serving the country also pass through the area. Joined-up working is essential to realise the potential of leading-edge broadband connectivity. Next generation broadband connectivity has a key role in attracting new and existing high tech businesses to the area, and in reducing travel and carbon emissions.

**Potential area for collaborative working – Strategic connectivity**

The reliability of strategic connections and, in particular, investment in next generation broadband connectivity is essential to the future economic success of the area, its businesses and its competitiveness to attract inward investment. Because of this, there is scope for exploring joint working across the wider economic area on strategic infrastructure and communications. This includes informing and influencing investment in the strategic rail and road networks, for example High Speed 2 and the M1, M6 and A14 junction, and commissioning the wider roll out of next generation broadband.

As an example, Leicester, Leicestershire and Northamptonshire are currently members of a broadband consortium for the East Midlands area (EMBC). This arrangement is due to end in October 2012. There is scope for exploring shared commissioning arrangements or agreements across the area, as well as joint discussions with telecommunications suppliers and the industry on investment in next generation broadband infrastructure.

## b. Distribution and logistics

The potential wider area's strategic location and access to both national and international markets is reflected in the importance of the logistics sector and the concentration of national distribution centres and major rail freight terminals. Many of these are clustered in and around the Daventry International Rail Freight Terminal (DIRFT) and Eurohub (located at Corby in Northamptonshire), Hams Hall Distribution Park (located in Warwickshire) and Magna Park (located in Leicestershire) and key routes such as the M1, M6, M40, A5, A14 and A45. This area is often referred to as the 'golden triangle' for distribution and logistics operations. The area is also home of the Chartered Institute of Logistics and Transport (located at Corby in Northamptonshire).

### Potential area for collaborative working – distribution & logistics

Because of its strategic location and acknowledged strengths, there is a potential shared agenda for closer working across the economic area on distribution and logistics. This includes the provision of strategic sites to meet demand, particularly with rail connections to promote modal shift, and exploring the potential for innovation and added-value. There have already been some very constructive discussions with the industry and Freight Transport Association (FTA) has stated its support for a LEP federation covering this area. The FTA has also offered to play a leading role in order to identify opportunities for the area to build on its existing strengths and increase productivity.

## c. High performance engineering and motorsport

The Centre of England is already a leader in high performance engineering (HPE) and research. The largest Space Science Research Centre in Europe and the National Space Centre are both based in Leicester, and Loughborough University (located in Leicestershire) is home to the world's first purpose built hydrogen fuel cell for motorbikes. Leading companies which are based in the area include Aston Martin (located at Gaydon in Warwickshire), Jaguar (located in Coventry), Prodrive (located in Warwickshire), Mercedes-Benz HPE & Ilmor Engineering (located at Brixworth in Northamptonshire), Triumph (located at Hinckley in Leicestershire) and Vepro (located at Coalville in Leicestershire).

Riversimple have recognised the geographical advantages of the area with the production and launch of their Hydrogen Powered fleet of cars. This truly green car was built in Silverstone, at Alan Docking Racing Northampton, and Leicester has been chosen as the first city in the UK to trial 30 of these revolutionary cars. Motorists will be able to hire the 30 trial cars for up to a year. If they prove a success, Riversimple will look to build a factory in Leicester capable of producing 5,000 cars a year.



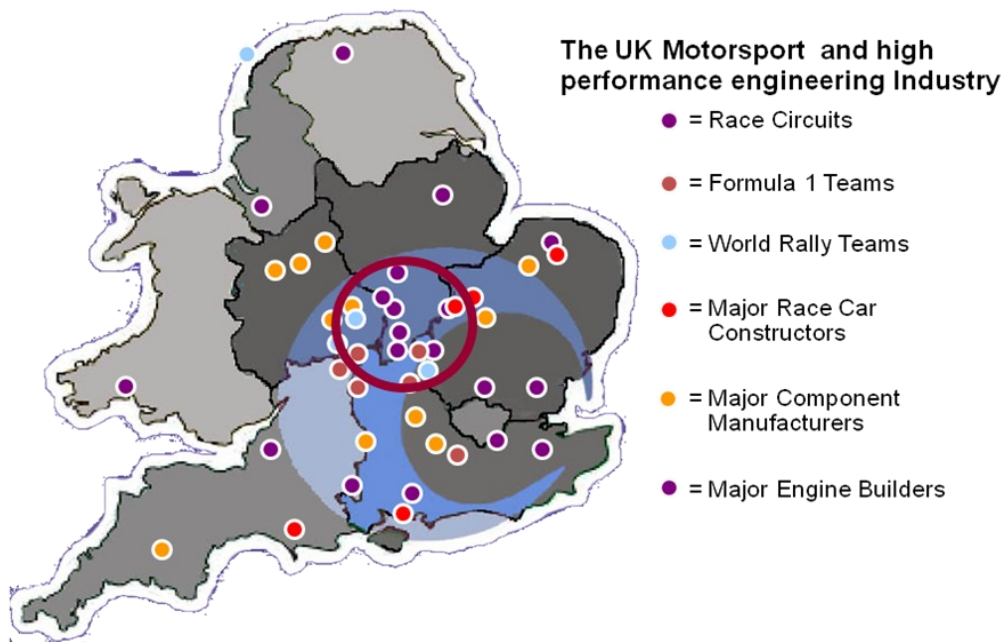
Distribution and Logistics; DIRFT, ProLogis and Hams Hall (Left to Right)

Motorsport engineering and research is a specific and high profile niche sector where the area has a worldwide reputation. Indeed, the world body for motorsport, the FIA, recognise this area as 'motorsport valley®'. This is largely as a result of its rich heritage, the location of Silverstone in Northamptonshire, which is the home of the British Grand Prix, and the quality and quantity of world-class engineers based in the area.

tracks and testing facilities such as Donington and Mallory Park in Leicestershire, Rockingham at Corby and Prodrive in Warwickshire. Approximately 4,500 companies are involved in the UK's motorsport and performance engineering sector employing 38,500 full and part-time jobs, with an annual turnover of £6bn of which £3.6bn is exports. This sector has an average research and development spend of 30% of turnover.

