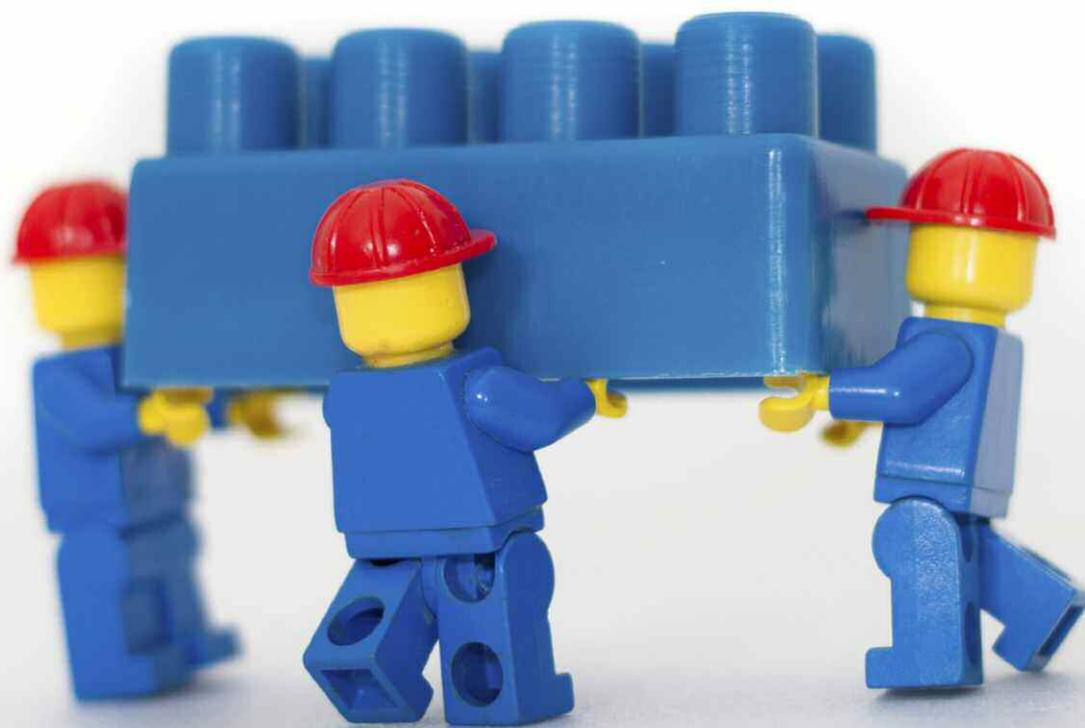


Local Enterprise Partnerships

An LGiU essential guide



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This guide brings together and updates a series of LGiU briefings on the establishment, activities and progress of Local Enterprise Partnerships (LEPs), with comment and analysis. The guide has been compiled by LGiU associate **Majeed Neki**, who is also part of the secretariat team for the All Party Parliamentary Group on Local Growth. The guide has been edited by **Janet Sillett**.

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Introduction

In 2010 and 2011, 39 Local Enterprise Partnerships were formed across England: partnerships between local authorities and business charged with driving forward growth in their areas. Now, in 2014, LEPs are submitting multi-year strategic economic plans to government which will be used as a basis to negotiate 'Local Growth Deals'.

Though the scale and extent of these deals will vary greatly, this process looks set to reinforce the still-forming identity of LEPs as the primary vehicles for delivering strategic direction for local growth policy in England, providing them with significant new funding and non-financial levers while also leading to strengthened mechanisms for governance, accountability and business input. It is a logical moment to take stock of LEPs and this guide attempts to provide a concise but practical and insightful overview of their origins and progress to date, their roles and responsibilities and their possible evolution.

This guide is relevant to local authority councillors and officers across all areas of England and all tiers of local government, particularly those involved with planning, transport, employment and skills, public service reform, economic development and scrutiny. Key themes for local authorities include:

- the evolution of LEPs as the primary vehicles for strategy and delivery in several areas of economic development activity, and ensuring that LEPs are sufficiently robust, effective and accountable to play this role
- ensuring effective partnership working between public and private sector partners on LEPs, and between authorities of different tiers and political persuasions
- ensuring productive links between local growth strategy, heavily influenced by LEPs, and public service reform in areas such as welfare-to-work, increasingly influenced by local authorities
- LEPs' potential role with regard to core statutory and non-statutory functions held by local authorities, such as planning and housing
- LEPs' position in relation to forms of formalised multi-authority governance, such as joint committees and combined authorities, which are increasingly emerging in order to share services, pool resources and direct activity on a functional economic area basis.

This guide will also be useful to a wider audience looking to engage with LEPs, including staff of national agencies; those working in the further and higher education sectors and in research and innovation; trade associations and third sector organisations.

Acknowledgements

The author is particularly indebted to Andy Pike, David Marlow, Anja McCarthy, Peter O'Brien and John Tomaney for their comprehensive 2013 report on 'The State of the LEPs'.¹

This guide also draws on the work of the All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships and Enterprise Zones,² of which the author is part of the secretariat team.

The LGiU has produced a series of briefings on LEPs and local growth and the author acknowledges the work of Andrew Jones, David Marlow and Mark Upton on this issue. There are links to relevant briefings in the references section of the guide.

The author would like to thank Janet Sillett and the team at LGiU for the opportunity to contribute to the debate in this fast-moving and crucial area of work for all local authorities.

LEPs: a brief history

The idea of 'local enterprise partnerships' appeared in the Conservative Party's 2009 Green Paper on decentralisation, 'Control Shift', as part of a theme on the supposedly unaccountable, remote nature of regional governance embodied in the Regional Development Agencies (RDAs) and their associated powers over planning and housing. By the time of the Conservative Party's 2010 manifesto, LEPs still had little definition beyond the name, but were now being explicitly positioned as a replacement for RDAs.

A detailed timeline of key milestones in LEPs' evolution from 2010 to 2013 (from Pike, *et al*, 2013) is provided in Appendix A. As an overview, however, LEPs can be seen as having undergone three main phases of development since the idea was first announced by government in 2010.

2010-11: a staggered start

The Coalition Agreement in May 2010 committed to *'the creation of Local Enterprise Partnerships – joint local authority-business bodies brought forward by local authorities themselves to promote local economic development – to replace Regional Development Agencies (RDAs)' and noted that 'These may take the form of the existing RDAs in areas where they are popular'*.³

Events moved swiftly from there, as the June 2010 Budget formalised the government's intention to abolish RDAs and reiterated a commitment to *'Support the creation of strong Local Enterprise Partnerships, particularly those based around England's major cities and other natural economic areas, to enable improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development.'*⁴

Immediately afterwards, the government invited local authorities and businesses to submit proposals to form LEPs, providing some loose parameters as to their potential form and activity but emphasising the need for more bottom-up institutions to replace RDAs. Sixty-two proposals were received and the Local Growth White Paper, *Realising Every Place's Potential*,⁵ in October 2010 declared that 24 of the proposed areas were ready to establish governance boards, having been evaluated by government with regard to their support from business and local authorities, the appropriateness of their proposed economic geography and their ambition to add value in their local economies.

The White Paper set out a number of possible roles for LEPs, emphasising the need for local areas to tailor their functions according to local economic characteristics and needs. One potential role which LEPs were invited to take on was as coordinators – or direct bidders – for the newly established Regional Growth Fund (RGF). However, the first significant function tied specifically to LEPs – albeit not to all LEPs – was the establishment of Enterprise Zones (EZs) at Budget 2011.

