

Local Enterprise Partnerships in the South West: Planning and Delivery Potential

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February 2016

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EXECUTIVE SUMMARY

1. This report sets out the results of research commissioned by the South West branch of the Royal Town Planning Institute into the organisation and activities of the six South West LEPs with particular reference to their role in delivering local economic growth and their engagement with strategic planning and sustainable development.
2. Undertaken by Plymouth University in association with Hardisty Jones Associates the research combined desk analysis and interviews covering all of the LEPs and a representative cross section (around half) of the local authorities in the region. This has provided a mix of quantitative and qualitative data which provide a sound basis for understanding the developing role of LEPs against the background of a rapidly developing policy and institutional landscape.
3. The South West contains a varied geography against which LEPs have evolved, ranging from the well-established city region of Bristol and the West of England to both accessible and more peripheral geographies, characterised by a mix of urban and rural areas. In this regard the South West can be considered typical of the non-metropolitan based economic and settlement patterns found across much of England.
4. This is reflected in the resultant nature of the South West LEPs which cover a mix of unitary authorities (Cornwall & Isles of Scilly, Swindon & Wiltshire and West of England), two tier authorities (GFirst) and mixed two tier and unitary authorities (Dorset and Heart of the South West). The research has found that there is no single model for LEPs. They each appear to have adopted different approaches which reflect a number of factors, so they may be considered genuinely bottom up and locally driven. Key sources of difference include:
 - **Administrative structure:** the mix of constituent local authorities has a direct impact on the efficiency of engaging with local priorities.
 - **Antecedence:** some LEPs emerged from a historical background of collaboration and joint working between private and public sectors and local authorities, while others have started from scratch or patch up historical rivalries.
 - **Functional geography:** some LEPs cover areas where there is a reasonably good alignment with functional economic areas while others face inherent complexity in, and in some cases severed or overlapping travel to work, commercial property and housing market areas.
 - **People and resources:** The nature of the Board and Executive leadership and style of operation has clearly influenced the approach of individual LEPs. For example, while all LEPs have developed against the background of significant resource limitations, some have been able to command greater access to resources, reflecting a more collaborative approach.
5. As largely business-led partnerships LEPs are heavily dependent upon joint working between the private and public sectors, with the willingness of the public sector to provide resources appearing critical to their effectiveness. The role of the private sector in the LEPs – through private sector Board members – is gradually evolving, particularly as they develop their understanding of working within largely public sector dominated arena. The involvement of the private sector is valued by local authorities although questions were raised about the degree to which LEPs are truly representative, particularly where the local economy is characterised by small businesses. The resources available to LEPs appear to limit their ability

to engage with the local business community, pointing to the need for a collaborative approach between LEPs, local Chambers of Commerce and business organisations, and local authorities with active Economic Development teams.

6. While LEPs may have adopted different formats, they share a common focus as champions of the local economic growth agenda. LEPs acknowledge the environmental and, in some case cultural, context within which they operate, but the priority for LEPs is delivering enhanced economic performance through private sector business growth and investment. Absolute or relative GVA or GDP per capita, business formation and survival, job creation and employment rates are their key measures of success. Since their establishment there has been increasing focus on the competitive bidding process which has helped to give the LEPs a clear role and focus although this has diverted their attention from more strategic issues, given their limited resourcing.
7. The LEPs have to some extent been acting as an agency for central government however it is unclear if the introduction of devolution agreements will transfer some of this role to new mayors or combined authority principals.

LEPs and economic development

8. The performance of LEPs in securing funds to support economic development from central Government through the various programmes and initiatives has been variable. The LEPs which already had well established partnership working arrangements and were quick off the mark (e.g., Cornwall & Isles of Scilly and West of England) were able to attract discretionary funding from the Regional Growth Fund. Cornwall & Isles of Scilly stands out in terms of the scale of EU monies allocated to it, reflecting its continued underperformance against the EU average and the need for transformational change. Funding won on a competitive basis from the Local Growth Fund places only Dorset and GFirst LEPs above the national average in terms of per capita allocations from Rounds 1 and 2.
9. All of the LEPs have identified priority sectors as a means of delivering local growth e.g. aerospace, nuclear, renewable energy including marine and advanced manufacturing. There is significant overlap between these which has provided the basis for some collaboration between LEPs in the South West. A number of LEPs have highlighted growth potential in more traditional sectors such as tourism and agri-food and land based industries although generally the focus is on high wage and high GVA sectors. Local Authorities in rural or remote areas expressed concern at the lack of engagement with small businesses and primary industries which comprise, in some areas, the greatest portion of private sector economic activity.
10. Addressing 'soft' people issues such as knowledge, innovation and skills and 'harder' place-based considerations as such as strategic connectivity, infrastructure and employment land and premises appear on most of the LEPs' agendas. Few South West LEPs have taken up the opportunity to adopt a strong role in relation to planning. Only Dorset and GFirst specifically highlight the significance of planning in unlocking local growth in their areas.

LEPs and strategic planning

11. The approach undertaken to the preparation of their Strategic Economic Plans (SEPs) varies considerably between LEPs, reflecting both different local priorities and the degree to which they were approached as strategic documents which would help establish priorities, or bidding documents to secure resources. In some cases, particularly Cornwall & Isles of Scilly

and the West of England, they appear to have forged a strong public and private sector consensus around an economic vision for their areas and a key set of priorities.

12. Elsewhere, differences in SEP and Local Plan status and time frames has resulted in generally weak co-ordination with spatial planning. Exceptions to this are Swindon & Wiltshire where two recently adopted Local Plans support a spatial framework, and the West of England where there is a tradition of joint working on strategic and spatial issues across the LEP area. Generally however SEPs have followed an opportunistic approach to the identification of priorities and potential projects. In some cases this has given rise to the potential for conflict with the planning process where aspirational economic growth scenarios do not match with a longer term balanced planning approach.
13. LEPs have limited engagement with strategic spatial planning. Some LEPs have taken a specific decision not to engage in the strategic planning process given their limited resources, and rely on their constituent local authorities to ensure alignment between economic, spatial and transport planning. In this regard the LEPs operate within the framework of the adopted and emerging Local Plans whilst adopting an opportunistic approach to economic development.
14. The research has identified a number of limitations on the ability of LEPs to engage in strategic planning. The principal limitation relates to resourcing, in both quantitative and qualitative terms. Some LEPs have simply taken the decision to focus their resources on other priorities or rely on local authority partners to ensure that economic and spatial plans are aligned. This is the case in Cornwall & Isles of Scilly. In Gloucestershire, GFirst would like to have a greater input to Local Plans but does not have the necessary technical resource. In Swindon & Wiltshire, there is limited capacity to contribute, despite the LEP being a formal consultee.
15. Examination of the projects for which Local Growth Deals have been agreed demonstrates a significant focus on transport and infrastructure aimed at unlocking employment and housing development. These appear quite generic in nature with only a relatively small proportion of projects specifically directed towards supporting priority employment growth sectors.
16. The geographic distribution of funding is focused on principal urban areas and the main transportation corridors. It is clear that the resources won and allocated by the LEPs are being directed more towards areas of opportunity rather than need. This may reflect the fact that only two of the South West's LEPs articulate a clear spatial dimension for their economic plan and projects (Swindon & Wiltshire and West of England). This does not mean that the decisions of other LEPs do not raise spatial development issues. However lack of co-ordination between economic and spatial planning could give rise to conflicts, which need to be managed.
17. The degree of involvement of local authorities with LEPs varies but is likely to strengthen given their developing role as a conduit for Local Growth Funds. The nature of the relationship appears deeper and more even where LEPs have developed from established partnership and working arrangements (Cornwall and Isles of Scilly and West of England) or where there has been clear leadership provided across a traditional two tier county structure (GFirst). The relationship appears asymmetrical in mixed tier LEPs (Dorset and Heart of South West) with District authorities having less direct involvement and influence than Counties and Unitaries.
18. The relationship between local authorities and LEPs appears to be led at a corporate level and largely resourced from economic development teams of upper tier authorities. The direct involvement of local authority planners with the work of LEPs is weak or non-existent and their

- awareness of LEPs' activities is low. The exception to this is in the West of England where the West of England Partnership has assisted in bringing forward additional joint working.
19. There is a broad consensus that the introduction of the LEPs as champions for local economic growth working to a competitive bidding agenda represents less cumbersome and generally more effective arrangement than working through the Government Office. However there is criticism that LEPs are focusing on larger scale, transformational projects to the disadvantage of the less urban and less well connected parts of the region.
 20. It is accepted that the remit and resources available to the LEPs is significantly different to that of the South West RDA, with a much narrower focus on delivering local economic growth. The loss of strategic thinking and evidence gathering both in relation to the Regional Economic Strategy and Regional Spatial Strategy was highlighted. The legacy of work undertaken prior to 2010 proved valuable initially, but in the view of many local authorities big strategic ideas need to be promoted from a higher strategic level which is now missing.
 21. Local authorities in a number of areas are coming together to prepare joint evidence, strategic spatial frameworks and joint Local Plans to deal with larger-than-local issues and to address the duty to co-operate. This includes work by the West of England LEP and Partnership to prepare a formal joint spatial plan covering strategic housing and transport to inform individual Local Plan updates. Elsewhere, LEPs are becoming involved with work on informal planning frameworks dealing with issues which require higher level thinking, particularly strategic transport. These merging joint planning arrangements are being driven by the local authorities rather than the LEPs.
 22. The work undertaken by LEPs on their Strategic Economic Plans has been referred to in a number of Local Plan examinations, primarily in relation to the duty to co-operate and economic and employment land forecasts and implications for future housing requirements. Experience points to difficulties in relying on the early work of LEPs as a contribution to evidence base for statutory planning for the following reasons:
 - SEPs were prepared as bidding documents which involved an 'aspirational' view of local economic growth potential sometimes with limited evidence.
 - The timescales attached to SEPs were generally short to medium term and did not reflect the longer timescales required for Local Plan preparation.
 - As business-led organisations LEPs may be open to private landowner and developer influence which may not reflect wider economic or sustainability interests.
 23. The approach taken in the West of England involving the preparation of a joint evidence base across the whole of the LEP area to guide future Local Plan preparation represents a clear way forward. This is dependent on well-developed partnership and governance arrangements between public and private sectors, access to an appropriate level of technical resource, and a reasonable degree of fit between the LEP and the functional economic geography.
 24. Such an approach appears less easy to achieve elsewhere in the South West where functional economic geographies, administrative structures and local political considerations make collaboration across, and integration between, strategic economic, transport and planning agendas more challenging. This is clearly the case in Dorset where the Bournemouth conurbation has connections with neighbouring authorities to the East that are as strong, if not stronger than, those with the rest of the county. Similarly, sub-LEP collaboration is developing across the Heart of the South West where four areas of cooperation are emerging.

25. This pattern of collaboration and tensions across administrative and functional geographies is mirrored to some degree by City Deals (Bristol City Region, Bournemouth & Poole, Plymouth & the South West peninsula and Swindon & Wiltshire) and emerging devolution agreements and proposals. Again this highlights the extent to which the spatiality of city regions and symmetrical administrative structures facilitate joint working. Quite simply, coordinated working across hybrid LEPs appears harder and slower.

LEPs and sustainable development

26. For local planning authorities LEPs are not seen as having a significant role to play in respect of sustainable development given their clear remit around local economic growth, which reflects national Government priorities. This stands in contrast to the work of the South West RDA which placed significant focus on environmental and social dimensions. Planning is seen as having a key role to play in ensuring that the activities of the LEPs contribute to sustainable development through an appropriate spatial policy (Local Plan) framework and development management procedures. Development management is not an area where LEPs are actively engaged.
27. A number of local authority respondents highlighted the potential role which Local Nature Partnerships could play in helping to fill the gap left by the South West RDA and acting as a champion for the environmental dimension of sustainable development.
28. Local authorities recognise the increasing role which LEPs are playing in the funding of infrastructure to support growth. However, concerns are emerging around delivery due to short bidding timescales and the lack of resources to undertake necessary project development work. A number of authorities commented on the important role which the HCA plays in the delivery of strategic development projects, both as a source of funding and expertise with a focus on community building and placemaking.

Policy Recommendations

Economic development

29. The findings from the research point to a number of areas where the role of LEPs as key bodies responsible for bidding for public funds to support local economic growth needs to be strengthened.
- As the recipients of significant levels of public funding both directly and indirectly, there is considerable variation in the level of transparency of the LEPs. While acknowledging the role which local authority partners play as Accountable Bodies, there should be reasonable expectation that LEPs should be required to provide annual reports on their activities, including both the level of both direct and indirect resourcing, the level of funding secured and how it has been allocated.
 - Given the strategic role which LEPs play in promoting economic growth and the risks associated with the effective delivery of programmes and projects, LEPs should ensure that clear processes are in place for the appraisal, approval, contracting and monitoring of expenditure. Specifically, LEPs should require that all expenditures should be assessed ex ante and ex post against their key objectives and targets and reported on an annual basis.
 - With the LEPs' main focus is on growth sectors and transformational projects, they are not resourced or able to engage in all aspects of economic development, particularly in

respect of traditional sectors found in the South West such as agri-food and tourism. This points to a need to ensure the comprehensive and coordinated provision of economic development support activities across the South West. Government and local authorities need to ensure that support for SMEs and start-up business is maintained to complement the activities being supported by the LEPs

- LEPs need to keep private sector representation under review, to ensure that it is reflective of the local business community and interests. LEPs need to strengthen their relationship with local business organisations and local authority economic development teams to ensure that local business requirements are factored into their economic plans and priorities.
- While the focus of the LEPs is on the delivery of growth and the competitive performance of local economies in the short to medium term, they have the potential to be an important voice in shaping longer term policy in terms of the spatial distribution of activities and securing an enhanced the quality of life and environment. As champions of local economic growth LEPs should contribute to strategic planning policy-making and be accorded the status of formal consultees, with access to independent resources and expertise to fulfil this role.

Strategic Planning

30. The results from the research lead to the following suggestions for improving the contribution of LEPs to strategic planning across the South West:

- There is a need to develop and disseminate understanding of the role which strategic planning can play in enabling sustainable economic growth. Local planning authorities should use LEPs as a key source of information and guidance on the economic and business dimension of their plans and policies. As noted above, LEPs should be treated as formal consultees in the plan and policy-making process.
- LEPs should support local authority partnership arrangements to enable effective joint working and delivery. While this can be done on an ad hoc basis it is most successful where jointly resourced teams are in place. It is critical that these arrangements engaged directly with District and National Park planning teams directly rather than through County Councils as intermediaries.
- A shared and robust evidence base is a key to achieving strategic planning. A way needs to be found of combining the aspiration and opportunism of the LEPs with the Local Plan process. The joint Strategic Plan for the West of England or the informal strategic planning frameworks emerging in Dorset, Gloucestershire and the Heart of the South West may provide potential ways forward.
- LEPs should create appropriate governance arrangements to enable private sector input into the strategic planning processes. Several LEPs have established business-led sub groups around place, infrastructure and/or transport, and these help to ensure that there is an appropriate focus on the task of aligning economic and spatial planning. All LEPs should consider establishing a development industry-focused group to engage with spatial planning. However, in all cases the remit must be clarified to remove the potential for conflict of interest, and clarify the nature of LEP representations on planning policy, as distinct from those of specific agents or developers.
- Devolution deals should specify the approach to spatial planning within the new Combined Authority area, and it should be made clear if and to what extent the LEP will participate in the process.

- Government, LEPs and Local Authorities should work together to ensure that LEPs have access to professional planning expertise to help them understanding the linkage between local economic and spatial planning and to capitalise on opportunities for planning to enhance outcomes.

Sustainable development

31. The research has highlighted the limited direct role which LEPs play in respect of sustainable development. It is important that the strategies, programmes and projects which are promoted by the LEPs reflect a balanced approach and recognise the potential contribution of the environment and communities to local economic growth. The following suggestions are put forward as a means of strengthening the contribution which LEPs could play in respect of sustainable development:
- Local planning authorities must take the lead in ensuring that an appropriate planning policy framework is in place to guide LEP programmes and projects. This will be subject to the requirements of SEA/SA. This process needs to be informed by consultation with key stakeholders which should include the LEPs as champions of the local economic growth agenda.
 - LEPs should engage in strategic dialogue with local authorities, Local Nature Partnerships and Health and Wellbeing Boards in their area to identify the potential for achieving ‘win-win-win’ outcomes through joint working and collaboration on their respective activities.
 - As part of their project appraisal and approval processes LEPs should require an assessment of the social and environmental implications of their resource allocation decisions to be undertaken, including how the programme and/or project responds to the low carbon/climate change agenda. As business-led bodies LEPs need to demonstrate their commitment to Corporate Social Responsibility.
32. It is apparent that in the relatively short time since their establishment, LEPs have established themselves as significant players in the sub-national architecture which has been put in place since the demise of regional governance. The LEPs’ emergence reflects a more entrepreneurial and market facing approach to governance, with business being given a key role in driving the local economic growth agenda. This has required new ways of working to be developed. The research has shown considerable variation in approach which reflects the wide ranging administrative and functional economic geographies found across the South West.
33. Some areas are better placed to benefit from this new approach, which seems better suited to clearly defined functional market areas and symmetrical local government structures. However in the complex geography found across much of England where city and sub regions do not fit neatly with historic administrative boundaries, a pragmatic approach is called for. Key to success in this regard is effective joint working and collaboration between local political and business interests around a shared vision. Planning has a key role to play in creating a framework for positive change.

1. INTRODUCTION

Purpose of Research

- 1.1 This report presents the findings of research aimed at providing a comprehensive and up to date picture of the role which the Local Enterprise Partnerships (LEPs) are playing in the planning process in the South West of England. This research has been funded by Royal Town Planning Institute (RTPI) South West in order to improve understanding of the activities and significance of LEPs in the region, particularly in respect of:
- The delivery of economic growth
 - The links between the LEPs and strategic planning
 - The contribution of LEPs to the delivery of sustainable development, including the location and character of growth.
- 1.2 The research takes the varying typologies of places, local authorities and LEPs across the South West as a useful study ground for understanding how this decade's focus on delivering economic growth is being taken forward by LEPs and local authorities. The area of the study encompasses the six LEP areas covering the former regional planning area of the South West of England. This area contains a population of over 5.2 million people and 43 rural and urban local authorities, including:
- | | |
|---------------------------------|-----------------------------|
| 4 County Councils | 12 Unitary Authorities |
| 25 Lower tier District Councils | 2 National Park Authorities |

National Context for Research

- 1.3 The report builds on work undertaken for the RTPI nationally, investigating the role which LEPs are playing in planning for growth. This research, undertaken by Lee Pugalis and colleagues from Northumbria University and Alan Townsend of Durham University, provides a valuable background against which to consider the detailed experience of the six LEPs in the South West.
- 1.4 In their research [Pugalis et al \(2015\)](#) presented their findings on the position and development trajectory of LEPs, and examined the potential of LEPs, from a limited start, to become part of a strategic mechanism to plan for growth. The report was based on comprehensive survey data exploring the planning roles that some LEPs presently undertake, the challenges they face and their ambitions for the future. It was concluded that over time LEPs have garnered a reputation as “strategic [spatial] entities” in part due to their recognised status as central government’s preferred sub-national vehicle for realising growth ambitions.
- 1.5 Pugalis and Townsend argued that in many areas of England, LEPs are the key conduit between central government and local government in respect of numerous spatial policy domains, such as strategic transport and housing. Whether by default or by design, LEPs are perceived by both internal and external stakeholders as performing an important role in the shaping of places. This might include, for example, the promotion of “attractive business environments” or direct investment intended to “grow places”. Consequently, the field within which LEPs operate should necessitate close interaction with planners and the planning system. Thus, whilst at no stage have any LEPs collectively or individually lobbied to “take over strategic planning” (indeed, they have actively resisted being drawn into this responsibility), the

observation that LEPs are, indirectly, planning actors is indisputable. Pugalis and Townsend believe that this is a role which is set to grow.

- 1.6 The commissioning of this research provides an opportunity to explore the activities of LEPs in the context of a region which has struggled to deliver strategic planning as it has evolved since the 1947 Town and Country Planning Act. Since that time policy-makers and planners have continually re-shaped the organisations responsible for coordinating delivery of economic growth and development across and within sub-national regions.

Regional Context for Research

- 1.7 In its centenary review of planning in the South West, the RTPI SW (RTPI SW, [Branchout No. 160](#), 2014) highlighted the chequered history of strategic planning in the South West and noted that to a significant degree this relates to the region's geography:

"Its unique combination of spectacular natural environment, not least its coastline; its large size and shape; its lack of a single, dominant, urban area; significant population growth pressures and the fact that, in no sense, is it a fully integrated area, either physically or economically, have all presented significant challenges for the Region's strategic planners." (RTPI SW, p.12)

- 1.8 In its concluding comments on regional planning in the South West the report states:

'Regional planning has never been popular at the 'local' level, where it has been seen by many politicians as a 'top-down' imposition of policy. It has been difficult to grasp by the public at large (not least because of its complexity and long term nature) and, in the South West, as elsewhere, there have always been tensions between the 'second tier' District and Borough authorities and the County-driven strategic planning process.' (RTPI SW, p.15)

- 1.9 Three distinct phases of regional planning activity have been identified in the South West, (RTPI SW 2014) building upon early work to develop a sub-regional planning scheme for Bristol and Bath covering the region's largest urban area. These covered the following periods:

- **1965-1979:** during which time economic planning initiatives for the South West gave rise to strategic thinking about regional settlement patterns and the accommodation of growth around Severnside and the preparation of a series of sub regional studies which informed the new Structure Plans, especially in Gloucestershire and Dorset. The creation of Avon County Council in 1974 also gave impetus for strategic planning in respect of Bristol and its hinterland.
- **1980-2000:** saw a period, during which the initial emphasis on structure plans as the vehicle for delivering strategic planning was gradually replaced by the emergence of Regional Planning Guidance, which followed on from the establishment of the South West Regional Planning Conference.
- **2000-2010:** was marked by the strengthening of regional bodies following the creation of the South West Regional Development Agency (SWRDA) and the Regional Assembly, and the introduction of statutory regional planning through the Regional Spatial Strategy (RSS). This became highly contested and failed to progress beyond the draft stage before the election of the Coalition Government

in 2010 and the subsequent abolition of the regional government offices, the Regional Development Agencies (RDAs) and eventually the RSS.

Research Method

- 1.10 The research was carried out during the autumn of 2015 and involved significant desk based research along with collection of primary data through interviews with board members and employees of each of the six LEPs as well as local planning authority officers and members from across the South West.
- 1.11 Before interviews were undertaken with the LEPs, detailed Information was assembled systematically from web based and other published sources. Semi structured interviews were conducted with the aim of understanding the operation of the LEPs both in relation to their core role of delivering local economic growth and their relationship with the planning process. The views expressed were provided on a confidential basis. This is reflected in the anonymised way in which the results are presented in this report.
- 1.12 At the start of the research a letter was sent to the Leader and Chief Executive of all 43 local authorities in the South West informing them of the research and inviting them to contact the team should they wish to participate. A number replied quite quickly noting that there were specific issues they wished to address. All of these were subsequently interviewed. In addition a number of authorities were targeted as potential 'case studies' and interviews arranged with the majority of these.
- 1.13 In total officers from half of the local authorities of the South West (22 of 43 authorities) were interviewed to explore local authority understanding of the LEPs. A mix of upper and lower tier councils were covered. Officers from all four county council areas and one of the National Parks (planning authority) was interviewed.
- 1.14 Upon completion of the majority of the interviews, the research team invited a number of stakeholders to discuss the initial findings and highlight areas for further consideration. The focus of this review was a workshop held in November. Appendix 4 summarises the issues and discussions and many of participants' views and suggestions are reflected in the conclusions to this report.
- 1.15 The research undertaken provides a detailed and representative picture of the activities of the LEPs in the South West since their creation in 2011/2012. It must be stressed however that LEPs have been fully operational for little more than two years and remain young organisations whose role and remit has developed rapidly. In consequence, the findings of the research capture progress and views of the moment with the institutional and policy context within which LEPs operate changing rapidly.

Structure of Report

The remainder of this report is structured as follows:

- Section 2 explores the background to the LEPs in terms of the national policy context and their anticipated role in the delivery of local economic growth. It goes on to examine the establishment of LEPs in the South West and how this relates to both the administrative and functional economic geography of the region. The section specifically looks at the composition of the LEPs in the South West in terms of Board membership and organisation and modus operandi, including the resourcing of LEP activities.

- Section 3 reports on the findings of the research undertaken into the LEPs, including the results of the desk research and interviews undertaken. In particular it explores the role which LEPs see themselves fulfilling and vision, objectives and targets which they have set themselves through their business and Strategic Economic Plans. These are examined in terms of their influence over the winning and allocation of resources and the relationship with strategic spatial planning process.
- Section 4 presents the findings of the research undertaken with local planning authorities. This provides an opportunity to explore the interaction between the work of LEPs and local planning. A number of 'case studies' are presented to demonstrate how the relationship is working in practice. The views of participants in the interviews are also presented.
- Section 5 discusses the findings in the light of the questions raised by the research brief and presents key conclusions and recommendations based on the examples of good practice identified. The report concludes with a discussion on the potential role which LEPs and other bodies can play in helping to deliver more effective strategic planning and sustainable development linked to local economic growth.

2. BACKGROUND AND CONTEXT

- 2.1 This section explores the background to the LEPs in terms of the national policy context and their anticipated role in the delivery of local economic growth. It examines the establishment of LEPs in the South West and how this relates to both the administrative and functional economic geography of the region. The section then considers some of the structures and ways of working in the LEPs. These issues are also explored in Section 4 contrasting many of the same issues specifically from the perspective of Local Authority representatives.

Historical Background

The evolution of and role of LEPs

- 2.2 LEPs were the creation of the Coalition Government elected in May 2010. One of the first acts of the incoming Government following the negotiation of the Coalition Agreement was to announce the abolition of English regional institutions and instruments including Government Regional Offices, Regional Development Agencies and Regional Spatial Strategies. The Government stated closure of the RDAs and regional offices were a “necessary step to make way for a more locally focussed approach to economic growth” (BIS 2012, p4) rather than part of the implementation of significant funding cuts.
- 2.3 The 2010 White Paper “Local Growth: Realising Every Place’s Potential” set out the rationale in shifting power to local business and councils. Among other things it stated:
- ‘A further feature of earlier approaches was the belief that planning could both determine where growth should happen and stimulate that growth. This approach failed as it went against the grain of markets. Regional and other strategies stifled natural and healthy competition between places and inhibited growth as a consequence. ‘(p7)*
- 2.4 LEPs emerged in England as sub-national bodies to provide local leadership in respect of the economic growth agenda which was a key Government priority. Sponsored by the Department of Business Innovation and Skills (BIS) and the Department for Communities and Local Government (CLG), businesses and councils were invited to come together to form business-led local enterprise partnerships whose geography reflected the *natural economic areas of England*.
- 2.5 It is important to stress that LEPs were not created as a replacement for the RDAs, Government Offices and Regional Assemblies or the Regional Spatial Strategies. They were to be more limited in scope. Their role was to provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area. The new partnerships (39 were eventually approved across England) were asked to set a local agenda for growth including work on transport, housing and planning, if appropriate, as part of an integrated approach to growth and infrastructure delivery to foster a strong environment for business growth. In this respect the LEPs were expected to champion the local growth agenda.
- 2.6 Having put in place LEPs as a new element in the sub-national “architecture” in England, their role developed. Government decided to use them as its preferred channel for funds to support local growth. This enabled Government to respond to the recommendations set out by Lord Heseltine in his report ‘No Stone Unturned’ (2012) where he argued strongly for a

central role for LEPs as ‘business led’ bodies interfacing between the centre and local delivery agencies, including local authorities.

- 2.7 Amongst Heseltine’s 89 separate recommendations he advocated:
- the creation of a single funding pot from a variety of Departmental programmes to support local economic growth;
 - local partnerships bidding for funds on a competitive basis over a five year period;
 - the streamlining of EU funding to be allocated on a local basis; and
 - the provision of short term funding for LEPs to develop a long term strategy and business plan that will be used to bid for economic growth funds.
- 2.8 Heseltine also recommended reviewing the boundaries of LEPs to achieve a better fit with functional economic market areas and changes in the composition of LEP Boards to improve their representativeness. There is some evidence of the latter though since established the LEP boundaries seem firmly fixed.
- 2.9 LEPs quickly became the favoured vehicles to help with the allocation of central Government funding programmes to support local economic growth – initially the Regional Growth Fund and subsequently the allocation of the Local Growth Fund, which brought together a variety of departmental programmes into a single pot as advocated by Lord Heseltine. LEPs were required to develop Strategic Economic Plans (SEPs) setting out their approach to delivering local growth and identifying key priorities, forming the basis for competitive funding bids. In addition LEPs were asked to develop programmes for the allocation of EU Structural and Investment funds (ESIF).
- 2.10 This focus on bidding for and allocating public funding has inevitably involved LEPs developing channels of communication with Government. The access which the LEPs provide for conversations with Government ministers has been compared favourably with the situation which existed prior to the abolition of the Regional Offices which were seen in some quarters as obstacles to an effective two way flow of information. Competitive bidding has also involved LEPs in lobbying activities, using both business and political networks to secure funding.

Strategic spatial planning

- 2.11 Meanwhile local authorities have had to learn how to operate in the absence of detailed guidance and requirements imposed from above by Regional Spatial Strategies. Under the guidance provided in the National Planning Policy Framework (NPPF) local planning authorities are required to prepare their own “objective” assessments of need and fulfil the ‘duty to co-operate’ as a means of dealing with cross border, strategic issues. In some cases this is being facilitated by the emergence of combined planning teams as local planning authorities search for more efficient ways of delivering forward planning in the face of dwindling resources. Elsewhere local planning authorities are collaborating in the production of joint Local Plans.
- 2.12 The election of a Conservative majority government in May 2015 has given added impetus to the pace of change, with the Housing and Planning Bill but more particularly Ministers, increasing pressure on local planning authorities to put plans in place to help deliver increased

levels of housebuilding, and the Cities and Local Government Devolution Bill presaging a significant shift of powers and responsibility to new combined or indeed merged authorities.

Literature Review

- 2.13 Understanding the case for intervention to support local economic growth is based upon a long history of academic research in the field of geography, and regional and urban economics. It has long been observed that economic activity tends to be concentrated in particular locations giving rise to significant differentials of opportunity. For example Marshall, writing at the end of the 19th Century observed the emergence of ‘industrial districts’ which he sought to explain in terms of the advantages which firms enjoy as a result of ‘agglomeration’. By the end of the 20th Century the work of Krugman whose work on New Growth theory and New Economic Geography became increasingly influential in shaping both academic and policy thinking about the role of clustering of economic activity in generating an uneven distribution of activity and income across space. This theoretical understanding, supported by the work of Porter on competitive advantage and cluster development, has informed policy in relation to economic development in cities and addressing regional disparities.
- 2.14 In the English context there has been a growing focus upon the under-performance of the ‘core cities’ which with the exception of Bristol all contribute below average GDP per capita to the UK economy. Parkinson *et al*, undertaking research for government on the State of English Cities (OPDM,2006) including Bournemouth, Bristol, Gloucester/Cheltenham, Plymouth and Swindon, developed a conceptual model which sought to show how urban competitiveness is underpinned by a range of influences (Figure 2-1).

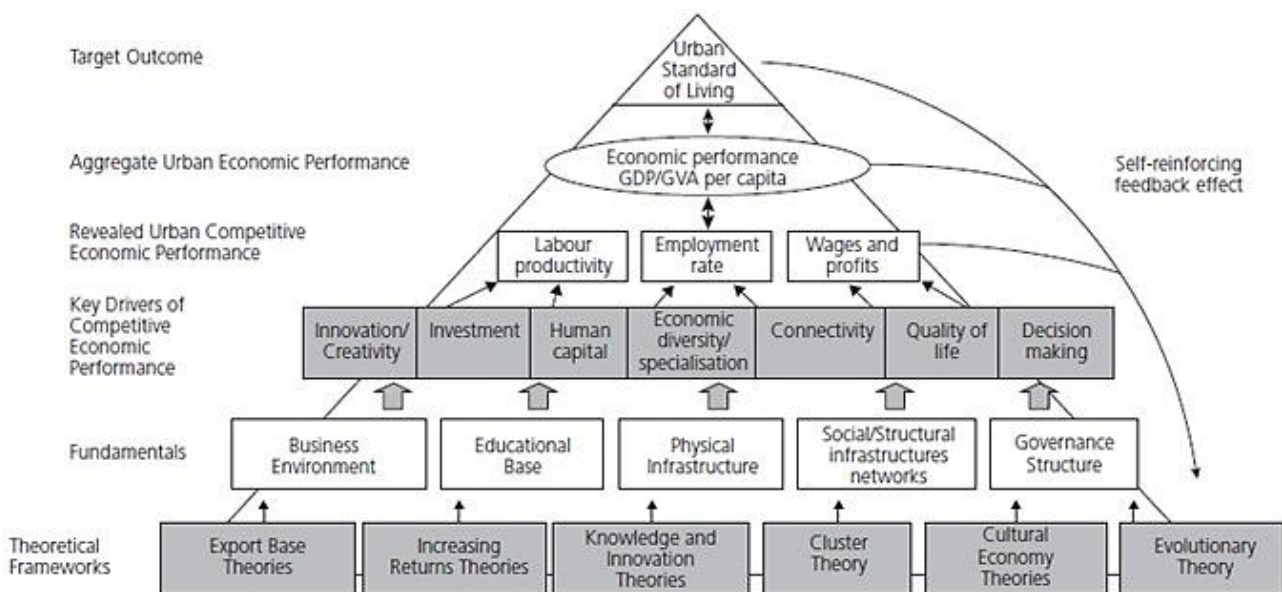


Figure 2-1 Conceptualising Urban Competitiveness Performance (source ODPM 2006)

- 2.15 While the policy focus and nomenclature remains firmly on promoting the competitive performance of cities through for example City Deals and the devolution agenda, the Coalition Government, sought through its changes shift decision making on economic development to a more local level through the establishment of LEPs. A number of reports and academic studies have considered issues around introduction of LEPs and the changes to the spatial planning framework in England. LEP studies have featured both empirical assessments of

economic metrics and exploration of the LEPs activities and roles through interviews and surveys. Investigations of strategic planning since the abolition of the RSS have featured academic analysis of the political and practical issues in delivering local planning policy without a regional framework. Empirical analysis includes many studies on the impact of the loss of RSS on the delivery of local plans and issues around duty to cooperate and housing numbers and these have been the focus of a number of industry reports.