The motor sport cluster in the area includes major engineering suppliers such as Cosworth in Northampton and Mercedes-Benz HPE & Ilmor Engineering at Brixworth, F1 teams such as Force India located at Silverstone, and Mercedes GP at Brackley, and other racing

**motorsport valley** centred on Northamptonshire



Source: MIA Motorsport Valley®

**Potential area for collaborative working – high performance engineering**

There is a clear rationale and logic for closer working on high performance engineering across the wider economic area. This could potentially include skills, marketing, innovation, inward investment and broadening the area's economic offer.

An example of this is the proposals at Silverstone which could lead to the creation of up to 5,000 jobs in the wider area through expansion and diversification of the current activities, including an international conference centre (which is under-construction and due to open in May 2011 in time for the 2011 British Grand Prix), hotels, leisure, research and development.

**d. Other sectors (including Food & Drink, Environmental Technologies and Creative Industries)**

The area has a strong food and drink sector. This includes the presence of large international brands such as Carlsberg, Weetabix and Alpro (all located in Northamptonshire), and big name brands such as Walkers Crisps and Melton Pork Pies (located in Leicestershire). This is supplemented by a large number of smaller independent businesses in the sector as well

as supply chain businesses including food packaging and logistics. Given the geographical advantages of this area most of the large food suppliers and retailers have their major depots in and around the vicinity. This includes Coca Cola, Marks & Spencer and Samworth Brothers as well as number of major supermarkets (Tesco, Sainsbury and Morrisons). The area is also supported by excellent skills provision for the sector. Northampton College has an award winning Catering course which is championed by the Michelin star Chef Adam Gray of Rhodes 24.

The obvious strengths of the area have already been recognised by the food and drink sector. Through the potential wider core area there is the opportunity to build on these strengths using the expertise available in the area to maximise the potential for innovation and growth and support local businesses as well as attract inward investment.

Environmental technology is an important and growing sector for the area. Leicestershire, Warwickshire and Northamptonshire are all tending for major and separate Waste PFI contracts. The Leicestershire tender will see up to 180,000 tonnes of waste per annum



**Creative Industries; Portfolio Centre, NVision Technology and the Creative Business Depot (Left to Right)**

diverted from landfill. Northamptonshire has joined up with Milton Keynes “Project Reduce” for a tender which will look to divert up to 400,000 tonnes of waste per annum from landfill. These contracts will necessitate significant investment in new environmental technologies. This is already being illustrated by the new Anaerobic Digestion Plants at Rothwell Lodge (located in Northamptonshire) and Wanlip (located in Leicestershire) with a combined 70,000 tonnes of organic waste per annum being processed and recycled and therefore diverted from landfill.



Both Loughborough University and De Montfort University (DMU) have been highly commended in the Green Gown Awards 2010 for Carbon Reduction and Research and Development respectively. Loughborough’s “It’s Better Off” campaign has reduced electricity consumption by 5.75%, which is a financial saving of £119,000 in its first 12 months. De Montfort has been recognised for its “WATTBOX” project developed within the Institute of Energy and Sustainable Development at DMU. It is an automated heating control

system which, learns householders’ daily routines, uses this information to ensure that heating is only provided when needed and delivers energy savings of about 10-20% relative to conventional controls.

The University of Northampton’s Centre for Sustainable Wastes Management is acknowledged as the UK centre of excellence and international leader in the field of resources and wastes management education and research. This reputation has been established through the development of high-quality and high-profile partnerships with a number of international governments, leading organisations, including the professional body for wastes management professionals, the Chartered Institution of Wastes Management (CIWM); the wastes management industry’s UK trade organisation, the Environmental Services Association (ESA) in addition to a number of government / publicly funded departments - Department of the Environment Food and Rural Affairs, the Environment Agency (DEFRA), Waste & Resource Action Programme and a vast number of industrialists and consultants.

The cultural and creative sector is important to the area. The NVision Technology Centre (located at The University of Northampton) is a unique technology centre designed to help businesses create better value propositions by developing and promoting products, using 3D immersive visualisation and computational modelling. Leicestershire’s Creative Business Depot seeks to support, stimulate and develop the city’s creative industries. On a similar basis the Portfolio Innovation Centre (located at The University of Northampton)

has now expanded into a three floor Centre, complete with 46 studios and offices for businesses in the design, digital and creative sector.

The Royal and Derngate theatre in Northamptonshire has more than 350,000 visitors every year, and as well as showcasing a diverse programme it offers an opportunity for people to get involved in performing and writing via its Creative Projects programme. Leicestershire has identified Rutland Street in Leicester as the Culture Quarter, at the heart of which sits the Curve, a state of the art theatre, designed by world renowned architect Rafael Viñoly. Phoenix Square (in Leicester) combines the latest technology in film and visual entertainment with digital art, enterprise, research and education. These make a valuable contribution to the economy as well as enhance the cultural and quality of life offer and make the area a more exciting and diverse place to live.

#### **e. Academia and innovation**

The wider potential core area enjoys a growing reputation for innovation and knowledge-based sectors. A major contributing factor in this growing reputation is the role of the universities and other centres of learning. 3 of the top 12 top performing universities are based in the area (Leicester, Warwick and Loughborough). These and other centres of learning have national and international reputations in specific sectors and strong links with business.

Examples of these include Business Services and Scientific Research at the University of Leicester, the University of Northampton (business school, healthcare training, and fashion & design) and Moulton College (land based industries and construction) and Arts and Design research, training and development at Loughborough University. University Hospitals Coventry and Warwickshire NHS Trust is one of the largest acute teaching hospitals in the UK, comprising of University Hospital in Coventry and the Hospital of St Cross in Rugby. It offers major advances in patient care, clinical teaching and innovation.