EZs were designated, relatively tightly bound sites and areas, hosted by LEPs and supported by a package of measures to incentivise business activity, including additional

powers for LEPs to retain business rate growth generated within their EZ for reinvestment. After 11 EZs were initially designated by government, a competitive bidding process saw a further 11 added, with two more added subsequently in response to significant job losses at BAE Systems sites.

A more universal function was the disbursement of the Growing Places Fund – a fund announced in November 2011, allocated to LEPs by formula and intended to form the nucleus of a ‘revolving fund’ to be invested, for a return, in local infrastructure projects which would be pivotal in unlocking additional growth and development.

2011 also saw the establishment of the LEP Network, initially hosted by the British Chambers of Commerce, to support communication and sharing of best practice between LEPs. More broadly, the Localism Act was passed into law towards the end of 2011, with little mention of LEPs per se given their non-statutory position, but establishing the principle of devolution to England’s eight largest or ‘Core’ Cities, which led to the City Deals programme.

2012: defining and positioning

By early 2012 activity was beginning to coalesce. All 39 current LEPs (*see map at Appendix B*) had been approved by government, though they were at very different stages of development. LEPs had received and begun allocating the Growing Places Fund; RDAs officially closed their doors and the Enterprise Zones (*see list at Appendix C*) officially ‘went live’ as of the start of the financial year in April.

The first wave of ‘City Deals’ was also confirmed: tailored packages of additional investment and new freedoms and flexibilities, negotiated with each of the eight Core Cities by a cross-Whitehall group of ministers and officials. Though implementation would take significant time, and LEPs’ precise role was at first unclear, the success of this initial venture saw 20 smaller city-based areas invited to bid for ‘Wave Two’ of City Deals, including several (such as the Black Country, Stoke and Staffordshire and Tees Valley) where the LEP was the obvious coordinating mechanism.

Less successful were the government’s referenda in the 12 largest cities to try to install elected mayors, accepted only by Bristol and (pre-empting the referendum) by Liverpool, and not providing for the geographical range to bring an entire city-region together in the way that London’s mayor is arguably able to do.

Though there had been a limited ‘capacity fund’ open to competitive bidding in 2011, 2012 saw the establishment, following significant lobbying, of a core funding stream for LEPs worth over £24m over three years, with each LEP entitled to £250,000 per year if they could match this from local sources. In return for this, LEPs would have to develop and submit formal ‘strategic growth plans’ to the government. LEPs would also be allocated a senior Whitehall official or ‘sponsor’ as a dedicated point of contact.

Perhaps more significantly for LEPs’ identity as vehicles for localising key levers of growth, it was also confirmed by the Department for Transport that from 2015, funding for local major transport schemes would be devolved to local transport bodies based on LEP areas – an ambition which would eventually be incorporated into the Single Local Growth Fund.

Lord Heseltine's eagerly awaited government-commissioned report on growth, *No Stone Unturned*, was published on 31 October 2012. It used LEPs as a major fulcrum of its 89 recommendations, calling for "a very significant devolution of funding from central government to Local Enterprise Partnerships so that government investment in economic development is tailored directly to the individual challenges and opportunities of our communities, and can be augmented by private sector investment".⁶

Heseltine emphasised the "persistent regional disparities" that have dogged the British economy and noted that "growth is everyone's business". His report charted the basket of localist, place-based economic growth initiatives on which the government had embarked, including LEPs and City Deals, but noted that the approach thus far had been "piecemeal" and advocated a more systematic approach to the devolution of financial levers to local areas. Notably, Heseltine's recommendations included the establishment of a single pot of funding from all departmental budgets which support growth, with an indicative value of £49bn over four years and to be allocated to LEPs via a competitive bidding process based on long-term growth strategies. The idea captured the imagination of policymakers and LEPs alike.

2013-14: an offer we can't refuse

In the first quarter of 2013, the government signalled its renewed commitment to devolving powers to functional economic areas, announcing in February that all 20 of the 'second wave' City Deals would proceed to the negotiation stage over the following year. Following this, alongside its Budget in March, the government promised to enact Lord Heseltine's single pot idea, with funding settlements for a Single Local Growth Fund (SLGF) to be negotiated as part of broader Local Growth Deals with every LEP area.⁷ Taking forward another of Heseltine's recommendations, LEPs would also be invited to set the strategy for European Structural and Investment Funding, which would be allocated to LEP areas, and to align this with their broader ambitions.

There was considerable speculation over the following few months as to how this would work and how ambitious the government would be, with several commentators (and Lord Heseltine himself) referring to a battle⁸ within Whitehall between proponents of decentralisation and departments and ministers unwilling to cede power.

The size and composition of the Single Local Growth Fund was eventually confirmed at the Comprehensive Spending Review in June 2013. The fund was set at £2bn a year for the next five years, and included some elements that had previously been announced, such as devolved funding for local major transport schemes. A particular controversial aspect of the announcement was the proposal to 'top slice' local authorities' receipts from the New Homes Bonus, an incentive paid to councils for increasing the supply of housing in their areas, with the money passed over to the relevant LEP; this was later halted (with the exception of London) at 2013's Autumn Statement.

Though many were disappointed with the extent of the Fund, it was cited by government as a starting point and Lord Heseltine defended it as ambitious and exciting relative to what had gone before, calling on LEPs to make the most of the opportunity, press forward with their plans and prove themselves equal to further devolution.

The government issued guidance⁹ to LEPs on the Single Local Growth Fund and Growth Deals in July 2013, linking the negotiation of deals to the preparation of detailed, multi-year Strategic Economic Plans and setting out strong requirements around governance and delivery capacity, which echoed the guidelines set out for City Deals.

The guidance also confirmed officially that London would be welcome to submit proposals for a Deal on the same terms as other LEPs, after a formal request was made from its political leaders, via the Mayor of London and Chair of London Councils, to open a dialogue with government. This followed the publication of the independent London Finance Commission's report¹⁰ in May 2013, which set out a measured, realistic argument and road map for fiscal devolution for London, with central grant to be reduced in line with the expected first year yield of any devolved taxes, and was supported by the Core Cities.

In 2014 the government also put in place a single team across Whitehall departments to work with LEPs, Local Growth Deals and related matters, building on the success of the Cities Policy Unit based in the Cabinet Office and incorporating core teams from this Unit, the Department for Communities and Local government (DCLG) and the Department for Business, Innovation and Skills (BIS) alongside a broader network of specialist analysts and advisors. Ministerial responsibilities remained split across departments, but with reinforced arrangements for collaboration and an explicit role for the Minister for Cities, Greg Clark MP, as the lead broker of Growth Deals.

The 2014 Budget also extended business incentives in EZs and created the first EZ in Northern Ireland.

For LEPs the latter end of 2013 and start of 2014 was dominated by the task of developing strategic economic plans, with an interim feedback stage in December 2013 and final plans submitted at the end of March 2014. The government hopes to have concluded initial negotiations with LEPs on Growth Deals before the summer parliamentary recess, with Deals officially to be implemented from April 2015. Meanwhile, the LEP Network has been refreshed and responsibility for it taken over by LEP Chairs in preparation for the challenges and opportunities ahead.

Structure, governance, relationships with Government and accountability

Significant variation in the structure of different LEPs was built into the venture from the beginning. The Local Growth White Paper noted that *“The government does not intend to define local enterprise partnerships in legislation. Governance structures will need to be sufficiently robust and clear to ensure proper accountability for delivery. Partnerships will differ across the country in both form and functions in order to best meet local circumstances and opportunities. A partnership may need legal personality or a specified accountable body in some circumstances, such as if it wished to own assets or contract to deliver certain functions. The constitution and legal status of each partnership will be a matter for the partners, informed by the activities that they wish to pursue”*.