- 2.16 The views on the intersection of planning and LEPs in the published research is of specific interest. LEP reports and studies focus primarily on the practical issues of governance and structures and funding and delivery; planning is rarely mentioned and, when it is, the focus is on Development Management and efforts to drive decision making to support projects and businesses. In contrast, many studies into spatial planning post abolition of the RSS include some consideration of the LEPs. The lack of regulatory guidance on the roles of the LEPs creates a void into which researchers and practitioners can project their views on possibilities for delivering a desired larger than local view. The reports by Pugalis et al for the RTP1 are the notable exception and this report references these findings throughout.

LEPs

- 2.17 All of the recent LEP research and studies have noted issues around lack of capacity in LEPs. The CDEOS/ADEPT report (Walker 2013) analysed funding for LEPs concluding that *“LEPs though intended to be business led and partnerships between local authorities and business leaders have so far been heavily dependent for funding and staff support particularly from the upper tier and unitary local authorities.”* Despite being commissioned by transport and planning officer interests, there was no view that the LEPs had a specific planning role.
- 2.18 Pike et al (2013) undertook a detailed study of funding and governance and found that number of *“tensions”* complicated the issues around the direction and nature of LEPs. They concluded that *“given the lack of long-term vision and strategy for their strategic development, the fundamental tensions yet to be resolved and their institutional deficits in authority, capability and resources, at this stage in their evolution the LEPs will struggle to exercise substantive influence upon local economic growth.”* (p36)
- 2.19 The CLES and FSB report (2014) did not mention planning as an additional area for LEPs to concern themselves. In fact they found that *“Whilst the concept of LEPs fits largely within the spirit of localism, the funding policy associated with LEPs remains highly centralised, as does control over them. Indeed, 72.7% of LEPs feel that LEP policy has experienced mission drift. Of those LEPs which felt policy had experienced mission drift, 87.5% felt it had caused difficulty for their LEP.”* (p68)
- 2.20 Deas et al (2013) considered the degree to which LEPs were able to drive economic policy locally rather than through central government control. This included detailed modelling of actor relationships in a sample of LEPs. This is particularly interesting in the SW when one considers the migration of RDA and GOSW staff into various LEPs, the HCA and local authorities.

Strategic Planning

- 2.21 Morphet and Pemberton (2013) illustrate the confusion on the role of LEPs in reference that *“Government ministers have been clear that (sub-regional structures / LEPs) are the intended replacements for regional planning in England”* which was based on Minister for

Decentralisation and Planning, Greg Clark's speech given to the RTPI Planning Convention in June 2011. The article goes on to provide insight into regional planning issues of the past including the "hijacking" of the RSS process by the housing agenda and questions "If LEPs assume some responsibility for strategic planning and/or housing, then will they be diverted towards these areas and within a highly politicised agenda?" (p392) This matches the observation of Healy and Newby (2014) that RDA's suffered from "a widening remit – which also stretched to influencing areas such as planning and housing – led to a loss of focus" (p18).

- 2.22 The RTPI Policy Paper Strategic Planning: Effective Cooperation for Planning across Boundaries (RTPI 2015) considered a number of examples where LEPs are engaged with planning. The report noted the LEPs provided a business voice which could engage with spatial planning and concluded that "The geographic scale of LEPs corresponds broadly to the scale at which much strategic planning needs to take place ...most LEP areas are generally viable areas to undertake strategic planning." (p23). The report further noted that some LEPs were co-terminus with other local governance arrangements (e.g. city-regions and combined authorities).
- 2.23 Pugalis and Townsend (2012) highlighted that the LEPs only "primary role" in planning is as a consultee. Of key interest are the issues noted on the scale and geography of the LEPs including that "it would be extremely unlikely for the geography of a LEP to adequately reflect both business supply chains and travel-to-work areas" and that "in fashioning the geographic patch of many initial LEP proposals, political horse-trading has often overridden what shaky evidence existed on functional economic market areas." (p167)
- 2.24 Underpinning considerations of LEPs and planning is the need to challenge the assertion that strategic planning constrains growth and that reform of planning provides a magic key to unlocking sustainable economic growth. The RTPI's research into the Value of Planning (Adams and Watkins, 2014) set out numerous ways in which strategic planning adds value to developments and ways in which effective spatial planning can act as a market stimulus.

LEP Geography in the South West

- 2.25 The Government stated that it wanted to see partnerships which understood their local economy and are directly accountable to local people and local businesses. By early 2012, the South West had a new strategic, economic policy-driven architecture in place based on six business led LEPs. These are shown in Table 2-1.
- 2.26 Figure 2-2 overlays a map of LEP areas in the South West onto an analysis of functional economic zones prepared as part of work undertaken on the Regional Economic Strategy. Despite guidance that LEPs should be formed around functional economic geography, this illustrates that county administrative areas have driven the geography of LEPs. In the South West, LEP areas bisect a number of economic zones. Similar disconnects can be seen in LEP boundaries cutting across property markets and labour markets as shown in Figure 2-3 which overlays the LEP areas on the most recent Travel to Work area definitions. The Heart of the South West LEP covers four overlapping functional economic zones and bisects the Plymouth and Weston-super-Mare Travel to Work areas. The Bournemouth-Poole conurbation is more linked with the Solent area sitting outside the Dorset LEP area. It is evident that the influence of Bristol, Plymouth and Bournemouth as the South West's largest urban centres extend well beyond their respective LEP boundaries and the Swindon travel to work area reaches well into the GFirst area.

Table 2-1 South West LEPs – date of approval and constituent areas

| Local Enterprise Partnership | Date approved | Constituent areas |
|------------------------------------|---------------|---|
| West of England (WoE) | Apr 2011 | Bath and North East Somerset; Bristol; North Somerset; South Gloucestershire |
| Cornwall & Isles of Scilly (C&IoS) | May 2011 | Cornwall; Isles of Scilly |
| Heart of South West (HotSW) | June 2011 | Devon; Somerset; Plymouth; Torbay (inclusive Dartmoor and Exmoor National Parks and 13 District Councils) |
| Dorset | July 2011 | Bournemouth; Poole; Dorset (inclusive of 6 District Councils) |
| Gloucestershire (GFirst) | Nov 2011 | Gloucestershire (inclusive of 6 district councils) |
| Swindon & Wiltshire | Feb 2012 | Swindon; Wiltshire |

2.27 The geography which eventually emerged across the South West produced three distinct LEP types:

Unitary authority LEPs:

- **Cornwall and Isles of Scilly LEP:** Cornwall and Isles of Scilly Councils.
- **Swindon & Wiltshire LEP:** Swindon and Wiltshire Councils
- **West of England LEP:** Bath and NE Somerset, Bristol, N Somerset and South Gloucestershire Councils.

Two tier authority LEP:

- **GFirst LEP:** Gloucestershire County: Cheltenham; Cotswold; Forest of Dean; Gloucester; Stroud; and Tewkesbury Councils.

Mixed county, unitary and second tier LEPs:

- **Dorset LEP:** Dorset County, Poole; Bournemouth; Christchurch; East Dorset; North Dorset; Purbeck; West Dorset; and Weymouth and Portland and a small area of New Forest National Park .
- **Heart of the SW LEP:** Devon and Somerset Counties; Plymouth; Torbay; East Devon, Exeter; Mid Devon, North Devon, South Hams; Teignbridge; Torridge; West Devon; Mendip. Sedgemoor; South Somerset; Taunton Deane; West Somerset and Dartmoor and Exmoor National Parks

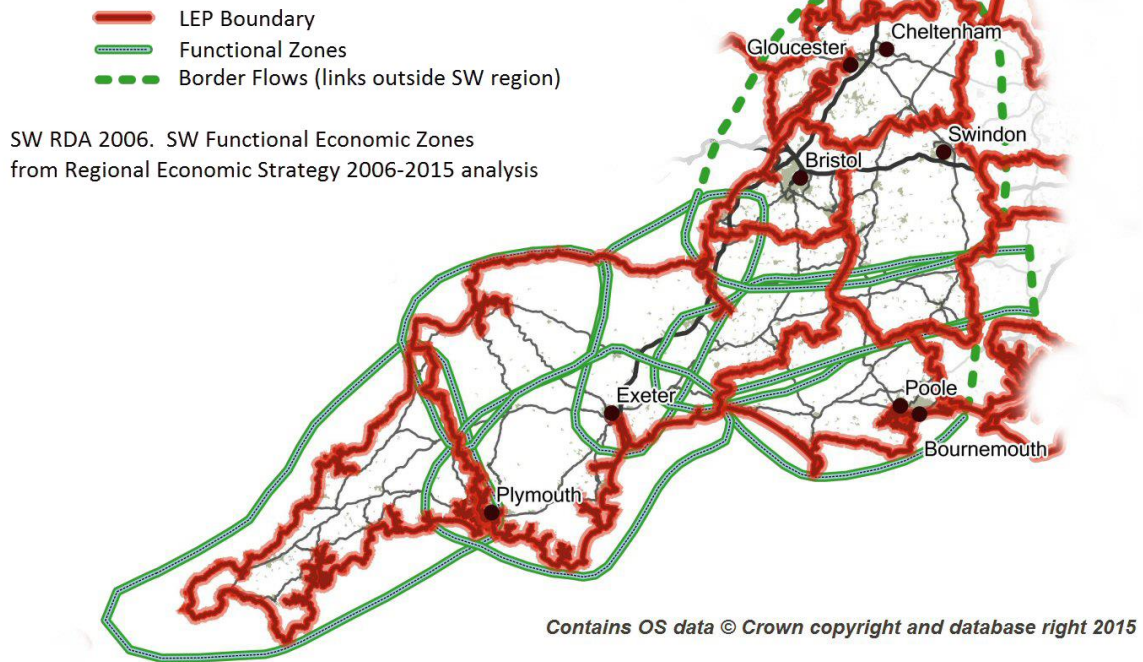


Figure 2-2 LEPs and functional economic geographies in the SW

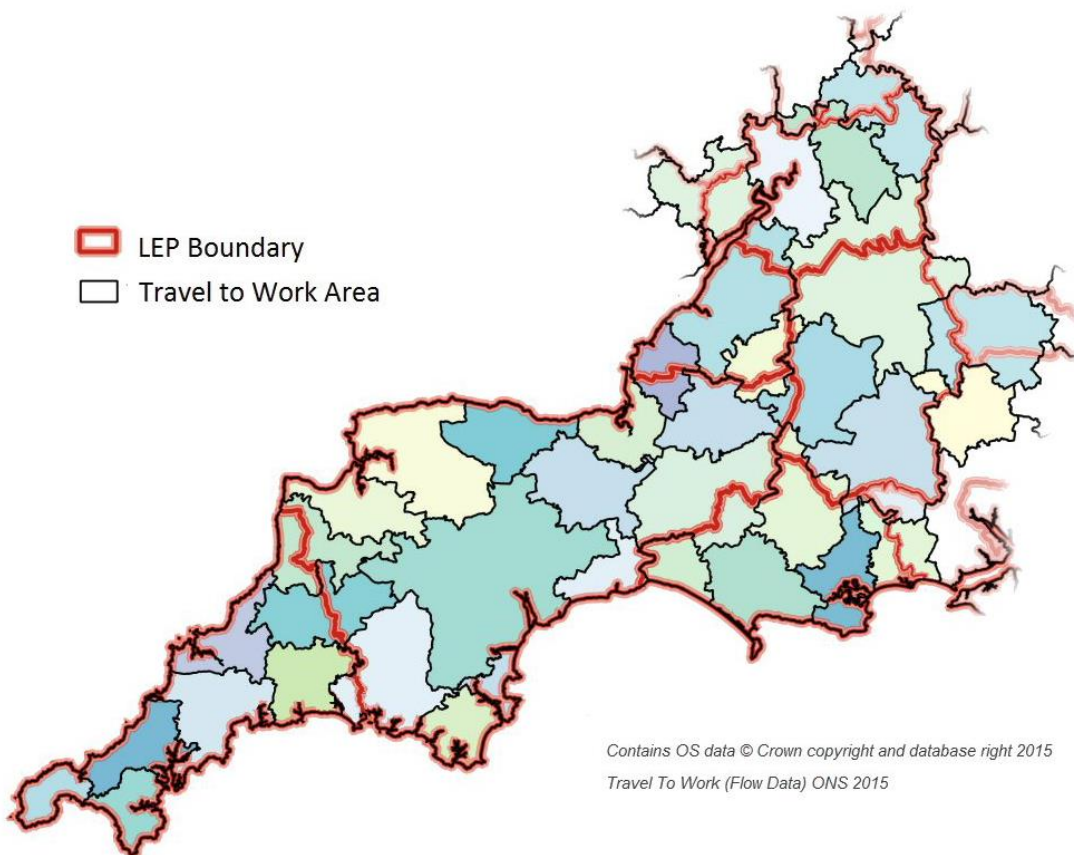


Figure 2-3 LEPs and 2011-based Travel to Work Areas

- 2.28 In addition to the complexity of the LEP geographies, there are significant differences in the institutional context within which they operate, which reflects their emergence as locally established partnership bodies. Pugalis (2015 p16) noted that “LEPs which emerged from MAA/City Region partnerships...tend to benefit from officer expertise across a variety of sectors, whereas those at the other end of the spectrum... are constantly overstretched.”
- 2.29 Table 2-2 provides an overview of some pre-existing or emerging formal collaboration arrangements between local authorities in the run-up to the formation of the LEPs. This highlights that in the case of Dorset and the West of England there had been formal Multi Area Agreements covering the whole of the LEP area. Elsewhere the picture appears patchier although in Cornwall and Isles of Scilly there were established arrangements in place related to the management of European Programmes.

Table 2-2 Examples of Formal Collaborative Working Arrangements between Local Authorities in the South West - 2008 to 2013

| LEP area | Multi Area Agreements 2008 | New Growth Points Partnerships 2008 to 2010 | Transformation Challenge Awards in 2013 |
|--------------------------------|--|--|--|
| Cornwall & IoS | | Cornwall CC (Carrick/Truro) | |
| Dorset | Bournemouth, Christchurch, East Dorset, North Dorset, Poole, Purbeck, West Dorset, Weymouth & Portland | Poole | Delivering Dorset: Bournemouth, Christchurch, East Dorset, North Dorset, Poole, Purbeck, West Dorset, Weymouth & Portland Tri Council Partnership: North Dorset, West Dorset, Weymouth and Portland |
| Gfirst | | | Vision 2020: Cheltenham, Cotswold, Forest of Dean, West Oxfordshire |
| Heart of SW | | - South Hams and Plymouth - Taunton - East Devon and Exeter - Teignbridge - Torbay | T18 Shared Services: South Hams, West Devon Integrated response –high risk families: Exeter City, Devon County, partners Adult health and social care: Plymouth City, Health partners Voluntary services: Cornwall, Health partners |
| Swindon & Wiltshire | | Swindon | Adult Services CCG: Swindon |
| West of England | Bath and North East Somerset, Bristol City, North Somerset, South Gloucestershire | West of England | Better Quality Care: Bristol City, North Somerset, South Gloucestershire |

- 2.30 This antecedence may help to explain both the timing of LEP establishment with both the West of England and Cornwall and Isles of Scilly being ‘quick off the mark’ certainly by comparison with others where there was limited area-wide collaboration between all the local authorities. The emergent alignment of local authorities with LEPs was also impacted by Local Government

Reorganisation. Cornwall and Wiltshire were newly formed from the county districts, and Exeter had an approved unitary restructuring order revoked by the Secretary of State immediately following formation of the Coalition Government.

2.31 The West of England Partnership was not only well established, but it had the benefit of the City Deal and a large Regional Growth Fund award establishing a locally controlled fund. In interviews with the West of England Local Authority (LAs) officers all agreed that the West of England Partnership continues as a strong joint working forum. A key difference however, is the level of engagement with businesses and skills sector which is much stronger in the LEP.

2.32 All interviewees cited that the four unitary authorities were comfortable with the Partnership and the continuity of officer capacity. For example,

“The LEP is separate from the WoE Partnership – that’s the four authorities working together. Some resources have shifted to the LEP, but the LEP is a different beast. The difference is the business sector didn’t work as much with the WoE Partnership. The LEP builds from the four unitaries being comfortable with the partnership and the continuity of officer capacity. Previously there was engagement with stakeholders around infrastructure planning, but the LEP has formalised this. Businesses don’t see us as four local authorities, they see us as a place.” Unitary Economy Lead

‘The LEP is not separate rather it is the 4 unitary authorities but also with business. There has been a West of England Board arrangement for years, but not with the business side.’ Unitary Executive

2.33 In contrast, in Dorset, where a permanent LEP resource was not put in place for more than two years, the existence of previous joint working arrangements did not prove an advantage. This appears to be a reflection of both the functional economic and administrative geographies of Dorset which made it difficult to deliver a cohesive approach.

2.34 Similar challenges exist for the Heart of the South West LEP, where traditionally Devon collaborated with Cornwall in respect of economic issues. However with Cornwall and Isles of Scilly ‘going it alone’ driven, in some respondents’ view, by a desire to retain control over European funding, new working relationships had to be forged with Somerset authorities.

2.35 In the case of GFirst, the existence of the Gloucestershire Development Agency, in which county council economic development staff were embedded, presented an opportunity to build on established relationships across the county and access staff resources through transfer and secondment. This approach was mirrored in Cornwall where the early work of the LEP was resourced by Cornwall Council’s economic development team with the Head of Economic Development becoming the Chief Executive of the LEP reinforcing strong working relationships with the two unitary authorities.

2.36 The long gestation of Swindon & Wiltshire LEP proved difficult with both local authorities exploring other arrangements before they were eventually brought together under the LEP umbrella.

Role of the LEPs

2.37 There is clear unanimity amongst the South West LEPs that having been formed their role is firmly focused on economic development, acting as champions of local economic growth. This was expressed in a variety of ways:

“The LEP has a very clear role to drive economic growth in its area by identifying the things that are holding back growth and focusing on the actions needed to accelerate growth” LEP Chairman

“The overall role of the LEP is to grow the local economy. The LEP draws together all of the interest groups around this issue, and encourages them to talk (and often interprets between them) and work together.” LEP Executive

- 2.38 The challenge of delivering economic growth was reflected in the objectives which the LEPs set for themselves in their initial business plans (See Appendix 1); these were aimed at improving GDP or GVA per head in both absolute and relative terms; creating jobs and increasing employment rates; and supporting business growth and investment. The key areas which LEPs identified as requiring intervention were: business start-up and growth (advice, innovation and enterprise development); workforce development – education and skills; and economic infrastructure – transport, broadband, sites and premises.
- 2.39 From the outset some of the LEPs reflected the context within which they are seeking to deliver economic growth and wealth creation. For example:
- Cornwall and Isles of Scilly LEP adopted the guiding principle of ensuring that the culture, communities and environment of Cornwall and Isles of Scilly will remain special and unique; and
 - Swindon & Wiltshire LEP’s vision referred to the creation of wealth, jobs and new business opportunities set within an outstanding landscape that provides an exceptional quality of life.
- 2.40 LEPs clearly recognise the changing nature of their remit and the challenges which this has created:
- “Since its inception the role of the LEP has widened in both scope and remit, particularly in relation to bidding for Local Growth and other sources of funding. Local authorities see the LEP as the vehicle through which they bid to Government for Local Growth Funds.”* LEP Director
- 2.41 Being a conduit for Central Government funding has brought with it responsibilities for developing an effective response to successive bidding rounds and ensuring that the resources secured are spent in the most appropriate way. However, as LEPs are informal business-led partnerships, local authorities must fulfil the role of Accountable Bodies in relation to the use of public funds. A number of respondents pointed to the tension which this creates between LEPs as economic development bodies responsible for setting strategic direction and priorities, and their lack of accountability in term of democratic deficit. One LEP observed that:
- “The LEP is not a delivery body rather it provides strategic oversight.”* LEP Chairman
- 2.42 However there has been frustration arising out of the experience which LEPs had with respect to the development of EU Structural and Investment Fund strategies. Here Government has been unable to give them a greater role and influence over the deployment of EU monies because of the informal nature of LEPs even though this required them to become involved with the social inclusion agenda, which perhaps blurred the clarity of their focus on the economic growth agenda.

LEPs and Planning

- 2.43 The Local Growth White Paper (BIS, 2010) set out the approach and principles which were to guide the coalition government's policy developments including planning and economic reform. The White Paper states:

(1.10) The previous approach to sub-national economic development was based on a centrally driven target which sought to narrow the growth rates between different regions.

(1.11) A further feature of earlier approaches was the belief that planning could both determine where growth should happen and stimulate that growth. This approach failed as it went against the grain of markets. Regional and other strategies stifled natural and healthy competition between places and inhibited growth as a consequence.

- 2.44 The White Paper outlined roles for LEPs; however by the time this paper was published, the first round of LEP proposals had been submitted. In both the invitation to form LEPs and in the White Paper, the roles of the LEPs were not prescriptive and there was only passing reference to planning. It was suggested that:

"local enterprise partnerships could take on a diverse range of roles such as:"

- *... making representation on the development of national planning policy and ensuring business is involved in the development and consideration of strategic planning applications;*
- *... strategic housing delivery, including pooling and aligning funding streams to support this...*

- 2.45 Few of the South West LEPs have chosen to play a significant role in relation to planning. The exception to this is West of England LEP, which works alongside the long-standing West of England Partnership to coordinate the strategic planning activities of the four Unitary Authorities. Because of the West of England's unique LEP/Partnership structure, staff work on strategic planning and transport issues with the LEP/Partnership playing a brokering and coordinating role in the local planning process across the West of England.

- 2.46 Elsewhere in the South West, Swindon & Wiltshire LEP acts as a statutory consultee on planning matters surrounding economic development and employment land. However in the remainder of the region LEPs do not have a formal planning role. In some cases this is because local planning authorities do not recognise the LEP because it is a non-statutory body, while some LEPs have taken the decision that they do not wish to commit their scarce resources to dealing with planning issues. This is despite recognition that LEPs could play a stronger role in the strategic planning process, but they do not have a democratic mandate.

- 2.47 Planners, and development industry professionals, are represented on a number of LEP boards and panels. Terence O'Rourke is a member of the Dorset LEP board and John Baker (Partner at Peter Brett Associates) leads the Construction and Development Group of the West of England LEP. Gfirst has a construction and Infrastructure business group comprised of agents, planners and developers. The group also leads on Gfirst's Planning Matters forum that *"aims to facilitate engagement with the private and public sectors to improve future development opportunities and positive engagement with the local planning process."*

LEP Governance in the South West

- 2.48 Table 2-3 summarises the size, composition and nature of the South West LEP Boards. These vary in size from 12 to 18 individuals with private sector Board members being in a clear majority in three of the LEPs (Cornwall & IoS, Swindon & Wiltshire and West of England). In the other three, representation is balanced between the private sector, higher and further education and the third sector, and local authorities. This appears to be at odds with a recent official publication which presents the LEPs as entirely private sector led bodies (House of Commons Library, Dec 2015). In the event, Board composition does not necessarily reflect the way in which individual Partnerships operate as this is influenced by a wide variety of factors.
- 2.49 Private sector representation on LEP Boards is, after a period of three years, beginning to change. A number of LEPs have appointed, or are in the process of appointing, new Chairs and Board members although private sector Board membership appears to have been generally more stable than local authority membership which has been subject to electoral or local political change. Private sector board members have been drawn from a cross section of sectors. These include manufacturing, utilities, business and professional services (law and accountancy) and land, housing and development interests although the composition of Boards varies significantly. The following quotes reflect some of the comments received on the role of private sector Board members.
- “The private sector’s role remains a work in progress. Initially the LEP’s approach was quite traditional. However with new private sector Board members now being appointed a more entrepreneurial approach may emerge.”* LEP Board Member
- “The LEP board members are not using their influence to drive forward the LEP agenda i.e. they could ‘flex more muscle.’ ”* LEP Board Member
- “The private sector Board members are drawn primarily from SME or retired business backgrounds”* Local authority CEO
- 2.50 All of the LEPs have established a sub-Board or Panel structure to which specific areas of responsibility have been delegated. This has provided the opportunity for widening involvement in the work undertaken by LEPs. Once again no consistent approach can be identified. Some LEPs have adopted a largely issue based sub-group structure reflective of their strategic objectives or priorities (e.g. Cornwall & Isles of Scilly and Heart of the SW) while others have chosen to focus on key sectors of the economy (Gloucestershire). Generally, however, most LEPs have sub-groups whose remit encompasses the key areas of transport and employment and skills.
- 2.51 The majority of South West LEPs have not established themselves as separate legal entities (such as Companies Limited by Guarantee or as Community Interest Companies) but even where they have (e.g. Cornwall & Isles of Scilly and Heart of the South West) they are significantly reliant on local authorities who act as their Accountable Body in relation to the use of the public monies upon which they rely both for their direct expenditures and funding programmes. All LEPs have been required, as part of their Growth Deal, to sign up to an Assurance Framework covering all Central Government funding flowing through Local Enterprise Partnerships to ensure robust value for money processes are in place.
- 2.52 As the scope of their activities has developed, LEPs are gradually becoming more transparent in the way in which they conduct their business. All LEPs publish minutes of their meetings,

although the amount of detail varies considerably, and generally provide information on their future meetings and agendas. Only Swindon & Wiltshire LEP admits members of the public to its meetings (from April 2015). Dorset and Gloucestershire LEPs published annual reports for 2014-15 and other LEPs have attempted to provide an overview of their activities from time to time. However it is clear that there is no consistent basis for report on or assessing the work of the region's LEPs.

- 2.53 The LEPs' role in relation to European Funds is also becoming clear. Initially the LEPs were to have the direct role in decision making and funding European Regional Development Fund (ERDF) and European Social Fund (ESF) ERDF projects and in Spring 2014 LEPs prepared strategic plans setting out priorities for European Structural and Investment Funds (ESIF). As the LEPs are non-statutory the European Commission subsequently made it clear that they could not take on the role of an Intermediary Body (ie, could not manage the funds and programmes directly). The result is that LEPs remain an important partner and advisory body however the funds will be managed by Government departments whilst compliant relationships are put in place. For example the Cornwall devolution deal has confirmed the new devolved Combined Authority will manage the ESIF funds directly.
- 2.54 The majority of LEP Boards have appointed CEOs from a public sector background in order to ensure that the LEP board has access to the knowledge and understanding of how central and local government works. Some LEPs have chosen to maintain a close physical relationship with their local authority partners by sharing office accommodation (Cornwall & IoS, Swindon & Wiltshire) while others have based themselves in local higher education facilities (Dorset and Gloucestershire) or have sought to establish a more distinctive physical and virtual presence and identity.

Table 2-3 Summary of Governance arrangements across the South West LEPs

| | Cornwall & IoS | Dorset LEP | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|--------------------------------------|---|--|---|---|---|--|
| Size of Board | 14 members | 18 members | 12 members | 17 members | 12 members | 14 members |
| Board composition | 9 private sector 4 local authority 1 higher education | 8 private sector 4 higher/further education 4 public sector 2 third sector | 5 private sector 4 public sector 2 higher/further education 1 third sector | 8 private sector 6 local authority 2 higher education 1 third sector | 9 private sector 2 local authority 1 Armed Forces | 9 private sector 4 public sector 1 higher education |
| Private sector representation | Food; utilities; tourism; legal, accountancy & property services; I&; IT & communications | Housing; care; tourism & leisure; business; IT & communications; agriculture; transport logistics | Security; aerospace; engineering; business; food & drink; automotive | Housing & property development; defence manufacturing; utilities; legal; business services | High tech & ; furniture manufacturing; business, financial & professional services; digital media; tourism; I& | Science; engineering; aviation; aerospace; media; business; law; housing; management; electricals |
| Sub Board structure | Employment & Skills Local Transport Board Enterprise Zone Board Conditions for Growth Growth for Business Future Economy | Growth Hub Local Transport Creative Industries Employment & Skills | Advanced Eng & Manufacturing Banking & Finance Business & Prof. Services Business Membership Group Construction & Infrastructure Creative Industries; Energy, ICT Land Based; Retail Transport & Logistics | People Place Business Special interest groups on: Transport Low carbon Social enterprise Rural | Local Transport Growing places Infrastructure Employment & Skills Growth Hub Governance, City Deal Sub groups on: High value manufacturing Life sciences Rural, Military, Tourism | Strategic leaders Investment Joint Transport Local Transport Planning Housing & Communities |
| Transparency | Publishes programme of meetings, agendas & minutes Publishes forward Business Plan & reports on activities & achievements | Publishes date of forthcoming meetings, & past minutes on website. Annual report produced for 2014-15. | Publishes past summary Board minutes, no sub group minutes. Annual report produced for 2015. | Publishes forward programme of meetings, no agenda & only provides summary Board minutes. Full minutes provided for sub group meetings. | Publishes date & agenda of forthcoming meeting & past minutes on website, meetings held in public from 2015-16. Annual report produced for 2012-13 but not since. | Publishes board minutes, some sub-board agendas & minutes |

Partnership working arrangements

- 2.55 The interviews with the LEPs revealed the challenges which have arisen in establishing effective partnership working. In some cases this was made easier by building on pre-existing arrangements. Here the West of England LEP stands out with the WoE *Partnership* having established a history of successful joint working between public and private sectors. For example the West of England Joint Transport Board involved the four unitary authorities and two business representatives. This has almost certainly enabled the West of England LEP to move further and faster than other South West LEPs.
- 2.56 In both Cornwall & Isles of Scilly and Dorset there was a tradition of joint working across the public sector driven by European programmes and a Multi-Area Agreement respectively. This provided a starting point for the LEPs although it did not necessarily mean that an effective partnership with the private sector followed.
- 2.57 For some LEPs putting in place an effective partnership was always going to be more challenging. The Heart of the South West LEP whose birth was described by one interviewee as ‘haphazard’ was faced with the task of bringing together a wide range of players who had not traditionally collaborated. The ‘difficult gestation’ of the Swindon & Wiltshire LEP was remarked upon and remains, in the view of one respondent, ‘an obstacle to progress.’
- 2.58 The antecedence of each LEP appears to have had a significant influence upon their ways of working. For some this has required respective roles to be clarified:
- “The LEP has been and will continue to be a partnership between the private sector and key public sector bodies. The public sector comes from a tradition of sharing and collaboration using influencing and lobbying to promote their interest whereas the private sector finds it challenging to operate in this manner. It has required people to sit down and work together. This has led to developing relationships with the private sector starting to understand its role and how it needs to operate.”* LEP Board member
- 2.59 In some cases this has produced a growing understanding of the respective perspectives of business and local authority agendas with some interviewees recognising the advantages of private sector-led LEP Boards. These include a clear view of priorities, and an ability to take a wider perspective as reflected in the following quotes:
- “As a private sector led body the LEP was also fairly clear about the things that it should not get involved with.”* LEP Board Member
- “The LEP is able to provide a broader viewpoint that can provide a counterbalance to parochial tendencies.”* LEP Board Member
- “The LEP is more focused and less ‘siloed’ in its approach than Councils which are driven by the need to meet statutory responsibilities and local political considerations.”* LEP Executive
- “The LEP currently challenges local authorities when they are not working together effectively on strategic issues.”* LEP Executive
- 2.60 For all LEPs there has been a need to establish effective working relationships. This has evidently given rise to some tensions between the LEP and its constituent partners. For example one respondent referred to the fact that roles and responsibilities were blurred during the initial set up period but stated that:

“There is much greater accountability and transparency with the Executive clearly working directly for the Board.” and

“The Accountable Body’s responsibility is to advise on compliance whilst it is the LEP’s responsibility to make the appropriate judgements about the risks associated with supporting a particular intervention.” LEP Executive

Some LEPs clearly believe that they have established effective ways of working:

“The LEP and the Councils work effectively together with close collaboration at senior political and management level.” and

“There are very good lines of communication between the LEP and the Council through which informal views and opinions may be sought and expressed – reflecting the wider partnership approach.” LEP Board Member

Whilst elsewhere partnership does not appear to be working:

“The LEP is not a private sector driven organisation. The constituent local authorities exert considerable power and influence and the Board appears unable to resist this. In this regard the LEP rather operates to meet local authority agendas.” and

“The political influence of the Councils is dominant in LEP decisions. This results in ‘pet’ projects coming forward without challenge from the private sector Board members.” LEP Executive

Resourcing the work of the LEPs

- 2.61 While it is clear that local politics exerts significant influence on the work of some of the South West LEPs, all find themselves operating with highly constrained resources with typically no more than a handful of core staff and varying degrees of reliance on seconded or borrowed staff from local authority partners. None of the LEPs in the South West receive significant financial contributions from the private sector, although Cornwall & Isles of Scilly LEP seeks to quantify the value of time committed by its private sector Directors. As a result the LEPs find themselves significantly dependent on the annual seed funding provided by Central Government. At the time of the interviews, which took place before the Chancellor’s Public Spending Review announcement, many of the LEPs had no funding commitments beyond March 2016 and were preparing to serve notice of potential redundancy on their core staff.
- 2.62 Subsequently, in the Autumn Spending Review (Nov 2015) the Government announced that “Local Enterprise Partnerships will continue to receive core funding from government, matched by local areas.” The only other reference to LEPs was a new power that “will allow directly elected mayors to add a premium to business rates to pay for new infrastructure, **provided they have the support of the local business community through a vote of the majority of the business members of the Local Enterprise Partnership board**” (our emphasis). It will be interesting to see how this is implemented.
- 2.63 The research revealed different approaches to resourcing of LEP activities.
- Cornwall & Isles of Scilly LEP was in the fortunate position of being able to draw on the resources of Cornwall Council’s well developed economic development team in setting up the LEP. Indeed the Council’s former Head of Economic Development is now Chief Executive of the LEP which has a team of six staff including one from the Council of the Isle of Scilly. With such modest resources the LEP focuses on a limited number of

priorities depends on support from Council teams in respect of issues like transport and planning.

