



**SCRUTINY COMMISSION – 14 JULY 2010**

**REVIEW OF PROSPECT LEICESTERSHIRE PERFORMANCE**

**REPORT OF THE CHIEF EXECUTIVE**

**Purpose of Report**

1. To provide information to the Commission regarding the role and performance of Prospect LeicesterShire.

**Background**

2. Prospect was established in April 2009 as part of a review to improve the coordination and delivery of economic development in the sub-region.
3. The main elements of the new arrangements are:
  - A Leadership Board comprising local authority and business leaders to agree priorities and approve commissioning plans against those priorities.
  - A Multi Area Agreement (MAA) with Government.
  - A joint Commissioning Unit based at the City Council responsible for leading the preparation of a strategy preparing the commissioning plan and commissioning activity against the plan using pooled and aligned funding.
  - The creation of Prospect based on the former Leicester Regeneration Company to increase capacity to deliver physical regeneration/ development projects across the whole area. Leicestershire Promotions remains a separate company for tourism and place marketing but the inward investment service was transferred from it to Prospect.

4. The strategy was agreed in the spring this year and the commissioning plan is nearly finalised. This plan will provide the framework for the activities of Prospect and other delivery bodies in the future. In the absence of the plan Prospect has worked with a range of partners to identify opportunities.
5. Members will be aware that the Government intends to abolish regional development agencies and replace them with Local Enterprise Partnerships based on functional economic areas. The Government has invited areas to submit bids to establish LEPs by 6<sup>th</sup> September 2010. The Leicester & Leicestershire arrangements seem to substantially meet these requirements and the Leadership Board has agreed that a bid building on current arrangements be prepared.
6. Current core funding for the administration of these arrangements is:

	£K				
	County	City	Emda	HCA	Districts
Commissioning Unit	80	80		80	80
Prospect	250	250	225	252	125
Leicestershire Promotions	279	*	*	*	*

\*Not known

### **Past Performance & The Future**

7. Attached at Appendix A is a report of the Chief Executive of Prospect regarding the company's activities in its first year of operation and priorities for the future.
8. In addition to past performance the Commission may wish to discuss with the Chairman & Chief Executive of Prospect their views of it's future role taking into account:
  - The move towards a Local Enterprise Partnership
  - The probable reductions in funding for administration and the consequent need for more cost effective arrangements
  - The reduction in revenue and capital spending on initiatives particularly for larger scale regeneration and development schemes.

### **Recommendation**

9. It is recommended that the Commission uses this report as a basis for discussion with the Chair and Chief Executive of Prospect LeicesterShire.

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**List of Appendices**

APPENDIX – Prospect Leicestershire Performance Report