However, based on the few parameters that government did set out and on LEPs’ experience of what has worked well, there are a number of structural factors common across most LEPs:

- all LEPs are governed by a Board, typically of around 10-15 members (with outliers) and usually comprising:
 - private sector chair and a majority of private sector representatives, almost always participating on a voluntary basis
 - local public sector leaders – typically leaders of the major local authorities involved in the LEP
 - Higher Education representative (and in some cases Further Education representative)
- many LEPs also have some form of sub-groups, working groups or advisory boards which feed into the main Board on particular themes or carry out particular tasks such as allocating investment funding to projects
- most LEPs fit into one of three broad formal structures:
 - a private company, generally owned by its constituent local authority or authorities and with its Board acting as a Board of Directors (e.g. Lancashire Enterprise Partnership)
 - an unincorporated, voluntary partnership organisation (e.g. Oxfordshire LEP)
 - part of a broader city-regional governance arrangement such as a Combined Authority, ensuring private sector strategic leadership on growth-related issues (established in 2011 for Greater Manchester and currently being established for the Sheffield, Liverpool, Leeds and Newcastle/Sunderland city region areas)
- there are a number of routes which have emerged through which LEPs are able to interact with government on a day to day basis:
 - through the newly formed cross-Whitehall ‘Single Local Growth Team’ which operates on both a geographic and subject-specific basis
 - through BIS Local teams, which have the role of liaising directly with local businesses and business institutions on behalf of BIS and helping to guide them through the machinery of government

- through senior Whitehall ‘champions’ or ‘sponsors’ chosen from across departments and allocated to each LEP as an advisor and ‘troubleshooter’
- directly with ministers and senior civil servants – though the contacts and knowledge to make these connections varies across different LEPs.

However, LEPs vary considerably in many aspects of their governance. For instance, in the Local Growth White Paper, the government noted that it had *“invited businesses and councils to come together to form local enterprise partnerships whose geography properly reflects the natural economic areas of England... partnerships which understand their economy and are directly accountable to local people and local businesses”*.¹¹

This idea of a functional economic geography is generally defined with reference to an area’s labour market: for statistical purposes, a ‘travel to work area’ is defined¹² as an area within which around 75 per cent of the resident population also works. In reality, though, many LEPs do not fit this definition, with many reflecting only a small part of a larger travel to work area due to their proximity to major centres (particularly London) and other LEPs remaining significantly smaller or larger than this ideal, for reasons more political than economic.

This in turn sees significant variation in the number and range of local authorities incorporated within each LEP, and gives rise to differences in governance; for example, many LEPs have a wider ‘leaders’ board’ which includes local authority representatives for whom there was not space on the main LEP Board.

Importantly, there is also no single clear view on LEPs’ lines of accountability, either to local people and local businesses or to central government. As Pike *et al* note, their survey work revealed an *“array of possibilities”* across LEPs, from *“genuinely not knowing”* to *“accountability to a Local Authority Leaders’ Board (or, in London, the Mayor); accountability to ‘business’ (however defined); and, accountability to central government and the Secretaries of State in DBIS and/or DCLG”*.¹³ This was echoed by evidence taken by the APPG on Local Growth for its Rising to the Challenge inquiry.¹⁴

Powers and responsibilities

The powers and responsibilities of LEPs were from the outset somewhat amorphous, with government emphasising its reluctance to dictate these top-down as was seen to have happened with RDAs. The Local Growth White Paper gave a broad set of examples of roles which LEPs could potentially take on:

- working with government to set out key investment priorities, including transport infrastructure and supporting or coordinating project delivery
- coordinating proposals or bidding directly for the Regional Growth Fund
- supporting high growth businesses, for example through involvement in bringing together and supporting consortia to run new growth hubs
- making representation on the development of national planning policy and ensuring business is involved in the development and consideration of strategic planning applications
- lead changes in how businesses are regulated locally
- strategic housing delivery, including pooling and aligning funding streams to support this
- working with local employers, Jobcentre Plus and learning providers to help local workless people into jobs
- coordinating approaches to leveraging funding from the private sector
- exploring opportunities for developing financial and non-financial incentives on renewable energy projects and Green Deal
- becoming involved in delivery of other national priorities such as digital infrastructure.¹⁵

Since this point the LEP debate has become more focused, aided by the Heseltine Review and the progress of City Deals. LEPs have also been supported by up to £250,000 per year in capacity funding. Though there are major questions remaining and clear differences in the scope and extent of work and decision making being taken on by different LEPs, their functions can be summarised under the following five main headings.

Strategy and oversight

LEPs are increasingly seen as the natural level at which to develop and oversee economic strategy for a functional economic area. Many LEPs prioritised the development of a strategy once they had established their basic governance arrangements. Pike *et al* note that around half of LEPs sought to some extent to update existing strategies formed at the

RDA or local authority level, with the other half undertaking a new process to develop their strategy; and also found variation between LEPs as to whether their initial strategy sought to set a direction for the whole local economy or only for the LEP itself.¹⁶

Government's offer of significant capacity funding in late 2012 was tied to a formal requirement to develop a growth strategy (though these strategies did not need to fit a set format) and this tended to see LEPs develop strategies where they had not yet done so, while the Autumn Statement in 2012 committed, following the recommendation of the Heseltine Review, to give LEPs a new strategic role in skills policy.¹⁷

The formalisation of Local Growth Deals and the Single Local Growth Fund in summer 2013 again prescribed no set format for LEP strategies, now labelled 'Strategic Economic Plans'. However, the guidance made clear that LEPs were expected to make a step up in their strategic role.

To achieve an ambitious Growth Deal, they would need to set out an economic direction for the whole area which aligned existing strategies and demonstrated ambitions beyond the direct funding and levers available to LEPs; brought together growth-related spend and activity across local authorities and with related programmes and funding streams such as European and Enterprise Zone funding; and was underpinned by strong and practical business support and clear mechanisms for collective decision-making.

Having submitted an initial draft of their Strategic Economic Plans in December 2013, LEPs submitted final plans at the end of March 2014, prior to a period of negotiation with government.

Bidding, commissioning, investing and administering funds

Though assuming these responsibilities at intervals over time, LEPs have taken on a significant role in strategic commissioning, directing investment and administering funds:

- **Single Local Growth Fund:** having negotiated with government for a Growth Deal settlement, LEPs will be responsible for the direction of funds successfully obtained from the Single Local Growth Fund to deliver their multi-year strategies – the expectation being that this funding bid will have been used to leverage resources from other private and public sources.
- **European Structural and Investment Funds (ESIF) 2014-20:** LEPs are responsible for developing and overseeing strategies for the investment of European Social Fund (ESF) and European Regional Development Fund (ERDF) allocations for their areas, directing these to support local economic priorities, but in line with overarching European frameworks and national parameters. LEPs are working with 'opt-in' organisations – the Skills Funding Agency, Department for Work and Pensions, BIG Lottery Fund, Manufacturing Advisory Service and UK Trade and Investment – to leverage in additional funds and co-commission programmes. LEPs submitted their final strategies to government in early 2014. The Single Local Growth Fund can be used as a match for European funding. (*Funding allocations given to each LEP are listed in Appendix E*)

- **Growing Places Fund (GPF):** LEPs were allocated a share of this £450m fund (later expanded to £730m), put together by DCLG and the Department for Transport, in 2011 via a formula based on population and average employed earnings (as a proxy for economic activity). Government set out an expectation that the GPF should be invested in establishing sustainable revolving funds, to be used to pump prime infrastructure projects which would unlock development, or to unblock stalled development sites.