- Dorset LEP did not appoint any permanent staff until January 2014 and now has a staff of just four (Director, Head of Programmes, PA, and Communications Assistant). One interviewee considered that the absence of core staff led to a weakly developed strategic approach although this is being addressed through a refresh of the Strategic Economic Plan currently being undertaken.
- GFirst LEP is one of the better-resourced LEPs having emerged from a pre-existing organisation that was part-funded by the local authorities. It has a Director, Deputy Director, Programme Manager, Growth Hub Project Manager, three marketing staff, two finance staff, an Office Manager and four business engagement staff: a total of 14 staff members.
- The Heart of the SW LEP Executive comprises two key staff, the Chief Executive and Director of Strategy and Operations who are employed directly by the LEP. The remaining staff, who operate on a consultancy or seconded basis, cover inward investment marketing, partnership management, and PR. The Heart of the South West LEP are also able to draw on the contribution of local authority partner staff to the work of its sub groups and specific task and finish teams.
- Swindon & Wiltshire LEP appears entirely dependent on Central Government funding with its Director operating on a consultancy basis with limited support staff. This reflects the reluctance of its two local authority partners to provide additional funding, resulting in much of the day to day work of the LEP being undertaken directly by local government officers using capital funding allocations to meet the cost of project managers.
- The West of England LEP can draw on West of England Partnership resources including an established team of between 30 and 40 staff who are largely funded by the four unitary authorities, although some resources are obtained from an Economic Development Fund established under Regional Growth Funding and capital from the Local Growth Fund to support project management activities. There appears to be additional advantages from the West of England LEP and Partnership teams working alongside each other sharing offices and resources although the precise division of costs and effort is unclear.

2.64 The resourcing of the LEPs activities is uppermost in the minds of most LEP Directors and staff and has a significant influence on the way in which they operate.

“The resources available to the LEP and the private sector approach resulted in activities focusing on a limited number of priorities as reflected in the 3 year Business Plan.” LEP Executive

“With limited resources at its disposal the LEP aims not to duplicate its effort.” LEP Executive

“It is right that the LEP should focus its resources on areas offering opportunities for growth.” LEP Board Member

“The use of seconded resources produces a creative tension which takes officers out of their ‘comfort zone’ and requires the LEP to be co-operative and engaged.” Council Executive

Conclusions

2.65 This overview of the history and background to the establishment of LEPs and the specific experience in the South West leads to a number of conclusions:

- The LEPs' role is focused on local economic growth with an emphasis on delivering increased output and value added. Their activities are firmly targeted towards growing private sector business activity, improved skills and productivity and economic infrastructure. However, they are not and were never meant to be a replacement for the RDAs.
- Their boundaries do not map particularly well to functional economic geographies; they are aligned to local authority boundaries. Most of their geographical areas have some antecedence, although the Heart of the South West is a new geography.
- As largely business-led partnerships LEPs are heavily dependent upon joint working between the private and public sectors with the willingness of the public sector to provide resources appearing critical.
- The role of the private sector in the LEPs – through private sector Board members – is gradually evolving, particularly as private sector Board members develop their understanding of a largely public sector dominated arena.
- The different rates of development of the LEPs are, in the main, based on the prior governance structures in place in their areas. However, in some cases the speed of establishment of the LEP was hindered by the time taken to agree their boundary.
- Few South West LEPs have taken up the opportunity to adopt a strong role in relation to planning.
- It is evident that there is no single model for LEPs. They each adopt different approaches which reflect a number of factors so they may be considered genuinely bottom up and locally driven.
- Since their establishment there has been increasing focus on the competitive bidding process which has helped to give the LEPs a clear role and focus although this is likely to have diverted their attention from other issues given their limited resourcing.
- Achieving a genuine working partnership seems to work best where there is an antecedence of joint working and a reasonable match of functional economic and administrative geographies. This confirms the findings of previous RTPi research which found that LEPs work best in a context of pre-existing cooperation and planning.

3. THE ECONOMIC ROLE OF THE LEPs

Introduction

- 3.1 This section of the report sets out the findings of the research into the economic role of the LEPs in the South West. It is primarily based on desk based investigations of the plans and strategies prepared by the LEPs in particular their Strategic Economic Plans and their approach to winning and allocating the resources which they influence either directly or indirectly. It draws heavily on the interviews undertaken with LEP Board members and executives.

LEP Visions and Objectives

- 3.2 The clear role of the LEPs as envisaged by Government and as reflected in the views expressed by the interviewees is to act as champions for local economic growth. This approach was very much reflected in the visions which the LEPs set out in their initial business plans which were accepted by Government in approving their establishment. These are summarised in Table 3-1 and 3-2 below and are described in more detail in Appendix 1. These visions show the strong focus on driving the performance of business and enterprise within the LEP areas. For each of the LEPs investigated their initial visions were:

- **Cornwall & IoS** – *‘to be the natural place to grow great business’*
- **Dorset** – *‘to deliver growth through enterprise and the environment’*
- **GFirst** – *‘the county will have world class companies, a diverse business portfolio and a reputation for starting and growing great businesses’*
- **Heart of the Sw** – *‘to create more sustainable jobs by supporting and promoting our enterprises and capitalising upon the unique opportunities existing in the Heart of the South West’*
- **Swindon & Wiltshire** – *‘to create wealth, jobs and new business opportunities set within an outstanding landscape that provides an exceptional quality of life’*
- **West of England** – *‘Encouragement of sustainable economic growth and the creation of substantial numbers of new private sector jobs’*

- 3.3 Within their initial vision statements a number of the LEPs clearly recognised the environmental context within which they are operating; this is implied by the terms ‘natural’, ‘environment’, and ‘outstanding landscape’. The word ‘sustainable’ is also used but linked to jobs and economic growth rather than the usual planning approach of seeking an overall balance between economic, social and environmental objectives.

- 3.4 This focus upon the economic dimension is further emphasised when the specific objectives set by the LEPs are analysed. These may be broadly categorised as follows:

- **Improving business performance:** national and global potential, drive productivity and enterprise, sectoral growth and competitiveness.
- **Business start-up:** creation and growth of new businesses, supporting start ups.
- **Knowledge and innovation:** creating value from knowledge, innovation and creativity.
- **Skills and jobs:** careers, enhance current and future workforce, highly employable and productive population, job creation and skills development, skilling and workforce retention.
- **Connectivity:** Enhancing physical and electronic connectivity, infrastructure to support economic growth, economic infrastructure, transport and broadband.

- **Conditions for growth:** spatial planning framework, affordable housing, promote as great place to work, visit and invest, attractive to investors, land and premises and housing.
- **Environment:** environment as asset, maintain outstanding physical environment and quality of life.

3.5 The South West LEPs' initial objectives were clearly directed towards the imperative of delivering enhanced business performance although there was recognition that this required attention to be paid to a range of factors, including the 'softer' areas of skills development and innovation, alongside 'harder' considerations in particular physical and digital infrastructure. However a number of LEPs mentioned wider considerations including effective spatial planning (Dorset), land and premises (West of England) and housing (Dorset and West of England) amongst their objectives,

3.6 The translation of these early objectives into targets for use in measuring the performance of the LEPs and their areas helps to further clarify what LEPs were established to achieve. The prime targets adopted by the LEPs were:

- **GDP or GVA per capita** generally seeking convergence with, or in the case of Swindon & Wiltshire, exceeding EU or national averages. For Cornwall & Isles of Scilly this was the only target adopted in their initial business plan reflecting the area's ongoing challenge of repositioning its economy. The West of England expressed its target in terms of an annual economic growth rate. GFirst expressed its target as a very precise number - £493 million
- **Business formation and survival rates** were adopted by Dorset, Heart of the SW and Swindon & Wiltshire LEPs.
- **Job creation and retention** targets were adopted by a number of LEPs with Swindon & Wiltshire, Gloucestershire and the West of England specifying precise numbers.
- **Employment rates** targets were expressed by Dorset and Swindon & Wiltshire LEPs. Dorset specifically refers to a desire for high quality employment.
- **Private sector investment** was set as a target by Swindon & Wiltshire, Gloucestershire and West of England LEPs.

Specific targets were set by Dorset in respect of CO2 reduction and by Swindon & Wiltshire in respect of broadband provision targeted towards strategic employment sites.

3.7 While their initial business plans undoubtedly helped to set the broad direction and priorities for the LEPs, the responsibilities of leading and co-ordinating the ESIF Strategies for 2014-2020 to guide the allocation of EU resources to their areas and preparing Strategic Economic Plans to provide the basis for bidding for Local Growth funding gave greater focus to their activities.

Table 3-1 Initial Vision and Summary Objectives and Targets set by South West LEPs

| Initial High Level Vision | |
|---------------------------|---|
| Cornwall & IoS | For Cornwall and the Isles of Scilly to be the natural place to grow great business |
| Dorset | Our overall aim is to deliver growth through enterprise and the environment. More specifically the vision is to support a strongly performing, productive and sustainable economy, characterised by a greater incidence of higher paid and higher skilled jobs, and to do this in a manner that harnesses and protects our unique environmental assets. |
| GFirst | By 2022, the county will have world class companies, a diverse business portfolio and a reputation for starting and growing great businesses. |
| Heart of the SW | To create more sustainable jobs by supporting and promoting our enterprises and capitalising upon the unique opportunities existing in the Heart of the South West |
| Swindon & Wiltshire | Using our unique pivotal location in Southern England to create wealth, jobs and new business opportunities set within an outstanding landscape that provides an exceptional quality of life. |
| West of England | Encouragement of sustainable economic growth and the creation of substantial numbers of new private sector jobs |
| Key objectives | |
| Cornwall & IoS | The culture, communities and environment of C&IoS will remain special and unique Priority 1: Inspiring businesses to achieve their national and global potential Priority 2: Creating great careers here Priority 3: Creating value out of knowledge Priority 4: Using the natural environment responsibly as a key economic asset. |
| Dorset | To improve the performance of existing businesses within the LEP area, and to encourage the creation and growth of new ones. To enhance the skills of our current and future workforce. To improve electronic and physical connectivity, particularly through high-speed broadband. To create the conditions for enterprise; with an initial focus on establishing a coherent framework for spatial planning consistent with the imperative for appropriate forms of sustainable economic growth. Associated work will address the issue of affordable housing which impacts upon workforce availability. |
| GFirst | 3 flagship priorities: 1. Promotion - to promote Gloucestershire as a great place to work, visit and invest. 2. Connection - to develop the infrastructure that will support economic growth. 3. Skills - to create a highly employable and productive population. |
| Heart of the SW | Drive productivity and enterprise Attract new business and investment Maximise employment opportunities Promote infrastructure to connect with markets |
| Swindon & Wiltshire | 1. Inward Investment 2. Stimulating Growth. 3. Job Creation and Skills Development 4. Economic Infrastructure |
| West of England | Supporting growth of key sectors : Creative and media, Advanced engineering, aerospace and defence Micro-electronics and silicon design, Environmental technologies and marine renewables, Tourism Driving innovation and creativity and the development of new technologies, products and services to retain and increase competitiveness in the high growth sectors & their supply chains Develop new markets People - Skilling workforce & Retaining talent (and transferring skills across sectors in response to redundancies), raising aspirations and marketing talent to inward investors. Business - Assisting business start-up and growth. Place – Make areas attractive to inward investors and existing companies, by securing improved transport, environmental and broadband infrastructure; providing access to a range of employment land and premises; facilitate new housing and community structure. Maintain outstanding physical environment and high quality of life to retain and attract highly skilled workers and graduates |

Table 3-2 Summary Initial Targets set by South West LEPs

| | |
|--------------------------------|---|
| Cornwall & IoS | <ul style="list-style-type: none"> By 2020 C&IoS's GDP per head will be above the 75% average for the EU. By 2020 we will have exceeded the expected growth, in terms of GVA of the overall C&IoS economy by an additional £338m; per person employed this will be £1,450 per annum. |
| Dorset | <ul style="list-style-type: none"> The area's GVA performance increasing consistently, at least in line with national targets, and reflecting more balanced growth across the LEP area. Jobs growth consistent with a high employment rate but with the emphasis on the quality of employment growth, not simply the numbers of jobs created. A 30% reduction in CO2 emissions by 2020, relative to 2005, in line with national targets. A 3% increase in the creation rate of new enterprises, An increase in the proportion of businesses engaging in international trade (baseline to be determined). |
| GFirst | <ul style="list-style-type: none"> 33,909 jobs created and 2,125 jobs protected 3,200 new houses 6,108 qualifications and 5,421 apprenticeships Highways Agency contribution of £302 million Other public sector contribution of £43 million Private sector leverage of £157 million Grow the Gloucestershire economy by £493 million |
| Heart of the SW | <ul style="list-style-type: none"> To exceed national averages on employment rates (0.4 pp difference) Business formation (0.9 pp difference) GVA per employee (£13,000 difference) |
| Swindon & Wiltshire | <ol style="list-style-type: none"> Creation of 10,000 new private sector jobs. Safeguarding 8,000 jobs. Delivery of high speed Broadband infrastructure to at least 85% of the LEP area, with 100% at strategic employment sites Improvement business survival rate to 75%. Support the delivery of at least 30 hectares of employment land Develop an Inward Investment offer <ul style="list-style-type: none"> Raise the awareness internationally; See 15 new businesses locate in the area and secure £50m of financial investment Contribute 2,000 new jobs to the target above. Improve GVA to above the national average |
| West of England | <ul style="list-style-type: none"> 95,000 new jobs by 2030. 3.4% annual growth by 2020. Over £1 billion of private sector investment over the next 3 years. A well-motivated workforce with the skills that business needs. The foundations for a long-term sustainable economy. |

Strategic Economic Plans

- 3.8 The preparation of SEPs provided an opportunity for the LEPs to set out a strategic approach to the delivery of local economic growth with priority areas for investment using public funds. BIS was not prescriptive regarding the content of SEPs and only set out that they would be assessed against:

- A – Ambition and rationale for intervention for the local area
- B – Value for money
- C – Delivery and risk

- 3.9 The SEPs were written during late 2013 with final versions submitted in April 2014 and covered a variety of time scales:

| | |
|---------------------|---------|
| Cornwall & IoS | to 2020 |
| Dorset LEP | to 2021 |
| GFirst | to 2022 |
| Heart of the SW | to 2030 |
| Swindon & Wiltshire | to 2026 |
| West of England | to 2030 |

Dorset LEP has recently consulted on a refresh of projects, and Swindon & Wiltshire are currently drafting a refreshed SEP.

- 3.10 The outcome of this process was necessarily variable given the very different contexts against which each LEP was operating. Some LEPs genuinely approached the SEP as an opportunity to forge a new consensus around the economic direction of their area, while others saw it primarily as a bidding document. This is reflected in some of the comments made by interviewees.

“The strength of the SEP/SIF is that they were based on clear quantitative evidence which was tested through qualitative analysis and wide ranging consultation. Both documents were endorsed by both local authorities and have succeeded in creating the first community/business led economic strategy for (the area)” LEP Executive

“There is a strong spatial element to the LEP’s vision which is reflected in the SEP and is a reflection of the economic geography of the LEP area which follows the main road and rail corridors.” LEP Executive

“The SEP is very project driven and is lacking a strong strategic framework which then drives projects.” LEP Board member

“The SEP’s principal function appears to be as a bidding document.” LEP Executive

- 3.11 Notwithstanding any deficiencies, the SEPs have been an important source of information in understanding what the South West LEPs are trying to achieve. Table 3-3 sets out their restated and elaborated visions. These remain firmly focused on the delivery of economic growth through economic transformation and the competitive performance of business. In comparison with their initial business plans, the SEP visions place more emphasis upon the global dimension within which businesses operate and the role of knowledge, innovation and entrepreneurship in delivering growth. It is likely that this responds to the national agenda set by BIS.

Table 3-3 LEP visions as set out in the SEP

| | |
|----------------------------|--|
| Cornwall & IoS | <p>Our growth vision is a thriving and vibrant C&IoS economy benefitting from our vast local assets and innovating our way into global markets:</p> <p>A unique blend of ‘people and place’ where the environment is valued both as a business asset and an inspiration for life:</p> <p>Where businesses and individuals can work as communities and thrive to reach their full potential; confident, outward looking, connected to each other and to the world.</p> <p>A place where ideas are nurtured and have the opportunity to flourish – the value of knowledge is realised and applied with understanding:</p> <p>Home for competitive aspiring businesses, a natural magnet for the ambitious and creating sustainable rewards.</p> |
| Dorset LEP | <p>Our account of transformation marks a step change in ambition and new potentials for growth for Dorset and the UK economy. This strategic proposal anticipates a new economy; yet more competitive, global, digitally driven, and dependent on highly skilled employees working across advanced manufacturing, knowledge intensive industries, finance, professional services, new technologies, creative industries, health and social care. This vision of a fast paced future energises our strategy.</p> |
| GFirst LEP | <p>Our plan will accelerate economic growth and address the particular challenges we face, specifically:</p> <ul style="list-style-type: none"> • Our productivity challenge; • Our ambition to support the growth of knowledge-intensive sectors; • Exploiting the export potential of our SMEs; • The need for innovation to be a stronger driver of productivity; • Capitalising on our entrepreneurial culture; • Developing better links between education and business, and attracting and retaining our talented young people; • Ensuring a ready supply of skilled workforce to support the growth of key sectors; • Supporting our rural economy; • Improving our broadband and mobile phone network coverage; • Gaps in business support including lack of knowledge of how to access those services; • Resolving infrastructure issues and bringing sites forward. |
| Heart of the SW LEP | <p>Our vision is to transform the reputation and positioning of our area nationally and globally by 2030.</p> <p>We want the key strengths of the Heart of the South West to be seen as key assets of UK plc.</p> <p>We want our people, places and business to see the public and private sector work together for their benefit; capitalising on the opportunities on our doorstep, realising the potential for high growth in our knowledge economy, and securing more and higher value jobs.</p> <p>However, addressing the vulnerability of our critical infrastructure and investing in strategic enablers are key to unleashing our growth potential.</p> |

| <i>Vision set out in SEP (cont)</i> | |
|-------------------------------------|--|
| Swindon & Wiltshire | <p>The SWLEP vision statement runs to 1800 words. The first paragraph is set out below. The statement goes on to combine economic aspirations with the different parts of the LEP's area and accordingly has a strong 'place' dimension.</p> <p>Swindon and Wiltshire in 2026 is world-renowned as a hive of innovation and entrepreneurialism that offers a great quality of life. Its blend of vibrant urban centres, busy market Towns and outstanding rural landscape make it the best place in Britain to live and work.</p> |
| West of England | <p>Our vision is that by 2030 the West of England will have:</p> <p>One of Europe's fastest growing and most prosperous sub regions which has closed the gap between disadvantaged and other communities – driven by major developments in employment and government backed infrastructure improvements in South Bristol and North Somerset.</p> <p>A buoyant economy competing internationally, based on investment by innovative, knowledge-based businesses and a high level of graduate and vocational skills.</p> <p>A rising quality of life for all, achieved by the promotion of healthy lifestyles, access to better quality healthcare, an upturn in the supply of affordable housing of all types and the development of sustainable communities.</p> <p>Easier local, national and international travel, thanks to transport solutions that link communities to employment opportunities and local services, control and reduce congestion and improve strategic connections by road, rail and through Bristol airport and Bristol Port.</p> <p>Cultural attractions that are the envy of competitor city regions across Europe, making the West of England the place of choice for talented, creative workers and affluent visitors.</p> <p>Success secured in ways that are energy efficient, protect air quality, minimize and manage waste and protect and enhance the natural and built environment.</p> <p>Built upon the benefits of its distinctive mix of urban and rural areas.</p> <p>Real influence with regional and national government, by demonstrating vision and leadership and delivering these achievements.</p> |

Priority Sectors

3.12 Table 3-4 sets out the priority sectors which each of the South West LEPs identify in their SEPs. In most cases the selection of priority sectors has been based on an analysis of local economic structure and opportunities for value added growth although one interviewee suggested that local political considerations came into play to ensure representation from across the LEP area. Unsurprisingly, given that economic and business activity increasingly takes place on a global basis, LEPs frequently identify the same, similar or overlapping sectors as set out below:

- **Space/Aerospace:** Cornwall & IoS; Dorset; GFirst; Heart of the South West; West of England
- **Nuclear:** GFirst, Heart of the SW
- **Renewable energy/low carbon including marine:** Cornwall & IoS, Heart of the SW, West of England
- **Advanced/precision manufacturing:** Swindon & Wiltshire, GFirst, Dorset, West of England

- **Professional and business services:** Dorset; Swindon & Wiltshire; West of England
- **Creative/digital:** Cornwall & IoS; Dorset; Swindon & Wiltshire;
- **Health/life sciences and social care:** Cornwall & IoS; Dorset; Swindon & Wiltshire
- **Tourism:** GFirst; Swindon & Wiltshire
- **Agri Food/Land based:** Cornwall & IoS, Swindon & Wiltshire

In addition there are a number of specific sectors highlighted by individual LEPs such as education, research and development (Dorset), environmental analytics (Heart of the SW) and military and defence (Swindon & Wiltshire).

Table 3-4 Priority sectors identified by the South West LEPs

| | |
|--------------------------------|---|
| Cornwall & IoS | 1 Space/ Aerospace assets 2 Renewable Energy Technology 3 Agri-food and Agri-tech 4 Health 5 Digital Economy |
| Dorset | 1 ICT & Precision Instruments 2 Digital, Creative & Information; 3 Financial Services & Business Services; 4 Health & Social Care 5 Education & Research and Development 6 Advanced Manufacturing / Automotive & Aerospace. |
| GFirst | 1 Nuclear and renewable energy 2 Aerospace; 3 Precision engineering and medical instruments 4 Export intensive 5 Tourism |
| Heart of the SW | 1 New nuclear 2 Marine 3 Aerospace 4 Environmental analytics <i>Note that the SEP also stresses the need to improve performance in traditional sectors such as agri-food, and tourism.</i> |
| Swindon & Wiltshire | 1 Advanced engineering and manufacturing 2 Military and defence 3 Health and Life Sciences 4 Information economy – including digital industries and information technology 5 Professional and business services 6 Tourism 7 Land-Based industries including food. |
| West of England LEP | 1 Creative and digital media 2 Low carbon 3 High Tech, Advanced Engineering and Aerospace 4 Professional Services |

3.13 It is apparent that the sectoral focus has driven collaboration between a number of the LEPs within the South West, particularly in relation to nuclear power supply chain development associated with Hinkley Point C and marine renewables. However, as a number of interviewees pointed out, it has often proved easier to co-operate with LEPs further afield. For example collaboration between the Heart of the South West and the Solent LEP on the

marine sector was favourably compared with joint working with Cornwall & Isles of Scilly despite the existence of the City Deal focusing on marine renewables spanning both LEPs.

- 3.14 There is undoubtedly evidence that a sectoral focus is having some impact in terms of strategic economic planning and investment priorities. For example Cornwall and the Isles of Scilly are seeking to use the Newquay Airport Enterprise Zone and the Goonhilly Satellite station to promote space and aerospace business. Similarly the designation of South Yard, Devonport and Exeter Science Park as Round 2 Enterprise Zones may be seen as a way of accelerating investment in the marine and environmental analytics sectors. However, as one respondent pointed out, LEPs need to be flexible and agile in the way they operate. The relocation of the Met Office was cited as an example of the need to seize opportunities when they arise as these can lead to longer term change which is difficult to plan for.
- 3.15 The objectives which the LEPs set out in their SEPs are expressed either as:
- SMART objectives which set out specific and measurable targets for delivery covering GVA, job creation, housing completions, employment rate, education and skills attainment levels, business innovation and renewable energy production (Cornwall and Isles of Scilly and Swindon & Wiltshire); or
 - themed objectives covering key areas such as business competitiveness, skills development, area promotion, connectivity and infrastructure and conditions for growth.
- 3.16 Demonstrating continuity from their initial business plan, Dorset LEP identifies a responsive planning and development system and a dynamic housing market as two of its objectives in creating conditions for delivering economic growth. The Heart of the South West SEP states that its economic objectives are underpinned by cross cutting aims of environmental sustainability and social inclusion. The West of England again highlights the need to ensure that economic growth is accompanied by community health and well-being and a reduction in inequality. It also highlights the need for a resilient economy operating within environmental limits.
- 3.17 While the Strategic Economic Plans of the South West LEPs are clearly oriented towards the delivery of local economic growth there is some recognition that ‘people’ and ‘place’ are important dimensions which need to be addressed. The people dimension is largely tackled through education and skills development objectives although Dorset and the West of England recognise that attracting and retaining a highly educated workforce requires housing and quality of life issues to be confronted. The place dimension is largely reflected in the objective of improved connectivity and infrastructure which is a common theme across all SEPs.
- 3.18 Most of the LEPs set out more detailed targets to demonstrate how their funding bids are intended to deliver economic growth and change. These targets are set out in the Appendix 2 of this report and help to provide a link between the LEPs overall economic strategy and objectives and the funding which they have sought from Central Government.

Assessing LEP delivery

3.19 In undertaking an assessment of the economic impact of LEPs, an evaluation logic model would normally consider:

- Inputs
- Activities
- Outputs
- Outcomes
- Impacts

Given that LEPs' roles have been evolving since their formation from 2010 to 2012, and the most significant funds for which they have direct responsibility (Growth Deal funds) were only awarded in 2014 and 2015, meaningful quantitative assessment of outputs, outcomes and impacts is not yet possible.

Inputs

3.20 It is possible to consider the level of inputs (i.e. funds) that has been secured by each of the South West's LEPs to help deliver economic development. Some of the funds that have been directed through LEPs are direct awards from Government, whereas others have been the subject of competitive bidding rounds. The LEPs have been directly and indirectly responsible attracting resources to their area from a number of funding programmes as set out in the following paragraphs.

3.21 **Regional Growth Funds** - Seven rounds of funding have been allocated from April 2011 which predates the establishment of many of the LEPs. Approximately half of the funding nationally has been received as subsidies by businesses alongside grant and loan programmes distributed through intermediaries. In addition some funding is available through the RGF to enhance business performance and opportunity within specific geographic areas. This may include investment in land and property, transport, tourism and regeneration. Some of the LEPs have received monies from successful Round 1 bids by their predecessor or partner organisations. This includes the Cornwall and Isles of Scilly (£6.0m for superfast broadband and Business Catalyst programmes), and West of England (£39.8m which forms the basis for the Revolving Infrastructure Fund operated by the LEP). Cornwall & Isles of Scilly were successful with a bid for £7.0m for infrastructure in Round 2 and all of the South West LEPs were allocated Regional Growth Funding as intermediaries in Round 3 to provide support to SMEs within their area with a number of funds operating on a cross boundary basis. LEPs have been excluded from subsequent rounds of funding but play a role in promoting the availability of funding on a competitive basis to local business. It is evident that those LEPs which were established early based on pre-existing partnership arrangements were best placed to take advantage of RGF funding.

3.22 **Rural Growth Network** – a pilot fund operated by DEFRA which provided £5.2m and 2.9m respectively to Swindon & Wiltshire and Heart of the South West to assist in the development of rural workspace. It is clear that the partner Council economic development teams played a key role in securing and delivering projects using this funding source.

3.23 **Growing Places Fund** - operated by the DCLG through the LEPs, this is a revolving infrastructure fund aimed at unlocking development projects. All of the LEPs were allocated funding in 2012 using a formula based on population and employed earnings. The allocations were as follows:

| | Feb 2012 | Total |
|---------------------|----------|--------|
| Cornwall & IoS | £ 4.293m | £ 5.8m |
| Dorset | £ 6.513m | £ 9.4m |
| GFirst | £ 5.746m | £ 8.4m |
| Heart of the SW | £14.510m | £21.5m |
| Swindon & Wiltshire | £ 6.347m | £ 9.4m |
| West of England | £11.580m | £16.9m |

The LEPs allocate and account for funding through their accountable body. There was a requirement that they should they have appropriate arrangements in place to deliver transparency in the use of the fund. However it has proved difficult to establish precisely how the funding has been allocated. Table 3-5 sets out the information which has been extracted from LEP websites on projects which have been supported through the Growing Places Fund.

- 3.24 **EU Structural and Investment Funds:** In April 2013 LEPs were given responsibility for setting out the strategic plans and drivers for the EU Structural and Investment Funds for 2014-2020. This fund combines two existing structural funds, the European Regional Development Fund and the European Social Fund as well as including part of the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. LEPs are responsible for designing and delivering strategies on how best to use this funding. In June 2013 each LEP received a notice of funds allocated to its area as follows:

| | | |
|---------------------|----------|----------|
| Cornwall & IoS | € 592.9m | £ 429.6m |
| Dorset | € 47.3m | £ 34.3m |
| GFirst | € 38.3m | £ 27.8m |
| Heart of the SW | € 118.3m | £ 85.7m |
| Swindon & Wiltshire | € 43.6m | £ 31.6m |
| West of England | € 68.6m | £ 49.7m |

Based on exchange rate of €1.38 = £1

- 3.25 EU SIF must be spent in line with a set of overarching priorities set out in the EU regulations, most significantly the issue of Intermediate Body (IB) status for delivering structural investment funds. While LEPs are responsible for the outcomes, they are not responsible for administering the funds themselves. This will be the responsibility of central government to ensure compliance with EU rules. Initial devolution deals have confirmed where IB status is to be delegated, for example in Cornwall, the devolved CA has been approved. Confusion around the regulatory requirements and the non-statutory nature of LEPs has undoubtedly proved a source of frustration amongst LEPs many of whom have established local committees to advise Government on the use of funds. LEPs also have an important role in promoting the availability of EUSIF funding. In this regard they may be seen as having significant indirect influence over the use of EU funding in their areas.

Table 3-5 Selection of Projects supported through Growing Places Fund by South West LEPs

| | |
|---|--|
| Cornwall & isles of Scilly £5.8m | <ul style="list-style-type: none"> • Pendennis Shipyard expansion, Falmouth • Expansion of Proper Cornish in Bodmin • Upgrade of St Mary's Airport on the Isles of Scilly • Regeneration of the old brewery site in Redruth • Offshore renewable energy • Hangars at the Aerohub Enterprise Zone at Newquay Cornwall Airport • Rebuilding Jubilee Pool in Penzance |
| Dorset £9.4m | <ul style="list-style-type: none"> • Centre for Social Enterprise Excellence, Alder Hills • Bionanovate Ltd., Poole • Boscombe Regeneration, Bournemouth • Castle Court, Osprey Quay, Portland • Cobham Gate, Ferndown, Dorset • Field International Ltd., Poole • Hamworthy – transport smarter choice, Poole • Honeybuns Ltd, Holwell, West Dorset • North Dorset Business Park, Sturminster Newton |
| Hot South West £21.5m | <ul style="list-style-type: none"> • Matford Business Park • Exeter Science Park • Federal Mogul site, Bridgwater • Eastover, Sedgemoor |
| Swindon & Wiltshire £9.4m | <ul style="list-style-type: none"> • Casteltown Business Park • Swindon Bus Exchange • Hawke Ridge Business Park, Westbury |

City Deals

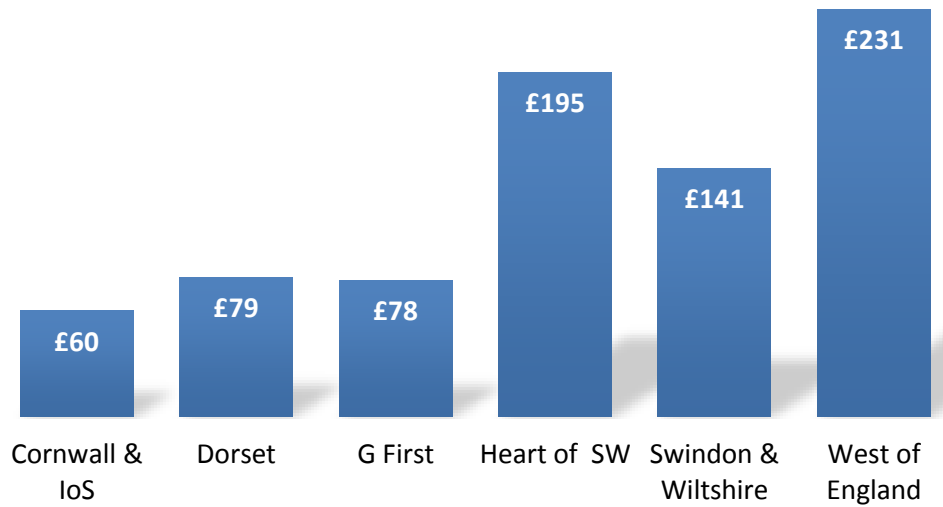
3.26 These are bespoke packages of funding and decision making powers negotiated between central government and local authorities and/or LEPs and other local bodies. The first wave of deals covered the English core cities including Bristol where the deal was negotiated by the West of England LEP and its four constituent local authorities. The key elements in the **Bristol City Region Deal** are:

- A growth incentive proposition which allows local authorities to keep 100% of the growth in business rates in its network of enterprise areas to help create an Economic Development Fund worth an estimated £1bn over a 25 year period.
- A transport devolution agreement alongside investment in major transport schemes and the Greater Bristol Metro, programme flexibility for delivery of the Rapid Bus Network and new powers over rail planning and delivery.
- People and Skills Programme giving the business community real influence over skills provision, particularly for post 16 provision.
- City Growth Hub providing an enhanced inward investment service including a shop front location in the Temple Quarter EZ.
- Bristol public property board covering Government Departments and the City of Bristol to unlock efficiencies and economic potential in the use of public land and buildings.

- 3.27 The second wave of city deals covered Bournemouth and Poole, Plymouth and the South West Peninsula and Swindon and Wiltshire. The key elements of the **Bournemouth and Poole City Deal** which covers the east Dorset authorities but was submitted by the Dorset LEP focused on the development of Bournemouth Airport and the Port of Poole. This deal will provide accessibility to over 85 hectares of new employment land, which will enable jobs to be created and businesses to grow. This was later incorporated into the Dorset SEP and Local Growth Deal (discussed later in this section).
- 3.28 The **Plymouth and SW Peninsula City Deal** covered the historic counties of Devon and Cornwall spanning, but not co-terminus with, the two LEP areas. The Deal focused on developing the marine and advanced engineering sectors and aims to provide:
- New marine workspace focused on former MOD facilities at South Yard, Devonport and other sites across the South West peninsula, including the creation of a public sector land and property board covering Plymouth city, Devon County and South and West Devon authorities to unlock efficiencies and opportunities.
 - Provision of improved co-ordination and support for growing SMEs in the marine sector
 - A deal to assist young people in accessing employment and developing well paid jobs.
- 3.29 The **Swindon and Wiltshire City Deal**, which covers the LEP area, is focused on
- A LEP led Skills Brokerage arrangement for armed service leavers and local employers to benefit from higher education provision co-designed with local businesses
 - Developing a University campus in Swindon and Wiltshire to help deliver part-time, flexible higher level provision in partnership with HEIs using local infrastructure and distance learning.

