Planning for Growth: The Role of Local Enterprise Partnerships in England
Interim report

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PLANNING FOR GROWTH: THE ROLE OF LOCAL ENTERPRISE PARTNERSHIPS IN ENGLAND

Executive Summary

Introduction

Consistent with other developed nations around the world but also distinct in some crucial ways, successive UK administrations have sought to reform the English statutory planning systems, economic development practice and spatial governance arrangements.

Since 2010, the administration of planning and economic development, as well as other activities, at the regional scale has been dropped in favour of a ‘localist’ philosophy. This has raised concerns, especially from a strategic planning perspective, under which some views argue that the so-called ‘planning vacuum’ or ‘strategic void’, if left unfilled, could result in impediments to growth and sustainable development. Nevertheless, a new policy innovation intended to encourage enterprise and stimulate private sector-led economic prosperity has been introduced which goes by the name ‘Local Enterprise Partnerships’ or the acronym ‘LEPs’.

The roles, remit and governance of these bodies continues to evolve, but the UK Government has outlined several planning roles that LEPs could perform, and are in process of requiring Strategic Economic Plans from each partnership as part of a process of negotiating ‘Growth Deals’. Thus, it appears that the role of LEPs vis-à-vis planning is increasing over time.

Based on the view that some decisions are best made at a larger-than-local level, the fundamental question remains: how to undertake strategic planning effectively to support economic growth objectives as well as sustainable development principles?

This report analyses the role of LEPs in relation to the statutory planning system as well as considering the potential of alternative strategic planning mechanisms. The production of this report is set against a context of a continually changing LEP landscape. Hence, it analyses the historical position and development trajectory of LEPs in a manner that will provoke some key avenues of enquiry for the next stage of research.

This report is based on research conducted for the RTPI by Lee Pugalis of Northumbria University and Alan Townsend of Durham University, funded through the RTPI’s Small Projects Impact Research (SPIRe) scheme.

Who should read this report?

This report should be of interest to anyone with an involvement in planning for growth – especially those concerned with strategic planning and spatial governance, in England and beyond. It seeks to chart the potential of LEPs, from a limited start, to become part of a strategic mechanism to plan for growth, in both the formal, statutory planning system and ‘softer’ forms of non-statutory planning. The report identifies some central themes and key issues, and sets out a framework for further research.
Key messages for policy and practice

The form of LEPs

- LEPs are non-statutory entities without a clearly defined role in the formal planning system.
- They are voluntary public-private partnerships comprised of business, local government and (increasingly) other actors.
- Each LEP has its own locally-devised constitutional and governance arrangements.
- Some local authority leaders sit on LEP boards but councillors are not democratically elected to serve at a larger-than-local geography.
- The open menu of policy areas that LEPs could cover includes planning amongst a range of other domains such as transport, tourism, economic development and business support, and housing.
- Some LEPs have overlapping territories, which can increase complexity but also offers the potential for enhanced flexibility and new ways of working.
- Some LEPs have overlapping territories, which can increase complexity but also offers the potential for enhanced flexibility and new ways of working.
- A non-uniform development trajectory of LEPs continues to unfold.
- The Government does not intend to define LEPs in legislation.
- LEPs, as of early 2014, have a considerably greater role in driving the local growth agenda than that originally set out in 2010.
- New responsibilities include the development of EU Structural and Investment Fund (SIF) Strategies and the production of Strategic Economic Plans.

