



# PRESS RELEASE

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## SUPPORT FOR LOCAL BUSINESSES – LEPS LEAP TO THE RESCUE

There were several announcements included in the recent White Paper on Local Growth, which sets out the Government's new approach to rebalance the economy and achieve sustainable growth.

### Local Enterprise Partnerships

The first 24 Local Enterprise Partnerships have been given the go-ahead, by Local Government Secretary Eric Pickles and Business Secretary Vince Cable. These are public-private sector partnerships designed to drive growth and create jobs in their specific areas. They are part of the Government's plans to rebalance the economy and promote sustainable economic growth.

Communities Secretary, Eric Pickles said: "I am delighted that we can announce today the first 24 local enterprise partnerships to be given the go ahead. Our vision for local enterprise partnerships will help transform the economic geography of the country by creating a new local dynamism that will encourage economic growth and protect business with proper local accountability."

Ken Parsons, Chief Executive of the RSA, said, *"The new LEPs face a real challenge. In the last fifteen years, our rural shop sector has experienced central government support being channelled through the Rural Development Commission, then the Countryside Agency and latterly the Regional Development Agencies. Each change has resulted in considerable costs to the taxpayer and a period of learning for the new organisation. The pack of cards has now been tossed into the air again. Government finds it much easier to totally restructure organisations rather than to get "down and dirty" to make existing organisations more effective. The country desperately needs good practical support for businesses and we very much hope that LEPs will herald a real improvement in the way it is delivered. Some RDAs were more effective than others – and we expect that it will not be long before the dreaded term "postcode lottery" starts to be applied to the priorities adopted by different LEPs. In the coming months we will be engaging with these organisations to help them get up to speed quickly and ensure that the needs of our members do not get overlooked amidst all the conflicting priorities they will face"*.

### Retention of Local Business Rates

The Government proposes to look at ways for local authorities to keep the business rates they collect locally and hence reduce central redistribution. Under the current system over £20bn of business rates collected by councils are pooled by central government and redistributed across all local authorities. By giving councils the ability to retain the money they raise in business rates, the idea would be to give councils a more direct stake in the future of their own economies and the funding to deliver the services their communities need.

It is worthwhile remembering that the current system was set up by the Local Government Act 1988, passed by a Conservative government, specifically to overcome problems of the previous system – a system remarkably similar in some respects to the one now being proposed.

## **Regional Growth Fund**

Ministers declared today the £1.4bn Regional Growth Fund open for business. The fund will particularly support communities currently dependent on the public sector, helping them make the transition to private sector led growth and prosperity.

Under plans outlined by the coalition Government, the newly formed Local Enterprise Partnerships (LEPs), will be encouraged to bid for a share of the fund in order to provide support and encourage growth for businesses.

Lord Heseltine will chair an Independent Advisory Panel, made up of academics, business and civic leaders, which will consider all bids submitted to the fund by LEPs and will make recommendations to Ministers.

The first 24 local enterprise partnerships are:

- Birmingham and Solihull with East Staffordshire, Lichfield and Tamworth
- Cheshire and Warrington
- Coast to Capital
- Cornwall and the Isles of Scilly
- Coventry and Warwickshire
- Cumbria
- Great Cambridge and Great Peterborough
- Greater Manchester
- Hertfordshire
- Kent, Greater Essex and East Sussex
- Leeds City Region
- Leicester and Leicestershire
- Lincolnshire
- Liverpool City Region
- Nottingham, Nottinghamshire, Derby and Derbyshire
- Oxfordshire City Region
- Sheffield City Region
- Solent
- South East Midlands
- Stoke-on-Trent and Staffordshire
- Tees Valley

- Thames Valley Berkshire
- The Marches
- West of England

**Notes for editors:**

**The Rural Shops Alliance (RSA) was formed in April 2001 and now represents over 7,200 independent retail members, employing some 40,700 staff. The RSA – a trade association with a difference – exists to be the campaigning voice of the independent rural retailer and the source for practical support particularly in terms of retail best practice. Many ‘blue chip’ and ‘retail service’ suppliers sponsor and partner the work of the RSA and help the organisation with category management and best retail.**

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