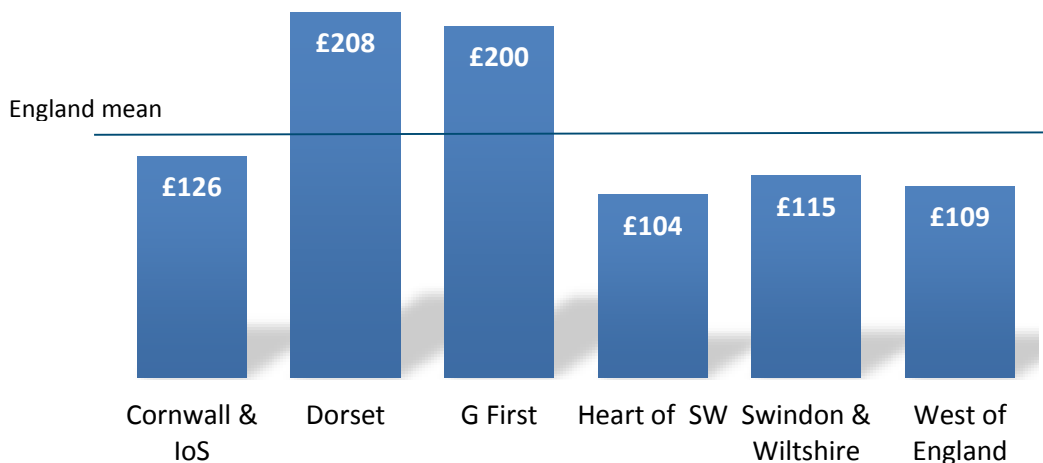
Local Growth Fund

- 3.30 In contrast with the Growing Places Fund and EU SIF funding the LEPs have a much more direct responsibility for winning and allocating funding through the Local Growth Fund. The SEPs provided the basis upon which Government allocated funding following their submission in March 2014. By July 2014 the Coalition Government announced its first allocation under LGF Round 1. This was followed by additional allocations in January 2015 (LGF Round 2).
- 3.31 Using data published by the House of Commons Library it is possible to analyse how much Growth Deal Round 1 and 2 funding each LEP has secured. This shows that the West of England secured the most Growth Deal funding followed by the Heart of the South West, and Cornwall and the Isles of Scilly the least.

Figure 3-1 Total Growth Deal Funds (1 and 2) Secured per LEP (£)

Source: House of Commons Library (30 March 2015) Local Enterprise Partnerships

- 3.32 This data can also be considered per head of population. This shows that Dorset secured the greatest amount of Growth Deal funds per head of population in the South West followed by GFirst, with the Heart of the South West receiving the least. The England average, calculated on the same basis, is £133 per head, so Dorset and GFirst are above the national average, and the other South West LEPs below it.

Figure 3-2 Growth Deal Funds (1 and 2) per Head of Population (£)

Source: House of Commons Library (30 March 2015) Local Enterprise Partnerships and ONS 2012 Based Sub-National Population Projections for England

Activities

- 3.33 Behind these headline figures are a wide range of projects and activities which Local Growth Funds are supporting. Listed in Appendix C to this report is a broad classification of projects

which have been allocated funding in LGF Rounds 1 and 2. Clearly there is the potential for some projects to fall into more than one classification. However the Appendix provides some evidence of the way in which a locally determined approach to delivering economic approach has produced a different package of projects. For example:

- Cornwall and Isles of Scilly LEP's projects are strongly focused on transport related projects covering road improvements, cycling and walking packages and public transport. Little or no funding is directed towards specific sectoral initiatives. This appears to reflect the priority which the LEP places on strategic connectivity and perhaps its access to large scale EU funding.
- Dorset LEP which received the highest per capita allocation of Local Growth Funds of any South West LEP has adopted a more economically focused approach with infrastructure spending clearly linked to development and growth at Bournemouth Airport and the Port of Poole and strategic employment sites. Many of its projects also have a specific sectoral focus or are related to education, skills and training.
- GFirst, which also received a relatively high per capita allocation, appears to have adopted a more mixed approach with a significant package of road improvement projects balanced by a number of sectorally focused development and training projects.
- The Heart of the South West which received the lowest per capita allocation has prioritised projects which appear heavily focused upon physical transport, infrastructure and site development projects although three sectorally focused projects and two education and skills projects are being funded through the Local Growth Deal.
- A similar pattern applies in respect of Swindon & Wiltshire LEP with a mix of transport and site infrastructure projects focused upon delivering town centre regeneration and urban expansion in Swindon. Just two sectorally focused and one skills related project are being funded.
- The West of England LEP is strongly focused on the delivery of specific projects using Local Growth Funds, with only one transport project included. However funding is directed towards infrastructure, including flood protection at Avonmouth and Weston super Mare to allow development to take place as well as more direct support for employment related development projects. Funds are also targeted at sector development initiatives, HE and FE and inward investment marketing.

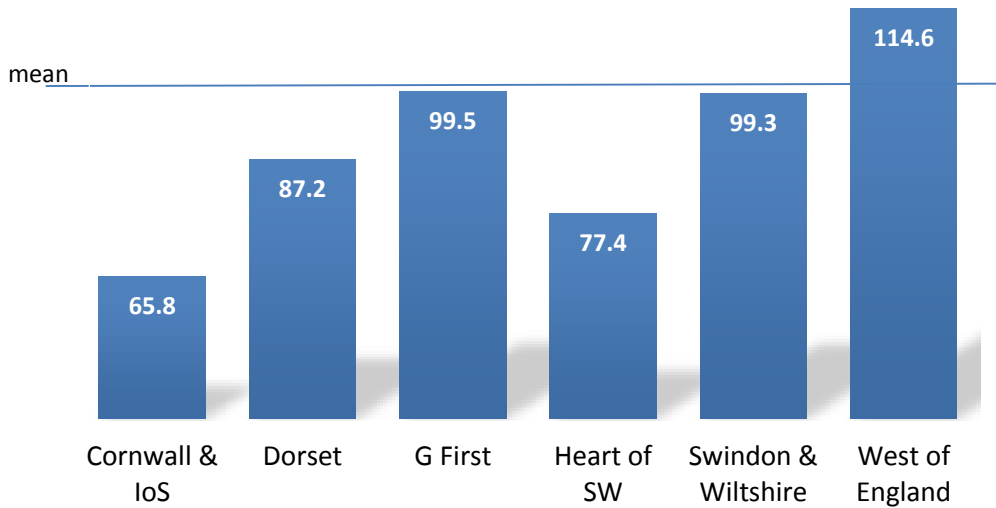
Outputs and Outcomes

- 3.34 Ultimately it should be possible to establish the final outputs and outcomes arising from the funding secured and allocated by the LEPs to these projects. However a cautionary note needs to be made in respect of project delivery. There was some evidence emerging from the research that the LEPs and their partners are struggling to meet their spending commitments. This challenge appears to arise from a number of causes including inadequate project development due to limited time and resources in the assembly of bids, and dependence on third party funds, including s106 contributions. This points to a potential weakness in terms of project appraisal, including risk assessment, and approval processes and the need for proactive management of spending programmes to ensure that hard won resources are used effectively. As previously discussed, few LEPs have the resources necessary to undertake this work themselves and are therefore highly dependent on the willingness and capability of their partner organisations who themselves are under considerable staff resource pressure.

Impact

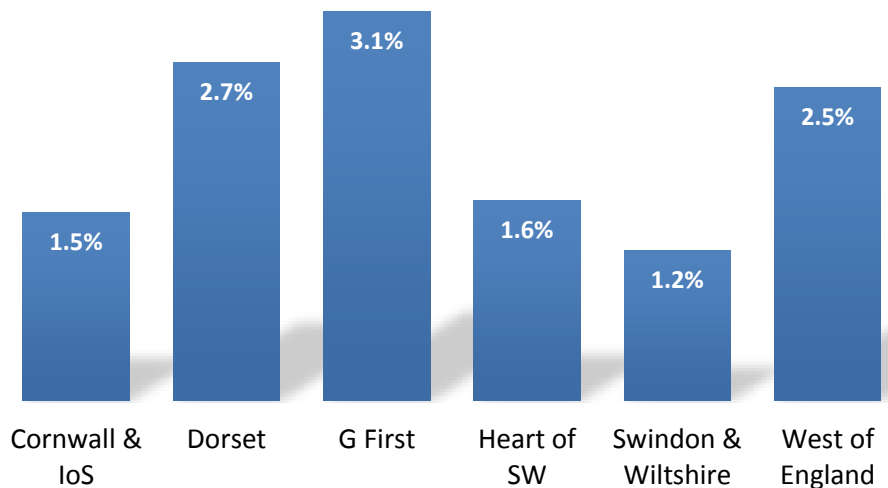
3.35 Given the early stage in the LEPs’ evolution, it is too early to undertake an assessment of their impact. However, some indicators can provide a picture of the baseline against which impact should be measured. For example, it is clear that GVA per head in the South West LEP areas is below the national average, except in the West of England.

Figure 3.3: GVA per Head (UK=100)



Source: ONS (2015) GVA for Local Enterprise Partnerships 1997-2013

Figure 3-3 Change in GVA 2008-2013 (% per annum)



Source: ONS (2015) GVA for Local Enterprise Partnerships 1997-2013

3.36 Looking at the rate of growth in GVA per annum over the period 2008 to 2013 one can see that Gloucestershire has seen the greatest annual increase in GVA per annum, and Swindon & Wiltshire the lowest. The median change for all LEP areas is 2.25% per annum over this period, so Dorset, Gloucestershire and the West of England have seen annual change above the national average, and others below the national average. While this cannot be attributed

to the actions of the LEPs, it provides a useful baseline against which to measure their future impact. In the meantime LEPs should be encouraged to systematically monitor and report on their progress towards their aims and objectives and the specific targets which they have set themselves. This will enable them to deliver the transparency and accountability required in respect of the use of public funds.

Spatial approach of the LEPs in the South West

3.37 It was clear from their inception that LEPs were not to be given any formal role in relation to the planning system although statements were made which anticipated that this might be a legitimate area of focus if local partnerships deemed it appropriate. This is reflected in the information collected from the interviews with the South West LEPs on their approach to the spatial dimension of local economic growth:

- **Cornwall and Isles of Scilly:** While transport was identified at an early stage as a key barrier to economic growth and was therefore given priority alongside employment and skills, the LEP has been much less focused on housing as an issue. Strategic spatial planning has therefore been an area which the Councils lead. However the LEP has had some influence on strategic planning through its work on the SEP which has led members to conclude that growth should be employment led. This has led to the LEP becoming involved in the Local Plan examination process where further work was requested by the Inspector to update employment forecasts. The LEP has not sought to influence the spatial patterning of growth but has been opportunity driven e.g. Newquay Airport Enterprise Zone and Goonhilly Spaceport where employment could drive pressure for growth.

In relation to development management the LEP took the conscious decision at an early stage not to intervene. Cornwall Council offered the LEP the opportunity to become a statutory consultee on major employment related development projects but this was not taken up. This was partly due to being conscious of the democratic deficit and not wishing to interfere in the democratic process. It also reflected a concern about the potential for conflicts of interest.

- **Dorset:** The LEP has had almost no input into the strategic planning agenda. The LEP has tried to meet with the planning leads in each of the LPAs, but this has proved difficult, and is exacerbated by there being few technical planners in senior roles in the local authorities. Because of limited resources, transport and spatial planning was given little weight in the preparation of the SEP which was largely project based. The structure of local government in Dorset has made co-ordination between the SEP and Local Plans difficult, giving rise to insularity and in some cases hostility. The LEP has not played any role in the development of any Local Plans and some of the local authorities have refused to consult with the LEP because it is a non-statutory body so the LEP has been frozen out of some of the plan-making processes.

However some progress is being made with work being undertaken to refresh the SEP and develop a non-statutory, overarching spatial plan for the LEP area. This is involving greater exchange of information although is some way off effective cross boundary co-ordination between the SEP and spatial planning.

- **GFirst:** the LEP does not play a strong role in the strategic planning process, because it does not have the resources to do this, and recognises that as a private sector led partnership it does not have the democratic mandate to set statutory local spatial

development plans. However the LEP currently challenges local authorities when they are not working together effectively on strategic issues and has become directly engaged in the planning process in an attempt to promote a more innovative and aspirational approach to growth. It has intervened in both the Joint Core Strategy for Gloucester, Cheltenham and Tewkesbury arguing for a higher level of employment land at Junction 10 on the M5 and in the Stroud Local Plan inquiry where the local planning authority allocated less employment land than was suggested by the SEP.

GFirst has worked successfully with a number of local planning authorities to get a number of key projects incorporated into Local Plans. However, this is not always possible reflecting different local political priorities. Some local planning authorities are more pro-active in working with the LEP than others.

- **Heart of the South West:** The scale and complexity of the area covered by the Heart of the South West LEP have meant that the LEP has not had an influence on strategic planning. Quite simply the LEP does not have the capacity to get involved in this arena and has been working through counties and unitaries focusing its attention on areas where there is opportunity for and acceptance of growth.

Although the LEP is not a formal consultee in relation to Local Plans it is clear that informal engagement between local planning authorities and the LEP takes place and that reference to the SEP may be found as part of the evidence in relation to 'duty to co-operate' submitted to Local Plan Inspectors. Through the LEP's place sub-group work has been undertaken to examine housing delivery issues and explore the potential for developing a non-statutory spatial planning framework to guide future decisions. This remains a 'work in progress'. There is some limited evidence that the LEP has been prepared to intervene in support of development proposals although this appears to be on a haphazard basis.

- **Swindon & Wiltshire:** The LEP has provided input to the Swindon Local Plan process from an economic and business perspective and, at the request of its two unitary local planning authorities, the LEP acts as a formal consultee in relation to employment planning policies and strategic site proposals. With only limited resources at its disposal this places a substantial burden on the LEP if it is to reach its own independent view rather than simply support the local planning authorities' position.

Clear reference is made to the Wiltshire and Swindon Local Plans in the Strategic Economic Plan and the funding sought from the Local Growth Fund is intended to accelerate delivery of both new homes and employment land/floorspace.

- **West of England:** The West of England LEP has the most well developed involvement with the planning process reflecting the history of joint working between the four unitary authorities through the West of England Partnership. Staff work on strategic planning and transport issues that cut across the four UAs and the LEP plays a brokering and coordinating role in the local planning process across the West of England.

The four UAs are currently developing a Joint Spatial Plan (JSP), which will provide a strategic framework to inform future local plan reviews. Staff are helping to coordinate this plan-making process, and engage the business community in this. In addition the Infrastructure & Place Group (IPG) advises the LEP board and the Planning, Housing & Communities Board (PHCB) which advises the Strategic Leaders Board on these issues.

The LEP does not usually get involved in major planning decisions, although it is supportive of major proposals, especially those identified in the SEP, and will 'champion' these projects.

Spatial views emerging from LEPs' work and SEPs

- 3.38 The picture which emerges is one of diversity across the South West's LEPs in their willingness and ability to engage with the formal spatial planning process. In some cases, such as GFirst, a private sector led Board has been prepared to advance the case for a more ambitious approach from the planning system to local economic growth which has brought some conflict with the decisions taken by democratically elected local planning authorities. More frequently however the LEPs covered by this research have adopted a more reactive approach to engagement with planning. In some cases LEPs operate as formal consultees while elsewhere LEPs play a less direct role through the contribution of the SEP to the evidence base of Local Plans, including in relation in to the 'duty to co-operate.'
- 3.39 It is important to note that the LEPs do not have independent access to professional planning expertise although in the case of the Dorset and West of England LEPs, Terence O'Rourke and John Baker are private sector Board members respectively. LEP staff appear to be drawn from an economic development rather than a planning and development background. However it is clear that the work of LEPs has the potential to have significant influence on the scale, location and timing of land use change and development as a result of the resources which they are responsible for winning and allocating. A key line of inquiry in this research was therefore to seek to understand the degree to which LEPs operate within established spatial planning frameworks or seek to influence or set their own spatial agendas.
- 3.40 Examination of the Strategic Economic Plans and interviews with the LEPs again reveals a significant variation in approach to the spatial dimension of economic planning across the South West. Appendix A includes a synopsis of the spatial elements of each of the SEPs.
- 3.41 This examination of the degree to which economic and spatial planning priorities are developed on a co-ordinated basis highlights significant variations in approach with some clear examples of good practice and significant scope for improvement. What is clear however is the degree to which the agendas set for and by the LEP are strongly focused on delivering growth in areas of opportunity. In the South West context this necessarily involves a focus on urban areas and main strategic transport corridors. There is only limited evidence that LEPs have sought to address underperforming places or indeed traditional economic sectors.
- 3.42 The interviews with the LEPs highlighted a number of obstacles standing in the way of more effective co-ordination between economic development and planning. One of the main issues to arise was the difficulties of aligning the activities of the LEPs which have been focused on the preparation of economic plans driven by relatively short term funding streams - SEPs typically have a 5 to 7 year horizon – with the longer term perspective required by development plans. Some LEPs remarked on how engagement with the local planning process had required them to think about longer term economic issues which they found helpful.

"The requirement to look to 2030 (timescale for the Local Plan) was helpful in encouraging thinking about the longer term as the majority of the LEP's work is focused on the next 3 to 5 years." LEP Executive

Others were less positive.

“The planning system is archaic, complex and slow. Spatial plans can take up to seven years to develop, so are not up-to-date when they are finally adopted. This is far too long. A local plan period of 15 years is far too long, as we cannot anticipate the economic drivers and consequent land use requirements over that period” LEP Executive

Some early conclusions

- 3.43 Notwithstanding the general caveat regarding the ability to draw firm lessons about the role of LEPs in delivering local economic growth it is possible to draw some tentative conclusions.
- LEPs have established themselves firmly as the champions of the local economic growth agenda. This has undoubtedly been assisted by their role as the principal conduit of central government funding, particularly since the introduction of the Local Growth Fund.
 - In some cases, particularly Cornwall & Isles of Scilly and the West of England they appear to have forged a strong public and private sector consensus around an economic vision for their areas and key set of priorities.
 - While generally acknowledging the environmental and, in some case cultural, context within which they are operating the clear focus of the LEPs is on delivering enhanced economic performance through private sector business growth and investment. Absolute or relative GVA or GDP per capita, business formation and survival, job creation and employment rates are their key measures of success.
 - Addressing ‘soft’ people issues such as knowledge, innovation and skills and ‘harder’ place-based considerations as such as strategic connectivity, infrastructure and land and premises appear on most of the LEPs’ agendas. However only Dorset, and Gloucestershire specifically highlight the significance of planning in unlocking local growth in their areas.
 - All of the LEPs have identified priority sectors as a means of delivering local growth e.g. aerospace, nuclear, renewable energy including marine, and advanced manufacturing. There is significant overlap between these which has provided the basis for collaboration between LEPs in the South West although this is harder to achieve in some areas than others. A number of LEPs have highlighted growth potential in more traditional sectors such as tourism and agri-food and land based industries although generally the focus appears to be on developing new areas for growth.
 - The approach undertaken to the preparation of their Strategic Economic Plans varies considerably between LEPs reflecting both different local priorities and the degree to which they were approached as strategic documents which would help establish priorities or bidding documents to secure resources. This, combined with the relatively short term horizon adopted by SEPs, has resulted in generally weak co-ordination with spatial planning frameworks. The exceptions to this are Swindon & Wiltshire where a comprehensive Local Plan coverage is in place and the West of England where there was a tradition of joint working on strategic issues across the LEP area.
 - In the absence of co-ordination between economic and spatial planning approaches the SEP have followed an opportunistic approach to the identification of key priorities largely based around potential projects. In some cases this has given rise to the potential for

conflict with the planning process where aspirational economic growth scenarios do not match with a longer term balanced planning approach.

- The performance of LEPs in securing funds to support economic development from central Government through the various programmes and initiatives has been variable. The LEPs which already have well established partnership working arrangements and were quick off the mark (Cornwall & Isles of Scilly and West of England) were able to attract discretionary funding from the Regional Growth Fund. Allocations from EUSIF and the Growing Places Fund were largely to be predetermined or made on a formula basis. Cornwall & Isles of Scilly stands out in terms of the scale of EU monies allocated to it reflecting its continued underperformance against the EU average and the need for transformational change. Funding won on a competitive basis from the Local Growth Fund places only Dorset and GFirst LEPs above the national average in terms of per capita allocations from Rounds 1 and 2.
- Examination of the projects for which Local Growth Deals have been agreed demonstrates a significant focus on transport and infrastructure aimed at unlocking employment and housing development. These appear quite generic in nature with only a relatively small proportion of projects specifically directed towards supporting priority growth sectors.
- The geographic distribution of funding is focused on principal urban areas and the main transportation corridors. It is clear that the resources won and allocated by the LEPs are being directed more towards areas of opportunity rather than need. This may reflect the fact that only two of the South West's LEPs articulate a clear spatial dimension for their economic plan and projects (Swindon & Wiltshire and West of England). This does not mean that the decisions of other LEPs do not raise spatial development issues. However lack of co-ordination between economic and spatial planning could give rise to conflicts which need to be managed.
- LEPs mainly appear willing to operate within the established planning framework. For the most part they do not have the resources or level of expertise to engage directly with the planning process. Dorset and GFirst LEPs have tried to influence the operation of the planning system within their areas with varying degrees of success. Only in the West of England does the LEP have a formal role in contributing to and brokering joint work between the local planning authorities on strategic planning. Elsewhere there is some evidence of the emergence of informal strategic planning frameworks (Dorset and Heart of the South West) to help achieve greater co-ordination across LEP areas.

4. LOCAL PLANNING AUTHORITIES AND THE LEPs

Introduction

- 4.1 As noted previously in this report, local government partners play a significant role in the effectiveness of LEPs as delivery agents for many of the schemes and interventions identified by the LEPs. In researching the role of LEPs in spatial planning and delivery it has been important to build a bottom-up view from Local Government to provide a lens for understanding the contribution of LEPs in this area.
- 4.2 This section presents the findings about the views from Local Authority (LA) actors about their interactions between local authorities and with the LEPs with regard to spatial planning and delivery of development. These are based on the results of the interviews with 37 local authority officers and members from 22 of the 45 SW Local Authorities. A mix of Upper and Lower Tier councils were sought and officers from all four county council areas were interviewed and one of the two National Parks¹ was interviewed. Figure 4-1 shows the authorities represented in the sample, and Table 4-1 shows the number of interviews by role.

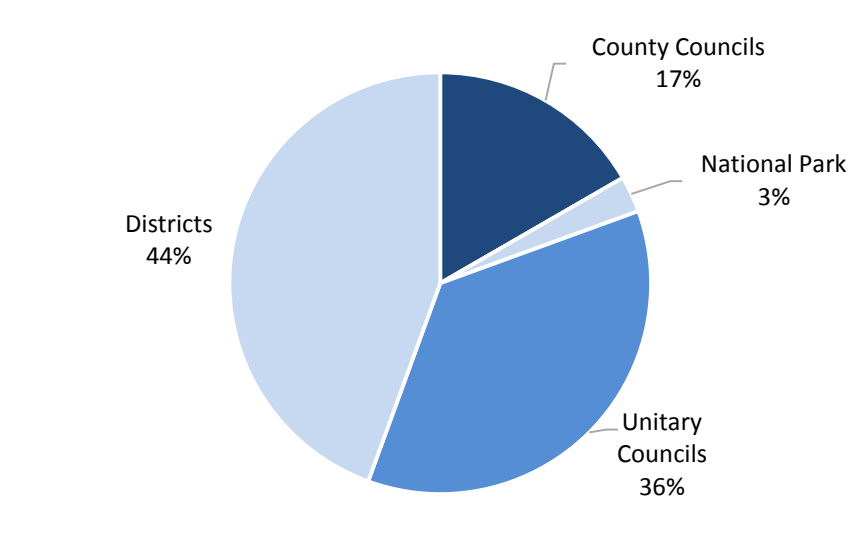


Figure 4-1 Authorities of Interview Subjects

Table 4-1 Number of Interviews by Role

| No. | Interviewees by Role | Attribution Role(1) |
|-----|--|---------------------|
| 3 | Chief Executive | Executive |
| 8 | Executive Officer / Portfolio Holder | Executive |
| 17 | Director / Lead Planning Service | Planning Lead |
| 5 | Director / Lead Economic Development | Economy Lead |
| 4 | Director / Lead Infrastructure & Transport | Infrastructure Lead |

(1) *Executive Officers includes deputy chief executives and corporate directors with oversight of multiple services (Planning, Economy and Infrastructure).*

¹ quotes from the national park is referenced as district in order to maintain anonymity

- 4.3 In order to establish a representative cross section of circumstances (e.g. urban and rural, areas of high demand and areas of low demand, unitary and two tier) target local authorities covering all typologies and LEP areas were identified. In general elected members requested that officers be interviewed, however several Council Leaders and one Portfolio Holder were interviewed as LEP board members and one Portfolio Holder was interviewed in the course of the LEP investigations
- 4.4 The views obtained represent a broad and un-biased enquiry covering a diverse range of councils and LEP areas. Much of the analysis is based on qualitative and subjective analysis review of interviews, and being statistically incomplete reporting is restricted to counts and frequency (rather than percentages).

Role of LEPs

- 4.5 The objectively understood role of the LEPs is discussed in Section 2, however interviews sought to understand how the role is perceived by local authority practitioners. Many interviews highlighted that the LEPs play several roles. Table 4-2 summarises number of times various roles were mentioned in the interviews.

Table 4-2 Key LEP Roles identified in LA interviews

| LEP Roles | frequency |
|---|-----------|
| Business voice | 11 |
| Strategic overview for economic growth; some mentioned specifically increased GVA/higher productivity | 11 |
| Liaison with central government/promoting the government's growth agenda | 7 |
| Infrastructure delivery/funding/development | 6 |
| Not clear | 6 |

- 4.6 Interestingly, whilst most recent national studies on LEPs acknowledge the lack of resourcing of LEPs as a significant constraint on their work, only two local authorities mentioned this in terms of the role of LEPs. Indeed fewer than half of the interviewees raised the issue of LEP resources at any time during the interview. In general, those authorities with less knowledge of the LEP (most often district councils) seemed to assume LEPs had greater funding and capacity than they do in practice.

Engagement with Local Authorities

- 4.7 Initially all Interview subjects were asked describe their personal and corporate interaction with the LEPs. These were subjectively qualified as:
- Involved: participation in one or more groups, preparing bid documents, attendance at LEP-sponsored meetings);
 - Informed: viewing papers from one or more LEP groups or panels, email contact with LEP-related individuals, or via briefings from other LAs or more senior officers; or
 - Limited: aware of LEPs, have sought out information (e.g. reading SEP from web site).

As shown in Figure 4-2 there was a fairly even split among the levels of engagement. There was a clear distinction in the level in engagement between district and unitary councils. Not one of the Planning Leads interviewed were engaged with the LEP though many suggested

that either the Executive Officer or perhaps the Economy Team would have better understanding. Of the five Economy Leads interviewed, the two from districts had limited engagement whilst the three from unitary authorities were involved.

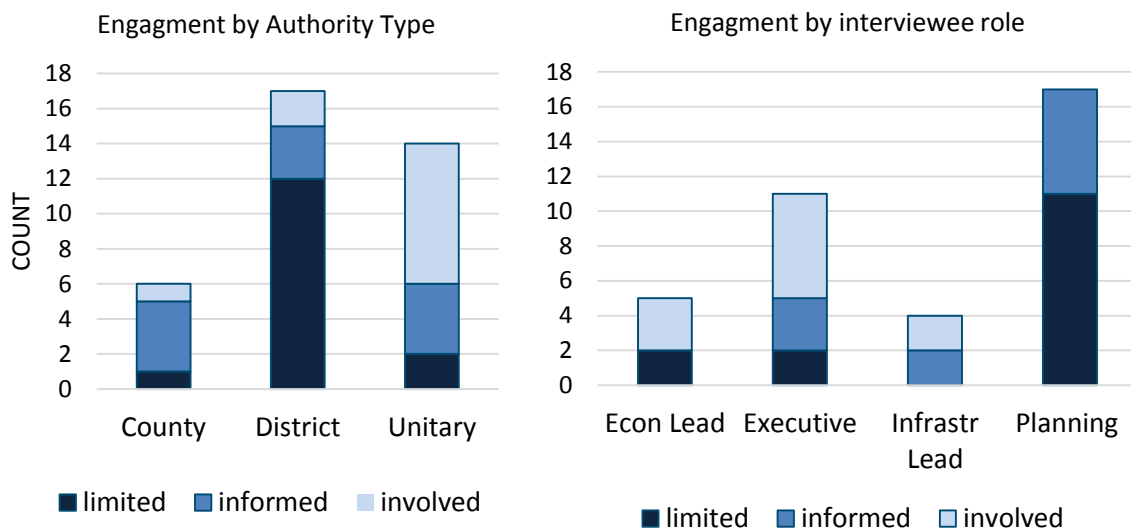


Figure 4-2 Level of Local Authority engagement with LEP

Business Engagement

4.8 In response to the question “Has the presence of the LEP created more opportunity for you / your council to engage directly with businesses?” three-quarters responded with a clear “No” as illustrated in Table 4-3. Several (7 of 25 responses) said this was it was the role of the local authority Economic Development service. However, no one seemed to think the lack of business engagement was a failing of the LEP. Rather there was a sense that this was another area which was not within the LEPs’ remit. A few responses (3) noted the LEPs’ lack of resources, particularly in relation to the large task of inward investment promotion.

Table 4-3 LEP role in business engagement

| Has LEP provided more opportunity to engage with business? | |
|--|----|
| No | 19 |
| Yes | 4 |
| Not sure | 2 |

4.9 Views from respondents included:

“Most local businesses don’t know who they are. (The Council’s) Economic Development team works directly with local businesses. The marketing of the area and managing inward investment are things a proper strategy would be put in place. This is not any less important than the infrastructure investment issues.” District Executive

“The LEP has not added to council’s engagement – we already have a strong programme of Economic Development engagement with businesses. Last year (our

council's) Economic Development officers did over 100 different visits to more than 80 employers. LEP can't engage at that scale." Unitary Economy Lead

"Yes, but a reserved yes. The City Deal provided a lot of opportunities – and it was important to get the LEP's backing and support during the transition time. Long term investment in the city has been helped with the LEP backing, but the danger is that the LEP is looking at a wide area ... (Areas) with a stagnant economy are probably losing out." Unitary Executive

"No. It's been the other way. They (the LEP) have asked us for contacts. (The LEP) is just too high level. There is such a high percent – about 90% - of businesses having 9 people or less and that's off the LEP's radar. They just want the shiny stuff. Our local EDO service can deal with what's relevant to the local small businesses." District Economy Lead

"The level of engagement is 1000% better than it was before. But we're not sure if we're speaking to people (on LEP boards) who are representative of business as a whole or their own business." Unitary Economy Lead

Transparency

- 4.10 Interviewees who were either involved or informed of LEP processes discussed the transparency and decision-making process. The main issues highlighted were transparency and oversight, the funding process and decision making. By and large the issue was a general one related to the contrast between Local Authority requirements for oversight and the lack of transparency for the LEP. Views from respondents included:

"The construction and development group - at the end of the day they represent land owners and development industry. It's been difficult and challenging – they are in fact challenging the joint SHMA evidence that's been commissioned is frustrating but at the end of the day it's what they would do. Just because they are part of the LEP doesn't mean they'll be more cooperative, they don't speak for the LEP rather (they speak for) the businesses themselves." Unitary Executive

"Scrutiny is an issue – how the Council can scrutinise a LEP which has no statutory basis – are they scrutinising themselves (council members on the LEP board) and other UAs? This is very confusing – decisions look like (and are) LEP decisions, but difficult in deciding who the (decision makers are)." Unitary Executive

"As the accountable body we've taken the LEP on a bit of a journey about the way public decision making (takes place) and they now understand the process a bit more. They have over time tightened up their procedures (eg they now publish minutes)." County Executive

"You've got a body in place that few members of the public are aware of who they are and what they do. It's not clear from the outside where money is going and how they are coming to these decisions. ... at the end of the day it's public money and there should be the ability for the public to scrutinise what money is being spent." Unitary Executive

- 4.11 LEPs and LTBs appear to lack the support of committee and compliance officers which assist in the running of meetings. The LTBs in the SW are managed by local authorities who have experience and resources for managing appropriate and accountable decision making, and this is borne out in the positive views expressed in interviews.

- 4.12 As with all decision making there is a need to strike a balance between transparency and confidentiality. One specific case was described in which the Local Transport Body (not strictly the LEP) made an announcement of backing a project before the Highways Authority had contacted all landowners who were potentially affected by a scheme (CPO/Blight issues). While Local Transport Body's support was welcome this did use up some political capital which could have been avoided. This underlines the legitimate need for discussions to be held 'off the record', but such needs can be dealt with via accepted "part II" approach used by local authorities and should not justify lack of transparency in the whole process.

Perceived Effectiveness

- 4.13 Given the breadth of interviews undertaken some general comments about level of support for LEPs from the constituent local authorities were useful. In a report for Localis, Carr (2015) surveyed LEP stakeholders including council leaders and chief executives, and noted "*Our research shows that LEPs are broadly popular, with 60% of local government stakeholders across the UK rating their local LEP to be either good or very good.*" This mirrors the researchers' subjective view of the opinions of the local authorities.
- 4.14 The most consistent and strongly positive comments came from interviewees in the West of England area. All interviews cited the fact that the councils had been working together as a West of England Partnership for many years, and the LEP fits into this framework well as another arm of the Partnership. It was asked whether the LEP was felt to 'own' the Partnership or the LEP was subservient to it. Responses all indicated that the LEP did not own or control the partnership. Likewise, the LEP was not controlled by the Partnership thus was not subservient. Everyone interviewed was clear however that the West of England Partnership was separate from the West of England LEP, and all had a fairly consistent view of which functions related to LEP and which to the Partnership.
- 4.15 The comments of interviewees in the Gfirst area were also very consistent. The LEP was generally respected as a business voice and an inward investment "shopfront." Both the County and District interview subjects had similar views on the LEPs role.
- 4.16 In the more complex administrative LEP areas, Heart of the South West and Dorset, there was a mix and polarisation of general views on the LEPs. Views seemed to be influenced by the level of engagement with lower tier authorities. Many of the lower tier comments on lack of engagement with LEPs were similar to comments in interviews relating to lack of engagement with RDA's and GOSW (see later comments). This reflects the fact that a strategic hierarchy is de facto part of local governance in England and purposeful efforts to improve the flow of information will be required. In the Heart of the South West area one district has provided the LEP with funding to employ a liaison officer for the LEP to specifically act as a contact and information point for the 15 lower tier authorities. Several Heart of the South West District interviewees mentioned this new role as a significant positive step.