**Innovation; iCon, Loughborough Innovation Centre and the Digital Lab (Left to Right)**



Warwick Business School is a leading thought-developer and innovator. It is in the top one per cent of global business schools with recognised research leaders across disciplines as diverse as pensions, industrial dispute resolution, business strategy, customer service, enterprise, customer relations management, sports management, public sector governance, sales marketing, and energy policy

A number of sector-based innovation centres are also based in the area. These include the transport i-Net and Loughborough Innovation Centre (at Loughborough University in Leicestershire) and the sustainable construction i-Con (under-construction at Daventry in Northamptonshire), plus other offers such as NVision, the University of Northampton's new 3D immersive technology centre.

In addition, Warwick University has recently launched its ambitious plans through to 2015, which aims to increase its connectivity to the High Technology Corridor. In particular this has been driven by The Digital Lab which is a new £50 Million state-of-the-art capability designed to facilitate major collaborative research opportunities, create effective knowledge transfer between academia and industry and generate new knowledge and skills with an impact on business, society and the economy.

A strong track record of collaboration already exists between universities in the area. This includes discussions on developing the innovation and knowledge agendas further into a world class offer. There is further scope to build on these initial discussions and the offer provided by the

academic sector to strengthen links with businesses and promote existing strengths and growth in new sectors.

#### **f. International connections and access to overseas markets**

There are strong opportunities to develop international trade and communications, building on the presence of East Midlands International Airport (located in Leicestershire) along with Birmingham International, Coventry, Luton and other nearby international airports. Closer collaboration through potential wider core area will help to add strength to arguments to ensure access requirements and improvements receive a higher national priority.



Wellingborough station

Leicester and Corby, Kettering and Wellingborough (in Northamptonshire) now have direct connections to St Pancras International rail terminal. Connections from Leicester can reach Paris in less than 4 hours, shorter still from places such as Wellingborough.

Similarly, the A14 and M6, which form part of

the priority Trans-European Network (Transport), ensures connections to overseas suppliers and markets via the East Coast ports of Felixstowe and Harwich and to the north west and Ireland, as does the A43 via the A34 to the South Coast ports. The LEP would allow a more cogent common case to be put to ensure that the significance of these connections for business and inward investment is fully recognised.

Whilst Government has indicated that strategic inward investment activity should be managed nationally, we believe that a strong local voice is critical to ensure the LEP area benefits within any broader national UKTI led initiative and indeed, to help facilitate the work of UKTI at the local level, including providing crucial local knowledge and the ability to tailor support packages to prospective investors.



TENS priority routes

The area also has other international connections e.g. Leicestershire operate the current regional bureau in China and Northamptonshire and Leicestershire share an interest in a European office in Brussels. Moreover, the local population of the area provides for strong links to markets abroad. For example, more than 30% of Leicester residents are of South Asian heritage and more than half of all East Midlands trade with India is conducted in Leicester and Leicestershire.

**Potential area for collaborative working - international trade and investment**

There is further scope for co-operation on inward investment and supporting local businesses in the area. A particular target is the Brazil, Russia, India and China markets which are forecast to have the four fastest growing economies over the next 10 years as well as Japan and South East Asia. This co-operation would involve expanding on the opportunities provided by the bureau in China as well as strengthening the European office and business links with Europe to secure further investment. Support for these proposals has been expressed by local business interests. Investment in Next Generation Broadband Connectivity will be essential to support external trade and the LEP federation can have a key role to play here working with the telecommunications industry to influence and support infrastructure planning.

**g. The rural economy**

Rural-based businesses are essential to not only the economy of the area, but also the cultural and social fabric. This includes agriculture which still has a strong role to play, particularly with the growth in popularity of local food produce and the need to reduce reliance on imports, but also rural-based tourism, leisure and recreation which are also becoming increasingly important to the economy. Access to Next

Generation Broadband Connectivity is important to rural areas, not only for businesses and home-working, but also to enable people to access services remotely and therefore avoid the need to travel and retain their independence.

Experts have warned that the agriculture sector will need more than 60,000 workers nationally over the next decade to sustain the sector. New entrants need to bring ideas, energy and renewed ambition to sustain a dynamic sector. The potential wider core area has the opportunity to play a leading role nationally because of importance of the sector to the wider economic area and the excellence which already exists in local business and academia. This includes Moulton College (in Northamptonshire), Brooksby Melton College (in Leicestershire) and Warwick College (in Warwickshire) which offer a broad range of training and expertise in land-based industries.

Sources of alternative energy will become increasingly important to the economy as we move forward. Locally generated energy can also reduce costs to business. Many of these operations, including short rotation coppicing and biomass plants, will be located in the rural areas. They are also important to reduce reliance on other energy sources, imports and move towards a low carbon economy. Again this is a sector where there is scope for closer working to support economic growth.

#### **h. Tourism**

Tourism is an important and growing sector. It

already accounts for about 10% of the value of the local economy across the area. Tourism in Leicestershire is a fast growing sector attracting over 32 million visitors a year, contributing £1.3billion to the local economy and supporting over 20,000 (FTE) jobs. Northamptonshire attracts over 19m visitors a year, contributing around £835million to the local economy and supporting 13,000 (FTE) jobs (Source: 2008 STEAM data, East Midlands Tourism).



Northampton Market Square

Leicester and Leicestershire boast many local attractions including Bradgate Park, National Forest, Twycross Zoo, Donington, the National Space Centre and Snibston Discovery Park. In Northamptonshire the main tourist attractions include Silverstone, Wicksteed Park, Althorp House and a large number of country parks. Coventry, Solihull and Warwickshire include the birth place of Shakespeare at Stratford-upon-Avon, Warwick Castle and Coventry Cathedral. This sector contributes £4.492bn to the local economy, almost half of which is generated by staying visitors i.e. those who stay in the area overnight.

