

APPENDIX

95. Review of Prospect Leicestershire Performance.

The Commission considered a performance report concerning the past year in operation of Prospect Leicestershire (PLS), the new economic development company charged with delivering physical regeneration and growth, business innovation and support and inward investment across Leicester and Leicestershire. A copy of the report, marked 'B', is filed with these minutes.

The Chairman welcomed David Hughes, Chief Executive and Nick Carter, Executive Chairman of PLS to the meeting. Prior to questioning, a three minute promotional film was screened which the company had produced for the purpose of briefing potential investors.

In response to questions from members, Mr. Hughes and Mr. Carter advised the Commission as follows:-

- PLS had experienced a challenging first year in operation, particularly given the current economic climate. The recession and lack of availability of capital funding was an ongoing concern, though it had managed to secure public funding for three major projects in the City and County;
- The disparate nature of the County meant that it was more challenging to present a meaningful case to investors. Unlike other counties/cities, there was not one central reason for investing in Leicestershire, but rather a series of advantages which collectively were likely to attract interest from the private sector;
- PLS had received feedback from Government that the mature partnerships it had formed with the City and County Council and other bodies was viewed as a template for other authorities to follow;
- It had been successful in bringing together the three universities for productive talks on how best they could support the local economy. A 'Universities Partnership' had now been created and it was felt that this was 'a first' and, therefore, a significant achievement;
- A bid for funding had been submitted at the end of June to enable better support for graduates wishing to move into business. This was intended to retain and attract high quality graduates to the County and promote small business developments;

- Through the Commissioning Group, under the Leadership Board, a plan was being prepared which would identify where PLS should focus its delivery activity to help further support the local economy. Relationships had been developed with the district councils and support was now being provided to them, though in some cases this had yet to lead to the allocation of funding;

Arising from questioning from members, the following points were noted:-

- Though the promotional video had not included much by way of content specific to the County, it was stressed that it was not a stand alone entity and required support from PLS officers when presented to investors in order that the full breadth of opportunities in the area could be adequately presented;
- Going forward, there would be significant challenges faced by the company in respect of funding. Though it was felt that there was a possibility that there would remain a very limited pot of funding available from Government, efficiencies within the company would need to be identified to ensure it was equipped to respond to the challenges it faced in the future;
- The abolition of emda was viewed as an opportunity in as much as it was regarded a setback. PLS now hoped to be in a better position to create alliances with neighbouring cities and counties and other LEPs outside the existing sub-regional area;
- Despite the recession, it was felt that there remained a reasonable level of resilience within the private sector and that constructive discussions on projects would continue;
- The identification of quality sites for office space and industries such as manufacturing was an ongoing challenge, particularly land in close proximity to Leicester Station. It was felt that it was important that redundant land be released for redevelopment for instance via compulsory purchase order;
- Building on the work carried out in respect of the Total Place project, it was hoped that alliances on the shared use of property could be created across the public sector. The shared use of call centres was viewed as a possible area in which efficiency opportunities could be identified;

- The case for Growth Point funding bids for any existing projects would need to be re-emphasised to the Coalition Government in order that it could be satisfied that they fit within its priorities and PLS was confident that it would be successful in this respect;
- The possibility that LeicesterShire Promotions could be brought together with PLS in order to create efficiency savings on areas where the work of the two bodies overlapped was a matter for the funding partners;
- Though Blaby District Council and Oadby and Wigston Borough Council had yet to see a 'cash' return on their investment in PLS, it was felt that time would be needed for projects to come to fruition. With regard to Oadby and Wigston, discussions were in hand regarding the availability of good quality industrial units in the area.

A White Paper was expected in October which would address the decision as to whether or not to abolish all remaining regional government offices and it was felt that the Commission, in coming to a view on how to proceed with scrutiny of the economic delivery arrangements, should have regard to any proposals included therein. A view was also expressed that the Leader, and/or the Deputy Leader (in his capacity as Prospect Board Member) should be involved in any future discussions at the Commission on this matter.

RESOLVED:

- (a) That the performance report of Prospect Leicestershire be noted;
- (b) That the points now raised be the subject of a discussion between the Scrutiny Commissioners in order that a view can be formed on how best to progress the matter and that the outcome of those discussions, together with a summary of the points raised, be presented to the Commission at its next meeting on 1 September.