The general perception is that this local autonomy over allocations has been successful, with LEPs rising to the challenge of running a competitive bidding process with clear locally focused criteria and ensuring legal accountability through a local authority taking on a role as accountable body for the funds. Several LEPs have already 'recycled' money successfully through the GPF and have undertaken multiple funding rounds, including New Anglia and Thames Valley Berkshire.¹⁸

- **Regional Growth Fund (RGF):** worth a total of £3.2bn over 2011-12 to 2016-17, the RGF was established with an explicit focus on private sector job creation, slanted towards areas with higher dependency on public sector employment. Though criteria have been tweaked and varied across the five rounds of RGF bidding that have so far taken place, LEPs have played a role in coordinating bids from businesses across a sector or geography, often carrying out the bulk of the bid writing process. Criticism has been levelled at the RGF – notably by the National Audit Office (NAO) and House of Commons Public Accounts Committee – for offering poor value for money and failing to get funds to front line projects efficiently.¹⁹
- **Enterprise Zones:** England's 24 EZs seek to attract investment and jobs through incentives such as business rate discounts, tax allowances for capital investment on certain sites (both extended for a longer period in the 2014 Budget) and simplified planning regimes achieved through the use of Local Development Orders. LEPs will retain business rate growth generated in the EZs for reinvestment across the LEP area. Among the most high-profile announced investments in EZs to date has been Siemens' proposed investment of £160m in renewable energy production in the Humber, projected to create 1,000 jobs.²⁰
- **Other national funding:** some LEPs have been involved in bidding for, or backing bids for, other more specific funding streams, such as the Coastal Communities Fund, Urban Broadband Fund, the Homes and Communities Agency's Local Infrastructure Fund and various funds targeted at rural economies.
- **Local commissioning arrangements:** LEPs have been used in some areas as a commissioning or investment vehicle outside the bounds of these national initiatives. For example, the three district authorities within the Greater Norwich City Deal have pooled Community Infrastructure Levy receipts to create a £118m local growth fund. This is likely to become increasingly common, with LEPs expected to use the Growth Deal process to pool, free up and attract additional funding to make their case and deliver their plans.

Business representation

Part of the impetus behind the establishment of LEPs was the perceived need to introduce a more direct private sector voice and expertise into local economic development activity. LEPs have taken different approaches to establishing themselves as vehicles for business representation, partly related to the varying presence and authority of traditional business representation organisations in different areas, as well as the varying balance of power on LEPs between the public and the private sector. As Pike *et al* note: “Some LEPs explicitly claim to be the local ‘business voice’ while most claim to be either ‘a’ voice for business or a mediator of business voices.”

Consequently, LEPs’ approaches to business engagement vary, from building alliances with traditional business representation organisations to seeking to become business membership organisations in their own right, notably in Buckinghamshire Thames Valley and Liverpool City Region.

Engagement with the wider business community, particular SMEs, is a major concern for most LEPs, with a strong consensus amongst those involved with LEPs that ‘brand recognition’ amongst most local businesses tends to be low. However, the majority of LEPs are active in seeking wider business input beyond the immediate membership of their Board and working groups, and as the Growth Deal process moves forward there is an increasing expectation on LEPs that they ensure that they credibly represent and respond to business opinion and need in their areas. Lord Heseltine’s discussion of the role that Chambers of Commerce could play in the local infrastructure of businesses is also very much an emerging strand of thinking.

Influencing, brokering relationships and representing the locality

As they slowly gain greater recognition locally, and their strategic role in driving growth becomes more embedded nationally, LEPs are increasingly playing a role in influencing and brokering relationships with other organisations. These include stakeholders with pivotal roles in the local economy – a prime example being the influencing of further education within LEP areas through joint intelligence-led strategies between colleges and LEPs, as has been done in the West of England LEP and elsewhere.

LEPs also seek to influence national government agencies with a stake in growth-related projects and programmes, such as the Highways Agency, UK Trade and Industry, the Skills Funding Agency and English Heritage. LEPs brokerage role in this area has been enhanced and accelerated by their newly-gained strategic control over European Structural and Investment Funding, which has involved LEPs in negotiating directly with several such agencies, including UKTI, the SFA and the MAS. The importance of this role for LEPs was highlighted from another institutional perspective by the government-commissioned Witty Review of universities’ role in driving growth, published in October 2013.²¹

Putting this role in its broader context, LEPs and their chairs and board members are increasingly called upon to represent their localities, whether in terms of marketing the area and its businesses to potential investors and customers, or in discussions with government. LEPs also manage relationships with a growing number of organisations which have been

set up with LEPs in mind or which have an intellectual stake in local growth policy, such as think tanks, the LEP Network and the What Works Centre for Local Growth.

Reshaping local government economic development delivery and broader structures

Implicitly and increasingly explicitly, many LEPs have played a role in aligning and streamlining the functions and decision-making apparatus of their local authorities. This has been reinforced by Lord Heseltine, who has repeatedly implied that he sees LEPs as local government reorganisation by the back door, and by the Growth Deal guidance. This referred to the need for LEPs to demonstrate that they are *“aligning or pooling local authority capital and revenue spend on growth – particularly on housing, transport, economic development, regeneration, planning and infrastructure”*, that they are *“maintaining their activities on economic development and growth”* and that they are working towards an aligned asset management strategy across the LEP area to support growth.

In addition to moving towards a more collective approach to economic development spending – at a time when budgetary challenges make some form of restructuring in this discretionary area almost inevitable – a number of LEPs are working to improve their interface with business across several authorities, such as in the BIS-backed ‘Better Business for All’ initiative to streamline regulation in the Leicester and Leicestershire LEP, and the business friendly planning approach pursued by the Black Country LEP which has harmonised development planning requirements across four authorities. Inevitably, local partnerships’ different approaches to strengthening their joint governance arrangements – for example through informal arrangements, joint committees or Combined Authorities – will impact on the LEP’s position as the primary vehicle for brokering partnerships between local authorities across a functional economic area.

Strategic Economic Plans, Local Growth Deals and the Single Local Growth Fund

The announcement of a Single Local Growth Fund and 'Local Growth Deals' in government's response to the Heseltine Review has given more focus to LEPs' role and external expectations of them, following their somewhat fragmented beginnings.

Lord Heseltine recommended that "central government should identify the budgets administered by different departments which support growth. These should be brought together into a single funding pot for local areas, without internal ring-fences".²²

No Stone Unturned cited £49bn of funding, over four years, as being potentially suitable to be transferred to this single pot, with Lord Heseltine later referring to a revised figure of £60bn arising from refined calculations. When the details of the Single Local Growth Fund were released, in June 2013 it totalled around £2bn a year (rather than the £12-15bn a year that Heseltine envisaged). It also included a significant proportion of funding that had already been earmarked for devolution to the LEP level, notably local major transport scheme funding.

Perhaps more significantly, the Fund contained considerable internal ring-fences constraining how monies originating with participating departments could be spent. Some disappointment was expressed at the size and nature of the fund, though Lord Heseltine welcomed it as a radical departure from previous government practice and a major opportunity for LEPs.