The role of LEP in relation to planning

- The precise role of LEPs is subject to local discretion, although there are several common characteristics.
- Whilst the National Planning Policy Framework places a duty on local planning authorities to take account of the views of LEPs, a key issue for LEPs is that they possess no statutory basis for directly making decisions in the formal planning system.
- The lack of direct democratic mandate for LEPs may place limits on any extension of their planning role.
- Since the approval of LEPs began in late 2010, some (if not all LEPs) have begun to influence planning decisions and processes in a number of different ways.
- Many LEPs have explored and piloted different planning roles, although some LEPs remain more hesitant to engage in this politically charged policy domain, which many local authorities regard as being entirely their domain.
- It is apparent that LEPs can provide a flexible framework both for deployment of economic resources over the period of one parliament, extending to 4 years in current Strategic Enterprise Plans, and provide advisory frameworks which constituent local planning authorities might frame local plans, subject to equal weight being given to social and environmental objectives.
- The potential for strategic planning is greater to the extent that some local authorities are preparing joint local plans across geographies that align with or are similar to those of LEPs.
- A typology, against which LEPs can be examined in terms of planning functions, includes:
  - A business perspective/voice – intended to inform and shape policies, decisions and funding.
  - Lobbying – intended to influence policies, decisions and funding (as for major central government transport projects).
  - Spatial visioning and ‘soft forms’ of spatial frameworks – intended to provide the strategic context for statutory local plans, to align strategic economic priorities and guide infrastructure delivery.
• Information, intelligence and evidence-sharing – intended to inform and shape policies, decisions and funding.
• Multi-area planning accords – intended to make the planning process more ‘business-friendly’ and speed-up the application process.
• A coordination role – intended to reach broad consensus over larger-than-local priorities, bring together different interests in the development process.
• There are some firm precedents for a successful approach to strategic planning where political conditions are propitious and the need clearly exists. An example prior to the fairly short-lived example of Regional Assemblies was that of SERPLAN, the London and South East Regional Planning Conference.
• Alternative strategic mechanisms include the Duty to Cooperate, Joint Committee arrangements, Combined Authorities and strategic planning accords or charters.
• Each alternative mechanism offers potential and particular advantages, but each is also beset with their own limitations.
• The Duty to Cooperate seeks to ensure that local planning authorities undertake strategic planning effectively through their Local Plans, including addressing issues that can only be addressed effectively by working with other local planning authorities beyond their own administrative boundaries. A key strength of the Duty is that it prompts action by the local planning authority itself, while also being capable of sanction by Planning Inspectors. Yet, this duty does not apply to LEPs and it is not a ‘Duty to Agree’.
• A Joint Committee enables plan-making and (potentially) development management functions in two or more authorities. Their main shortcoming is that elements of joint plans are not necessarily passed by planning machinery in the shape of the constituent separate planning committees, appeals and judicial reviews.
• A Combined Authority is a corporate body with legal personality and powers in its own right, providing a stable mechanism for long term strategic collaboration between relevant local councils as well as other partners. Due to its statutory nature, it is not some form of collaborative venture that should be entered into lightly; it may emerge from many years of successful multi-authority collaboration.
• A Strategic Planning Charter/Accord aligns with the principles underpinning the formation of LEPs in that they are loose and flexible agreements that may help to establish shared principles and develop strategic priorities, however their primary weakness is that they have no legal or legislative basis.
• The narratives of ‘regionalism’ and ‘localism’ may have altered the scale of policy organisation, but have done little to address the question of how to conduct strategic planning in a democratically accountable and business-friendly manner in England.
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References
1. Introduction

Context

Planning, both of a statutory and non-statutory nature, performs a crucial role in achieving economic growth and sustainable development outcomes. Planning is both a professional field, and a public concern which thus involves political decisions, that has a prominent role in spatial governance matters.

Over the past decade, reforms to statutory planning systems, economic development practice and spatial governance arrangements, both across Europe and further afield, have tried to embrace changing state-society-business relations. Across nearly all European countries it is the norm for ways of governing the spatial organisation of development at a sub-national level to be supported by, devolved administrations, either elected or nominated. These ‘middle tiers’, utilised in France, Italy and Germany, for example, have burgeoned in number, range and importance over the last sixty years.

The situation in England is different as the picture is much less clear. Over recent years, planning reforms have continued as part of a broader restructuring of state activities and the institutional scaffolding facilitating planning, spatial governance, economic growth and sustainable development. Since 2010, the administration of planning and economic development, as well as other activities, at the regional scale has been dropped in favour of a localist philosophy, which the UK Government intends will improve planning outcomes. This can be seen as an extension of previous policy, such as the 2007 Review of sub-national economic development and regeneration in 2007 (HM Treasury, 2007) and is consistent with broader trends at the European scale (Commission of the European Communities (CEC), 2009), where there has been growing policy agreement that subsidiarity – devolving power and resources to the lowest appropriate spatial scale – will produce optimum outcomes on the ground (see, for example, Communities and Local Government (CLG), 2008). The key distinction is that for the first time since the County Plans under the 1947 Act, England is without a recognised strategic planning framework following the revocation of Regional Spatial Strategies (RSSs), although the Duty to Cooperate has been introduced since the 2011 Localism Act.