Abolition of RSS/RS/RDA/GOSW/SW RA

- 4.17 As the timing of the introduction of the LEPs followed the abolition of the regional offices and the Regional Spatial Strategy commentators have suggested that the LEPs can or should take on a sub-regional planning role. This was reinforced by early comments from ministers. The views of the local authorities made it clear that no one is suggesting that the LEPs should act as the focal point for sub-regional planning, but in order to explore the potential for LEP

engagement in strategic planning it is important to understand the impact of the loss of regional planning on front line planning and delivery. The local authority interviews provided an opportunity to explore a number of key issues including:

- Planning issues resulting from the loss of the GOSW and the RSS.
- Cross-boundary delivery and planning issues such as the duty to cooperate, and
- Emerging devolution and combined authority arrangements.

- 4.18 There have been a number of studies looking at the loss of the regional level of planning governance (e.g., Morphet & Pemberton 2013, Cochrane 2012, Baker and Wong 2013) but few focus on the local authority operational perspective.
- 4.19 Boddy and Hickman (2012) undertook an investigation of stakeholder views on the impact on the West of England of the abolition of the SW Regional Spatial Strategy at around the time of the introduction of LEPs and the NPPF. In interviews with West of England local authorities they found “Local authority members were almost universally relieved and delighted, a view largely shared, with only minor regrets, by officers” and “abolition was seen as providing a much greater degree of local determinism, despite uncertainty over the NPPF. Local authorities saw the future much more in terms of localism than as a ‘developers’ charter’ – a view largely shared by development interests. This was seen not simply in terms of reducing levels of housing development but the more positive pursuit of locally determined policy objectives in all four authorities.” (p4)
- 4.20 This study has provided an opportunity for more detailed exploration over a larger number of SW Councils, and with the benefit of four years of experience working without the Regional Spatial Strategy, GOSW, and SWERDA. Twenty seven interviews explored this topic and Table 4-4 summarises the key views and issues raised.

Table 4-4 Issues related to loss of regional governance

| Issues related to loss of RSS/RDA/GOSW | Frequency |
|---|-----------|
| Loss of strategic oversight | 20 |
| Loss of evidence base (primarily housing numbers) | 11 |
| HCA more important partner than RDA/GOSW | 10 |
| Losing RDA was bad for area | 9 |
| Geography of old region or new LEPs doesn't work for the LA | 8 |
| Legacy of RSS & Structure plans helpful, but running out | 7 |
| Losing RDA was not a loss for the area | 7 |

- 4.21 All interview subjects agreed that there had been some void left in losing the RSS – either resulting from loss of strategic view, loss of evidence (primarily housing numbers) or both. This was true even for those who expressed the view that top down targets were a problem politically for their authority particularly those who felt a strong commitment to localism. During the discussions no one suggested that the Regional Spatial Strategy or regional structures as was should be reinstated.

“The RSS covered such a larger area – we had little concern outside the housing market area... There was a policy vacuum as each council pursued its own core strategy and the result wasn’t particularly edifying. Yes it all boiled down to housing numbers, but can you really deal with housing numbers without having a discussion across the

whole sub region? ... We should ask ourselves if, given the opportunity, we would re-create (GOSW, RA, RDA) and the answer has to be no.” Unitary Planning Lead

“Yes it left a vacuum in terms of addressing strategic wider- than-just-the-local-level e.g. transport infrastructure, broadband, utilities etc. As well as tackling the thorny issues of economic and housing growth locations. At times the RSS was a good forum for addressing that. There are wider issues to address (such as) if by the end of their life the (RSS and RES) were kind of fit for purpose anymore or if they had become too big, too unwieldy and clunky.” District Planning Lead

“Biggest issue (in losing region) was lack of strategic thinking and now we’re looking at deciding funding priorities without any overarching vision - it’s like letting your kids choose what’s for tea. Going back 15 years you had a hierarchy of Government, <-> Region, -> County ->, District and now you just have Government -> district. And this leaves districts struggling to be heard. It was good to get rid of some of the layers, but there’s too big a gap. Labour got rid of counties, and Tories got rid of regions and nobody has put anything back.” District Economy Lead

- 4.22 A few interviewees highlighted specific cases in which the loss of the Regional Spatial Strategy had a direct impact on the delivery of their Local Plans, and in a number of Local Plan examinations duty to cooperate issues arose specifically as a result of confusion following abolition.

“Loss of GOSW and RSS was neither here nor there – but having to redo evidence several times due to the Inspector’s query over evidence and housing numbers has resulted in lost time and political capital.” District Executive

“Politicians were resigned that the RSS set out a certain amount of housing and they would have been relatively happy to take cover in that. But when RSS went they had to face controversy and it took some time for them to adjust – also meant a lot of extra work for us. Not helped by mixed messages from central government about what localism and loss of RSS meant – it probably set our core strategy back by at least a couple of years.” District Executive

- 4.23 The legacy effect of the RSS and Structure Plans was something mentioned in about a third of the interviews, though only by Districts and Counties. They noted that progress on plans and delivery over the past five years had been supported by groundwork laid in the strategic thinking of the previous decades. They were keenly aware of their role in encouraging some form of replacement larger-than-local thinking.

“What happened post-RSS was that people carried on with what was in the RSS and referred to the evidence base with various tweaks. With this it was sufficiently obvious where to allocate things. We’re now coming to the point where we would have seen an RSS-Review that looked forward. But because it’s not there the authorities have been forced to come to a view that we have to do it ourselves. ... Loss of RSS was more like a pin-prick on a balloon which has slowly deflated – and we’re just now realising it’s gone... It was kind of handy that our RSS was never adopted so it was never legally part of the development plan and in an odd way it made things easier for Inspectors and plan exams.” District Planning Lead

“Housing numbers are an issue now the structure plan is running out. Also (we) need someone to deal with issues such as the greenbelt – which is something the unitaries will not address. It is housing that is the politically difficult issue.” County Planning Lead

“The RSS did make the area think big – we’ve taken ownership of the housing and allocations in the RSS and have delivered them with a welcoming mind-set. But now we need more bold ideas and a radical rethink around (our area). Without something (sub-regional planning) it will all be reactive planning – we need proactive planning.”
District Executive

“Strategic projects (e.g. Cranbrook and Sherford) are important but no one is thinking strategically about what are the next projects. Ideally we would be thinking about the next big thing and working on land assembly etc – but we simply do not have enough resource (and political scope).” District Executive

“Some districts still look to county for advice but now were at a stage where the legacy is done and dusted and no longer a consideration. Initially local plans looked at structure plans to see what can be used. But now we’re all a lot more pro-growth and the structure plan never stood up for that level (with so much greenbelt around growth areas).” County Infrastructure Lead

GOSW

- 4.24 Only one interviewee regarded the loss of the GOSW as having any negative impact and indeed many were pleased at the loss of what they saw as an unnecessary tier of administration. This is understandable in that the value in the government offices for the regions was to provide administrative and policy support to central government – not to support local authorities. This issue was also discussed in relation to the previous Regional Funding Allocation approach to transport (see section 6.6) and has been considered in our analysis of LEPs.

“(I) Don’t think GOSW was any value – it was just another tier that got in the way.”
District Planning Lead

“GOSW was at least an official contact for central government.” Unitary Economy Lead

“We still see some of those (regional) issues and tensions being played out in the debate around LEPs. Are the LEPs actually about local enterprise or are they about delivering the government’s agenda. I suspect if you talk to different ministers or officials you might get different answers than if you talk to different LEP board members or chief execs and local politicians.” Unitary Economy Lead

SW Region Geography

- 4.25 Many discussions around the abolition of the regional offices featured comments that the geography of the region was perceived as either irrelevant or inappropriate. The latter view was expressed largely by those in authorities in the East and North of the old region where their linkages outside the region were more important and strategic than across the region. For example, the Bournemouth conurbation has a much stronger relationship with Southampton than with areas like Exeter (or even Dorchester/Weymouth). Similarly the Bristol area fits in strategically with the Great Western Cities alongside Cardiff and has strong functional links to Bath and Swindon but would have no interest in housing debates in the SW Peninsula.
- 4.26 In relation to this topic some authorities noted that the LEP geography was not a good replacement for strategic thinking and evidence e.g. Plymouth where the functional economic

area is split between two LEPs or Bournemouth with strong links to the East. If one considers the RPG10 approach to sub-regional planning shown in Figure 4-3 or the overlap of South West functional economic areas (Figure 2-1) with LEP geography clear areas of potential concern over geographic mis-match emerge. These concerns are a factor in emerging joint evidence and joint working arrangements being organised by local authorities.

South West: Proposed Approach to Sub Regional Planning

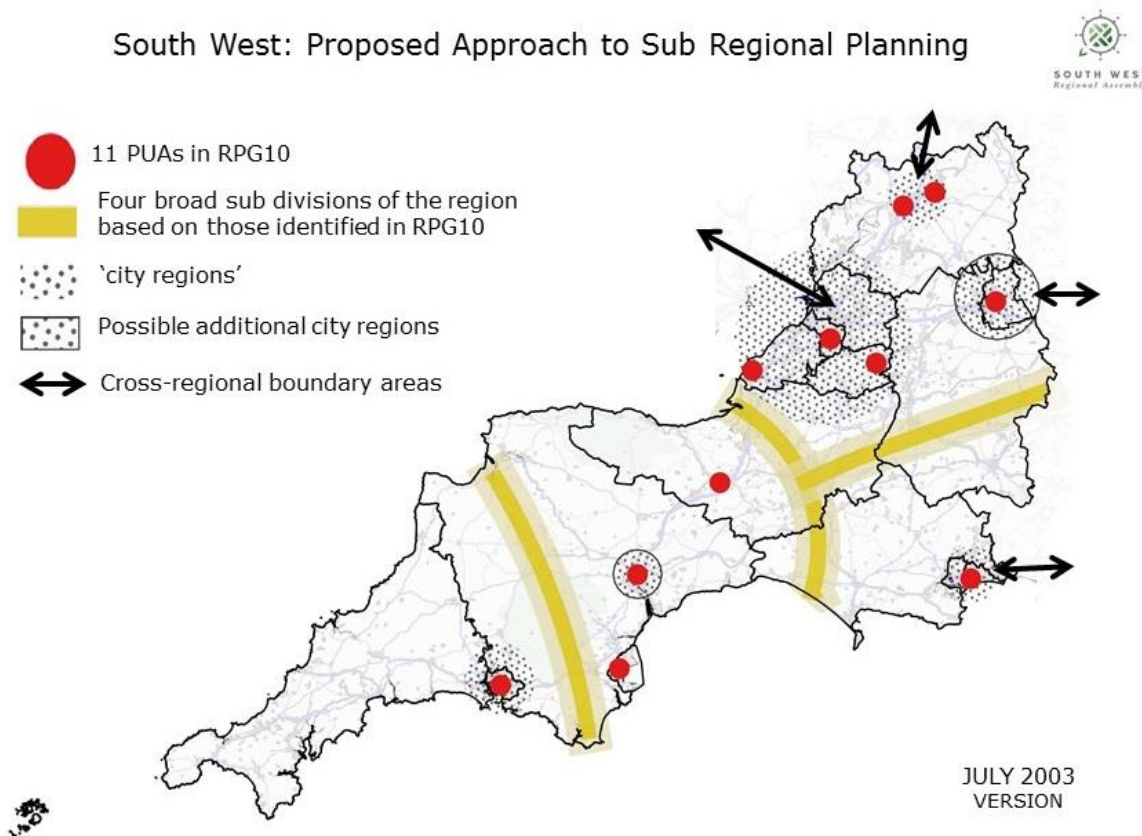


Figure 4-3 RPG10 earlier view of SW functional sub-regions

SWERDA

- 4.27 Comments regarding the SWERDA generally divided between those authorities who had little support or interaction with the Agency and those authorities in which significant regeneration or development investment was made. Contrasting two comments from two different District Executive Officers illustrates this view:

“Following the loss of RDA this was a particular issue as the RDA helped us and saw value in our area. Overnight we had no one to work (on infrastructure and investment) with except the County... not saying we have a bad relationship but we don’t have a particularly collaborative relationship – partly borne out of politics, but this is a real issue for rural areas.” District Executive

“The RDA we don’t miss in any shape or form. We do miss some of their money for the few projects they did help us with – where we did finally work ourselves into the system. RDA was focused on deprivation in the urban areas, but because the local deprivation in market towns was ‘washed over’ being averaged out we didn’t get attention.” District Executive

- 4.28 It was recognised that the SWERDA operated in a time of significant public funding availability that is simply not available now, but one interviewee made an eloquent case for the value of even limited pump-priming contributions to local authorities.

“Remarkable how many areas are still benefitting from investment the RDA made 10 or 15 years ago – often in big capital projects. Of all the investments in the area the biggest benefit came from a £250k RDA revenue grant to build a team – it was building that team which then found the solutions to the problem of infrastructure and set out the framework to deliver. So everything else delivered in the area built on that initial investment.” District Executive

It is significant to note that the views of the local authority officers and members, the majority of whom when asked about this did not feel the RDA had any significant impact on their area, are not reflected in recent studies which consider the LEPs in light of the RDA functions (e.g. Healey and Newby 2014)

Homes and Communities Agency – a missing link?

- 4.29 Almost everyone interviewed mentioned the Homes and Communities Agency (HCA) at some point during the interview.

“You haven’t mentioned the HCA. They have worked with us on a number of sites and at the project and strategic level they have been very helpful. The HCA have been much more proactive in understanding the spatial landscape and actually there doesn’t appear to me to be any synergy between the HCA and the LEP. And this is a criticism of government if I’m honest. The government misses a trick by not seeking that synergy. Because the HCA is the one who has much more money and staff so surely there should be some opportunities for the LEP to work with the HCA to help align strategic priorities.” District Economic Lead

- 4.30 The HCA was mentioned principally in relation to the loss of the RDA or in relation to planning and delivery in particular in connection with strategic sites.

“(loss of RDA) left a vacuum and it was worrying in the recession. Fortunately we had a head of steam and the HCA helped fill some of the vacuum. Without the HCA support we’d have been in real trouble. That’s largely about capacity and expertise.” District Executive

- 4.31 Several South West local authorities have received revenue grants under the Large Sites Infrastructure Programme. These revenue grants are used for delivery team work to progress detailed planning, negotiations, and capital project pipeline development. The HCA and DCLG were contacted and a list of allocations is not available. Six councils mentioned the value of this revenue support funding in interviews and a further three councils’ web sites make reference to grants with the largest being £1.4m and others being around £300k

- 4.32 The HCA’s expertise in planning and delivery, as well as development finance and the development industry, are particularly relevant to the planning leads interviewed:

“HCA are extremely useful ... we’ve gotten (from them) exactly what we haven’t got with the LEP. We’ve got officers we know, and they understand us and they understand how we work. We are completely symbiotic with what we want to achieve and they’ve got capital support for what we all want to achieve and we can work closely with them, and their intermediaries through housing providers, to deliver.”

We've gotten more investment from them than we ever had from the LEP." District Planning Lead

Two Tier Issues

- 4.33 Unsurprisingly in interviews in mixed-tier LEPs, issues around different roles and levels of influence between counties, districts, and unitary authorities were raised. In the mixed tier areas several interviewees had the perception that other authorities had better engagement and influence. The research team considered the comments and in most cases the perception that other authorities had more influence was not borne out. The exception to this was the Heart of the South West where the two Counties and the two Unitaries are closely involved with the LEP through service level agreements and seconded staff whilst the 13 districts have notional representation including two 'representative' council leaders with limited capacity for informing or engaging a wider audience.
- 4.34 Whilst the Districts considered that the Counties and Unitaries have more influence, one Unitary interviewee commented that the numerous Districts distracted from the more strategic needs of the area:
- "... the two tier dimension, sitting outside of that, we are able to see the tensions and how these politics impact the LEP. As an upper tier authority we have to shout a bit harder to be heard within the LEP."* Unitary Economy Lead
- 4.35 Both Counties and Districts commented on the fact the Counties neither have resource nor remit to help LEPs with strategic planning which they have not dealt with for more than 10 years. Several District and County interviewees noted that tensions had carried over from the Structure Plan role of the County, but in recent years a County/District relationship had been rebuilt specifically around infrastructure (highways & education) planning and delivery.

Somerset Strategic Planning Conference

In Somerset County area there is a regular meeting of senior level planning officers from the six districts and the county. This forum has been running since before the RSS evidence work and continues to this day. In organised meetings ongoing issues including the 'duty to cooperate' and infrastructure planning are discussed. The outputs of the meetings are fed back to planning teams in the districts.

Both districts and county officers highlighted the importance of this in interviews. The activities of this group may be a reason why the views of Somerset districts who were interviewed were generally more positive about the opportunities for joint working than were the views from the other three county areas. The districts interviewed in Somerset had a higher level of awareness of the LEP activity.

The work of the Heart of the South West LEP is fed back to this group. In discussions about issues related to devolution, the Somerset interviewees were more accepting of Heart of the South West as a reasonable geography commenting that the LEP provided a basis for working together across this area. For the majority of interviews in the Devon districts and two unitaries there was more unease about the Heart of the South West geography being workable for a combined authority in relation to either economic delivery or planning.

- 4.36 One district officer highlighted the opportunity for LEPs to engage local authority officers to undertake some of the economic and planning evidence work which would support the lower tier authority capacity and provide unique practical insight;

“Everything the LEP does is either done through external consultants or through county officers – I don’t see any reason they don’t come to us. For example the LEP needs to do work on housing and they are not going to get that from counties. It really grates that we don’t get involved. They are not optimising the available resources by taking advantage of the districts’ strength. The LEP thinks the counties know everything but the districts are responsible for delivery.” District Planning Lead

Cross Boundary / Joint Frameworks

- 4.37 Rather than assess comments by interview, issues of joint working and cross boundary cooperation are best viewed from aggregated local authority interviews taking into consideration additional available information. There are a number of issues arising, all of which have a bearing on the interactions with LEPs and others in relation to planning and delivery. Issues to note include

- Joint working arrangements / shared staff and services
- Joint strategic and topic partnership groups
- Joint planning activities (including joint evidence and joint plans)
- Topical and project-based delivery groups
- Specific duty to cooperate and housing market area issues
- Emerging Devolution and Combined Authority issues

- 4.38 Since the inception of the duty to cooperate local authorities have been finding their way through cross boundary issues particularly where issues of meeting objectively assessed needs arise. The geography of Housing Market Areas is complex and fluid, and as noted throughout this report, where administrative boundaries do not match functional boundaries planning and delivery is further complicated.

- 4.39 The majority of discussions agreed that there should be a spatial framework encompassing the subject’s local authority and some neighbouring authorities and a number of “bottom up” joint evidence and Local Plan arrangements are emerging. It was generally felt such frameworks should cover the critical issues of quantum of housing and employment land (“blobs on maps”) and major infrastructure but not go beyond area-of-search type allocations.

- 4.40 There a was divergence of views on whether these frameworks should be formal development plans or if they were ‘evidence’ dealing with only higher level issues. Agreeing the geographic scope of these frameworks was also variable with some views directly in conflict as to which areas should be included in framework planning. The following comments regarding emerging joint planning work illustrate some views on the issue of joint frameworks or joint plans in specific LEP areas:

“If it all works out as we hope (the Joint Spatial Plan) provides a more strategic direction across the region and provides strategic direction so you will get some consistency in ... local plan time and numbers and infrastructure. Vitaly important that road schemes and infrastructure schemes are planned ahead ... most of the earlier projects have been completed on the ground but this needs to be linked with future planning of where things will be going ... up to 2036.” West of England

*“PAS/POSE have advised on potential joint planning – the move is toward an informal strategic plan, but don’t want to use term informal because we don’t think members should be able to walk away. **Planning Strategy for Dorset** is the term many are using. Don’t see it having policies or detail, but mostly dealing with the housing numbers – possibly transport. The employment sites are pretty well fixed and are not as critical an issue.” Dorset*

“What’s not clear is the motivation for the LEPs involvement. The local authority and strategic planning debate isn’t really a concern for the LEP, but now the LEP is involved. The Strategic Planning forum is a locally grown initiative but will feed back through the strategic leaders group. There has been no clarity about who leads – perhaps the Councils felt LEPs should lead on this, but LEP feels Councils should lead.” Dorset

“(Some of our) officers would like to work toward more joint planning with neighbouring authorities but that would be politically difficult. The future of Joint Local Plans will be driven by budgetary pressures – not LEP directions. A devolved area with no overriding strategic planning makes no sense.” Heart of the South West

- 4.41 There remains an issue with taking a full strategic view of sub-regional working where LEP boundaries do not reflect functional areas. Plymouth, Bournemouth and Swindon to varying degrees face issues of unmet need across LEP boundaries. The Bath housing market is also tied closely to Western Wiltshire however LEP and local authority interviewees were aware of the need to explore these issues. The role the West of England JSP will take in this has yet to be determined.

West of England Joint Spatial Plan (JSP)

The West of England authorities are working jointly on a [spatial plan for the area](#).

The JSP team are working from a common evidence base including a coterminous Local Transport Plan to produce a high level development plan document for the area. This is not intended to replace the Local Plans from the four constituent authorities, rather it provides the strategic level development plan.

At the time of this research the issues and options consultation for the JSP was released and this deals with overarching issues including the spatial form of development and potential for greenbelt release.

A SHMNA for the area has been prepared working in close collaboration with West of England LEP’s Planning, Housing & Communities Board. Working with the industry board has challenged the JSP team, however all concur that it will ultimately improve outcomes.

It is interesting to note that though the SHMNA considered the full HMA, in making the JSP at this stage the Bath and North East Somerset housing numbers are being considered separately from the rest of the housing market. This is in part in consideration of housing numbers for that area having been very recently agreed through a protracted Local Plan process.

The devolution bid does not request any strategic planning powers, rather it is predicated on the JSP being in place to underpin delivery in the area. The West of England has noted in their devolution proposal:

Combining the JSP process with an Infrastructure Fund means that the West of England authorities are able to offer the first ever integrated spatial and transport plan to be prioritised with recognition of the fundamental economic priorities

across the West of England. We believe this would be a genuine first in the UK, and would recognise the reality that the economic impact of housing is about more than the total built and also depends on how well connected the housing stock is to locations where productivity is highest and sustaining this level of connectivity over time as growth is delivered. A robust prioritisation process would also give an opportunity to offer the up-front release of JSP allocated sites to expedite delivery in the first ten years of the Local Plan period.

Devolution

- 4.42 Given the timing of the research, issues around devolution were discussed in interviews, and the status of potential devolution deals are outlined in Table 4-5. Most of the service lead officers were aware of discussions but not involved and only informed in general terms. Executive officers had more awareness, but in most areas the discussions were very fluid and occurring among Leaders and Chief Executives only. The majority of interview subjects felt clearly that the local authorities were leading the work and that the LEPs were involved in advisory roles. In some discussions LEP executives or directors were acting as a ‘go between’ with ministers and local authorities.

Table 4-5 Devolution Deals as proposed late 2015

| | | |
|------------------------|--|-----------------------|
| Cornwall | Cornwall Council, Isles of Scilly, Clinical Commissioning Group, CloS LEP – Gloucestershire | Deal Agreed |
| Dorset | The 2 unitary councils, the county council and the 6 district councils and the Dorset LEP <i>There has been some discussion that in the event of a potential reorganisation around a new unitary council there may be a preferred structure involving a separate devolution agreement for the Bournemouth conurbation unitary (in whatever form) and a Dorset County aligned deal</i> | Statement of intent |
| Gloucestershire | Gfirst LEP, Police, CCG, County and all 6 districts. | Bid Submitted |
| Heart of the SW | All LEP authorities - 2 County Councils, 2 Unitary councils, 2 National Parks, 13 District councils. | Bid submitted |
| Swindon | Understood to be submitting a Single Authority Devolution bid | TBC |
| West of England | All 4 Unitary authorities and the LEP | Statement of interest |
| Wiltshire | Wiltshire Council “in consultation with” the Swindon & Wiltshire LEP, the Wilts Health and Well Being board, and the Wilts Public Services Board | Bid submitted |

- 4.43 In relation to the rapidly evolving devolution discussions, comments from local authority interviews include:

The Letter of Intent was politically driven – not LEP driven. Nobody is quite sure what it means, but we have been told that any future funding is predicated on devolution deals. District Executive

Message from government has been very clear over the summer – they expect devolution to be, if not led by LEPs then led by the business needs of a place and that those things need to be close to the front of those discussions. Government has given that message to LEPs, but they haven’t given it to local authorities.... but the LEPs can’t

go into county hall or town hall and say to politicians this is how it has to be. Unitary Economy Lead

There is a question if under devolution the Local Transport Board is aligned with the LEP or with the devolved cooperative authorities. If funding and coordination is delivered through a devolved group of authorities you have to ask yourself where does the LEP sit; is government going to put money down that channel (LEPs) and that channel (devolved organisation) – how is that going to work and deliver best value for money and who is going to be accountable. What the government really is doing is centralised localism. Unitary Executive

4.44 One interviewee from a Heart of the South West authority had very specific views on the issues around devolution:

The LEP has played an important role in making it clear to the local authorities the risks of not looking at new structures and approaches – in terms of securing funds primarily. The local authorities have an elected mandate so devolution is a more serious issue for them particularly. It needs to be considered carefully. LEPs view their success in terms of money awarded, but devolution has to have different measures of success. ...Local authorities need to get their house in order to lead this. There are 19 different local authorities in Heart of the South West, 4 universities, 10 FE colleges – that's an awful lot of different partners to take on a journey. So this is something that shouldn't be rushed because if you get it wrong it will fragment and disadvantage the area. The LEP has a good advisory role, but it is the local authorities' role to take on powers and consider what is required.

Cornwall Devolution Deal

The Cornwall devolution deal was signed in July 2015. As the first County area deal, and the first deal without an elected mayor, this has been of interest to many SW LAs for whom an elected mayor would prevent agreement on issues.

Partners: Cornwall Council, Isles of Scilly, Clinical Commissioning Group, CloS LEP

The deal covers key areas of transport, health and social care, education and skills, and business support. Cornwall will act as the Intermediate Body for EU funds from April 2016.

Planning Ask

The Cornwall devolution **bid** contained very detailed planning asks and these were not granted but are interesting. These included Establishing Cornwall planning practice guidance notes which would have provided (among other things):

- establishing unique definition of affordable housing, affordable housing thresholds and a locally appropriate methodology for ... development viability
- Define criteria for establishing a five year land supply ...
- Establish a Cornwall methodology for defining severe highway impacts...
- (new use classes for)Definitions of second homes, holiday lets, residential units and winter lets.
- Guidance to be revised in relation to pooled contributions for planning obligations...
- Guidance on the interpretation of the Prior Notification Process for barn conversions to dwellings should be made locally in Cornwall.
- Definition of previously developed land changed to only include those areas that have previously benefited from planning permission. (e.g. areas / developments that pre-date the planning system).

The response in the Devolution deal was

“53. The Government recognises that Cornwall has further ambitions around devolution and decentralisation, for example on housing including low cost starter homes and planning. Government will have further discussions with Cornwall on these ambitions, which are set out in “The Case for Cornwall”. However any future Devolution Deal will be predicated on strengthening of local governance, which would meet the Government’s ambition for visible and accountable leadership that enables residents to understand who is taking local decisions”

(<https://www.gov.uk/government/publications/cornwall-devolution-deal>)

Sustainability

- 4.45 This study also sought to review more closely the influence of LEPs in considerations of “sustainable development” with particular reference to how decisions are made about locations of proposals for new development and the balance of development in relation to environmental issues. This topic was explored in the local authority interviews as well as through LEP discussions.
- 4.46 The Planning for Growth report (Pugalis et al 2015) found that “Many SEPs pay lip service to broader sustainable development principles and a significant number of SEPs fail to fully consider, examine and/or model the social and environmental implications of pursuing growth-focussed strategies.” The review of SEPs found that the majority made no reference or only passing reference to environmental issues other than some low-carbon or renewable energy related projects.
- 4.47 To understand the views of local authority practitioners, the following question was asked :“Do you have any observations on the LEP’s role in / understanding of sustainable development?” with a prompt of “in light of the need to consider social / environmental aspects alongside economic growth?” Twenty two interviews covered this topic and the most frequently noted issues are identified in Table 4-6.

Table 4-6 Views on LEPs role in sustainable development

| Sustainability Issues | Frequency |
|--|-----------|
| Economic focus / not environmental | 18 |
| Not role of LEP / Role for planning | 9 |
| Social impacts (deprivation, rural issues) | 9 |
| Contrast with RDA approach | 5 |
| Mentioned Local Nature Partnerships | 5 |

- 4.48 The consensus view, and one mentioned in the majority of interviews, was that the LEP is focused solely on economic outcomes. In most cases this was not presented as a criticism, rather a statement of their role. In nine interviews Local Nature Partnerships were mentioned with the voiced or implied suggestion that it is their role was to ensure environmental issues are considered.

There is a risk – you don’t want to be seen as just being purely economically driven, but you can’t develop a vision and deliver those visions without the LEP focusing on the economic needs. County Planning

The LEP is economic and it's not their role to consider this. They do however include some considerations e.g. sustainable transport in the evaluation of transport schemes. County Planning

The LEP needs to focus on the growth agenda, and the key there is investment and it wouldn't be good for them to be pulled in too many directions. If anything acting as a counterbalance to Natural England could help make some of the constraints go away. At a strategic level they need to be forward planning for the next big growth (projects). District Executive

Government is heavily focused on economic benefit solely at present. In terms of environmental and social implications business and government doesn't focus on this and the planners highlighting social and environmental issues aren't heard by the LEPs. The LEP is "an economic beast". ... we should highlight the Localism agenda in terms of what matters to people. LEP at board level understands the imbalance of focus solely on economics but that is their remit. County Infrastructure Lead

- 4.49 Just under half of the interviewees argued that sustainability balance was an issue for planning and that it was planning authorities' role to consider this. The fact that the LEP engages rarely with planning applications (see section 6.4) implies that there is no undue pressure for putting economic concerns first in decision making. This was often framed in the context that LEP-supported projects would have already been in Local Plans or would have sustainability merits assessed through Development Management.

When we look at a project's viability we have to consider the cost of meeting environmental requirements. The assumption is that balancing environment etc. will be picked up in the planning process. County Infrastructure Lead

The LEP is involved in Economic projects ... (that) have already been through the planning process which has considered the sustainability issues. District Planning Lead

LNP is a counterbalance to the LEP. So rather than LPAs making the balance, the LNP should be doing this. However in (our area) the LNP isn't that visible. But again there is a lack of clarity on roles and if this is the role of the LNP then you need to identify that. Unitary Planning Lead

Social Deprivation

- 4.50 Nine of the 22 interviews who addressed the issue of sustainable development raised the issue of social deprivation. This was primarily from Unitary authorities (6 of 10 Unitaries) in relation to the need to address urban deprivation issues whilst 3 of 9 districts interviewed expressed concerns over rural needs, particularly related to access to jobs and infrastructure. In addition, a number specifically contrasted SWERDA's focus on environmental and social outcomes with the LEPs single-focus on economics:

The LEP doesn't do what the RDA did. The RES and even RDA forward plans went through SA/Equality Impact Assessment etc. RDA capital projects required environmental features (e.g. BREAM buildings) RES had some concern about environment and social work, whereas LEP is more focused on economics. Social Deprivation is the key missing bit and to deal with that you need to address regeneration, skills and transport in deprived areas. Unitary Planning Lead

Sustainability was part of the RDA agenda and the HCA has tried. It's not really on the radar for the LEP. There is competition between the LEPs to get their share of the

resources, so they can't focus on the smaller areas or deprivation. Missing the spatial dimension is a real own goal because ... they are missing the productivity gains that could come from the more quality of life areas. District Executive

We twigged that for the government investment is all about UK PLC ... what is likely to give them the best return for the country. ... Funding around (sustainable transport) is about getting people from the less well performing fringe to get them to work. The current climate doesn't mean you can't invest where there is deprivation, but it has to be about increasing the number of employees to a successful area – not about ploughing money into an area where businesses don't want to go. Unitary Executive

Sustainable Transport

- 4.51 In the course of interviews several subjects mentioned that support for sustainable transport projects was evidence that the LEP was not adverse to environmental improvements. Given that transport schemes are the main focus of LEP influence in terms of capital spending it is worth noting that in this respect the South West has performed well. A study by the CPRE and CBT (2013) assessed the initial first round of LTB/LEP capital bid submissions to identify to what extent transport schemes were supporting a sustainable agenda. The overwhelming majority of projects and spending nationally was focused on new road capacity, though some schemes included cycle lanes or bus infrastructure. No cycling projects were in the prioritised list. Of the 65 proposed projects associated with strategic sites / large developments only 10 supported public transport or active travel.
- 4.52 However the South West LEP-area Local Transport Bodies did provide some of the highest rankings and some of the Report's summary comments are reproduced in Table 4-7. The CPRE/CBT report highlighted that whilst there were no cycle schemes in the priority project submission lists there were 6 cycle schemes in the reserve list. In discussions with local authorities it appears that as the decisions and scheme design evolved Highways Authorities worked to introduce additional active and public travel into schemes often through pairing developer contributions and other schemes.
- 4.53 Looking at Local Transport Board funding alone however does not provide a complete picture of support for sustainable transport. A number of funds, such as the Local Sustainable Transport Fund (LSTF) has awarded almost £100m to south west highways authorities between 2011-2015. This includes almost £10m for revenue projects. This funding is not regarded as "LEP" funding, however the bidding requirements included a) a letter from the LEP indicating it supported the scheme and b) request to "identify where in the LEPs Strategic Economic Plan (section and/or page numbers) one can find evidence of ongoing support for sustainable transport projects" (Source: gov.uk bidding guidance documents)

Table 4-7 CPRE/CBT South West transport scheme review extract**Extract of commentary on South West Transport schemes from CPRE/CBT study of initial transport scheme submissions (CPRE/CBT 2013)****Cornwall & IoS Local Transport Board**

- Achieved fifth place for scheme choice and third place for sustainability, putting it in the top five overall. It had a green objective in its assurance framework and did not fund schemes aimed at facilitating out-of-town developments.

Dorset Local Transport Body

- All of Dorset's funding was given to one road maintenance and widening project on the A338. This reduced its sustainability score and its scheme choice rankings alike.

Gloucestershire Local Transport Board

- Our highest scoring LTB, with a good choice of schemes covering a range of modes and a pipeline of even more imaginative projects including canal transport. The process was transparent from the start...

Heart of the SW Local Transport Board

- Programme consisted of five road and rail schemes, with 89% of funds going towards the roads.

Swindon and Wiltshire Local Transport Body

- All of Swindon and Wiltshire's budget was allocated to three road schemes. However... they are now seeking views on their proposals.