It is apparent that there is synergy in the tourism offer provided across the wider potential core area and importantly an

opportunity for it to make a significant contribution to future economic growth, through co-ordinated investment in the public realm, attractions, promoting festivals and events as well as the quality and variety of visitor accommodation.

to 2012 and its legacy for the area and to boost the contribution of sports to the local economy and quality of life offer.

### **i. Shared sporting connections**

The potential wider core boasts a number of sporting connections which have a major economic impact. The area is home to well-established and successful rugby, cricket and football teams, reinforced by success on the pitch, but also recognised by the ongoing stadium expansion and redevelopment plans. The area also includes Olympic standard sporting facilities at Moulton College and Loughborough University which will be the headquarters for Team GB's 2012 Olympic preparation. Between the two they represent 12 of the 29 identified training camps for the London 2012 Olympics Games and also 6 of the 12 sites for the London 2012 Paralympic Games.

There are also strong links between sports and business in the area and further opportunities for closer working to exploit the opportunities available in relation



**Sport- Corby Pool, London 2012 and Loughborough indoor facilities (Left to Right)**

### 3. Purpose, function and activities

The Crossroads of England Local Enterprise Partnership would bring together business acumen, energy and experience with the creative and innovative drive of the academic sector coupled with the leadership, resources and accountability of local government and the public sector. This will help secure real improvement in economic performance through local decision-making, leadership and public accountability in line with the ‘localism’ agenda.

The potential economic benefits of this approach are significant. They include a new and stronger relationship with business, a more efficient use of public resources through streamlined delivery and joint commissioning, reduced bureaucracy and red-tape, and increased flexibility and accountability at the local level. This will help to deliver real and sustainable economic growth and regeneration across the area far more swiftly and effectively than achievable under current arrangements.

Whilst initially, this LEP is based on Northamptonshire, it is clear to see the synergies that exist between the county and some of its immediate neighbours, principally Leicestershire and Warwickshire and this will be developed further through the Enterprise Hub concept. The ‘offer to business’ will be enhanced by closer working through LEP structures.

The Crossroads of England, and its potential core partners of Leicestershire and Warwickshire, would focus on creating a critical mass building on local strengths across the wider economic area in order to provide added-value and make a real difference.

#### The ‘big offer’ for business

1. Locally developed and flexible approaches founded on collaborative working and a shared vision for, and approach to, sustainable economic growth
2. A locally focused emphasis on skills and business support
3. Through the Northamptonshire Arc a joined-up investment plan will be developed which identifies and prioritises infrastructure, investment, actions and activities. This includes energy supply, transport and broadband connectivity
4. Incentives and revenue streams for economic investment and innovative funding mechanisms
5. Strengthened international connections and trade with overseas markets
6. Simplified interface with the public sector and reduced red-tape which will speed-up processes (e.g. easing the burden for businesses by removing the need to deal with multiple planning authorities and agencies)
7. An industry-led approach on key strategic economic themes (e.g. Freight Transport Association leading on logistics and distribution)
8. Greater local opportunities for shared services and procurement
9. Better opportunities to secure external investment, including Government and European funding
10. Support for local businesses to expand and develop
11. Economies of scale in marketing, attracting the right skills and inward investment (e.g. Northamptonshire Let Yourself Grow campaign)

Such opportunities could include enhancing strategic infrastructure connections, High Performance Engineering & Motorsport, Distribution & Logistics, external investment and international trade. In this way the Crossroads of England would in effect become a national 'Enterprise Hub'.

As part of the Local Enterprise Partnership there would be a Local Commissioning Board. In a Northamptonshire, this would build on the current Northamptonshire Enterprise Ltd model which involves a public/private sector board chaired by the private sector. Local delivery structures, including economic development which is currently led by Northamptonshire Enterprise Ltd, would be aligned with other delivery arrangements and programmes to remove duplication, save money and deliver better results.

#### The 'wider offer' to Government and UK plc

1. A new national 'Enterprise Hub' for business and innovation
2. National lead for High Performance Engineering & Motorsport, including the commissioning and delivery of interventions promoting growth in this sector
3. National lead for promoting innovation and a shift to low-carbon in the Distribution & Logistics sector with the Freight Transport Association
4. 'Test-bed' for sustainable construction and green car technologies
5. New innovative funding mechanism
6. Pilot for sustainable development building on our excellent track record of delivery

Initial estimates indicated that aligning delivery and planning activities could save up

to £5m per annum. Positive steps have already been made by Northamptonshire Enterprise Ltd and the West Northamptonshire Development Corporation towards more collaborative working in order to save money and deliver better results. The Crossroads of England Local Enterprise Partnership will work towards the establishment of single delivery vehicle for the whole of the area where currently there are many.

Under the Enterprise Hub concept, the wider core partners would have different Local Commissioning Boards, tailored to meet the needs of the locality and where possible could build on existing arrangements e.g. the Multi-Area Agreement in Leicestershire.

Delivery of most of the functions which have been identified by Government for LEPs would be led by these Local Commissioning Boards. It would be responsible for day-to-day delivery, including city and town centre regeneration, skills development, private sector led job creation, increasing flexibilities and innovation and identifying ways of reducing unnecessary regulation and red-tape. Details of the governance and operating arrangements are set out in Section 4.