The issue

Ministers are keen to ensure that the planning system better supports growth. The present economic context has amplified calls for ‘business friendly’ forms of planning, entrepreneurial public services and pro-growth outlooks; a discourse reflected in the revised National Planning Policy Framework (Communities and Local Government (CLG), 2012). Alongside, and related to, this planning for growth agenda has been a significant drive to localise duties and responsibilities, exemplified by the emergence of Neighbourhood Plans. Nevertheless, since the Government confirmed in May 2010 that they would seek to ‘rapidly abolish Regional Spatial Strategies’ (HM Government, 2010a), some fundamental concerns have been expressed by a broad range of interests, including the RTPI (HOC (House of Commons), 2011), amongst others (Boddy & Hickman, 2013; Pugalis & Townsend, 2013b). For example, some have contended that the so-called ‘planning vacuum’ or ‘strategic void’, if left unfilled, could result in impediments to growth and sustainable development (Lock, 2012).

In the ‘Emergency’ Budget issued in June 2010, the Chancellor of the Exchequer set out a plan to rebuild the British economy. Central to its economic mission, the Government began to introduce a new spatial governance solution intended to encourage enterprise and stimulate private sector-led economic prosperity: Local Enterprise Partnerships (LEPs). The roles, remit and governance of these
bodies continue to evolve (APPG on Local Growth, 2013). Indeed, the Government has outlined several planning roles that LEPs could perform, and is in process of requiring Strategic Economic Plans from each partnership as part of a process of negotiating ‘Growth Deals’. Yet, these business-led bodies lack a statutory basis and clear democratic credentials. LEPs’ relationship with the planning system has been identified as a key issue and continues to raise concern (Ward & Hardy, 2012, 2013). Based on the view that some decisions are best made at a larger-than-local level, the fundamental question remains: how to effectively undertake strategic planning to support economic growth objectives as well as sustainable development principles?

Research focus and approach

The central aim of this research project is to examine the planning roles and potential of LEPs as a strategic mechanism for enabling economic growth and sustainable development, as well as exploring the potential of alternative strategic mechanisms.

Phase 1 of research – described in this interim report – analyses the historical position and development trajectory of LEPs. It does so in a relatively simple and overarching manner so as to provoke some key avenues of enquiry for Phase 2.

A policy and literature review underpins the approach to fulfilling this research. It draws upon the authors’ previous examinations of LEPs vis-à-vis planning, which includes interviews with LEP board members and stakeholders, and detailed examinations of LEP plans, strategies and prospectuses. The principal new work comprises evidence emerging from a national content analysis of current LEP documents (including LEP strategies and plans) as part of an up-to-date review of government policy, LEP practice, academic studies and other research evaluations.

The production of this report is set against a context of a continually changing LEP landscape. Perhaps most crucially for those interested in larger-than-local, longer-term strategic planning of both of a statutory and non-statutory nature, Strategic Economic Plans remained in draft format as LEPs awaited feedback from consultees and the Government.
2. Planning for growth: The role of strategic planning

In contrast to many European countries that have elected sub-national tiers of government, a long line of UK governments has been ambivalent towards decentralization within England. Any history of robust English inter-municipal cooperation has been uncommon, partially due to the lack of incentives as successive governments have devised policies that favour competition between authorities.

As a result, means of administering regional development and planning policy have rarely entered periods of sustained stability. Lacking a firm democratic basis in direct elections or constitutional protection, they have tended to be decidedly influenced by the politics and ideology of the government of the day. Nevertheless, for at least the past decade there has been strong policy advocates for some manner of spatial governance that can adequately consider larger-than-local matters such as strategic planning. Yet, it is the precise form(s) and nature of such sub-national structures of governance that have led to competing political constructions and alternative policy prescriptions.