West of England Local Transport Body

- West of England's high score reflected its final choice to dedicate its funding entirely to phase one of the MetroWest project, which will develop new local rail lines.

LEP Planning Engagement

4.54 As noted elsewhere in this report the emerging areas of joint work on evidence and frameworks for spatial planning is an area of enormous interest in consideration of models of larger than local planning. Pugalís et al (2015) found limited LEP commitment to interaction with either plan making or development management. They found that only 4 of the 37 SEPs reviewed identified Local Plan changes as an issue for LEPs. Research by Peter Brett Associates (2013) undertook a survey of local authorities in relation to preparations for CIL and infrastructure delivery. They questioned the level of engagement with LEPs and of the 45 responses they found the level was reported as:

| Weak | Average | Good | No answer |
|------|---------|------|-----------|
| 31% | 24% | 4% | 40% |

Source: Peter Brett Associates 2013

Local Plans

- 4.55 The NPPF makes it clear that in regard to Local Plan evidence base

NPPF 160

Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should:

- work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.

The NPPG helpfully contains the following:

Paragraph: 006 Reference ID: 9-006-20140306

Are Local Enterprise Partnerships and Local Nature Partnerships subject to the duty to cooperate?

Local Enterprise Partnerships and Local Nature Partnerships are not subject to the requirements of the duty. But local planning authorities and the public bodies that are subject to the duty must cooperate with Local Enterprise Partnerships and Local Nature Partnerships and have regard to their activities when they are preparing their Local Plans, so long as those activities are relevant to local plan making. Local Enterprise Partnerships and Local Nature Partnerships are prescribed for this purpose in Town and Country Planning (Local Planning (England) Regulations as amended by the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2012.

- 4.56 This highlights the role of LEPs in relation to evidence. Indeed the research has shown that evidence issues have been the area of greatest interaction between LEPs and the planning process particularly around Local Plans. This report highlights a number of areas where this joint evidence is being prepared – with varying levels of engagement with the LEP.
- 4.57 The issue of housing needs assessments is common to all Local Plan examinations and the issue of match between economic aspirations and housing growth is regularly raised. With the addition of the LEPs, industry representations are now scrutinising the degree to which the economic modelling applied to housing numbers takes into consideration the full aspiration of the SEPs and may use this to argue for higher housing numbers. This has resulted in some additional work in Local Plans and it appears that Inspectors are not fully consistent in consideration of SEPs.
- 4.58 This research presented a unique opportunity for empirical assessment of recent experience with LEPs in local plans which have been in the examination process over the past 12 to 18 months. There has been considerable progress in Local Plans in the South West in recent years. Fourteen Local Plans have been submitted since Jan 2013, 7 Local Plans were adopted in 2015 and a further 5 examinations are in progress. In addition, a number of local authorities who, having adopted core strategies following introduction of the 2004 Act, are now producing the first refresh of their Local Plans. These include Mid Devon and West Devon (formal publication) and Poole and Plymouth who are progressing to pre-submission publication. Figure 4-4 shows the local plan status as of January 2016.

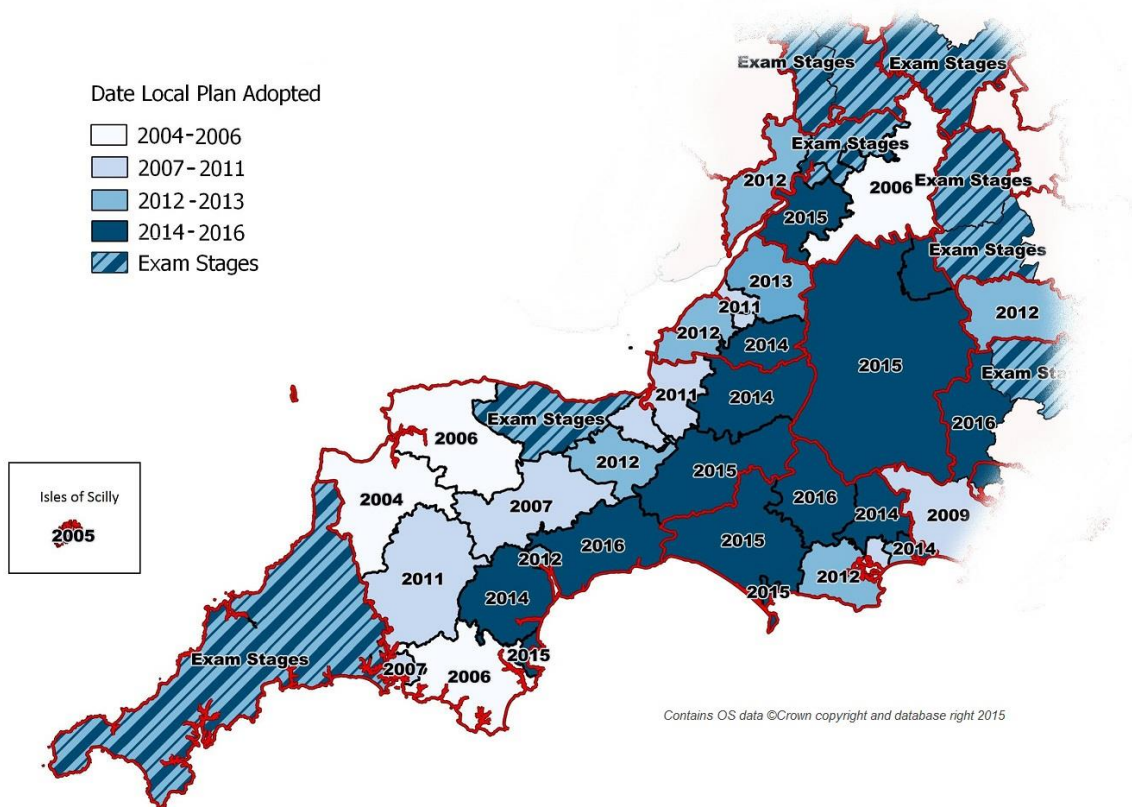


Figure 4-4 Map of Local Plan status in the South West (Jan 2016)

4.59 A brief review of Local Plan Examination web pages for those recently examined or adopted Local Plans sought evidence of LEP interaction with local planning through:

- representations and duty to cooperate statements,
- reference in Infrastructure Delivery Plans (IDPs),
- reference in Local Plans or
- through comments in Inspectors’ reports.

This was further explored through the local authority interviews, and a number of examples are highlighted. Table 4-8 summarises the recent Local Plan examination materials reviewed.

Table 4-8 Local Plans reviewed for LEP interaction

| Authority (Links to Examination Web Pages) | published | submitted | Inspector's Report | Adopted/sound |
|--|-----------|-----------|--------------------|---------------|
| West Somerset | Feb-15 | Jul-15 | Exam Stages | |
| Cornwall | Mar-14 | Feb-15 | Exam Stages | |
| Gloucester Cheltenham Tewkesbury | Jun-14 | Nov-14 | Exam Stages | |
| East Devon | Nov-12 | Aug-13 | Jan 16 | Jan16 |
| North Dorset | Nov-13 | Dec-14 | Dec 15 | Jan-16 |
| Torbay | Feb-14 | Jul-14 | Oct-15 | Dec-15 |
| Stroud | Sep-13 | Dec-13 | Nov-15 | Nov-15 |
| Swindon | Dec-12 | Jun-13 | Feb-15 | Mar-15 |
| West Dorset Weymouth & Portland | Jun-12 | Jun-13 | Aug-15 | Oct-15 |
| South Somerset | Jun-12 | Jan-13 | Jan-15 | Mar-15 |
| Wiltshire | Feb-12 | Jul-12 | Dec-14 | Jan-15 |

- 4.60 In all of the recently examined/adopted plans the LEP was mentioned in the duty to cooperate statements and some included reference to the LEP as a delivery body. The LEP was “name-checked” in several Local Plans and IDPs however in both the IDPs and Local Plans there was no substance or specificity of the role of the LEP.
- 4.61 There has been some inconsistency in Planning Inspector’s consideration of LEP engagement. Some Local Plan examinations have made almost no reference to LEPs and Inspectors have accepted this. The following cases highlight several different experiences. A comprehensive study of LEPs’ engagement with infrastructure planning and delivery was undertaken by Morphet (2013). This study catalogued Local Plan and IDP progress nationally, and analysed and collated the information on a LEP basis. Morphet noted that “No LEP has a combined IDP for its area demonstrating existing infrastructure investment commitment which, it could be argued, are central to economic confidence for the area.” (p6). Obviously this is not applicable to, for example, Cornwall, and one can argue that the progress on the West of England joint spatial plan is working toward a single IDP. It would be fairly straightforward and quite useful for the mixed tier areas (Heart of the South West, Gfirst, Dorset) to produce and monitor and maintain a collated IDP for their areas.
- 4.62 All local authorities interviewed were queried about LEP engagement with the local planning policy process and around one third confirmed that they had been involved although in two of these cases this did not extend beyond a simple letter of acknowledgement. The following comment and case studies reflect the potential for conflict to arise between the LEP and the Local Plan process.

| Has the LEP been involved in the Local Planning / Policy process (through representation, engagement, or evidence?) | |
|---|----|
| No | 16 |
| Yes | 6 |

“(I’m) A bit concerned that the LEP/SEP have plucked a GVA out of the air and we’re being forced to retro-fit evidence to match this. Going into (a local plan) exam with the frailty of evidence in the LEP can be a real issue. LEP speaks in headline terms whereas the Inspector needs detailed information.” District Planning Lead

Stroud Local Plan

The Gfirst LEP has a Construction and Infrastructure sector group which has been active in planning policy issues in the County. It was this group that led [the representations on the Local Plan](#). In these representations the LEP made it clear that the LEP wished the M5 corridor to be a strategic focus for the district. It highlighted the LEPs role via NPPF160 and weighed in specific issues such as

“13. The Local Plan also needs to avoid the “sustainability trap” where decision making is determined solely by reference to limiting car based travel. Government policy now provides a more pragmatic stance and interpretation to sustainability. “, and

“15. At present there is a concern that the planning authority has not provided a sufficient number of houses in the District....”

Comments on specific sites were also made, and there has been conjecture as to whether some of these comments stem from specific landowner interests with links to the LPE construction panel.

In light of the representation, it is unsurprising that the Inspector specifically wished to consider these issues through further statements and the examination hearings. The Inspector’s pre-examination questions to SDC included “Explain how the Plan sets out a clear economic strategy which positively and proactively encourages sustainable economic growth, including the relationship with the economic strategy of the Gloucestershire LEP” and “Does the employment strategy of the Plan reflect the economic strategy of the Gloucestershire LEP?”

SDC noted in their response to the LEPs further statements *“It is important to acknowledge the different roles of the Local Plan and the SEP. The Local Plan must be grounded in evidence and must be demonstrably deliverable. The Local Plan is underpinned by respected economic projections and local quantitative and qualitative analysis. The SEP is fundamentally a bidding document for funding and provides an aspirational vision of the future derived primarily from the views from within sections of the business community.”*

As Plan progressed through the examination process the LEPs interaction appears to change from acting as promoter/objector to one of a stakeholder.

In a [letter from the LEP to the Inspector](#) the Gfirst LEP Chief Executive noted: ***“It is worth emphasising that by its very nature the SEP is aspirational. It does not deal with the predicted Growth in the Local Plans. These are “stretch” targets set over and above any included in local plans.”***

The Inspector [requested specific clarification](#) noting earlier reps and comments during the hearings, and specifically asked if the LEP’s “representations and statements still

apply” in light of the letter above. The [LEP responded](#) “...GFirst LEP is not in a position to do a full appraisal of the match between the Stroud District Council local plan and the Strategic Economic Plan (SEP) for Gloucestershire. This is because the LEP does not have the remit nor the resource to do this. We therefore believe that the interpretation of the match between the two plans rests with Stroud District Council and the Inspector.”

The [Inspector’s final report](#) notes: “The LEP had some concerns about whether the SDLP would enable the emerging Strategic Economic Plan (SEP) to be delivered, but these concerns have now been overcome with the publication of the final SEP [REX/D13] and a review of the SDLP strategy against the key objectives and strategy of the LEP’s SEP.”

Cornwall Local Plan

The LEP [response to the Pre-submission](#) consultation was generally supportive stating that “Following discussion with a LEP Board member this afternoon we can confirm that the pre submission draft provides a positive policy framework for the delivery of the Strategic Economic Plan...” and raising no concerns.

In the pre-submission consultation quite a few additional representations/objections raised issues of the Plan’s consistency with LEP growth objectives. These added to the Inspector’s considerations, however the majority were not substantial or raising reasonable concerns.

The Inspectors [Preliminary Questions](#) in respect of the LEP included a request for a briefing note, including “The LEP Economic Growth Strategy 2012-2020 (June 2012) has a target on page 5 of exceeding the 75% EU average by 2020. Is that still the LEP’s target? If so, is the Plan focussed on early delivery to support that aim?” and “has the suitability of the employment “commitments” been reviewed specifically in relation to achieving the economic aims of this Plan (which the Council regard as consistent with the LEP’s ambitions)...”

The issue of LEP ambitions on housing numbers was identified in the [Inspector’s Preliminary Findings](#) report “But (SHMNA) projections (from 2010-2012) do not take into account the LEP’s Economic Strategy...” However the majority of questions related to the LEP were linked to the Economic Strategy.

The examination was subsequently suspended to undertake additional work to include consideration of LEP Strategy in reviewing employment land and strategy and housing numbers. In Nov 2015 the council produced new evidence including revised new [Household and Labour Force](#) forecast and revised [employment projections](#).

This evidence will be considered alongside plan modifications in 2016 through additional public consultation and next stage of plan examination hearings.

Torbay Local Plan

This case study is typical of many of Local Plans where there is little engagement with the LEP. The [Reg 18 consultation statement](#) indicates a “Letter and Email were sent to LEP invited them to engage in plan preparation” at Regulation 18 stage, 2012.

The LEP did not submit a representation and the only reference to the LEP identified in the examination library was in the [Inspector's report](#).

The issues of jobs growth was one of the “two strands to the Council’s strategic approach that are critical to the soundness of the Plan” (IR20, K Holland) and the principal economic strategy evidence noted “the growing importance of the Heart of the South West LEP and the role it will play in setting strategic priorities and allocating funding in the future should not be underestimated.” Peter Brett Associates [Torbay Economic Strategy](#)

During the examination there was passing reference to the LEP in relation to delivery of infrastructure, however the only reference to the LEP in the Inspector’s report came in a reference to the South Devon Delivery Review Panel. This panel comprising Torbay Council and its two neighbouring local authorities and other stakeholders, was committed to undertaking regular reviews of housing numbers and delivery across South Devon with an “intention to meet at least annually.” Inspector Holland stated “*The Review Panel is also seen as having an input into the work being done by the Heart of the South West Local Enterprise Partnership.*” (p5)

Interaction with Development Management

- 4.63 The LEP is not a regulatory consultee on planning applications, and the majority of subjects interviewed stated there had been no contact in relation to planning applications. When asked if the LEP should be consulted routinely no one felt this would be beneficial and several pointed out that the LEP did not have resources to undertake this. Four authorities said they had been in contact with the LEP on a planning application(s). All of these were through channels such as phone calls rather than providing written representations. Contact tended to be during pre-app or at an early stage in determination.

| Has LEP commented or contacted LA in reference to a planning application | |
|--|----|
| Yes | 4 |
| No | 18 |

- 4.64 One Unitary authority indicated that the economic service interacted with the LEP on major employment / commercial proposals and would take LEP views into consideration in the Council’s service response to the application. The other contacts took the form of enquiries from the LEP following contact from applicants seeking the LEPs assistance to liaise with the local planning authority to identify any potential issues and to help “smooth the way” for an upcoming application. None of the interviews suggest engagement with LEPs and businesses would be anything unusual or inappropriate.
- 4.65 There were various comments that some LEP private sector Board members had the view that planning is a blockage rather than enabling. A number of interviewees highlighted that their Council supported a pro-growth agenda and would wish the LEP to be an advocate for the benefits delivered through planning. One interviewee in the Dorset LEP area mentioned the Dorset LEP Planning Charter, however when queried, could not highlight how this affected the planning process or decisions.

4.66 One Unitary authority reported that they had tried to get the LEP involved in an appeal where the council was seeking to retain an allocated employment site for which developer proposed residential development but the LEP stated that they did not want to get involved.

SEPs, Funding and Infrastructure

4.67 A number of interview questions explored infrastructure needs and funding and the local authorities’ views on the process. Key issues explored include:

- alignment of SEPs with council top priorities
- funding and decision making around funding
- bidding process

SEP alignment

4.68 Classifying the districts’ view of the SEP, based on open discussion, is subjective. Two examples of mixed responses include:

“The SEP is just a shopping list of schemes and not really a plan... Many of our key schemes are in the plan.” County Planning Lead

Of those responses where it was possible to identify the subjects’ views on SEP alignment there were more positive than negative responses as shown in Figure 4-5. Unitary and County Council representatives were almost all positive. This may be in part due to them being better informed and having a closer strategic relationship with LEPs, particularly in the case of Cornwall and Swindon/Wiltshire and the West of England.

4.69 Of all interviews, the West of England LEP area interviewees were the most positive and best informed about the SEP. One interviewee waved his well-worn copy of the West of England SEP during the interview noting that he referenced it frequently. This may be related to the fact that, as noted elsewhere, the SEP reflects LEP work following on from the West of England Partnership work which has been under way for a decade.

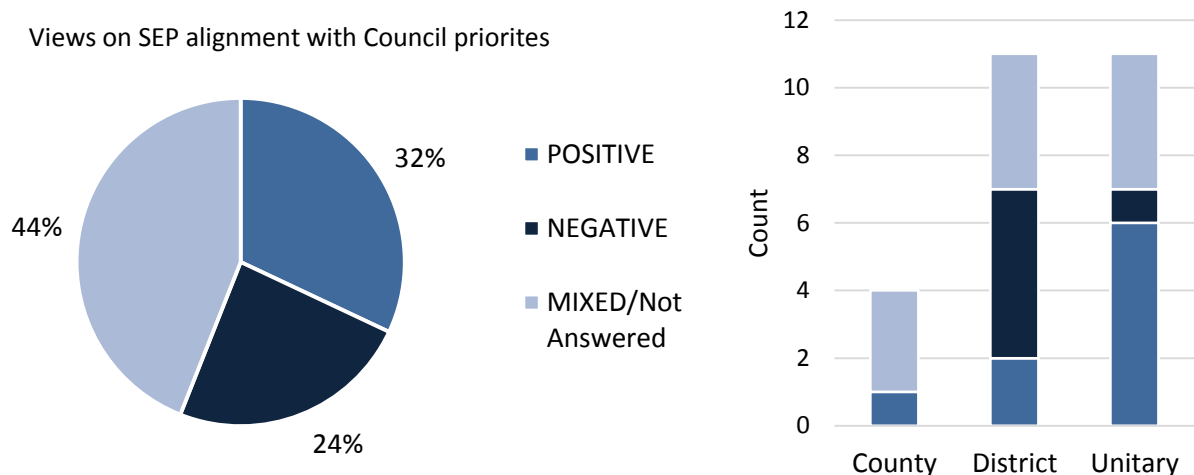


Figure 4-5 Views on SEP alignment

4.70 Several interviews noted that the SEP was more of a bidding document and not really seen as providing any strategic background. Lack of detail on delivery or monitoring was only

mentioned in one interview and those that discussed it were clear that the SEP should not become over-burdened with process document preparation process.

- 4.71 In describing the priorities for the council area, 22 councils mentioned infrastructure schemes which reflect the role of the LEPs in working closely with the LTBs. Most discussion was around specific road schemes and a few specific projects were mentioned (eg, Bournemouth Airport, railway station improvements, Hinkley-related). Half of the councils mentioned employment sites including those that were under way and those which require pump priming. Just over a quarter (28%) mentioned strategic residential and/or mixed use residential-led development sites, and two mentioned skills as being among the councils highest priorities.

Strategic View and Time Horizons

- 4.72 Pugalis et al (2015) found that nationally for those SEPs with time horizons the mean time was 9.75 years and the median duration was seven years. The NPPF requires Local Plans to cover “an appropriate time scale” of preferably 15 years, to take account of longer term requirements (NPPF para 157). The local authority interviews sought to explore the relationship between the timing of LEP strategies and those of local authorities and planning.
- 4.73 Eighteen of the local authority interviews discussed time considerations to some extent. The most frequent issues mentioned related to
- short termism in SEPs and economic vision and
 - the short turn-around times for project deadlines.

A number of interviews also commented on the interrelationship between statutory planning and the delivery of capital projects. Table 4-9 summarises the frequency of mention of these issues in interviews.

Table 4-9 Local authority responses on implications of SEP timescales

| Timescale Issues | Frequency |
|--|-----------|
| Turn-around time for bidding / lack of resources to develop pipeline | 11 |
| LEPs lacking strategic vision/short-termism | 10 |
| Planning timelines incompatible w LEP | 5 |

Short-Termism/Lack of Strategic Direction

- 4.74 In more than half of the discussions on this issue respondents considered that the LEP and SEP did not provide long term vision but rather the work of the LEP was targeted towards short term political priorities. These views were spread across all LEP areas and did not seem to respond to the specifics of the particular SEP in the area.

“... they want quick returns. It’s good if you have something ready to go, but it’s about the longer term vision about how you really make a difference to a place and that’s where the planning agenda could be helpful.” County Planning Lead

“The SEP was very economic and shorter time horizon. There is an element of seeing things happen quickly with immediate results so this clearly is a factor that comes into play. They focused on (specific project) because that is an area that could succeed quickly.” Unitary Executive

Other issues around the time-scales for delivery focused related to the LEPs’ need to corporately understand the timescales in planning and delivering infrastructure.

“The LEP has begun to understand the time scales for schemes to progress through local plans and get ready to deliver. The need to understand an employment site will take at least 6 or 7 years to get the first business on site.” County Executive

“(There is) no relationship with LEP timescales and planning. They have a politically driven time scale. Planning has an administrative and legally driven time scale and has to work with the way development industry works. The LEPs not geared up to deal with development – its more reactive and about other stuff.” District Planning Lead

Some subjects commented specifically on the fact that central government politics seems to drive the agenda for delivery.

“LEP are driven by the needs of government to ensure they have a pipeline of ‘good projects’ to be able to compete against the other 38 LEPs.” District Executive

“You constantly have to remind politicians about the issues around timing and the lapse between promises, plans, delivery and outcomes.” Unitary Planning Lead

And the most eloquent summation of the tension between planning and short term economic vision was provided in one interview as:

“The trouble with planning is you actually see the problems years down the line. If you do it wrong you’re left with a legacy of poor planning for decades. The government can get away with it in short term ... but unless we do resolve the strategic planning issues we could be leading to all sorts of problems structurally in the way places work.” County Planning Lead

Funding & Priorities

- 4.75 A number of interviews did not cover the topic of funding in detail. Often planning lead officers indicated they did not know enough about the funding to be able to comment though they were aware perhaps where a specific scheme in the Infrastructure Delivery Plan had a funding commitment from the LEP.
- 4.76 Two questions were asked about the LEP’s level of support for local authorities in funding. The first question was if the LEP had improved the Council’s position on access to funding. Of the 16 interviews that discussed this 10 indicated that it had improved it fully or somewhat:

| Has LEP improved your position in relation to access to funding | |
|---|---|
| Yes | 8 |
| Yes – to some extent | 2 |
| No | 6 |

- 4.77 The second question explored if working through the LEP on funding bids was better for the Council than the earlier Regional Funding Allocation (RFA) process in which the Regional Assembly put forward transport priorities across the full region. Of those that answered this question, the majority felt working through the LEPs provided a stronger voice than the regional process.

| Is the LEP/LTB funding process better for your council than the RFA process? | |
|--|----|
| Yes | 15 |
| not sure | 4 |
| no | 3 |

- 4.78 Even interview subjects who were critical of the LEPs felt that the LEP process did respond better to the needs of their areas than the old South West Regional Funding Allocation (RFA) process.

“With a regional approach there was such a high level of competition among local authorities – what that tended to do was create constant challenge around what would have an impact. Having a more local LEP-based approach ... is a much stronger model.” Unitary Infrastructure Lead

“It’s better than having to go through GSW who may never have heard of us.” District Planning Lead

“Under the LEP its much more local, much more collaborative much more of joint problem solving approach, The RFA was about who shouted longest or which director had been in the job longest was who got the funds. Even with less money in the system we’re far better off in this system. It’s more specific.” County Executive

“(Some LEP board members) seem to be pushing an agenda of “spurious even-handedness” to respond to funding requests on reasons other than economic criteria – so for example where has there been funding for cycle paths in (small rural area) when a cycle path in (a large urban area) could deliver so much more.” District Executive

“(The LEP Chief Exec) says “we want things you can see from space” and I think that’s so irrelevant and the wrong way to look at it. They want things they can see that are big and massive and what that means is money goes back into the growth areas ... and it misses the point. That rhetoric has always run through the LEP and aligns with Heseltine’s report... but this underlines how this does not match the functional economic area which is all about the network of SMEs. 90% of our businesses are completely unrepresented. If LEP is business led why is it disenfranchising such a big portion of the business community? The lifeblood of the HotSW area is SMEs. Getting a scheme of 10 acres isn’t big enough to be strategic, but we need that at a half dozen market towns and that is enough to be an enterprise zone.” District Executive

Bidding Timescales

- 4.79 As noted above, just over half of the 19 interviews which discussed funding timescales mentioned issues around the preparation of bids. They also expressed concerns about the need to provide a project pipeline. Calls for funding generally are for “oven ready” projects which can be delivered quickly and this implies projects which have already been identified in Local Plans and or progressed through planning. Guidance on bidding for Enterprise Zone grants in October 2013 sought those *“Projects that are ready to deliver with all necessary planning permissions in place. Projects will need to demonstrate they can get the necessary sign off in place and spend the money in 2014 / 15.”*

Case: Exeter Science Park and Enterprise Zone

In November 2015, the Heart of the South West multi-site Enterprise Zone was announced. The East Devon EZ reaches across four sites totalling 87 hectares at Exeter Science Park; Skypark; Airport Business Park; and employment sites in Cranbrook

The Heart of the South West LEP have been helpful in the development of Exeter Science Park Environmental Futures campus citing it as one of their key achievements. In [Oct 2012](#) £4.5m was offered in Growing Places Fund loan to bring forward the Science Park Centre on the site. This ties in with the LEP's growth objectives and it supports the environmental analytics sector focus (in that the new Met Office supercomputer centre will be installed at the Science Park).

To put this in context one needs to be mindful that [this builds on](#) an £18.7 million grant from the RDA and additional funds from Devon County which was used to acquire the site and further grant funding including £1.4m from the Regional Growth Fund and £2.5m Growth Deal Funding. In looking at the transport impact assessment overall, one could argue that without the £13m invested in major schemes at Junction 29 and Junction 30, the Clyst Honiton Bypass (ca £7.8m) and the pedestrian bridge over the M5 (ca £5.5m) the access requirements for Science Park may have been insurmountable.

The Growth Point grant funding (over £7m) supported a large delivery team, who funded and managed the masterplanning and technical and engineering work which were required to bring the Science Park forward.

This illustrates the importance of long term commitment and significant pump-priming to bring schemes to the stage where they are "ready for immediate" delivery.

- 4.80 The biggest issue for many is the lack of available resources to build a pipeline of projects – primarily in relation to transport schemes. With limited budgets to do engineering design and robust asset-lifetime business modelling, fewer well-considered schemes are being progressed.

"The initial (Growth Fund) rounds have taken the prepared schemes and now bids are going in on the sketchiest of information because there are no revenue budgets to do proper ground investigations and work up costs and benefits properly. Consequently unprepared schemes are being approved and more work throws up big cost changes.... Working at risk is a revenue pressure if a scheme does not go forward (due to inability to capitalise revenue costs)." Unitary Infrastructure Lead

"You can spend resources and just end up participating in a bidding process (e.g. working up masterplans) but then ending up with nothing to show other than local expectations not being met." District Executive

- 4.81 In contrast, some interviewees suggested that the requirement for having schemes that have progressed through planning reduced competition keeping focus on the more mature projects:

"The LEP and Growth Fund is focused on oven ready projects, so there are not too many competing priorities." Unitary Planning Lead

In addition, several interviewees commented on the difference between the planning phase and the delivery phase of projects

“One of the things (the Council) are struggling with is deciding if their officers should focus on reviewing their Local Plan or focus on delivery of projects already identified. They have a real struggle as there are not enough resources to do both forward plan refresh and delivery of strategic sites.” Unitary Planning Lead

Some conclusions

4.82 The results of the interviews with local authorities across the South West and accompanying desk research provide a sound basis for drawing some conclusions about the role and modalities of the region’s LEPs in relation to economic development, strategic planning and sustainable development.

- There is a broad consensus that the role of the LEP is to provide a business-led agenda in relation to local economic growth. This appears to be something which is valued by local authorities although questions are raised about the degree to which LEPs are truly representative, particularly where the local economy is characterised by small businesses. The resources available to LEPs appear to limit their ability to engage with the local business community pointing to the need for a collaborative approach between LEPs, local Chambers of Commerce and business organisations and local authorities with an active Economic Development teams.
- The degree of involvement of local authorities with LEPs varies but is likely to strengthen given their developing role as a conduit for Local Growth Funds. The nature of the relationship appears deeper and more even where LEPs have developed from established partnership and working arrangements (Cornwall and Isles of Scilly and West of England) or where there has been clear leadership provided across a traditional two tier county structure (GFirst). The relationship appears asymmetrical in mixed tier LEPs (Dorset and Heart of South West) with District authorities having less direct involvement and influence than Counties and Unitaries.
- The relationship between local authorities and LEPs appears to be led at a corporate level and largely resources from economic development teams. The direct involvement of local authority planners with the work of LEPs is weak or non-existent and their awareness of their activities is low. The exception to this is in the West of England.
- Clear challenges existing in marrying the concept of business-led economic development partnerships responsible for winning and allocating public funds to promote local economic growth with the requirements for transparency and accountability. This has involved developing new ways of operating from both public and private sector partners and it is apparent that for some the journey continues.
- There is a broad consensus that the introduction of the LEPs as champions for local economic growth working to a competitive bidding agenda represents less cumbersome and generally more effective arrangement than working through the Government Office where funds were allocated on regional allocation basis. However there is criticism that LEPs are focusing on larger scale, transformational projects to the disadvantage of the less urban and well connected parts of the region.
- It is accepted that the remit and resources available to the LEPs is significantly different to that of the SWERDA with a much narrower focus on delivering local economic growth. The loss of strategic thinking and evidence gathering both in relation to the Regional

Economic Strategy and Regional Spatial Strategy was highlighted although the legacy of work undertaken prior to 2010 has proved valuable but now needs replenishing.

- Local authorities in a number of LEP areas are coming together to prepare joint evidence and Local Plans to deal with greater-than-local issues and address the duty to co-operate. This includes work by the West of England LEP and Partnership to prepare a formal joint spatial plan covering strategic housing and transport to inform individual Local Plan updates. Elsewhere LEPs in Dorset and the Heart of the South West are becoming involved with work on informal planning frameworks dealing with issues which require higher level thinking, particularly strategic transport
- The work undertaken by LEPs on their Strategic Economic Plan has been referred to in a number of Local Plan processes, for example in relation to the duty to co-operate and economic and employment land forecasts and their implications for future housing requirements. Experience points to difficulties in relying on the early work of LEPs as a contribution to evidence base for statutory planning for the following reasons:
 - SEPs were prepared as bidding documents which involved an ‘aspirational’ view of local economic growth potential
 - The timescales attached to SEPs were generally short to medium term and did not reflect the longer timescales required for Local Plan preparation.

4.83 As business-led organisations LEPs may be open to private landowner and developer influence which may not reflect wider economic or sustainability interests.

- The approach taken in the West of England involving the preparation of a joint evidence base across the whole of the LEP area to guide future Local Plan preparation represents a clear way forward although this is dependent on well-developed partnership and governance arrangements between public and private sectors and access to an appropriate level of technical resource. It is also facilitated by the reasonable degree of fit between the LEP and the functional geography of the Bristol City region.
- Such an approach appears less easy to achieve elsewhere in the South West where functional economic geographies, administrative structures and local political considerations make collaboration across, and integration between, strategic economic, transport and planning agendas more challenging. This is clearly the case in Dorset where Bournemouth, Poole and East Dorset have stronger connections with neighbouring authorities to the east than with the rest of the county. Similarly sub LEP collaboration is developing across the Heart of the South West, in Somerset where there has been a tradition of joint working between District authorities, Greater Exeter and Plymouth City and South and West Devon Councils.
- This pattern of collaboration and tensions across administrative and functional geographies is mirrored to some degree by City Deals (Bristol City Region, Bournemouth and Poole, Plymouth and the South West peninsula and Swindon and Wiltshire) and emerging devolution agreements and proposals. Again this highlights the extent to which the spatiality of city regions and symmetrical administrative structures facilitates joint working. Quite simply coordinated working across hybrid LEPs appears harder and slower.
- For local planning authorities LEPs are not seen as having a significant role to play in respect of sustainable development given their clear remit around local economic growth which reflects national Government priorities. This stands in contrast to the work of the RDA which placed significant focus on environmental and social dimensions. Planning is seen as having a key role to play in ensuring that the activities of the LEPs contribute to

sustainable development through an appropriate spatial policy (Local Plan) framework and development management procedures. Development management is not an area where LEPs are actively engaged.

- A number of local authority respondents highlighted the potential role which Local Nature Partnerships could play in helping to fill the gap left by the RDA and acting as a champion for the environmental dimension of sustainable development.
- Local authorities recognise the increasing role which LEPs are playing in the funding of infrastructure to support growth. However concerns are emerging around delivery due to short bidding timescales and the lack of resources to undertake necessary project development work. A number of authorities commented that the important role which the HCA play in the delivery of strategic development projects both as a source of funding and expertise.

