



# The planning and delivery potential of LEPs

This briefing summarises research conducted for the RTPI South West region by Plymouth University, Figura Planning and Hardisty Jones Associates. The full report examines Local Economic Partnerships (LEPs) in the South West in relation to delivering economic growth and their engagement with strategic planning and sustainable development.

## Who should read this?

Policy-makers, decision-makers and practitioners in planning in the UK and internationally, researchers and commentators interested in planning, growth and sustainable development.

## Key messages for policy and practice

In a relatively short time, LEPs have established themselves as significant players in the sub-national architecture put in place since the demise of regional governance. Inevitably, there is a considerable variation in the approaches taken by LEPs, reflecting administrative and economic differences across the region.

Across England, some areas are better placed to benefit from these new arrangements, which seem better suited to clearly defined functional market areas and matching local government structures. Effective joint working and collaboration between local political and business interests around a shared vision will be key to the success of these arrangements. Planning has a key role to play in creating a framework for this joint working and collaboration.

### Economic development

As key bodies responsible for bidding for public funds to support local economic growth, LEPs should be more transparent, for example by providing annual reports on their funding and activities, and spending against key objectives and targets.

LEPs are not resourced to be able to engage in all aspects of economic development. As a result, there is still a need to ensure the comprehensive and coordinated provision of economic development support activities.

LEPs need to keep their private sector representation under review, and strengthen their relationship with local business organisations and local authority economic development teams, to ensure that plans and priorities reflect local business and interests.

### Strategic planning

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. LEPs should be treated as formal consultees in the plan and policy-making process, including providing them access to planning expertise.

Governance arrangements to enable private sector input into strategic planning should remove the potential for conflict of interests.

### Sustainable development

It is important that LEPs reflect a balanced approach to economic growth and development. Local planning authorities should ensure that appropriate planning policy frameworks are in place to guide LEPs.

LEPs should assess the social and environmental implications of decisions as part of their project appraisal processes.

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 mutually beneficial outcomes.



## Main findings

The research provides a comprehensive and up-to-date picture of the role that LEPs are playing in the planning process in the South West of England, particularly in the delivery of economic growth, the links between the LEPs and strategic planning, and the contribution of LEPs to sustainable development. The research combined desk analysis and interviews covering all of the LEPs and half of the local authorities in the region.

The South West contains a varied geography, including a mix of urban and rural areas. In this way, the region can be considered typical of the non-metropolitan economic and settlement patterns across much of England.

## Diversity across LEPs

LEPs in the South West cover a mix of unitary authorities, two tier authorities and mixed two tier and unitary authorities. Unsurprisingly, there is no single model for LEPs, in terms of administrative structure, leadership and resources. They have adopted different approaches reflecting a number of factors, including the mix of constituent local authorities, previous arrangements for joint working and collaboration, and functional economic geographies. In this respect, LEPs are bottom-up, locally driven organisations.

## LEPs and economic development

LEPs have had varying success in securing funds for economic development from central government through various programmes and initiatives. LEPs with already well-established partnership working arrangements and that were quick off the mark have been able to attract most discretionary funding from the Regional Growth Fund.

LEPs' increasing focus on these competitive bidding processes has helped to give them a clear role and focus, although this has diverted their attention from more strategic issues.

The resources available to LEPs limit their ability to engage with local business communities, hence the need for a collaborative approach between LEPs, local

Chambers of Commerce and business organisations, and local authorities with active Economic Development teams. In particular, the willingness of the public sector to provide resources appears critical.

All of the LEPs in the region have identified priority growth sectors, including aerospace, advanced manufacturing, and nuclear and renewable energy. The significant overlap between these sectors has provided the basis for some collaboration between LEPs. A number of LEPs have highlighted the 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 gross value added (GVA) sectors (to the concern of local authorities in some rural or remote areas).

Both 'soft' people issues (knowledge, innovation and skills), and 'harder' place-based considerations (strategic connectivity, infrastructure, employment land and premises) appear on most LEPs' agendas.

## LEPs and strategic planning

However, few South West LEPs have adopted a strong role in relation to planning, including strategic spatial planning.

LEPs vary considerably in the approach taken to the preparation of their Strategic Economic Plans (SEPs), reflecting different local priorities and the degree to which they were approached as a way to establish strategic priorities or as bidding documents. Generally however, differences in the status and time-frames for SEPs and local plans have resulted in a lack of co-ordination with planning. Rather, SEPs typically follow an opportunistic approach to the identification of priorities and projects. In some cases, this has given rise to the potential for conflict with the planning process, where aspirational economic growth scenarios fail to match with a longer-term balanced planning approach.