#### Crossroads of England activities

This section of the submission provides a flavour of some of the activities which will be delivered via a Northamptonshire Local Commissioning Board:

#### Business Growth

- **Business Support** – Supporting local businesses will be a top priority. We will

support a targeted and measured expansion in business start-ups, high-growth Small and Medium Sized Enterprises (SMEs), business productivity and enhanced survival rates. This will be achieved by local business support and advice measures complementing, but not duplicating any national 'on-line' business support offer and designed around a clear 'ask' from business; mentoring services, aftercare and investor development, as well as removing barriers to access to finance. This is a key area of activity. A recent survey by Northamptonshire Chamber highlighted the potential loss of Government funded business support as a key concern for local SME's, more particularly support on business start-up and tax breaks/tax credits for Research & Development. We will also have key account managers for big business in the area. A local business support service is fundamental to the success of the area. Local infrastructure is already in place with local based teams and local knowledge e.g. through the East Midlands Business Arrangements, and the work of the University of Northampton Business School in supporting the delivery of support for business start ups. Because of this business support could easily be adapted to the new arrangements. This would ensure that the service is more aligned, and responsive, to local priorities. In Northamptonshire we will focus our local support - working alongside any proposed national online provision of business support - around key points of interaction with business, utilising in particular existing or planned innovation

centres and incubation facilities, or on key business parks which are either located in geographic areas of particular need for increased and supported business start up and business development; or are focused on the key development sectors for the Northamptonshire economy - High Performance Engineering and Motorsport, Advanced Logistics, Creative Industries, Low Carbon Technologies, Food and Drink



Silverstone

and Business and Financial Services. We will draw on existing expertise through close working with the Chamber of Commerce, UK Trade and Investment and the various services currently provided by EMB in the county. We will work very closely with the University of Northampton, but can also build strong relationships with surrounding universities such as Cranfield, Loughborough and Warwick. We will work with business to develop relevant and genuinely supportive packages of assistance that address general business start up issues, but also have a clear focus on encouraging and supporting business growth within our key development sectors).

- **Sector leadership** - working closely with industry in Northamptonshire we will coordinate and ensure a clear plan of action to foster and support our key development sectors. In doing this we will build on our already successful approach to interaction with the Northamptonshire High Performance Engineering cluster and will replicate this in other development sectors. Key issues will include development of relevant skills and increasing awareness within local schools



Corby Pool

of opportunities within the development sectors; development of appropriate property, in particular to support the growth of business beyond the incubation stage referred to in the section above; fostering and developing a local supply chain and business support requirements as described above and working with key partners to find solutions to overcome those barriers. We will also support national activity by offering to lead on the development of interaction with certain key sectors. Northamptonshire has a particularly strong concentration or cluster

of High Performance Engineering and Advanced Logistics activity for example and working with BIS / UKTI and other relevant national teams we can provide strong interaction with industry on the ground to support the national effort to support the development of these key industries.

- **Inward investment** - We will continue to develop and strengthen our proposition for new investment by UK and overseas owned businesses in Northamptonshire, particularly within our key development sectors. We will work closely with UKTI and support the national drive to attract businesses from all over the world to locate in Northamptonshire and in the UK - along with attracting new branches of expanding domestic businesses building on the work of Invest Northamptonshire. This will include building on existing strengths to promote opportunities for local businesses and overseas investment. It will also include working closely with an identified group of key large existing investors – UK and Overseas owned within the Northamptonshire economy, managing the relationship between those companies and looking for opportunities to support and secure further investment. We will also continue to develop the strong support that we have already achieved from the private sector in helping us to project the Northamptonshire investment message to the marketplace, through for example the very successful Ambassadors scheme.
- **Export** - there is considerable existing expertise within the Chambers of



Commerce in Northamptonshire in supporting and advising exporting businesses, adding value to UKTI activities to strengthen local benefit. This includes certification and documentation services, translation, introductions for new exporters, and mentoring. Chambers will be central to the LEP business leadership offer. Such services are essential to ensuring that businesses are best placed to secure opportunities for new markets in the global economy.

### Enterprise and Innovation

- **Innovation** - Support for enterprise and innovation is critical to a competitive and prosperous economy. We will support innovation and strengthen links between academia and local business. This includes developing the opportunities provided by the new iCon building in Daventry (located in Northamptonshire) which could enable the area to become a leader in the field of construction and building services engineering-based innovation. It will also help to drive innovation in low-carbon technologies. We will also look at ways of encouraging businesses to develop new products and markets through the practical application of innovation. Potentially this could build on support products such as the Manufacturing Advice Service



Portfolio Innovation Centre, University of Northampton

- **Enterprise** - Commissioning enterprising skills through schools, FHE and business to embed an enterprising culture in the area will be critical to generate business start ups and growth of existing businesses. With the potential for high levels of public sector redundancies and few opportunities, an enterprising driver could provide real opportunities to re-focus the energies of a skilled workforce. However, this will require significant support and investment in learning and development of new skills.
- **Enterprise and Employment Stimulation** - Promoting enterprise in disadvantaged communities is a national policy priority and a priority for Northamptonshire in supporting future job growth. We will build on our work within this area and work with communities to embed the principle of enterprising communities.

### Skills and Learning

- **Skills** - Having the right skills is crucial to sustained growth and being able to adapt to change. We will enable the current and future workforce to have the skills necessary to drive the economy, meeting the needs of the employer and inspiring young people to take advantage of the educational/vocational opportunities available. This will be achieved by working with local businesses and colleges, universities and other training providers. Activity will include addressing the skills shortages identified by business. A particular priority will be raising the profile of, and participation in, science, technology, engineering, maths (STEM) activities. Having a skilled workforce is

also a key component of increasing productivity and competitiveness. In order to improve the County's performance and economic output we will work with employers to increase the number of apprenticeships available, particularly in science, technology, engineering and maths (STEM) related areas.

- **Attainment and employability** - Raising pupil attainment and school performance is critical to attracting prospective employers to the area, but also to ensure that young people can maximise their potential. We will look to strengthen the links between local business and schools in a coordinated and effective way to enhance engagement levels and relationships. For example Northamptonshire Chamber of Commerce operates a highly regarded Young Chamber programme which gives young people a voice in business engagement so they have a greater understanding of both the workplace and enterprise opportunities, and ultimately be better prepared for the world of work.

### Regeneration and Infrastructure Investment

- **Planning and Delivery** - We ensure planning policy and economic strategy are effectively aligned and that investment plans are tuned to enable planned economic and housing development to happen without undermining the sovereignty of responsible authorities. Public sector asset utilisation strategies will also provide significant new opportunities for public/private sector investment and stimulating regeneration.
- **Town Centres** - We will identify the top

regeneration priorities and seek to secure the investment needed to ensure that the areas market towns and the county town of Northampton once again become the focus of economic, cultural and other activity.