Alongside the Fund, the government introduced the broader concept of Local Growth Deals, whereby LEPs could negotiate not only for a share of the Single Local Growth Fund, but for "greater influence over key levers affecting local growth and freedoms and flexibilities" (Growth Deal guidance). The establishment of this new, universal Growth Deal framework, and the government's commitment to negotiating with every LEP area within this Parliament, went some way towards addressing the perceived fragmentation or divergence of parallel local growth initiatives, particularly City Deals and LEPs.

As a basis for negotiations on both funding and non-financial levers, all LEPs were asked to develop multi-year Strategic Economic Plans, outlining as part of the LEP's overall growth strategy the programmes, measures or reforms being proposed; clear evidence of the additional positive impact on growth and jobs of investing in a programme or implementing a new way of working; and evidence of the LEP's ability to deliver and govern their proposed activity successfully.

Government has been clear about the need for stringent analysis and a high level of specific detail in order to secure an ambitious Growth Deal. Minister for Cities Greg Clark is overseeing the process, with support from expert advisers including Lords Heseltine and Shipley and involving a group of ministers from across relevant departments. Ministers visited every LEP in late 2013 and early 2014 to offer support and challenge on LEPs' emerging plans. Officials across BIS, DCLG and the Cities Unit at the Cabinet Office have

been brought together into a single Local Growth Team, with input from across Whitehall, to work with LEPs, help evaluate proposals, administer the negotiating process and support refinement and implementation of plans. A Local Growth Committee has also been created, as a sub-committee of Cabinet, to oversee the Government's local growth agenda.

LEPs submitted draft plans to the government in December 2013 and, after receiving initial feedback, were required to finalise their plans by the end of March 2014. After this, LEPs and government will enter a three-month negotiation process, which will include detailed work with Whitehall officials and further ministerial challenge sessions in a similar vein to the process used for City Deals and which, the government hopes, will lead to 'in principle' agreements across LEPs before the summer Parliamentary recess. More detailed work will then be ongoing towards April 2015, when LEPs will start to deliver the activity set out in their plans.

Perceptions of LEPs, challenges and opportunities

Since their inception, there has been an ongoing debate about LEPs' capabilities to deliver – and equally about government's commitment to devolving significant power to the LEP level. While beginning to offer answers to some of these questions, the Growth Deal framework has also introduced further questions into the debate. This is an attempt to capture some of the issues with which LEPs, local authorities, business and government are currently grappling.

Status and stability

Unlike RDAs, the existence of LEPs has no statutory basis, meaning that LEPs must rely more on their effectiveness for their continued existence. Perhaps more importantly, the wholesale change to the institutional landscape of local growth in England brought about by the Coalition – as a continuation of the trend of institutional churn that has persisted for decades – have left LEPs needing to prove to an often sceptical set of stakeholders, from both the public and the private sectors, that they are here to stay. This has not been aided by a hurried and much criticised winding down of RDAs, with little of their expertise and asset base retained by LEPs.

The sense that a future government could simply cut LEPs loose and replace them has contributed to the fact that some newer partnerships, not based on previous partnership arrangements, may have struggled initially to gain traction locally. The APPG on Local Growth has consistently called for national cross-party commitment to continuing and supporting LEPs in order to provide the stability essential for economic development.

Ed Miliband's pledge in April 2014²³ that Labour would retain LEPs, double the Single Local Growth Fund and devolve greater powers to regions within the democratic framework of combined authorities may have helped provide local partners with some assurances.

Geographical appropriateness

Commentators have long accepted that not every LEP genuinely fulfils the criterion of representing a 'functional economic area'. The National Audit Office's 2013 report on the value for money of government's local growth policy notes evidence from BIS that just seventeen of the 39 LEP areas approved by government had presented a 'strong' case that they represented a functional economic area.

Given the theoretical basis of LEPs in functional economic areas – and the increasing need to be able to model the impacts of investment in different projects or sectors across a recognisable 'local economy' to inform collective investment decisions – this should be of some concern. The issue presents an added reason for LEPs experiencing issues in this regard to review their boundaries, as government has invited them to do, before proceeding further.

Purpose, scope and alignment with other initiatives

The open-endedness of LEPs' purpose, at least for the first several months of their lives, has coloured their subsequent development and the way in which they are perceived. The early government narrative that the LEPs were a grassroots, bottom-up replacement for RDAs was initially convenient given the timescales of abolishing RDAs and establishing LEPs, but the comparison was somewhat uneasy in the longer term given the differences in budget, scale, status and function between the two types of institution.

The comparison with RDAs has been challenged by many commentators, while generally being treated with caution by LEPs themselves, who tend to perceive themselves as a very different type of institution to RDAs. Housing and planning are good examples of areas in which RDAs were very active but where LEPs' strategic role in many localities is not yet clear, despite government rhetoric consistently tying LEPs to these areas of policy and delivery.

On the other hand, many LEP Boards have expressed the feeling that LEPs, over time, have been laden with more and wider-ranging functions by government, and some of those working in this area – both from an academic and a practical perspective – have cast doubt on LEPs' ability to carry out the full range of functions that have become relevant to them. There has also at times been a perceived lack of clarity on LEPs' alignment with existing local growth initiatives, particularly City Deals and the Regional Growth Fund, as noted by the NAO in December 2013.²⁴

Variability and capacity

LEPs vary widely in the amount of resources that they are able to command, and this variation will only be more entrenched after the Growth Deal process given local authorities' differing levels of funding and commitment; varying levels of private sector interest in investing in different locations; and differing levels of capacity and expertise in securing third party funding.

The significant variations in the acceptance, effectiveness, visibility and capacity of LEPs in different areas has led some to challenge the ability of LEPs overall to provide the institutional framework required to drive growth in England.

However, this variation is in line with government's shift away from top-down regional structures and towards a locally focused set of institutions, based on responding to local needs and obtaining much of their power and funding on an 'earned autonomy' basis, as has been envisaged for the Growth Deal process. Arguably the fact that reform and devolution can move at the pace of the fastest, rather than the slowest – as consistently demonstrated by the growth and reform activity of Greater Manchester in recent years – is an exciting prospect for the future.

Notwithstanding this, though, some – including on occasion Lord Heseltine – have argued for additional support for underperforming LEPs, and it will be interesting to note whether and how the Growth Deal process is also used to identify the additional capacity building support which LEPs need, as well as to grant funding and powers to LEPs deemed ready to take it on.

Through the Growth Deal process there is a clear consensus amongst LEPs that the central core funding available until this point will not be sufficient to deliver on LEPs' new responsibilities. LEPs' involvement in an ever-growing range of activity is also leading to increasing strain on particularly private sector Board members' time, which, importantly, is usually contributed voluntarily.

Partnership working, broader governance frameworks and public service reform

The partnership working arrangements on which LEPs depend have faced early strain in some cases, with mistrust between councils or their leaderships (potentially of different political stripes, but perhaps more profoundly of different types and tiers) sometimes threatening smooth partnership working. District councils have often been especially concerned about being squeezed out of decision-making, particularly where they are not directly represented on the LEP Board.

Though there are clearly examples of excellent joint working, another area of potential tension is differences of priority between private and public sector stakeholders of LEPs, which are currently being amplified by LEPs' new responsibilities and funding streams. Businesses are generally keen to make quicker decisions and seen as more interested in innovation, investment and business finance, enterprise support and skills rather than more traditionally 'public sector' issues around infrastructure, housing, etc., and there is a sense among some private sector representatives that LEPs' emerging responsibilities are not exactly what they signed up for at the outset. In some areas this is seen as a useful creative tension, with private sector representatives playing a key role in brokering agreement between public sector bodies. In any case, as with cross local-authority cooperation, it requires some bedding in.