Some LEPs have decided not to engage in the strategic planning process given their limited resources, and instead rely on local authorities to ensure alignment between economic, spatial and transport planning.



In this way, LEPs operate within the framework of adopted and emerging local plans while adopting an opportunistic approach to economic development.

The Local Growth Deals that have been agreed 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 directed towards supporting priority growth sectors. Funding is also focused on principal urban areas and main transportation corridors. The resources secured and allocated by LEPs are being directed more towards areas of opportunity rather than need.

This may reflect the fact that only two of the region's LEPs articulate a clear spatial dimension for their economic plan and projects (Swindon and Wiltshire, and West of England). This does not mean that the decisions of other LEPs do not raise spatial development issues; the lack of co-ordination between economic and spatial planning could give rise to conflicts that need managing.

The degree of involvement of local authorities with LEPs varies, but is likely to strengthen given the latter's 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 or where there has been clear leadership provided across a traditional two tier county structure. The relationship is less balanced in mixed tier LEPs, with district authorities having less direct involvement than county and unitary authorities do.

The relationship between local authorities and LEPs appears to be led at a corporate level and is largely resourced from economic development teams of upper tier authorities. There is little direct involvement of local authority planners with the work of LEPs and their awareness of LEPs' activities is typically low (the exception is the West of England LEP, where the West of England Partnership has helped to bring forward additional joint working).

There is broad consensus that the introduction of the LEPs as champions for local economic growth working to a competitive bidding agenda is a less cumbersome and generally more effective arrangement than working through the Government Office. However, there is some criticism that LEPs are focusing on larger scale projects to the disadvantage of less urban and well-connected parts of the region.

Accepting that the remit and resources available to LEPs is significantly different to that of the former South West RDA, local authorities suggest that there has been a loss of strategic thinking and evidence gathering in relation to the regional economic strategy and regional spatial strategy.

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 informal planning frameworks dealing with issues which require higher level thinking, particularly strategic transport. Local authorities rather than LEPs are driving these emerging joint planning arrangements.

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. There have been difficulties in relying on the early work of LEPs as a contribution to evidence base for statutory planning (for example, SEPs were prepared in a short period of time as bidding documents which involved an aspirational view of local economic growth potential, sometimes on the basis of limited evidence).



An exception is 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. Such an approach may be less easy to achieve elsewhere, where functional economic geographies, administrative structures and local political considerations make collaboration and integration across strategic economic, transport and planning agendas more challenging. (For more on the issues and challenges involved in coordinating across related sectors, see the RTPI's *Planning Horizons* paper on *Making Better Decisions for Places*, November 2014).

To some degree, this pattern of collaboration and tensions across administrative and functional geographies is mirrored in City Deals and emerging devolution agreements and proposals (the RTPI has argued that planning is critical to the potential of devolution to deliver homes and jobs, given its ability to integrate housing, amenities, services, infrastructure etc). Again, this highlights the extent to which the spatiality of city regions and symmetrical administrative structures facilitate joint working. Put simply, coordinated working across 'hybrid' LEPs appears harder and slower.

### LEPs and sustainable development

LEPs acknowledge the environmental, and in some cases the cultural, context in which they operate, but reflecting national government's priorities their focus is on delivering enhanced economic performance through private sector business growth and investment. For this, key measures of success include absolute or relative GVA or GDP per capita, business formation and survival, job creation and employment rates.

From the perspective of local planning authorities, LEPs are not seen as having a significant role to play in sustainable development given their clear remit around local economic growth. This stands in contrast to the work of the former South West RDA, which had a significant focus on environmental and social dimensions.

Planning is seen as having a key role in ensuring that the activities of LEPs contribute to sustainable development through an appropriate spatial policy (local plan) framework and development management procedures, and yet development management is not an area where LEPs are actively engaged.

A number of local authorities highlight the potential role that Local Nature Partnerships could play in helping to fill the gap left by the South West RDA and to act as a champion for the environmental dimension of sustainable development.

Local authorities recognise the increasing role that 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 have commented on the important role that the Homes and Communities Agency (HCA) plays in the delivery of strategic development projects, both as a source of funding and expertise with a focus on community building and place-making.

### About the research

This briefing is based on research conducted for the RTPI South West region by Chris Balch, Plymouth University, Mary Elkington, Figura Planning, and Gareth Jones, Hardisty Jones Associates.

The full report is available on the RTPI website at: [www.rtpi.org.uk/lepssouthwest](http://www.rtpi.org.uk/lepssouthwest)

### About the RTPI

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