Northampton Town Centre

- **Employment land** - In order to support the growth of businesses to create jobs and attract new investment, Northamptonshire must have: (1) A diverse range and choice of the highest quality commercial accommodation that is able to meet the changing needs of modern businesses and the market, (2) an image as an 'open for business' location, easy to deal with and responsive and (3) a process to find innovative ways of working with public and private sector to maximise business efficiency and attract business investment to the county. A key requirement for increased jobs and productivity growth is the need for stakeholders to work in partnership to ensure clear spatial planning policies across Northamptonshire. The role of the LEP will be to build on the work already underway and develop new plans and activities that positively reflect Northamptonshire's

aspirations for growth in terms of numbers, but also in quality and environmental sustainability. Through the LEP we will put in place enabling initiatives to encourage conditions that provide an adequate supply of high quality sites, address market constraints and resolve issues surrounding land allocations and the release of sites for other uses.

- **Transport** - We will improve connectivity between the centres and corridors in the area and make a case to ensure that the significance of our strategic connections for business and inward investment are fully recognised. We will also press for better rail services, including a close dialogue with Government on High Speed Rail. Congestion and reliability can have a significant impact on the competitiveness of businesses and securing investment in strategic and local infrastructure will be a top priority. Demand management, incentives and investment in new technology will have important roles to play to ensure that the potential of existing infrastructure is optimised.
- **Next Generation Broadband Connectivity (NGBC)** - We will actively explore the scope for shared commissioning arrangements and agreements and joint discussions with telecommunications suppliers and the industry on investment in NGBC. A robust roll out programme will be important including addressing fibre to the business or home rather than fibre to the cabinet, and also finding solutions to adequate service provision in rural areas.
- **Other infrastructure** - We will identify and

prioritise the other infrastructure needed to support economic growth and local communities. This includes energy supply and community infrastructure such as schools.

### **Employment and Economic inclusion**

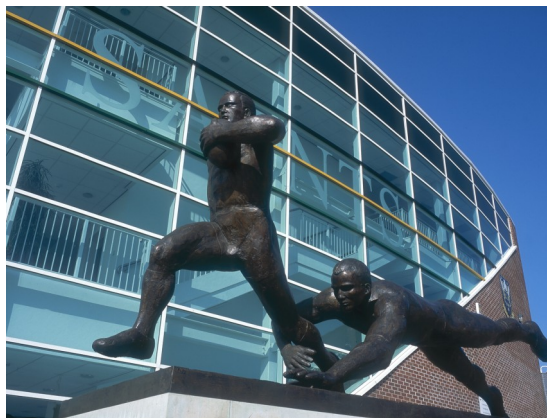
- **Worklessness** - We will work with the Department for Work and Pensions and national agencies to reduce disparities, address barriers to employment and tackle worklessness. A particular target will be younger people where the increase in levels of long-term unemployment has been particularly stark. We will also share best practice, including for example learning from the successful Leicestershire Highcross Project and the skills and experience gained around skills for retail and how this helped to address worklessness in Leicestershire and Leicester through their multi access centres (MACs). We already have a strong track record in delivering and supporting disadvantaged groups back into employment. For example we have successfully developed and delivered over 450 Future Job Fund opportunities with a 40% back to work rate following the 6 month placement. We have also worked with the voluntary and community sector to improve their ability to support the specific needs of their community in relation to training and employment support. As part of the LEP we would seek to build on this work as part of a partnership approach. In the future we would want to work closer with the voluntary and community sector to see how we can leverage more support into projects from the private sector and

develop collaborative projects that will help to deliver services in those areas where the public sector is withdrawing.

- **Civil Society** - In Northamptonshire individuals and communities will be supported to embrace opportunities within their own localities. To achieve the Big Society aims and to help address some of our key issues, supporting the development of social and community enterprise will be critical. We want to provide support for the development of social enterprise as a response to a needs driven agenda and the opportunity to take on the delivery of public services. To underpin this it will be critical to have sufficient capacity within the county for local communities to access advice and coaching support to those individuals or groups interested in starting their own social enterprise.

### Enriching

- **Culture and sport** - We will prioritise the delivery of a rich and diverse cultural and sporting offer to build the reputation of the area as an attractive place to live and work, including maximising the opportunities provided by the London Olympics 2012 and its legacy for the area.
- **Tourism and the visitor economy** - We will invest in and develop activities that support the growth of both business and leisure tourism and links between tourism attractions and services to strengthen the collective offer of the visitor experience.
- **Branding and marketing** - Development and promotion of a strong and cohesive



Northamptonshire Saints

brand identity for Northamptonshire is essential to support the sales and marketing activity in order to attract investment and generate employment. The existing brand project has to date been successful in providing a route to market for businesses via the portal [www.letyourselfgrow.com](http://www.letyourselfgrow.com) representing key sectors of the county economy. Private sector engagement has been demonstrated by virtue of businesses supported and significant private sector levered funding and in kind support. Moving forwards we propose to commission projects that will connect local businesses with their target markets and align promotional activity of the county in order to promote our key sectors and opportunities for jobs growth.

## 4. Governance and operating arrangements

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There are seven fundamental design principles which underpin this proposal for a LEP for Northamptonshire:

1. Activities will be delivered via the Commissioning Body
2. Joint commissioning will be undertaken where it makes sense, for example to create a critical mass and to ensure that the area can compete on an equal footing with other large economic areas when it comes to having a voice on strategic matters, securing Government and private investment and supporting business and external trade.
3. The Local Enterprise Partnership Board would have equal representation between business and the public sector and be chaired by a leading business figure.
4. Funding would be devolved to the Commissioning Body. This would be supported by Northamptonshire County Council as the upper tier authority, strategic lead and the 'accountable body' for funding.
5. Arrangements will reflect local sovereignty on matters such as local planning and transport and hence remove any necessity for new legislation.
6. Local delivery arrangements will be reviewed to align activity and programmes, remove duplication, reduce bureaucracy and costs and deliver better results.
7. An 'Enterprise Hub' concept will be established for business and innovation. It would operate virtually and not as a separate organisation or employer, therefore avoiding the need for

legislation and complicated bureaucracy

### **a. Northamptonshire Local Enterprise Partnership Board**

The Local Enterprise Partnership Board would be responsible for providing strong leadership and working through the Enterprise Hub give a dedicated focus on specific priority areas where creating a critical mass and joint-working across the potential wider core area would make a real difference. This includes improving strategic infrastructure connections, key sector leadership, securing external investment and promoting international trade.