LEPs' role in different areas is also coloured by the work being undertaken by many local authorities to enter into new governance arrangements with other authorities, often to share services or to take a more strategic approach to investment and risk. This is a growing trend in straitened financial circumstances, with the LGA stating that around 95 per cent of English councils are sharing services in some way with other local authorities.²⁵

In these circumstances LEPs may become more or less pivotal to local governance arrangements, potentially taking on greater delivery responsibilities through pooled services; taking on greater strategic responsibilities as a guiding business voice on local growth policy; or being sidelined. This will depend partly on the strength and presence of the LEP and the attitude of the local authorities involved.

The link between growth and public service reform is particularly important in this context. A lack of cooperation between local authorities will limit their ability to work together to realise savings and realign services, while some private (and indeed public) sector members of LEPs may not necessarily recognise the link between reducing dependency on services and demand for public funds (for example through supporting people into employment) and ensuring that the right financial resources, skilled workforce and social infrastructure are present to underpin growth and investment in the local economy.

Accountability and value for money

As LEPs take on greater powers and responsibilities, the question of accountability – and the tension between accounting to central government for public funds and being part of a new style of devolved governance – is growing in prominence and urgency. Though far from the first time that these points have been expressed, the NAO's 2013 report on the value for money of government's local growth policy concludes that *"it has not yet been demonstrated that funding mechanisms for supporting local economic growth are capable of delivering value for money"*.

The report brings together information on the different ways in which government departments are monitoring local growth related programmes to evaluate performance and evidence value for money, and the different levels of transparency to which different LEPs are operating locally. In both cases there are significant disparities, and the NAO report includes key recommendations around the need for *"consistent central monitoring frameworks and indicators to allow comparison between programmes and the evaluation of the total impact of local growth programmes"* and the need to *"Review current arrangements for coordination, accountability and transparency of local growth programmes"*.

At a local level, meanwhile, some have noted the lack of scrutiny of LEP activity and the difficulty that local communities and organisations may face in obtaining sufficient information on LEPs' activity, and the NAO recommends ensuring that LEPs' *"local transparency arrangements are robust and meet the expectations placed on local authorities"*.

As always the balance between speed of decision-making and accountability is a difficult one: local authority elected members are accountable to their electorate for their decisions, while there is no formal collective responsibility for decisions made by the LEP, and LEPs may on occasion take decisions which constituent authorities wish to ratify – or indeed to challenge – through their own democratic structures. The role of communities and civil society organisations in influencing LEPs' activity is also ill-defined.

Wider business engagement and brand recognition

Though this varies significantly between LEPs, engaging with business beyond those directly involved in the LEP – particularly SMEs – and achieving brand recognition in the area have proved difficult for many. For some this is likely to relate to a lack of resources to support effective mass communication and promotional activity, but it is also linked more deeply to the issues of definition of purpose, stability and accountability cited above. In places, unless addressed this may threaten to undermine both LEPs' credibility and their ability to deliver interventions that truly promote the conditions for growth in the local economy.

Central government commitment

The way in which LEPs have been established and the levers perceived to be at their disposal, particularly compared with RDAs, has led some commentators to question central government's commitment to LEPs. The size of the Single Local Growth Fund, the

significant ‘strings attached to its use and government’s retention of control over large separate funding pots – most notably the Regional Growth Fund – has fuelled this debate, as has the re-centralisation of many of the defunct RDAs’ export and innovation support functions, rather than these being localised to LEPs. This may reinforce the perception that, though much progress has been made, there has not yet been a wholesale cultural shift towards devolution in Whitehall. LEPs have also been concerned about fragmented approaches to communicating and working with LEPs across departments and agencies, and the resulting ‘mission creep’ and duplication of reporting and monitoring arrangements, though generally acknowledging that this has improved over time.

However, the Growth Deal process – and its associated narrative around breaking down departmental silos, earned autonomy and the need to put forward robust investment propositions for the mutual benefit of local economies and government – may assist in forcing the issue further. Looking at the Wave Two City Deals being concluded, many display a fairly straightforward approach to securing additional government investment, or minor flexibilities to borrowing, in order to leverage additional money from other sources in order to fund infrastructure, skills or business support projects.

However, there are some more ambitious flexibilities on display, most notably Cambridge’s attempt to negotiate an arrangement called ‘gain share’, similar to Greater Manchester’s much-feted ‘earn back’ model secured as part of its Wave One City Deal, whereby a mechanism would be created for some of the proceeds of growth in the area to be recouped and reinvested locally on an ongoing basis. If this were to be progressed it could represent a more radical decentralising move compared to previous growth policy. The success and credibility of City Deals, as well as the wider economic conditions, could provide a context where some LEPs are able to conclude Deals which lead to a new and mutually beneficial way of sharing risk and reward between central and local government.

Next steps for LEPs

As LEPs enter what will undoubtedly be the most important year of their short lives to date, their Growth Deal submissions and subsequent negotiations seem set to provide the dominant influence for the next few years of their activity. There is clear ambition on the ground, and within parts of government, to make Local Growth Deals work and to advance the agenda beyond the current piecemeal agreements towards a more concerted push for autonomy across functional economic areas.

At the same time, renewed attention is falling on scrutinising the institutional frameworks supporting local growth initiatives, including the strength of LEPs' governance and partnership frameworks; ways of holding LEPs accountable; ways of demonstrating the impact and value for money of individual investment decisions; and ways of evaluating local growth policy as a whole. These are becoming important tests which determine how far decentralists in government feel able to push the issue of devolution.

How these points are resolved is crucial to whether the government's programme of devolution through City Deals and Local Growth Deals will mark a genuine cultural shift, or whether it will be isolated as a small, discrete programme championed by a few zealots in government but met with caution, indifference or incomprehension elsewhere.

A key question to resolve will be whether the response to the clear need for LEPs to be accountable and demonstrate value for money leads to increased central monitoring, as recommended by the NAO, or increased local responsibility, as recommended by the APPG on Local Growth. Mandating LEPs to fill out complex monitoring returns and using the results to calculate value for money would certainly provide the national assurance that will remain necessary in a Parliamentary democracy.

But could the same effect be achieved while harnessing local innovation, such as by establishing a way in which local business cases could feed directly into the national spending review process, or shaping a more place-based role for the statutory accounting officer who must be present, in different forms, in both government departments and local authorities? Realistically, given that many of the more active LEPs will already have been engaged in negotiation with government through one of the waves of City Deals, how well does this sort of more tailored, partnership approach lend itself to those LEPs which have not yet started to show their potential?

How this moves forward will depend to some extent on the quality of LEPs' Growth Deal submissions, and the analysis, communications and public affairs work carried out around them, which will be revealed over the course of 2014. As well as government's level of ambition, what LEPs get will depend partly on what they can justify with evidence and plans, but also on what they ask for in the first place.

A top priority for LEPs should be ensuring that this opportunity is not a one off, by securing both the means for sustained growth – through ongoing financing mechanisms such as earn back – and by making clear their expectations of an ongoing conversation with government on the scope of local freedoms. Meanwhile, the push to secure stability for

LEPs will be influenced significantly by Lord Adonis' Labour Party-commissioned review of growth policy, to be published in June.

Beyond the 2015 General Election, in order to sustain this ongoing conversation with government, proponents of devolution will need to continue to make the links between economic growth and public service reform more explicit. Growth, though a hugely important objective for government, does not free up resources directly in the way that reducing benefit costs through supporting people into work, or integrating health and social care, could do.