5. DISCUSSION AND RECOMMENDATIONS

Introduction

- 5.1 This section of the report discusses the results presented in the preceding sections and presents some recommendations for policy and practice. These are based upon a detailed investigation reported in the Sections 2 to 4 of this report. By undertaking a comprehensive programme of research, combining desk analysis and interviews covering all of the LEPs and a representative cross section (around half) of the local authorities in the region, the research has brought together quantitative and qualitative data which provide a solid basis for answering the questions posed in the brief.
- 5.2 Before proceeding however it is appropriate to consider the extent to which the results are specific to the South West LEPs, or whether they provide the basis for broader conclusions about LEPs nationally. The research has shown quite clearly that the nature and performance of LEPs are influenced by a range of factors, many of which are locationally unique. However, the typologies of LEPs and the geographies across which they operate can be found in many parts of England, including the city region characteristics of the West of England. However, it must be acknowledged that the peripherality and rurality of much of the South West, particularly covering Cornwall & Isles of Scilly and parts of the Heart of the South West and Dorset, perhaps pose a less common set of challenges.
- 5.3 There is little doubt that the research has confirmed the findings of previous studies, which established the considerable variation which exists between LEPs. Key sources of difference include:
- **Administrative structure:** the mix of constituent local authorities has a direct impact on the efficiency of engaging with local priorities. The South West contains three Unitary authority LEPs, one two-tier authority LEP and two mixed-tier authority LEPs.
 - **Antecedence:** some LEPs emerged from a historical background of collaboration and joint working between private and public sectors and local authorities, while others have needed to start from scratch or patch up historical rivalries.
 - **Functional geography:** some LEP's cover areas where there is a reasonably good alignment with functional economic areas while others face inherent complexity in, and in some cases severed or overlapping travel to work, commercial property and housing market areas.
 - **People and resources:** The nature of Board and Executive leadership and style of operation has clearly influenced the approach of individual LEPs. For example, while all LEPs have developed against the background of significant resource limitations, some have been able to command greater access to resources, reflecting a more collaborative approach.

LEPs and economic and employment growth

- 5.4 Given the early stage in the LEPs' evolution, it is too early to undertake a quantitative assessment of their impact and outputs. In relation to economic growth the LEPs have set out clear targets in terms of business and employment sectors. This reflects their focus on delivering absolute and relative improvements in GVA/GDP per head. This has limited their focus on local economic sectors in many parts of the South West, although tourism (GFirst

and Swindon & Wiltshire) and agri-food and land based (Cornwall & Isles of Scilly and Swindon & Wiltshire) businesses feature. The main sectors identified by the LEPs are:

- **Space/Aerospace:** Cornwall & Isles of Scilly, Dorset; GFirst, Heart of the South West, West of England
- **Nuclear:** GFirst, Heart of the South West and West of England
- **Renewable energy/low carbon including marine:** Cornwall & Isles of Scilly, Heart of the South West, West of England
- **Advanced/precision manufacturing:** Swindon & Wiltshire, GFirst, Dorset, West of England
- **Professional and business services:** Dorset, Swindon & Wiltshire, West of England
- **Creative/digital:** Cornwall & Isles of Scilly, Dorset, Swindon & Wiltshire
- **Health/life sciences and social care:** Cornwall & Isles of Scilly, Dorset, Swindon & Wiltshire

5.5 The LEPs approach to stimulating economic output and jobs in these sectors has involved a range of interventions including:

- Support for business start-up growth and innovation. This has been largely been delivered through business advice and grant programmes although in a number of cases new, small scale, business hubs and incubators have or are being created, particularly in rural areas where the market will not provide.
- Education and skills development. Businesses are being involved in developing post-16 training and a number of LEPs are working closely with FE and HEI institutions to develop new facilities and activities aimed at knowledge and workforce development in target sectors.
- The LEPs have attracted Local Growth funding for a number of specific sector projects. These tend to be 'bricks and mortar' schemes reflecting the nature of the capital funding available.

5.6 The projects and sectors identified in the SEPs primarily target a higher wage economy, with higher GVA being the benchmark toward which government is driving. In many parts of the South West the economy is focused on SMEs (including construction and trades), primary industries and small scale manufacturing. Local Economic Development services would like to see the LEPs focus on a broader range of outputs including jobs numbers and balance of payments.

5.7 A high proportion of the funding which LEPs have secured is being directed towards economic infrastructure to create the conditions for growth. This includes investment in transport, broadband and sites and premises.

5.8 Only two years into their operation it is too soon to establish whether the economic and employment targets set out by LEPs are being fulfilled. All that can be assessed at this stage is the success of the LEPs and their partners in securing allocations of funding from various sources including Regional Growth Fund, Rural Growth Network, Growing Places Fund, EUSIF, City Deal, and Local Growth Fund. With many of these funds allocated on a pre-determined basis, only the Local Growth Funds provide an indication of the effectiveness of LEPs in securing the inputs from which outputs, outcomes and impacts will be derived. Dorset and GFirst emerge as the only LEPs in the South West whose allocations exceed the national per

capita average. However other LEPs may be compensated by other allocations, for example Cornwall & Isles of Scilly benefits from significant substantially higher EUSIF funding than elsewhere, and the West of England was given access to funding from Regional Growth Fund and City Deal.

- 5.9 Translating funding allocations into expenditure and outputs is a challenge now facing LEPs who are substantially dependent on the performance of their delivery partners. Early expenditure appears to have been focused on road schemes aimed at improving strategic accessibility and unlocking development projects. Some concern has been expressed about the ability of LEPs to meet their spending targets due to the lack of resources committed to project preparation and tight bidding deadlines. It is difficult to determine details of funding allocations that have been drawn down, as projects are continually reprogrammed and capital funding is directly provided to the delivering body (e.g., the local Highways Authority).
- 5.10 There has been some criticism raised about the traditional nature of the LEPs' approach to delivering economic growth. This appears heavily weighted towards larger scale physical development projects where the linkage to sector development is often unclear and may be aspirational. This points to the need for strengthened processes of project appraisal and approval, risk management, annual monitoring and reporting of performance. Current arrangements do not appear to enable LEPs to be held to account for their spending decisions.

Recommendations for Economic Development

- 5.11 The findings from the research point to a number of areas where the role of LEPs as key bodies responsible for bidding for public funds to support local economic growth needs to be strengthened.
- As the recipients of significant levels of public funding both directly and indirectly the LEPs there is considerable variation in the level of transparency. While acknowledging the role which local authority partners play as Accountable Bodies, there should be reasonable expectation that LEPs should be required to provide annual reports on their activities, including both the level of both direct and indirect resourcing, the level of funding secured and how it has been allocated.
 - Given the strategic role which LEPs play in promoting economic growth and the risks associated with the effective delivery of programmes and projects, LEPs should ensure that clear processes are in place for the appraisal, approval, contracting and monitoring of expenditure. Specifically LEPs should require that all expenditures should be assessed ex ante and post hoc against their key objectives and targets and reported on an annual basis.
 - With the LEPs' main focus is on growth sectors and transformational projects, they are not resourced or able to engage in all aspects of economic development, particularly in respect of traditional sectors found in the South West such as agri-food and tourism. This points to a need to ensure the comprehensive provision of economic development support activities across the South West. Government and local authorities need to ensure that support for SMEs and start-up business is maintained to complement the activities being supported by the LEPs
 - LEPs need to keep private sector representation under review to ensure that it is reflective of the local business community and interests. LEPs need to strengthen their relationship with local business organisations and local authority economic

development teams to ensure that local business requirements are factored into their economic plans and priorities.

- While the focus of the LEPs is on the delivery of growth and competitive performance of local economies in the short to medium term, they have the potential to be an important voice in shaping longer term policy in terms of the spatial distribution of activities and securing an enhanced the quality of life and environment. As champions of local economic growth LEPs should contribute to strategic planning policy making and be accorded the status of formal consultees, with access to independent resources and expertise to fulfil this role.

LEPs and strategic planning

- 5.12 The differences which have been observed between the LEPs are reflected in the degree to which they have contributed towards the strategic planning process to date.
- 5.13 So far LEPs have limited engagement with strategic spatial planning. Some LEPs have taken a specific decision not to engage in the strategic planning process given their limited resources, and rely on their good working relationship with their constituent authorities to ensure alignment between economic, spatial and transport planning. In this regard the LEPs operate within the framework of the adopted and emerging Local Plans whilst adopting an opportunistic approach to economic development.
- 5.14 **Cornwall & Isles of Scilly LEP** has taken a relatively passive approach to strategic planning across its area of operation, but it has been drawn into the Local Plan process as the Inspector has sought to reconcile economic forecasts with projected housing requirements. The LEP believes that its work has influenced Cornwall Council's view that future housing growth should be employment led, with a focus on the quality rather than the quantity of jobs. It also has significant influence over the prioritisation of spending on transport through membership of the Local Transport Board.
- 5.15 **Dorset and GFirst LEPs** have both adopted a more pro-active approach to strategic planning in their respective areas. Dorset LEP has adopted the objective of creating the conditions for enterprise to flourish, including a responsive planning and development system and a dynamic housing market. However it is acknowledged that its original SEP did not address strategic transport needs and there was weak alignment between the projects included in their Growth Fund bid and the existing planning framework. This is being addressed in part through a 'refresh' of the SEP and collaborative work aimed at developing an informal, non-statutory strategic planning framework for the LEP area.
- 5.16 **GFirst** has sought, through its Construction and Infrastructure Group, to influence allocations of employment land through interventions in the process of developing the Joint Core Strategy for Gloucester, Cheltenham and Tewkesbury where it has been promoting development near Junctions 10 and 11 of the M5, and in relation to the Stroud Local Plan. However the LEP does not appear to have the resources or expertise to provide detailed evidence to support its arguments, which have been portrayed as representing particular local interests.
- 5.17 The **Heart of the South West LEP** has not intervened directly in strategic planning across its large and diverse area of operations. However tentative efforts are being made through the LEP's Place Group to develop an informal spatial planning framework to guide the work of the

LEP and its partners. However, most strategic planning discussions are taking place at a sub-LEP level through established liaison arrangements between Somerset authorities, and established and emerging joint Local Plan preparation (Northern Devon, Greater Exeter and Plymouth with South and West Devon). While the LEP has played a significant role in making the case for improved strategic connectivity and transport resilience in the South West following the 2014 floods, decisions on local transport projects appear to be significantly driven by the County and Unitary authorities.

- 5.18 **Swindon & Wiltshire LEP** operates within the framework of established Local Plans, which provided the spatial context for its SEP. The LEP has contributed to work on the new Swindon Local Plan and is a consultee in respect of employment related policies and proposals. However it is resource-limited in the degree to which it can offer an independent view from that of its two unitary authority partners.
- 5.19 The **West of England LEP** provides the South West's best example of LEP engagement with strategic planning. Building on 10 years of partnership working between the private sector and the area's four unitary authorities, the LEP has established clear governance arrangements which enable private sector input to strategic planning through its Infrastructure and Place Group and Planning, Housing and Communities Board. The decision to develop a Joint Spatial Plan (JSP) covering the four authorities with the aim of developing a co-ordinated approach to employment, transport and housing including work on a shared evidence base illustrates the strength and benefits of continuity in partnership working. The JSP will provide the strategic requirements on which individual Local Plan reviews can be based, and will provide evidence of effective joint working despite local political differences across boundaries.
- 5.20 The research has identified a number of limitations on the ability of LEPs to engage in strategic planning. The principal limitation relates to resourcing, in both quantitative and qualitative terms. Some LEPs have simply taken the decision to focus their resources on other priorities or rely on their local authority partners to ensure that economic and spatial plans are aligned. This is the case in Cornwall & Isles of Scilly. In Gloucestershire, GFirst would like to have a greater input to Local Plans but does not have the necessary technical resource. In Swindon & Wiltshire, there is very limited capacity to contribute, despite the LEP being made a formal consultee.
- 5.21 In some parts of the South West local planning authorities do not share the LEPs' growth agenda. This has clearly been the case in parts of Dorset where, despite approaches from the LEP, local planning authorities have failed to engage. This has been explained in terms of the lack of professional planners in senior corporate positions or local political resistance to growth. This is mirrored in parts of Gloucestershire where conflict has emerged between the aspirations of the LEP for development and growth and the local planning policy which seeks to find a balance between economic and environmental priorities and local community and political viewpoints. Conversely, in the Heart of the South West LEP there is strong competition among the four major urban areas and several major-town-focused sub-regions for limited capital investment and business support. The LEP has insufficient resources or remit to arbitrate or engage with spatial implications of competing interests
- 5.22 Aligning economic and strategic planning is undoubtedly more difficult where there is a mismatch between LEP and administrative/political and functional economic geographies.

This gives rise to competition across and within LEP boundaries, which can act as an obstacle to collaboration. To some degree, the LEPs as private sector led bodies should help overcome parochial behaviour driven by local democratic structures. However some evidence suggests that local authority control over the resourcing of LEPs may be a limiting factor. This appears to be the case in Dorset and Swindon & Wiltshire, where there appear to be forces pushing the constituent authorities apart.

- 5.23 The developing role which Government has expected LEPs to play is focused on project delivery and acting as a local conduit for central government dialogue. While bidding for and allocating resources have given LEPs significant influence over local economic growth, the timescales and processes involved have undoubtedly been a diversion. Indeed the competitive bidding process, while welcome, has in many cases promoted a focus on short term projects and aspirational vision rather than longer term, evidence based, strategic thinking about the future shape and the needs of local economies.
- 5.24 This is perhaps an inevitable consequence of the creation of LEPs as champions of the local economic growth agenda using a geography based primarily on administrative areas rather than functional economic areas. One approach to overcoming these obstacles is demonstrated by the positive example of the West of England LEP where circumstances appear to have combined to allow effective joint working between public and private sectors and local authorities on strategic planning. These circumstances include:
- An established history of joint working, despite local political differences, to address evident strategic planning challenges, particularly transport and unequal patterns of development. Few other parts of the South West have a tradition of partnership working between the public and private sector on shared agendas. It should be noted that it has taken the West of England 10 years to put in place the organisational infrastructure which supports this degree of collaboration. This is undoubtedly assisted by the scale and nature of the Bristol city region's business base. Few other parts of the South West can replicate this.
 - A clear city focused functional geography. Notwithstanding the differences which exist between the core city and its surrounding authorities, they clearly operate within shared labour, commercial property and housing markets which require sharing of evidence and co-ordination of policy, particularly around transport. While the South West contains other significant urban centres, in particular Plymouth and South East Dorset, and to a lesser extent Gloucester/Cheltenham and Tewkesbury and Greater Exeter, the strategic planning issues associated with these centres are not shared with the rest of their LEPs. This necessarily means it is more difficult to find common ground for joint working.
 - Administrative symmetry involving four unitary authorities across the West of England LEP would also appear to enable more effective joint working. Achieving this in mixed tier LEP areas undoubtedly poses enormous challenges, although as the example of Swindon & Wiltshire demonstrates, symmetry does not necessarily deliver collaboration on strategic planning.

Recommendations for Strategic Planning

- 5.25 The results from the research lead to the following suggestions for improving the contribution of LEPs to strategic planning across the South West:

- The need to develop and disseminate a clear understanding and expression of the role which strategic planning can play in enabling sustainable economic growth. Local planning authorities should use LEPs as a key source of information and guidance on the economic and business dimension of their plans and policies. As noted above LEPs should be treated as formal consultees in the plan and policy making process.
- Creation of appropriate governance arrangements which enable private sector input into the strategic planning processes. Several LEPs have established business-led sub groups around place, infrastructure and/or transport, and these help to ensure that there is an appropriate focus on the task of aligning economic and spatial planning. All LEPs should consider establishing a development industry-focused group to engage with spatial planning. However, in all cases the remit must be clarified to remove the potential for conflict of interest, and clarify the nature of LEP representations on planning policy as distinct from those of specific agents or developers.
- Development of partnership arrangements to enable effective joint working between local authority partners. While this can be done on an ad hoc basis it appears to be most successful where jointly resourced teams are in place.
- A shared and robust evidence base is a key to achieving strategic planning. A way needs to be found of combining the aspiration and opportunism of the LEPs with the Local Plan process. The joint Strategic Plan for the West of England or the informal strategic planning frameworks emerging in Dorset and the Heart of the South West may provide potential ways forward.
- Devolution deals should specify the approach to spatial planning within the new Combined Authority area, and it should be made clear to what extent the LEP will participate in the process.
- Government, LEPs and Local Authorities should work together to ensure that LEPs have access to professional planning expertise to help them understanding the linkage between local economic and spatial planning and to capitalise on opportunities for planning to enhance outcomes.

LEPs and Sustainable development

- 5.26 It is apparent that the LEPs' local economic growth focus does not require them to adopt a balanced approach to sustainable development. This is not to say that LEPs are unaware of the broader environmental and social context within which they operate. Indeed the majority of the South West LEPs acknowledge the special character of their areas, and in some cases the need to deliver social regeneration. However, planning has an important role to play in ensuring an appropriate spatial planning policy and development management framework within which LEPs can operate.
- 5.27 The research has highlighted the role which LEPs have played in the production of strategies to guide the allocation of EUSIF funds in their areas. This has required LEPs to engage with the social exclusion agenda which is clearly recognised both in relation to disadvantaged groups and areas. Unsurprisingly the particular challenges facing rural and coastal communities are noted in a number of the strategies produced by the South West LEPs.
- 5.28 However, the focus of LEPs on delivering local economic growth by promoting private sector business activity has necessarily meant that they are often directing resources towards areas of market opportunity. In this respect new development activity is being supported in and

around major urban areas and along main transport corridors. In a number of cases the LEPs are promoting development at or near motorway junctions, and in common with the rest of the country there is a bias towards road investment. However a number of the South West LEPs are also promoting public transport and cycling and walking schemes.

- 5.29 There is no general evidence that LEPs are promoting projects which involve significant departures from approved planning frameworks. On the contrary, almost all of the projects being supported by LEPs have been through local planning process and the majority are in fact traceable back to the RSS if not earlier. For example, in Swindon LEP funding is being directed towards both town centre regeneration and urban expansion at Wichelstowe and the New Eastern Villages, and investment by the Heart of South West LEP is supporting planned growth east of Exeter.
- 5.30 Given their emphasis on employment, LEPs are supporting a range of town centre, regeneration and business sites as well as schemes which deliver a mix of housing and employment. Some conflict has arisen where LEPs have promoted greenfield development near motorway junctions through the Local Plan process, as at Junctions 9 and 10 on the M5. This highlights the need to align economic and spatial planning activities.
- 5.31 Two schemes promoted by the West of England LEP have focused on addressing flood prevention at Avonmouth/Sevenside and Weston super Mare. A number of other projects involve decontamination and infrastructure provision to enable the development of strategic employment sites. Only one scheme at Lockleaze specifically identifies public realm improvements, although these are likely to be incorporated into the small number of rail and bus station improvement projects which have attracted funding.
- 5.32 Perhaps most significantly the South West LEPs have been actively engaged in addressing the need for adaptation to the impact of climate change. Faced with the impact of the winter floods and storm damage of 2014, the LEPs have played a key role, alongside local authorities, in highlighting the need for investment by the Environment Agency and Network Rail in protecting and/or replacing key economic infrastructure. This shared agenda stimulated effective collaboration between a number of LEPs and is reflected in the priority attached to strategic connectivity in a number of SEPs.

Recommendations for Sustainable Development

- 5.33 The research has highlighted the limited direct role which LEPs play in respect of sustainable development. It is important however that the strategies, programmes and projects which are promoted by the LEPs reflect a balanced approach and recognise the potential contribution of the environment and communities to local economic growth. The following suggestions are put forward as a means of strengthening the contribution which LEPs could play in respect of sustainable development:
- Local planning authorities must take the lead in ensuring that an appropriate planning policy framework is in place to guide LEP programmes and projects. This will be subject to the requirements of SEA/SA. This process needs to be informed by consultation with key stakeholders which should include the LEPs as champions of the local economic growth agenda.
 - LEPs should engage in strategic dialogue with local authorities, Local Nature Partnerships and Health and Wellbeing Boards in their area to identify the potential

for achieving 'win-win-win' outcomes through joint working and collaboration on their respective activities.

- As part of their project appraisal and approval processes LEPs should require an assessment of the social and environmental implications of their resource allocation decisions to be undertaken, including how the programme and/or project responds to the low carbon/climate change agenda. As business-led bodies LEPs need to demonstrate their commitment to Corporate Social Responsibility.

Some concluding thoughts

- 5.34 It is apparent that in the relatively short time since their establishment, LEPs have established themselves as significant players in the sub-national architecture which has been put in place since the demise of regional government. The LEPs' emergence reflects a more entrepreneurial and market facing approach to governance with business being given a key role in driving the local economic growth agenda. This has required new ways of working to be developed. The research has shown considerable variation in approach which reflects the wide ranging administrative and functional economic geographies found across the South West.
- 5.35 It is apparent that some areas are better placed to benefit from this new approach which seems better suited to clearly defined functional market areas and symmetrical local government structures. However in the complex geography found across much of England ways where city and sub regions do not fit neatly with historic administrative boundaries, a pragmatic approach is called for. Key to success in this regard is effective joint working and collaboration between local political and business interests around a shared vision. Planning has a key role to play in creating a framework for positive change.
- 5.36 There is good evidence, particularly from the West of England, that this cooperation can be achieved to deliver effective strategic planning for sustainable growth. However this requires both local planning authorities and business to develop effective governance structures and resources for joint working. Where this is absent LEPs will continue to struggle to fulfil their full potential and will remain little more than vehicles for bidding and allocating resources to a government agenda. As with the emerging devolution agenda their real value will only emerge when they develop effective and transparent mechanisms for sharing power and responsibility.

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ACRONYMS

| | |
|---------|--|
| ADEPT | Association of Directors of Environment, Economy, Planning & Transport |
| BIS | Business, Innovation and Skills |
| C & IoS | Cornwall and Isles of Scilly |
| CCN | County Councils Network |
| CEDOS | Chief Economic Development Officers Society |
| CLES | Centre for Local Economic Strategies |
| DCN | District Councils Network |
| ESIF | EU Structural and Investment funds |
| FSB | Federation of Small Businesses |
| GDP | Gross Domestic Product |
| GOSW | Government Office for the South West |
| GVA | Gross Value Added |
| IoS | Isles of Scilly |
| LA | Local Authority |
| LA | Local Authority |
| LEP | Local Enterprise Partnership |
| LPA | Local Planning Authority |
| LTB | Local Transport Board |
| NPPF | National Planning Policy Framework |
| NPPG | National Planning Policy Guidance |
| RDA | Regional Development Agency |
| RPG | Regional Planning Guidance |
| RSS | Regional Spatial Strategy |
| SEP | Strategic Economic Plan |
| SMART | Specific, Measurable, Agreed, Realistic and Time-based |
| SWRDA | South West Regional Development Agency |
| WoE | West of England |

APPENDIX A1 LEP VISIONS, OBJECTIVES AND TARGETS

| Cornwall & IoS | Dorset LEP | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|---|---|---|--|---|--|
| Initial High Level Vision | | | | | |
| For Cornwall and the Isles of Scilly to be the natural place to grow great business | Our overall aim is to deliver growth through enterprise and the environment. More specifically the vision is too support a strongly performing, productive and sustainable economy, characterised by a greater incidence of higher paid and higher skilled jobs, and to do this in a manner that harnesses and protects our unique environmental assets. | By 2022, the county will have world class companies, a diverse business portfolio and a reputation for starting and growing great businesses. | To create more sustainable jobs by supporting and promoting our enterprises and capitalising upon the unique opportunities existing in the Heart of the South West | Using our unique pivotal location in Southern England to create wealth, jobs and new business opportunities set within an outstanding landscape that provides an exceptional quality of life. | Encouragement of sustainable economic growth and the creation of substantial numbers of new private sector jobs |
| Key objectives | | | | | |
| <p>Principle: The culture, communities and environment of C&IoS will remain special and unique</p> <p>Priority 1: Inspiring businesses to achieve their national and global potential</p> <p>Priority 2: Creating great careers here</p> <p>Priority 3: Creating value out of knowledge</p> <p>Priority 4: Using the natural environment responsible as a key economic asset.</p> | <p>To improve the performance of existing businesses within the LEP area, and to encourage the creation and growth of new ones.</p> <p>To enhance the skills of our current and future workforce.</p> <p>To improve electronic and physical connectivity, particularly through high-speed broadband.</p> <p>To create the conditions for enterprise; with an initial focus on establishing a coherent framework for spatial planning consistent with the imperative</p> | <p>3 flagship priorities:</p> <ol style="list-style-type: none"> 1. Promotion - to promote Gloucestershire as a great place to work, visit and invest. 2. Connection - to develop the infrastructure that will support economic growth. 3. Skills - to create a highly employable and productive population. | <p>Drive productivity and enterprise</p> <p>Attract new business and investment</p> <p>Maximise employment opportunities</p> <p>Promote infrastructure to connect with markets</p> | <ol style="list-style-type: none"> 1. Inward Investment 2. Stimulating Growth. 3. Job Creation and Skills Development 4. Economic Infrastructure | <p>Supporting growth of key sectors:</p> <p>Creative and media, Advanced engineering, aerospace and defence Micro-electronics and silicon design, Environmental technologies and marine renewables, Tourism</p> <p>Driving innovation and creativity and the development of new technologies, products and services to retain and increase competitiveness in the high growth sectors & their supply chains</p> |

| | | | | | |
|--|--|--|--|--|---|
| | <p>for appropriate forms of sustainable economic growth. Associated work will address the issue of affordable housing which impacts upon workforce availability.</p> | | | | <p>Develop new markets</p> <p>People - Skilling workforce to meet needs of our businesses now and in the future. Retaining existing talent (and transferring skills across sectors in response to redundancies), raising aspirations and marketing talent to inward investors.</p> <p>Business - Assisting business start-up and growth.</p> <p>Place – Make are attractive to inward investors and existing companies, by securing improved transport, environmental and broadband infrastructure; providing access to a range of employment land and premises; facilitate new housing and community structure. Maintain outstanding physical environment and high quality of life to retain and attract highly skilled workers and graduates.</p> |
|--|--|--|--|--|---|

| Cornwall & IoS | Dorset LEP | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|---|---|---|---|---|--|
| Initial Targets | | | | | |
| <p>By 2020 C&IoS's GDP per head will be above the 75% average for the EU.</p> <p>By 2020 we will have exceeded the expected growth, in terms of GVA of the overall C&IoS economy by an additional £338m; per person employed this will be £1,450 per annum.</p> | <p>The area's GVA performance increasing consistently, at least in line with national targets, and reflecting morebalanced growth across the LEP area.</p> <p>Jobs growth consistent with a high employment rate but with the emphasis on the quality of employment growth, not simply the numbers of jobs created.</p> <p>A 30% reduction in CO2 emissions by 2020, relative to 2005, in line with national targets.</p> <p>A 3% increase in the creation rate of new enterprises,</p> <p>An increase in the proportion of businesses engaging in international trade (baseline to be determined).</p> | <p>33,909 jobs created and 2,125 jobs protected</p> <p>3,200 new houses</p> <p>6,108 qualifications and 5,421 apprenticeships</p> <p>Highways Agency contribution of £302 million</p> <p>Other public sector contribution of £43 million</p> <p>Private sector leverage of £157 million</p> <p>Grow the Gloucestershire economy by £493 million</p> | <p>To exceed national averages on employment rates (0.4 pp difference)</p> <p>Business formation (0.9 pp difference)</p> <p>GVA per employee (£13,000 difference)</p> | <p>1 Creation of 10,000 new private sector jobs.</p> <p>2 Safeguarding 8,000 jobs.</p> <p>3 Delivery of high speed Broadband infrastructure to at least 85% of the LEP area, with 100% at strategic employment sites</p> <p>4 Improvement business survival rate to 75%.</p> <p>5 Support the delivery of at least 30 hectares of employment land</p> <p>6 Develop an Inward Investment offer</p> <ul style="list-style-type: none"> - Raise the awareness internationally; - See 15 new businesses locate in the area and secure £50m of financial investment - Contribute 2,000 new jobs to the target above. <p>7 Improve GVA to above the national average</p> | <p>95,000 new jobs by 2030.</p> <p>3.4% annual growth by 2020.</p> <p>Over £1 billion of private sector investment over the next 3 years.</p> <p>A well-motivated workforce with the skills that business needs.</p> <p>The foundations for a long-term sustainable economy.</p> |

APPENDIX A2 PROJECTS FUNDED THROUGH LOCAL GROWTH FUNDS

| | Cornwall | Dorset | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|--------------------------------|---|--|--|---|--|-------------------------------|
| Road transport | A38 gateway, Saltash Newquay transport improvements Falmouth gateway Truro western corridor Redruth/ Camborne gateway junction improvement | Wessex fields employment area access improvements Bournemouth Airport growth programme Port of Poole improvements | A419 Corridor Improvements; Improved access to Berkeley; A38 Berkeley Bridges; A40 Regeneration Areas - Package 1 - Lydney Transport Strategy; A40 Regeneration Areas - Package 1 - Cinderford Northern Quarter Link Road; A40 Regeneration Areas - Package 2 - Gloucester South West By-Pass; A40 Regeneration Areas - Package 2 - St Barnabas Roundabout Scheme; A40 Regeneration Areas - Package 2 - A4063 Staverton Bridge Junction. | Huntworth Transport scheme Town centre and gateway improvements in Torbay, Plymouth, North Devon, Yeovil and Exeter Improving access to key employment and housing sites in Exeter, Sherford and Plymouth Major improvements at Junction 25 of the M5; Link road between the A38 Parkway and Derriford/Seaton Barracks New junction giving access to Tiverton Eastern Urban Extension from the A361. | A429 Malmesbury Access scheme for Dyson site- A350 Dualling Chippenham Bypass Improvements to the A350 to the South East of Trowbridge | J21 Outbound improvements; |
| Cycling and walking | Bodmin cycling and walking schemes Truro western corridor cycling and walking Redruth Cycling and walking schemes | | | | Local Sustainable Transport (Swindon) - A series of measures to encourage greater use of walking, cycling and public transport | |
| Public transport | Night Riviera sleeper infrastructure and service improvements Bus transport improvements package Truro Park & Ride low access buses | | A40 Regeneration Areas - Package 1 - Kings Quarter Bus Station | Taunton station upgrade | Swindon Rapid Transit Chippenham station hub Swindon Bus Interchange facilities | |

| | Cornwall | Dorset | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|--|----------------------------|--------|---|--|--|---|
| Strategic Connectivity | Broadband enhancement | | Gloucestershire Airport; | Broadband enhancement for rural areas. | | |
| Infrastructure and Flood Protection | Bodmin - to support growth | | | South Yard, Plymouth: funding for site separation and remediation | Eastern Villages Infrastructure to enable the construction of up to 8,000 new homes Wichelstowe infrastructure, Swindon | TQEZ Infrastructure Programme; Bath Western Riverside- Destructor Bridge Renewal; Avonmouth Severnside Ecology & Flood Development Costs; Weston Super Mare Strategic Flood Scheme Gas holder decommission scheme |
| Sites and premises | | | Regeneration of Blackfriars and Quayside, Gloucester; | Southfield Farm, Frome Whiterock, Brixham - Tithe Barn/ Sandrock Nursery, – Exeter Brue Farm, Highbridge Plymouth Science Park Phase 5 Unlocking Growth Fund to invest in projects at key employment sites. including Claylands, Torbay; Holsworthy Agri-Business Park Wiveliscombe, Somerset and sites linked to Plymouth's Marine Industries Production Campus. | | Bath Quays waterside; Dolphin Square retail and leisure Weston; Filwood Green business park; |

| | Cornwall | Dorset | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|----------------------------|--|---|---|---|---|---|
| Public realm | | | | | | Gainsborough Square enhancements, Lockleaze |
| Sectoral development | | <p>Orthopaedic Research Institute (Health and social care)</p> <p>Jurassica (Tourism) Mass Extinction Monitoring Observatory (Tourism)</p> | <p>Support for fledgling agri-tech businesses – high tech incubation facilities to support start-ups and promote innovation at the Royal Agricultural University;</p> <p>Cyber Security Training and Conference Centre;</p> <p>Advanced Renewable Energy Resource Centre delivering STEM skills development, experimental research and specialist business and domestic market support in renewables.</p> | <p>Low Carbon Innovation Centre to support supply chain development</p> <p>Exeter Science Park Environmental Futures campus with the Met Office</p> <p>An Electronics and Photonics Centre, based at the White Rock Business Centre in Paignton</p> | <p>Porton Science Park (Life Sciences)</p> <p>Incubation space for digital and innovation start-ups in Corsham</p> | <p>Expansion of the Open Programmable City Region;</p> <p>Bristol Aerospace Centre;</p> <p>;</p> |
| Education Skills/ training | Business engagement with schools feasibility | <p>Bournemouth and Poole College Engineering and Manufacturing;</p> <p>Bournemouth and Poole College Financial and Business Management;</p> <p>Bournemouth University and Arts University Bournemouth Business Park;</p> <p>Kingston Maurward Agricultural College Smart Farming and Food</p> | <p>GREEN (Gloucestershire Centre of Excellence in Renewable Energy, Engineering and Nuclear Skills);</p> | <p>Bridgwater College and Hinkley Point Training Activities</p> <p>Somerset College STEM skills investment</p> | <p>Swindon and Wiltshire Skills Brokerage service</p> | <p>Bristol Institute of Technology, Robotics Lab & University Enterprise Zone;</p> <p>Weston College Future Technology Centre;</p> <p>Weston College Law and Professional Services Academy;</p> <p>North Somerset Enterprise Technical College;</p> |
| Business space /support | | The Dorset Growth Hub iCode digital startup workspace | High street incubation space; | Growth Hub | | |

| | Cornwall | Dorset | GFirst | Heart of the SW | Swindon & Wiltshire | West of England |
|---------------------------------|----------|--------|--------|-----------------|---------------------|-----------------------------|
| Inward investment/ marketing | | | | | | Invest in Bristol and Bath; |

APPENDIX A3 SPATIAL ELEMENTS OF SEPS

Cornwall and the Isles of Scilly LEP

The SEP stresses that it is not just a Local Enterprise Partnership plan but Cornwall and Isles of Scilly's plan, shared and owned by the Councils, the private sector, the Local Nature Partnership, the Health and Well-being Boards and the wide range of partners who have helped to develop this plan and EU SIF.

The Chief Executive of the LEP acknowledged that the plan was drawn up within the context of the emerging local planning framework which reflects the character of the area in terms of its dispersed settlement pattern with the absence of any one dominant settlement. The SEP acknowledges the need to respect the special character and qualities of the local environment and culture. Ten key area specific projects were identified as follows:

- Supporting the economic regeneration of Camborne and Redruth.
- Supporting the role of Bodmin as a strategic employment location taking advantage of its position on the transport network.
- Development to deliver the Eco-community at West Carclaze/Baal and Par Docks.
- Supporting the Newquay Cornwall Airport and the Aerohub Enterprise Zone through improved linkages as an economic catalyst for the wider Newquay area and beyond.
- Supporting Truro's wider role as an economic and service centre.
- Supporting economic development in South East Cornwall, meeting the area's own needs and benefit from its relationship with Plymouth and the Heart of the South West LEP area.
- Strengthening the role of Launceston and Saltash as Gateways to Cornwall through economic growth along the A30 and A38.
- Providing for marine businesses and maximise the economic growth and the benefits of the proximity to the Combined Universities in Falmouth.
- Supporting the economic regeneration of Penzance and travel interchange, including the improvement of Penzance Harbour, and retention of a main line rail link to Penzance as a strategic link for Cornwall and the Isles of Scilly and the UK.
- Supporting town centres, e.g. housing renewal and regeneration.