It is proposed that the Northamptonshire Crossroads of England LEP Board would contain local business leaders as well as local authority representatives. It would also include the academic sector as well as potentially other key economic stakeholders. Numbers would need to be limited to keep the Board to a manageable size. The Board would be chaired by a leading business figure and would meet on a quarterly basis or as needs dictated. It would have a key external role to play championing the interests of the area. The governance structures would be sufficiently robust and clear to ensure proper accountability and transparency.

The LEP Board would not deal with day-to-day operational activities. Funding, commissioning and delivery would be devolved to the local level and the Local Commissioning Body. This is a significant change from the current arrangements and reflects the Government's 'localism' theme.

The LEP Board will develop a single overarching strategy to drive economic growth and address the priorities and needs of the business community, which identifies what success will look like and how it will be delivered and tracked. This strategy will identify target outcomes e.g. an increase in the number of private sector jobs in the local economy or a reduction in the affect of congestion on business. It will recognise and support key economic drivers of the local economy.

This will be complemented by a single joined-up investment plan, which identifies locally agreed infrastructure investment priorities, actions and activities that deliver against these outcomes and incentivise private sector economic activity. Further delegation of funding will provide the flexibility to decide locally on priorities and better influence Government and national agency funding. New opportunities will be explored for creating incentives and revenue streams for economic investment. The Board would also look for other opportunities to remove unnecessary red-tape and bureaucracy.

In Northamptonshire, the Northamptonshire Arc is being developed to provide a single strategy that encompasses local outcomes and priorities in practical and spatial way reflecting local economic geography. By doing so, it is helping to create a local policy context for future economic growth and investment decisions on transport, economic development, environmental and other planning and investment activities. This will be an overarching policy document for the LEP Board in Northamptonshire and guide the work of the Local Commissioning Body.

## **b. Local Commissioning Body**

The LEP Board, involving local business, local authorities, universities and other key stakeholders, including the Third Sector, would direct the work of the Local Commissioning Body. This body will be responsible for local activities, commission work and initiatives and overseeing performance and delivery at the local level against locally determined outcomes.

Support arrangements would be kept to a minimum to enable resources to be focused on delivery, not administration. This approach will help to reduce bureaucracy and the need to establish costly support arrangements associated with the LEP. It will also help to avoid duplication and speed-up delivery. This means that there will be little need for new financial accounting and reporting mechanisms or the LEP as existing systems will



Royal and Derngate Theatres, Northampton

enable this to be done via the LEP Board with Northamptonshire County Council leading and being accountable body for funding. This will help to reduce costs and unnecessary added bureaucracy and ensure democratic accountability.



In Northamptonshire, the Local Commissioning Body would build on the current Northamptonshire Enterprise Ltd model which involves a public / private sector board, chaired by the private sector. Existing local delivery structures, including economic development which is currently led by Northamptonshire Enterprise Ltd, would be aligned with other delivery arrangements and programmes to remove duplication, save money and deliver better results. Initial estimates indicated that aligning delivery and planning activities could save up to £5m per annum.

In Northamptonshire discussions are starting to take place on bringing together Northamptonshire Enterprise Limited (NEL), West Northamptonshire Development Corporation (WNDC), North

Northamptonshire Development Company, the River Nene Regional Park and the County Council's Capital Programme Delivery Unit into a single delivery body. Indeed NEL and WNDC are establishing a joint Member steering group to identify ways of working together that will save money and deliver better results. This steering group has commissioned officers to review both organisations to identify where further efficiency savings can be made and where work programmes can be combined to deliver better results and outputs. The review will eventually see WNDC transition into a local authority-led delivery vehicle. The review should be completed during the autumn. Similar discussions are taking place elsewhere in the area.

The Crossroads of England Local Enterprise Partnership will work towards the establishment of single delivery vehicle for the whole of the area.

It is anticipated that activities would be carried out by those currently charged to do so under existing statutory duties, hence there would be no need for special legislation. The fundamental ethos would be that those best placed to lead on a theme would do so both within the localities and potentially across the wider LEP geography.

The Local Economic Assessments, which are currently being prepared by the upper tier authorities as a requirement of the Local Democracy, Economic Development and Construction Act 2009, provide a detailed economic analysis at the Local Commissioning Board level and will help to inform local

activities and workstreams

**c. Enterprise Hub concept**

In the potential wider core area under the Enterprise Hub concept, individual LEP Boards would work together. Individual Local Commissioning Bodies would be tailored to the locality and where possible could build on existing arrangements e.g. the Multi-Area Agreement (MAA) arrangements for Leicester & Leicestershire and Northamptonshire Enterprise Ltd. The details of these arrangements would vary from locality to locality.

In some areas the local delivery arrangements may change. The severe financial position we all face means that efficiencies need to be found and costs reduced. This would be achieved through aligning existing delivery arrangements to improve collaboration and remove any duplication.

Although resources will be devolved to the local level, there would be joint working and information exchange across the potential wider core area on key priorities and issues of shared interest.



## 5. Financial mechanisms

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It is anticipated that there will be significantly less funding for LEPs than there was for the RDAs, regardless of their geographic coverage. To illustrate this, the Government commitment of £1bn for a Regional Growth Fund spread over the two years 2011/12 and 2012/13 compares to a combined RDA budget of £2.263bn for 2009/10 alone.