The virtual inability of local areas to raise their own finance also acts as a constraint on what local partnerships are able to achieve, and this, following the London Finance Commission and the City Growth Commission expected to report in autumn 2014, seems set to become a key battleground for the local growth agenda in the future.

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Related LGiU briefings

Urban autonomy? 'City Deals' and elected mayors (February 2012)

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What's next for LEPs? (November 2012)

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The Development and Delivery of European Structural and Investment Funds Strategies: supplementary guidance for LEPs (July 2013)

Growth Deals: Initial Guidance for Local Enterprise Partnerships (August 2013)

The Development and Delivery of European Structural and Investment Funds Strategies: Update and next steps (November 2013)

New Homes Bonus: PAC and NAO Reports, and the local growth fund (December 2013)

For more information about this, or any other LGiU member briefing or guide, please contact Janet Sillett, Briefings Manager, on janet.sillett@lgiu.org.uk

Appendix A: Detailed Timeline of LEPs' Establishment and Progress 2010-2013¹

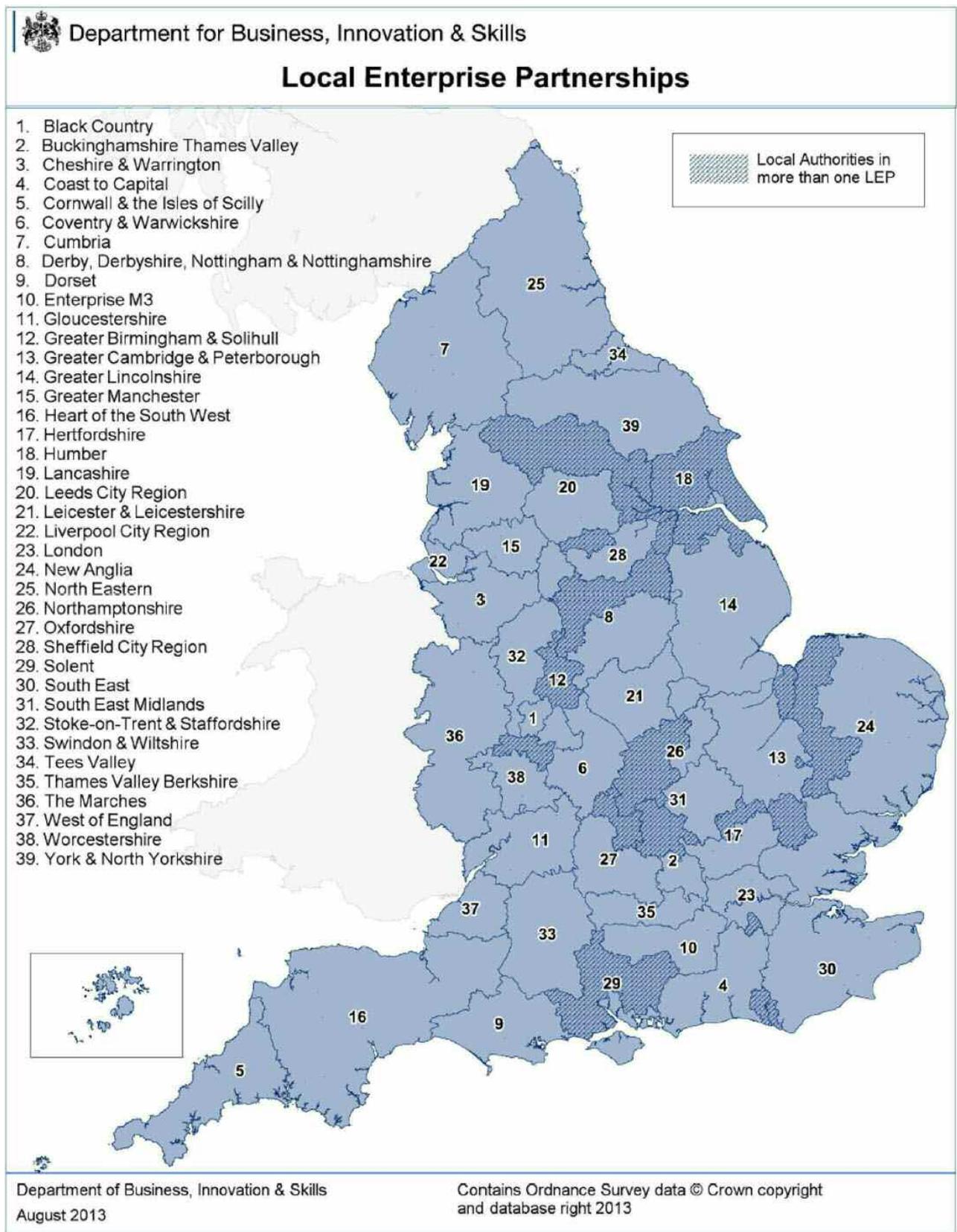
Dates	Events
11 May 2010	The Coalition Government is formed. The Coalition Agreement sets out the intention of the Government to support the creation of 'Local Enterprise Partnerships' (LEPs).
22 June 2010	The Emergency Budget announces the abolition of the 8 Regional Development Agencies (RDAs) in England.
29 June 2010	A joint letter from Eric Pickles and Vince Cable invites Local Authorities and Business Leaders to submit proposals to form LEPs.
29 June 2010	Nick Clegg launches the Regional Growth Fund (RGF).
6 September 2010	The Government announces that 57 proposals have been received from local areas to form LEPs.
28 October 2010	The Government confirms that 24 proposals to form LEPs have been agreed. 33 proposals have either been rejected or local areas have been asked to submit revised proposals. ⁵⁴ In the end, 39 LEPs were formed.
28 October 2010	The Local Growth White Paper sets out the roles for LEPs depending on local priorities.
9 December 2010	BIS Select Committee publishes the report: 'The New Local Enterprise Partnerships: An Initial Assessment'.
21 January 2011	RGF Round 1 closes.
15 March 2011	The LEP Network is formed – with the British Chambers of Commerce – in receipt of DCLG funding – providing the Network's secretariat.
23 March 2011	In the Budget it is announced that 11 Enterprise Zones (EZs) will be designated to LEPs. A competitive process will take place for a further 10 EZs to be awarded to interested LEPs.
1 April 2011	The Greater Manchester Combined Authority comes into formal existence.
30 June 2011	Deadline for proposals from LEPs seeking to secure a 'Second Wave' EZ.
1 July 2011	RGF Round 2 closes.
4 July 2011	The Government receives 29 proposals from LEPs bidding for a 'Second Wave' EZ.
15 August 2011	The Government agrees 11 'Second Wave' EZs.
3 October 2011	The Government announces two further EZs

⁵⁴ The LEP proposals 'rejected' by the Government in October 2010 were: Bexley, Dartford and Gravesham; Blackpool and Fylde Coast; Coastal West Sussex; County Durham; Cross Roads of England; Devon, Plymouth and Torbay; East Anglia; East Sussex; Gatwick Diamond; Gloucester, Swindon and Wiltshire; Hampshire; Hull, East Riding and Scarborough; Kent-Essex; Kent and Medway; Newcastle-Gateshead; Northumberland and North Tyneside; Pennine Lancashire; South Somerset and East Devon; South Tyneside and Sunderland; Surrey Connects; Stoke on Trent and Staffordshire; Visitor Economy Southern England; and West Midlands.