Alongside diagrams demonstrating the projects aimed at strengthening strategic connectivity by road and public transport the SEP contained place specific plans demonstrating the links between transport and future site development projects six towns.

The SEP strongly reflects the approach set out in the emerging Local Plan, underscoring the very close collaboration which exists between the LEP and its Council partners, although discussions with the LEP highlighted the need for an approach which is focused on areas of opportunity such as the Newquay Airport EZ, given the challenges which exist in delivering transformational change.

Dorset LEP

The Dorset SEP does not have a strong spatial dimension, although most projects – particularly capital and infrastructure projects – take place in particular locations. It was the view of one respondent that transport and spatial planning were not given sufficient weight in the SEP and key issues such as weaknesses in the road and rail networks were not given priority. It is evident that the LEP has faced challenges in promoting alignment between its economic plan and the spatial planning. This reflects the tensions which exist as a result of functional economic geography with South East of Dorset looking eastwards towards Southampton and Portsmouth

and the remainder of the area being predominantly rural in character. It also reflects insularity and resistance to economic growth and change across a number of the local planning authorities.

This meant that the SEP was not developed in response to a clear spatial strategy for its area. Rather it was built around a series of projects which reflects the LEPs view of opportunities which would help it deliver its vision for Dorset. The key elements of its proposed programme with strong spatial implications were:

- Growth of Bournemouth Airport in terms of transport links and employment development
- Improved access and development and regeneration of land at the Port of Poole
- Joint Universities business campus development, Bournemouth
- Bournemouth 'World Class' Seafront infrastructure
- Cobham Gate Business Park, Ferndown access
- Lansdowne Road, Bournemouth business district regeneration
- Weymouth Town Centre regeneration
- Destination Portland including a cluster of projects e.g. coastal studies centre, Jurassic and Mass Extinction Monitoring Observatory.
- Holton Heath strategic employment site – highways and infrastructure
- Portland Port investment
- Gillingham Southern Extension – funding support
- Littlemoor Urban Extension – funding support
- Dorset Green (Winfrith) development – funding support
- Land south of Shafesbury – funding support

The SEP also included a maritime sector growth programme with clear implications for Dorset's coastal communities and a Growth Towns Programme. However the SEP was silent on the growth town locations involved. This highlights the relatively weak coordination which exists between economic and spatial planning. This is being addressed to some degree by a 'refresh' of the SEP and work is underway to develop a non-statutory strategic planning framework for the LEP area.

GFirst

The SEP prepared by GFirst has adopted a strategic approach to addressing the opportunities and challenges of delivering economic growth in Gloucestershire. It specifically states that

'the planning process has a key role to play in supporting the delivery of the SEP and GFirst LEP and the Local Authorities within the county are committed to ever closer collaboration to ensure that the planning system supports our ambitions for economic growth'

The SEP indicates the LEPs commitment to exploring the scope for aligning the timing of the reviews of the core strategies across Gloucestershire to provide for a more integrated approach. The LEP has become actively involved in discussion on a number of Local Plan which has produced some tensions with local planning authorities although in some cases the LEP has successfully secured the inclusion of economic development initiatives such as the GREEN project at the former Berkeley Nuclear Power Station in the Local Plan.

The SEP sets out the case for a spatially focused approach to growth along the M5 corridor and specific development opportunities at Junctions 9 and 10 where junction improvements are sought. Other transport projects for which funding is sought include

- the dualling of the 'missing link' on the A 417,

- access improvements in support of the GRREN project
- improvements to the A40 from the Forest of Dean linked to regeneration schemes

The SEP also refers to regeneration projects at the Kings Quarter and Blackfriars in Gloucester City Centre. Gloucester Docks and Quays, and at Cinderford Northern Quarter. A number of regeneration and development projects are also referred to in Cheltenham, Stroud and Tewkesbury although no specific funding is sought for these projects which are seen as complementary to the opportunities focused on in the SEP.

Heart of the SW:

The spatial dimension is not a strongly developed component within the Heart of the South West LEP's SEP. This reflects the complexity of both functional economic geography and local authority structure. However the SEP makes a strong case for improvement to strategic transport connections highlighting the need to invest to address the speed, capacity and resilience of road and rail connections and digital infrastructure. The SEP also raises the challenges associated with flood protection and energy infrastructure.

In terms of spatial and place based priorities the SEP highlights the potential for targeted investment to unlock the development of both employment and housing sites and the unique opportunities for transformational change associated with new nuclear power development at Hinkley Point, key marine production sites and environmental assets.

The translation of these priorities into the LEPs Growth Deal bid produced a long list of potential projects

Capacity improvements on the motorway and trunk road network

- M5 Junction 23 (to support Hinkley C and other growth at Bridgwater)
- M5 Junction 25
- A38 Deep Lane interchange
- A38 Forder Valley interchange
- A30 Turks Head, Honiton

A programme of major transport schemes to unlock key housing and employment sites

15/16 high priority major projects

- Yeovil Western Corridor
- Bridge Road widening, Exeter
- Derriford/William Prance Rd Junction, Plymouth
- Marsh Barton and Edginswell Stations
- A382 improvement, Newton Abbot
- Torquay Gateway

16/17 and 17/18 priority/major projects,

- Tiverton Eastern Urban Extension
- Dinan Way Extension, Exmouth
- Millfield Lin, Chard
- M5, Junction 25, Taunton
- Tavistock Rail line re-opening
- Toneway corridor, Taunton
- Cattedown Junction Plymouth
- Alphinton Park & Ride, Exeter
- Forder Valley Link Rd, Plymouth

17/18 or later pipeline projects

- Forder Valley Link Rd, widening
- Walton and Ashcott bypass, Somerset
- Pomplett to the Ride, Plymouth
- Exeter to Honiton railway passing loop
- Woolwell to the George, Plymouth

A programme of transport schemes to tackle pinchpoints and congestion hotspots

15/16 7 projects,

- A38 Huntworth Roundabout, Bridgwater
- Roundswell Phase 2, Barnstaple
- A361 Portmore to Barnstaple
- A39 Heywood Rd Junction, Bideford
- A379 Newcourt Junction, Exeter
- Deep Lane Junction, Language, Plymouth
- A386 Northern Corridor, A379 Eastern Corridor signal upgrades, Plymouth

16/17 3 projects,.

- A30 Market Street, Yeovil
- A358 Cross Keys Junction, Taunton
- Torquay town centre and harbourside

17/18 or later 5 pipeline projects

- • The Leggar Link, Bridgwater
- • A379 Dartmouth Rd, Paignton
- • A385 Totnes Rd, West of Paignton
- • A3022 Monksbridge Rd, Brixham
- • A386 Manadon

Transport solutions to improve retail centres to unlock growth at: Plymouth City centre, Exeter City centre, Torquay, Paignton, Taunton, Bridgwater, Barnstaple, and Newton Abbot

Schemes aim to improve pedestrian, cycle connectivity and environment, within the context of wider regeneration schemes.

Hinkley Housing programme to work proactively to deliver

- £7.5m of housing investment secured through HPC's S106 to be spent on a mixture of new/refurbished homes with a further £5m contingency fund.
- 200---300 acres of consented and close to market housing land within the impact area, with potential for 3,000 to 4,000 new units in the next 10 years;
- 500---600 acres of consented development land with significant developer presence behind them;

Hinkley Employment Sites

- 400 hectares of developer space including Huntspill Energy Park (J23 of the M5), Monkton Heathfield (between Bridgwater and Taunton), Firepool (Taunton), Bridgwater Gateway (J24 of the M5), Bathpool in Taunton. As well as two sites in the West of England Area.

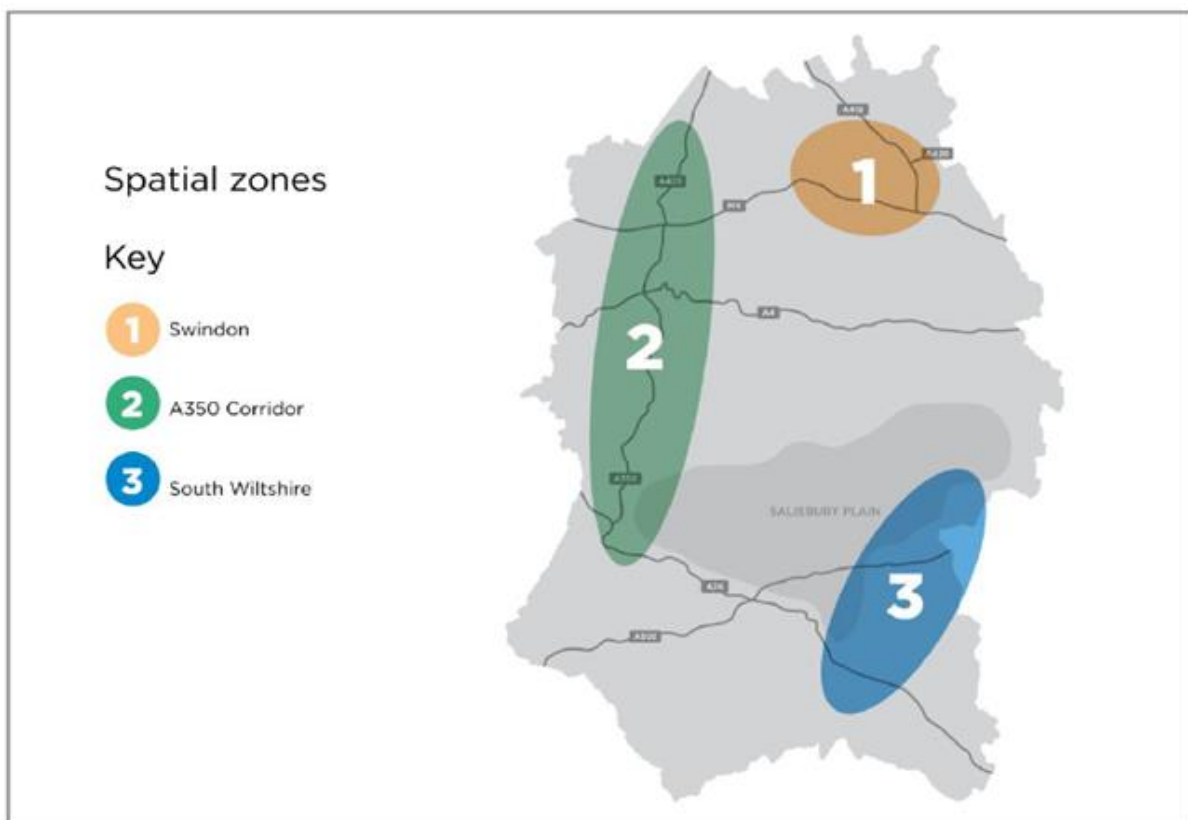
Examination of this list demonstrates a strong focus on the settlements along the M5 and A38 corridor linking the LEPs main urban areas and growth points (Bridgwater, Taunton, Exeter, Newton Abbot, Torbay and Plymouth) although this spatial priority is not strongly articulated in the SEP. Rather it appears to be opportunity driven.

Swindon & Wiltshire: There is a strong spatial framework underlying the SEP for Swindon and Wiltshire. This reflects the established spatial planning framework put in place by the two unitary planning authorities which focuses growth and development along the M5 and A30/A303 corridors which run east-west and the A350 corridor which runs north-south. This strong spatial approach is shown in Figure A3-1 and covers

- Swindon where the focus is on the town centre, Wichelstowe and the New Eastern Villages.
- A350 Corridor where the focus is on supporting growth around Malmesbury, Corham, Chippenham, Melksham and Trowbridge.
- South Wiltshire focusing on Porton, Salisbury and the Garrison Towns.

This appears to reflect a strong local authority place-based agenda which is underpinned by the Local Plans of the two constituent unitary authorities.

Figure A3-1 Spatial Dimension of the Swindon and Wiltshire Strategic Economic Plan



Source Swindon and Wiltshire LEP (2014) Strategic Economic Plan

This approach is further reflected in the project priorities put forward as part of the LEPs Growth Programme which were presented as follows:

Swindon

- Eastern Villages Infrastructure
- Sustainable Energy Sustainable Transport (LSTF)

A350 Corridor

- A429 Malmesbury Access Improvements
- Corsham Digital Community
- Chippenham: Langley Park Transport Package;
- A350 North Bypass Improvements
- Melksham Growth Strategy
- Trowbridge Transport Package
- Westbury Bypass Feasibility
- Connecting Wiltshire (LSTF)

South Wiltshire

- Porton Science Park
- Salisbury Transport Package

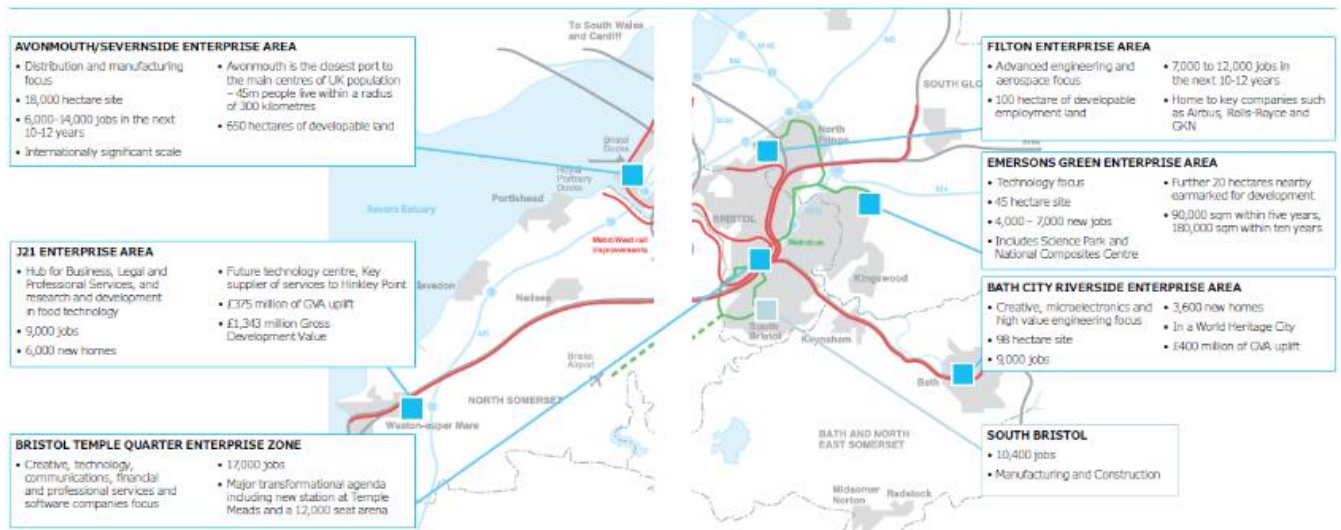
Skills

- Creating Growth through Knowledge (City Deal)
- Swindon College – Sustainable Technologies,
- Wiltshire College – Salisbury Campus
- Wiltshire College – Lackham Campus

West of England: The SEP prepared by the West of England LEP clearly reflects a well-coordinated approach between economic and spatial planning across the four unitary authorities which comprise the LEP's area. Alongside a well-developed set of sectoral priorities the SEP identifies four main levers of growth and an explicit spatial focus for its activities. These are listed below and shown in Figure A3-2:

- Junction 21 Enterprise Area
- Bristol Temple Quarter Enterprise Zone
- Avonmouth Severnside Enterprise Area
- Filton Enterprise Area
- Emersons Green Enterprise Area
- Bath City Riverside Enterprise Area.

Figure A3-2 Spatial focus of Strategic Economic Plan in the West of England



Source: West of England LEP (2014) Strategic Economic Plan

In putting forward its proposed Growth Deal the SEP demonstrates the linkage between its spatial focus and planned place and infrastructure investments. These include

Major Transport schemes

- Bath Transportation Package
- Weston Package
- Metrobus

Rail investment

- Metrowest Phases 1 and 2
- New stations package (Saltford, Ashton Gate and Corsham)

Public transport, cycling and walking

Local sustainable transport fund

Roads

- Weston Package and M5 Junction 21 Bypass to facilitate economic growth
- Stoke Gifford Link (in North Fringe to Hengrove Package) to support growth in N Bristol.
- South Bristol Link to enable regeneration in S Bristol.

Port of Bristol

Bristol Airport

Economic development projects

- Bristol Arena
- Central Bristol & TQEZ Flood Defence
- Weston North South Link/ Cross Airfield
- Weston Enterprise Technical College
- BAC Aviation Site
- M32 Junction 1
- Avonmouth/ Severnside Flood Mitigation

- Avonmouth/Sevenside Ecology

Revolving Investment Fund

- Bath City Riverside (BCR)
- Bath Flood Alleviation Scheme (Phase 1)
- BCR – Gas Towers
- Filwood Green
- Gainsborough Square
- TQEZ Temple Circus & Infrastructure Projects
- Dolphin Square
- Weston Village Flood
- J21 Outbound Capacity A38 Road Junction Improvements

In addition to these projects which are closely linked to the LEPs spatial foci the SEP includes a shared priorities map which highlights co-ordination between a range of public agencies, including the HCA, The Environment Agency, Natural England, English Heritage, the Highways Agency and Network Rail. This demonstrates a strong spatial planning approach which appears possible because of the established relationships built by the West of England Partnership and effective cooperation between the unitary authorities on strategic issues.

Table A3-1 Objectives of the South West LEPs' Strategic Economic Plans

| Key SEP Objectives | | | | | |
|--|---|--|---|--|--|
| Cornwall & IoS | Dorset | GFirst | Heart of the South West | Swindon and Wiltshire | West of England |
| <p>1. Exceed predicted Gross Value Added (GVA) growth by an additional £338m (5% stretch) by 2020 (£190m by 2017)</p> <p>2. Investment in 18,313 new additional jobs over the plan period with 4,801 of these accelerated directly by LGF to 2017</p> <p>3. Delivery of 13,953 homes to 2020 with accelerated delivery of 6,394 of these by end of 2017 as a direct result of LGF</p> <p>4. Higher level skills (Level 4+) attainment converges with UK average by 2020 GCSE attainment converges with national average by 2020</p> <p>Exceed the national target of 15%</p> | <p>Projects link our ambitions for growth to four major themes:</p> <p>Competitive – unleash the potential of existing businesses, encourage the creation of new ones and attract investment and to meet ambitious growth ambitions above the projected national GVA average in the coming period.</p> <p>Talented – enhance the skills of our current and future workforce.</p> <p>Connected – improve electronic and physical connectivity throughout Dorset. This includes 'virtual' movements</p> | <p>Our Growth Statement was developed around three key components:</p> <p>Skills - Providing a highly employable and economically productive workforce that meets the needs of local business, particularly in high value growth sectors</p> <p>Promotion - Attracting and retaining successful businesses in high value sectors and the next generation of talented workers;</p> <p>Connection - Exploiting the opportunity presented by the motorway corridor to enable faster economic growth and providing the transport</p> | <p>Central to our strategy is our balanced approach to growth, which recognises: the need to address wider productivity barriers at the same time as ensuring we maximise benefit from opportunities for high growth; the need to create job opportunities where opportunities are few as well as better jobs to drive up average wages; the need for economic growth to benefit both rural and urban people, businesses and places.</p> <p><i>Creating the conditions for growth</i> Infrastructure and services to underpin growth (transport infrastructure, broadband and mobile connectivity, skills infrastructure)</p> <p><i>Maximising Productivity and Employment</i> Stimulating jobs and growth across the whole economy to benefit ALL sectors (including tourism, agriculture and food and drink</p> | <p>1. The two Local Plans set targets to create 47,000 additional jobs, provide 297.5 ha of additional employment land (B-use class) and build at least 64,000 homes by 2026. Our SEP aims to accelerate the delivery of these homes and jobs, and identifies some exciting new opportunities. Initial estimates indicate that our SEP investment programme will enable the delivery of 40,600 jobs, 31,200 homes and 318ha of employment land. Using a standard Government model, we estimate that the programme could add over £3 billion in GVA.</p> <p>2 Raise the employment rate to its pre-recession level from 74.7% today to 80% by 2026</p> <p>3. Sustain the proportion of businesses applying for patents at twice the national average by 2026.</p> | <p>1. Create the right conditions for business to thrive. Give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth.</p> <p>2. Ensure a resilient economy, which operates within environmental limits. A low carbon and resource efficient economy that increases natural capital, and is proofed against future environmental, economic and social shocks.</p> <p>3. Create places where people want to live and work, through delivery of cultural infrastructure and essential infrastructure, including broadband, transport and housing to unlock suitable locations for economic growth.</p> <p>4. Shape the local workforce to provide people with skills that businesses need to succeed and that will</p> |

| Key SEP Objectives | | | | | |
|--|---|---|---|---|---|
| Cornwall & IoS | Dorset | GFirst | Heart of the South West | Swindon and Wiltshire | West of England |
| <p>renewable energy production target by 2020</p> <p>Support 100 new businesses in future ready technologies by 2020</p> | <p>completing the move to high speed broadband.</p> <p>Responsive - create the conditions for enterprise to flourish including a responsive planning and development system and a dynamic housing market.</p> | <p>infrastructure and comprehensive high-speed broadband coverage to accelerate growth.</p> | <p><i>Capitalising on our Distinctive Assets</i> Utilising our distinctive assets to create higher value growth and better jobs (transformational opportunities, strengthening research, development and innovation, environmental assets)</p> <p>These core aims are underpinned by cross cutting aims of environmental sustainability and social inclusion.</p> | <p>4. Increase the proportion of the workforce (resident and non-resident) with a degree level qualification from 33.6% today to 52%, equivalent to 83,000 more people with A Level and above qualification by 2026</p> <p>5. Improve young people's attainment at 16 and 19 including in English and Maths to beyond the national average by 2026;</p> <p>6. Ensure 100% superfast broadband coverage across the area including all strategic sites by 2026.</p> | <p>provide them with job opportunities.</p> <p>5.Ensure all our communities share in the prosperity, health and well-being and reduce the inequality gap.</p> |

Table A3-2 Targets included in South West LEP Strategic Economic Plans

| LEP Targets | | | | | |
|--|---|--|--|--|--|
| Cornwall and Isles of Scilly | Dorset | GFirst | Heart of the South West | Swindon and Wiltshire | West of England |
| <p>Future Economy targets</p> <ul style="list-style-type: none"> - Create over 100 new businesses in the identified smart specialisation areas and within Green and Marine industries by 2020 - Create 700 new high paid jobs by 2020 - Support the increase in renewable energy production to meet and exceed the national 15% generation target by 2020 - Introduce 40 new to the market products, processes or services by 2020 - 1,166 participants involved with high level/future economy based skills training <p>Growth for Business targets</p> <ul style="list-style-type: none"> - 1920 existing enterprises will be supported - 336 new enterprises will be supported -2160 jobs will be created - 346 companies will be cooperating with Research Institutions -10 enterprises with new to market products -230 enterprises with new to firm products - 18,900 | <ul style="list-style-type: none"> - Provide a business environment that accommodates up to 40,000 additional jobs by 2021, with annual employment and GVA growth consistently above the UK average. - Prioritise key sectors and high growth companies which strengthen the knowledge based economy in Dorset and provide higher paid and higher skilled jobs capturing national and international opportunities for Dorset's businesses and supply chains. - Exploit potential for high growth, high skilled and high value employment associated with priority sectors. -Advanced manufacturing, creative and digital, marine, and healthcare technologies with an explicit aim to boost exports. - Transform Dorset by leveraging its unique natural advantages. Bringing people and resources into the region through tourism-innovation, employer relocations and by attracting and retaining a talented | <ul style="list-style-type: none"> - 33,909 jobs created, and 2,125 protected - 3,200 new homes - 6,108 qualifications and 5,421 apprenticeships -Highways agency contribution of £302m - Other public sector contributions of £43m - Private sector leverage of £157m - Over the period 2015-2021 grow Gloucesters's economy by £493m; - annual GVA average increase of 3.2% - Those business sectors in the county identified as having potential for significant export growth will be fulfilling that potential. - Our excellent start-up survival and job creation rates will have been maintained and strengthened. - retention of young people to start-up businesses and take up highly skilled jobs in the county. - fulfill potential of medium/high tech manufacturing and knowledge intensive business sectors including | <p>Creating conditions for growth 2020</p> <ul style="list-style-type: none"> - Transport infrastructure more resilient - Achieve partial dualling of the A303/A30 corridor -Rail journey times < 2hours 45 mins - 95% superfast broadband - 10,000 new homes per year - Maximising productivity and employment opportunities 2020 - Middle third of LEPs for competitiveness, exporting and enterprise indicators - Top 15 LEPs for youth unemployment <p>Start to close gap with UK average wages</p> <ul style="list-style-type: none"> - Capitalising on our Distinctive Assets 2020 | <ul style="list-style-type: none"> - 47,000 additional jobs - provide 297.5 ha of additional employment land (B-use class) -build at least 64,000 homes by 2026 -Enable the delivery of 40,600 jobs, 31,200 homes and 318ha of employment land. - Add over £3 billion in GVA. - Raise the employment rate to its pre-recession level from 74.7% today to 80% by 2026 - Sustain the proportion of businesses applying for patents at twice the national average by 2026. - Increase the proportion of the workforce (resident and non-resident) with a degree level qualification from 33.6% today to 52%, equivalent to 83,000 more people with A Level and above qualification by 2026 - Improve young people's attainment at 16 and 19 including in English and Maths to beyond the national average by 2026; - Ensure 100% superfast broadband coverage across the area including all strategic sites by 2026 | <ul style="list-style-type: none"> - Expected private sector leverage on our proposed programme of 34 interventions through the local growth fund is £218.4m with an average return on investment of £3.40 per £1 spent. This should be seen alongside other public match funding of £298.7m and alongside private match of at least £5bn+ on our overall plan. -These interventions will deliver 25,591 net jobs and some £1.9bn of GVA to our economy. |

| LEP Targets | | | | | |
|---|---|---|---|-----------------------|-----------------|
| Cornwall and Isles of Scilly | Dorset | GFirst | Heart of the South West | Swindon and Wiltshire | West of England |
| <p>participants involved with skills training</p> <p>Conditions for Growth targets:</p> <ul style="list-style-type: none"> - Secure air connectivity to London Gatwick and secure international hub airport link by 2020 - Superfast broadband roll-out to address remaining 5% of the properties through alternative technologies and support 4,275 businesses to exploit it for growth opportunities - 13.5% increase in rail passengers - 10% increase in bus passengers - 4275 additional enterprises accessing ICT products and services - 34,300 taking part in skills for work training | <p>workforce.</p> <ul style="list-style-type: none"> -Strengthen economic growth by continually improving connectivity through investment in transport infrastructure and services and new generations of digital infrastructure, including mobile technologies. - Maximise the contribution of talented people and businesses in the conurbation and rural Dorset, linking our education and training systems to the needs and opportunities of a growing economy. - Ensure that a sustainable, affordable and diverse housing market meets the needs of residents and employees relocating into the region. Our housing development should contribute to and in no way impede economic growth. | <p>a cluster within the nuclear energy sector.</p> <ul style="list-style-type: none"> - deliver a skills development and training centre specialising in Renewable Energy, Engineering and Nuclear. - attract and retaining businesses to employment land with great connectivity close to the M5. - enhance the county's infrastructure and improved broadband and mobile phone connectivity. - create a high quality natural environment through exemplar built development which improves the quality of life for people and improves habitat for wildlife. - Satisfy the skills demands of Gloucestershire-based low-carbon industries arising construction of the Hinkley 'C' and Oldbury Nuclear Power Stations in late 2018 to power generation in the mid-2020s; | <ul style="list-style-type: none"> - Middle third of LEPs for innovation and knowledge indicators - Middle third for higher value employment indicators | | |

APPENDIX 4 – STAKEHOLDER WORKSHOP

The stakeholder workshop commenced with an outline of the research aims and objectives and a short overview of the context. Some initial, overarching findings were discussed and highlights presented included:

- LEPs are ‘a work in progress’ – LEP outputs and impacts only measurable after many years.
- SW LEP diversity arising from geography, economy, antecedence, institutional and funding contexts.
- LEPs are business-led champions of local economic growth but quite dependent on local authority resourcing.
- Key role for LEPs is as a conduit for central government discussion, funding and advice. Bidding and resource allocation has become a key focus.
- LEPs are more opportunistic than strategic in approach – some SEPs have tended to be bidding documents.
- There is limited direct engagement with planning – although some emerging activity around joint evidence gathering, alignment of economic growth aspirations with Local Plans and development of place agendas.

Topical sessions then provided a short review of issues and early findings followed by group discussion and feedback on each topic. A final challenge session considered general themes which participants considered important in reflecting on the findings and recommendations from the report.

Topics sessions included:

- A -Role and approach of LEPs in promoting the Economic Growth
- B -Delivery of strategic planning and potential of LEPs
- C -Contribution of LEPs to sustainable development

A -Role and approach of LEPs in promoting the Economic Growth

Issues

Nature of relationship of LEPs as business led bodies with local authorities: partnership or dependence?

Use of LEPs by Government as mechanism for delivering sub-regional growth –conduit for policy and funding

Strategy or opportunity? Role and effectiveness of LEPs in leading competitive bidding process – where is the money going?

Picking winners (i.e. not investing in market failure, but supporting works in progress where returns were lower risk) and sector v place based approach to delivering growth.

Findings

LEPs are engaged in delivery rather than planning.

SEPs are not particularly strategic – they tend to be aspirational and not evidence driven.

Many sectors cut across LEPs – e.g. due to delivery opportunities (e.g. nuclear for HotSW, GFirst, and WoE) or due to business needs (e.g. business support).

Limited core resources for LEPs hinders their ability to assist with delivery capacity.

Feedback

There is considerable competition between Local Authorities and LEPs, which may distract from strategic considerations.

SMEs are not engaged with the LEPs – this is critical in the SW where so much business is driven by small, local enterprise.

However, with some LEPs there is very good business engagement through panels and fora.

Many of the “same people” (ex-RDA, and those that were recipients of RDA support) are involved in the new LEP area. This is not necessarily opening up to new ways of working.

There is a disconnect, with Business-led LEPs being asked to review the delivery of infrastructure projects – this requires a specific skill set rather than general business acumen.

Sector focus is only encouraging successful sectors and is being driven by the need to increase GVA (i.e. working toward knowledge / business sectors rather than traditional industries)

LEPs do not have a spatial remit though one can map a picture of the LEPs work. LEPs are strategic in places.

There is a confused picture of LEPs (funding, role, governance) and it's likely to continue with devolution etc.

Other issues include lack of resource and unclear purpose (non-statutory, lack of guidance)

Businesses don't recognise administrative boundaries – LEP and Local Authority boundaries are not relevant to businesses.

B -Delivery of strategic planning and potential of LEPs

Issues

Post-RSS/GOSW/RDA: from regional to devolved planning

LEPs, functional geographies and boundaries –do they work?

Driving or following sub-regional spatial planning policy: are LEPs addressing the place agenda?

Planning: evidence, aspiration, timing and relationship with LEPs

Findings

Majority of LPAs recognised the funding changes post 2010, and were happy enough to see the decline of RSS/GOSW, but most felt there was a vacuum. Key missing aspect is promoting “big ideas” (e.g. new communities, strategic infrastructure) which the RSS process took out of parochial local discussions.

Some sub-regional geographies do not align with LEPs, which presents issues for those areas most effected (e.g. Plymouth, Swindon, Bournemouth)

There is limited and inconsistent interaction with strategic planning and decisions, and LEPs have differing views on how much they should influence (rather than simply follow) planning.

In several areas joint strategic frameworks are emerging, but with differing coverage, content and approach (e.g. Development Plan versus evidence base)

Feedback

Since LEPs are non-statutory Local Authorities are inclined to take on board advice that they “like” but not when decisions or advice do not support their local priorities.

Economic strategies need to be developed with other partners including Local Nature Partnerships and heritage bodies.

Local Frameworks can work – e.g. the WoE Joint spatial plan which is following the statutory development plan process. But if they are just locally driven who arbitrates the decisions? There are already disconnects between jobs and housing growth.

The HCA supports delivery (when schemes progress and they agree to support) - they do not challenge decisions about schemes or spatial locations.

There are concerns about timelines; SEPs run to a certain time line and Local plans/programmes have varying time scales, and the lack of continuity of time scales and longevity of organisations impedes delivery.

With multi-authority frameworks it is not clear who commits to ensuring projects are carried through from planning framework to delivery.

C -Contribution of LEPs to sustainable development

Issues

LEPs as champions of the economic growth agenda –balancing opportunity and need across a rural region

Delivering win: win: win – the role of LEPs in understanding the environmental and social dimension of development

Findings

The LEPs' emphasis is on sustainable economic growth (GVA and jobs)

There is a strong contrast with the RDA who addressed regeneration and environment in considering areas for intervention and for scheme specifics.

Roads and transport emphasis in Local Growth deal funding, but some issues (e.g., flooding) are on the agenda (e.g. following rail issues at Dawlish, Exeter and the Levels).

Social issues form part of EuSIF goals but these fall outside the LEPs' remits. Emerging picture of the balance of issues in EuSIF proposals.

Feedback

The SW Rail corridors provide a geographic spine for delivery and a principal focus for place-making.

Loss of democratic oversight means no one directing investment toward 'basket cases' (areas of deprivation or market failure) or support for protection and restoration of sensitive environments.

Strategic development vs strategic planning; the LEPs are focused on economic delivery and the Local Plans should ensure the balance of social and environmental issues are considered.

The SW economy (jobs and supply chains) is driven by SMEs but the LEPs' focus is on big schemes in small areas or select high wage jobs (e.g., financial/business services)

Competition between LAs is not being filtered or balanced against other factors. A pro-growth council in a more environmentally sensitive area will be supported over less constrained locations with Councils who do not want to deliver.

The push is not toward regeneration or investment in place-making but infrastructure delivery

The LNPs can provide important input, but need to take on the LEPs business model (e.g. the Dorset LNP has its own strategic plan).

Tourism and food are important employers and LEPs need to be clear if they are to be ignored or not?

There are opportunities to achieve policy aims (e.g. renewable energy) through a series of smaller infrastructure projects (e.g. tidal lagoons) rather than massive globally significant projects (e.g. barrage **or nuclear**)