Although the running costs of the new arrangements will be significantly lower than the previous regional arrangements some Government funding (including via the Regional Growth Fund) will be necessary to support direct economic delivery and related costs. However, it is intended that, with the introduction of new flexibilities and incentives (see below), in the future these arrangements could be self-funded.

Subject to the outcome of discussions with Government and others on the proposed LEP, it is proposed that a co-ordinated bid from the area would be submitted to Government for support from the Regional Growth Fund.

Reflecting funding constraints and the need to be more innovative and independent of central funding, it is anticipated that the Local Commissioning Boards would look to establish Joint Investment Funds drawing on or matching other sources funding. These could include:

- Any funding devolved as a result of the abolition of RDAs, including potential revenue streams from transferred assets
- Pooling of retained Business rate and Council Tax
- Tax Incremental Financing
- Prudential Borrowing and top slicing

capital budgets

- Section 106 funds
- Community Infrastructure Funds
- Successful bids for Government and European funds
- Effective use of public sector land holdings

Moreover there is a shared understanding across the potential wider core area of the need for joint investment planning to be aligned to the Local Commissioning Board geography. This would also involve aligning Government department and national agency spending with LEP priorities. The dividends of such an approach are obvious and include increased local flexibility, better alignment and greater certainty that critical economic infrastructure will be delivered. This is essential to create the confidence necessary for growth, to support business and increase competitiveness.

Northamptonshire already has a strong track record of testing and employing innovative funding mechanisms and close working between business and local government. This is illustrated on the next page.



**Innovative funding mechanisms -  
Northamptonshire Fit For Market (FFM)  
programme**

The Fit for Market (FFM) programme is currently funded through the Growth Fund. This was created by Northamptonshire County Council in 2004 to bring forward employment land and job creation by facilitating commercial development which would otherwise be unviable. It works through a combination of direct grant, loans and joint venture arrangements where risk and profit is shared between the County Council and the private sector. The opportunity to invest in loans and joint ventures where it is viable to do so also ensures that returns can be reinvested in future Fit for Market projects.

To date, the programme has seen investment of £16 million, bringing forward significant amounts of brownfield land, providing for the creation of 4 million sq/ft. of commercial floor space and the potential for 2,000 jobs. This will bring in over £117 million through wider private sector leverage once schemes have been built-out.

**Innovative funding mechanisms -  
Northamptonshire County Council loan to  
Silverstone Holdings**

The Silverstone Circuit Masterplan was developed to support the business case to secure the future of the British Grand Prix at Silverstone and in this country. It sets out the potential to generate 3,000 new jobs at Silverstone itself and a further 2,000 in the wider area. To implement the Masterplan, Silverstone has developed a Business Growth Plan to generate new revenue streams to sustain the Circuit's future and play its full part in the Northamptonshire and UK economy. A key element of the Growth Plan is a new Pit and Paddock complex, which is seen as the catalyst to embark on expanding and diversifying Silverstone's 'core' business.

Northamptonshire County Council has agreed to provide a loan of £10 million to help Silverstone deliver its plan. It has also allocated £300,000 per annum for the next five years to support economic development related activities, create future jobs and realise the Circuit's ambitions to broaden and expand its offer and deliver additional economic benefits for the wider area. This has enabled Silverstone to embark on improvements and already 2 new high performance engineering companies have been attracted to Silverstone. Confidence in its future has been instrumental in their decision to relocate.

## 6. Asks from Government

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The twin goals of supporting 'localism' and fostering economic growth require a number of 'asks' of Government, these include:

1. Better alignment of investment by Government departments and national agencies with local priorities as part of a 'Place-based' approach
2. Provision for real delegated local decision-making on investment and infrastructure priorities
3. The transfer of appropriate assets held by the RDAs
4. Delegation of appropriate functions currently provided or commissioned by the RDAs, such as skills, business support and sector leadership
5. Support the promotion of the Northamptonshire Arc concept as a replacement plan for the Regional Spatial Strategy at the local level
6. The Crossroads of England Local Enterprise Partnership to be a pilot for the Enterprise hub concept, new forms of sustainable development and associated innovative funding mechanisms
7. The power to allow the retention and hypothecation of increases in local tax revenues in order to finance capital investment
8. Recognition as the national lead for High Performance Engineering & Motorsport, including the commissioning and delivery of interventions promoting growth in this sector
9. Recognition as the national lead for promoting innovation and a shift to low-carbon in the Distribution & Logistics sector with the Freight Transport Association
10. Modest pump-priming funding/match-funding to enable transformational activities to commence
11. Further discussions to help deliver the Crossroads of England Local Enterprise Partnership concept and related deliverables

### Transition arrangements

In the more immediate horizon, there is a pressing need to ensure a smooth transfer to the new arrangements and continuity of activities such as inward investment where local arrangements are supported by RDA funding and are crucial to the economic recovery and success of the area. Moreover, it does not make sense to wind-up some locally-based delivery activities in the transitional period and lose the expertise which they offer, where similar arrangements would just need to be set up again. This could impact on the economic recovery as core activities such as inward investment are essential to creating new jobs and attracting investment.

A further 'ask' is therefore that the Government requires that RDAs take steps to ensure that funding is set aside in 2011/12 for the continuation of top priorities, such as inward investment, where there is clear support from the LEP partners

## 7. Next steps

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This is an iterative process and it marks the start of a significant shift in responsibility, accountability and power from the national and regional level to the local level. It also marks the start of a much closer relationship between local business and local government.

Further details would be developed through continuing discussions with the business community, local authorities, the academic sector, the Third Sector and Government on the basis of the principles set out in this document and further Government policy and guidance, including White Papers which are expected later in the year.

It is anticipated the shadow arrangements could be in place by April 2011 with the transition concluded by April 2012 .

## **Annex 1: Letter of support**

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## **Annex 2: Letter of support**

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