1 Pike *et al*, 2013

Dates	Events
	(Humber and Lancashire) are to be created in response to redundancies announced by BAe Systems.
7 November 2011	The Government launches the Growing Places Fund (GPF) for LEPs.
16 November 2011	Localism Bill 2011 receives Royal Assent and becomes the 2011 Localism Act.
January 2012	The Government launches a consultation on the formation of Local Transport Boards.
31 March 2012	RDAs operationally closed. They would be dissolved as legal entities on 1 July 2012.
1 April 2012	All 24 Enterprise Zones 'go live'.
13 June 2012	RGF Round 3 closes.
18 September 2012	The first 8 City Deals are agreed and signed with the Government.
29 October 2012	The Second Wave of City Deals (with 20 cities) is launched.
31 October 2012	Lord Heseltine's 'No Stone Unturned' report is published.
23 January 2013	The Government publishes indicative funding allocations to Local Transport Boards (from 2015).
19 February 2013	20 Second Wave City Deals are agreed by Government.
18 March 2013	The Government's response to Lord Heseltine's report is published, which includes its support for the creation of the Single Local Growth Fund.
20 March 2013	RGF Round 4 closes.
15 April 2013	DBIS publishes preliminary guidance for LEPs on the Development of EU Structural and Investment Fund Strategies.
26 April 2013	BIS Select Committee publishes its 9 th Report of Session 2012-13 – 'Local Enterprise Partnerships'.
10 June 2013	13 EZs shortlisted to receive funding from the £100m Local Infrastructure Fund.
25 June 2013	Press reports indicate that the LEPs Chairs have formed an alternative group ('The 39 LEPs') to the LEP Network.
26 June 2013	At the Comprehensive Spending Review 2013, the Chancellor announces the size of the Single Local Growth Fund (£2bn per annum).
27 June 2013	The Government publishes 'Investing in Britain', which sets out further detail on the Single Local Growth Fund and other funding streams available to LEPs.
27 June 2013	DBIS publishes indicative allocations (to LEPs) of €6.2bn European Union Strategic Investment Funds (2014-2020).
11 July 2013	RGF Round 4 successful bidders announced and AMR on RGF Rounds 1 and 2 published.

Appendix B: Map and list of LEPs²



² Department for Business, Innovation and Skills

Appendix C: List of Enterprise Zones³

Enterprise Zone	Local Enterprise Partnership	Specialist Sectors
1 Aire Valley Leeds	Leeds City Region	Business Services; Energy; Pharmaceuticals & Healthcare
2 Alconbury Enterprise Campus	Greater Cambridge and Greater Peterborough	Advanced Manufacturing/Engineering; ICT; Industrial Biotechnology; Low Carbon Industry
3 Birmingham City Centre	Greater Birmingham and Solihull	Advanced Manufacturing/Engineering; Business Services; Financial Services; ICT; Pharmaceuticals & Healthcare
4 Black Country	Black Country	Advanced Manufacturing/Engineering; Aerospace; Automotive
5 Bristol Temple Quarter	West of England	Business Services; Creative Industries; Financial Services; ICT
5 Discovery Park	South East	AgriFood; Business Services; Energy; Industrial Biotechnology; Pharmaceuticals & Healthcare
7 Enterprise West Essex @ Harlow	South East	Advanced Manufacturing/Engineering; Aerospace; Creative Industries; Pharmaceuticals & Healthcare
3 Great Yarmouth and Lowersoft	New Anglia	Business Services; Construction & Built Environment; Energy; Retail & Logistics
9 Hereford	The Marches	Advanced Manufacturing/Engineering; Aerospace; AgriFood; Business Services; Construction & Built Environment; Security
10 Humber Green Port Corridor	Humber	AgriFood; Energy; Retail & Logistics; Transport
11 Humber Renewable Energy Super Cluster	Humber	AgriFood; Energy; Retail & Logistics; Transport
12 Lancashire	Lancashire	Advanced Manufacturing/Engineering; Aerospace; Automotive
13 Manchester Airport City	Greater Manchester	Advanced Manufacturing/Engineering; Aerospace; Business Services; Construction & Built Environment; Industrial Biotechnology; Pharmaceuticals & Healthcare
14 Mersey Waters	Liverpool City Region	Advanced Manufacturing/Engineering; Automotive; Business Services; Energy; Pharmaceuticals & Healthcare
15 MIRA Technology Park	Leicester and Leicestershire	Advanced Manufacturing/Engineering; Automotive; Low Carbon Industry
16 Newquay Aerohub	Cornwall and the Isles of Scilly	Advanced Manufacturing/Engineering; Energy; Transport
17 North Eastern	North Eastern	Advanced Manufacturing/Engineering; Energy; Low Carbon Industry; Transport
18 Northampton Waterside	South East Midlands	Automotive; Construction & Built Environment; Retail & Logistics
19 Nottingham	Derby, Derbyshire, Nottingham and Nottinghamshire	Advanced Manufacturing/Engineering; Creative Industries; Energy; Industrial Biotechnology; Pharmaceuticals & Healthcare
20 Royal Docks	London	Energy
21 Sci-Tech Daresbury	Cheshire and Warrington, Greater Manchester and Liverpool City Region	Advanced Manufacturing/Engineering; Aerospace; Energy; ICT; Pharmaceuticals & Healthcare
22 Science Vale UK	Oxfordshire	Advanced Manufacturing/Engineering; Aerospace; Energy; ICT; Pharmaceuticals & Healthcare
23 Sheffield City Region	Sheffield City Region	Advanced Manufacturing/Engineering; Aerospace; Creative Industries; Low Carbon Industry; Pharmaceuticals & Healthcare
24 Solent	Solent	Advanced Manufacturing/Engineering; Aerospace; Energy; Low Carbon Industry
25 Tees Valley	Tees Valley	Advanced Manufacturing/Engineering; Chemicals; Creative Industries; Energy

Source: <http://enterprisezones.communities.gov.uk/>

³ HM Government

Appendix D: Breakdown of the Single Local Growth Fund 2015-16⁴

Source	£million 2015 /2016
Local Authority Transport Majors	819
Local Sustainable Transport Fund (Capital)	100
Integrated Transport Block	200
Further Education Capital	330
European Social Fund Match	170
New Homes Bonus	400
Total	2,019
Of which, capital	1,449

4 HM Government. 2013. Growth Deals: initial guidance for Local Enterprise Partnerships

Appendix E: European Regional Development Fund and European Social Fund allocations to LEPs, 2014-20⁵

LEP	Allocation €m
Black Country	177.4
Buckinghamshire Thames Valley	13.9
Cheshire and Warrington	142.2
Coast to Capital	67.3
Cornwall and the Isles of Scilly	592.9
Coventry and Warwickshire	136.0
Cumbria	91.4
Derby, Derbyshire, Nottingham and Nottinghamshire	249.7
Dorset	47.3
Enterprise M3	45.7
Gloucestershire	38.3
Greater Birmingham and Solihull	255.8
Greater Cambridge & Greater Peterborough	75.5
Greater Lincolnshire	133.5
Greater Manchester	415.6
Heart of the South West	118.3
Hertfordshire	69.5
Humber	102.4
Lancashire	266.3
Leeds City Region	391.2
Leicester and Leicestershire	126.3
Liverpool City Region	221.9
London	748.6
New Anglia	94.5
North Eastern	539.6
Northamptonshire	55.0
Oxfordshire LEP	19.4
Sheffield City Region	203.4
Solent	43.1
South East	185.9
South East Midlands	88.3
Stoke-on-Trent and Staffordshire	161.6
Swindon and Wiltshire	43.6
Tees Valley	202.6
Thames Valley Berkshire	28.7
The Marches	113.7
West of England	68.6
Worcestershire	68.1
York and North Yorkshire	97.5

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