Precedents for sub-national structures of governance in England

Over the years different governments have experimented with different spatial governance guises and modes of strategic planning. In 1931, for example, there were 97 voluntary Town Planning Regions covering two or more of the local authorities across England (then numbering more than 1,000). It is in this context that in 1947 the Labour Government set control of planning at the upper-tier level of England’s two-tier structure of local government. Following one of the earliest academic considerations of ‘city regions’ by Dickinson (1947) and Derek Senior’s case for the ‘city region as an administrative unit’ in the mid-1960s (Senior, 1965), it was also Labour which instituted a move toward metropolitan scales of government in the Royal Commission on Local Government in England, 1966-1969 (the Maud Report) (Redcliffe-Maud, 1969). This had proposed a map of 62 counties, which sought to reshape areas with more archaic surviving maps into ‘functional’ administrative areas based on named cities, such as Manchester, known as Metropolitan Counties, and on the riverside areas of the Tees, Humber and Avon. This was effected by as a system of 45 Metropolitan and other Counties of 1974 (in England excluding Greater London) and was the basis for statutory strategic development plans, known as ‘Structure Plans’. However, in reaction to Maud, legislation was passed for the present, surviving lower-tier ‘districts’ created in 1970 which were also designated Planning Authorities. By 2010 there were no less than 92 units outside the two-tier County system, resulting from three sets of changes from the partial implementation of the ‘Maud Report’ (Redcliffe-Maud, 1969).

In 1974 Labour also established for the first time regional institutions in the shape of Regional Economic Planning Councils with complete coverage across England, which the incoming Conservative Government abolished on its election in 1979, following this up in 1985 with the abolition of Metropolitan Counties. Nevertheless, the system of Metropolitan and other Counties of 1974 was the basis for strategic ‘Structure Plans’ until 2004.

The Conservative Government of the 1990s regularised a previous patchwork of statistical and administrative areas in creating Government Office Regions (GORs) across England in 1994 (THOUGH their antecedents can be traced back to the Civil Defence Regions of the Second World War). Regularised GORs was in part to comply with European requirements, and so they were subsequently deployed to administer European funding; however they also proved to be a key administrative instrument that helped to coordinate the work of different Whitehall-based departments in the regions. This left only a small number of regional boundary changes to the
incoming Labour Government in 1997, which considered these geographies to be the best template for their regional institutional architecture, including Regional Spatial Strategies and Regional Chambers, Assemblies and later Leaders’ Boards, whose councillor members were elected only by their own local authority constituencies. GORs were subsequently adopted for statistical purposes in 1999. However, since 2010 much of the regional institutional structure has been dismantled (see Table 1), as part of a ‘localist’ policy preference.

**Table 1. Defunct regional policy functions**

<table>
<thead>
<tr>
<th>Policy function</th>
<th>Overriding remit</th>
<th>Government rationale for abolition/withdrawing funding</th>
</tr>
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<tbody>
<tr>
<td><strong>Regional Development Agencies</strong></td>
<td>To create sustainable economic growth in each of the nine English regions</td>
<td>Rejection of regions and specifically Regional Development Agencies (RDAs) on grounds of being expensive and lacking democratic accountability, and failing to represent ‘functional economic geographies’</td>
</tr>
<tr>
<td><strong>Government Office Regions</strong></td>
<td>Implementation and monitoring of national policy and the regulatory management (budgetary and contractual) of spending programmes of sponsoring government departments</td>
<td>Lack direct regional democratic accountability, create burdens and bureaucracy for local councils and impose arbitrary administrative boundaries over ‘real’ communities</td>
</tr>
<tr>
<td><strong>Regional Spatial Strategy/Regional Economic Strategy/Regional Strategy</strong></td>
<td>Provide regional level planning, economic and spatial frameworks in collaboration with regional stakeholders</td>
<td>Such regional plans and processes were considered to be cumbersome, unresponsive, top-down and expensive. Purported to go against the grain of ‘localism’</td>
</tr>
<tr>
<td><strong>Regional Observatories</strong></td>
<td>Formed by regional organisations to provide independent, impartial analysis of data to support decision-making and policy development at a sub-national level</td>
<td>No longer a mandate for Regional Observatories to provide a function at the regional level. Some functions considered to be overly onerous and duplicatory. ‘Valuable’ activities to be carried forward and undertaken by other bodies, such as local authorities or LEPs</td>
</tr>
<tr>
<td><strong>Regional Leaders’ Boards</strong></td>
<td>Responsibility for representing local authorities in the production of Regional Strategies. Other functions included: regional funding</td>
<td>Not elected to perform a regional role. The Government pointed towards an annual public saving of £16 million as further rationale for their termination</td>
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Regional Select Committees

<table>
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<tr>
<th>allocations and local authority cross-boundary issues</th>
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<tr>
<td><strong>Regional Select Committees</strong></td>
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<tr>
<td>Established to scrutinise and monitor RDAs and the delivery of services in the regions to ensure complementarity and accountability with National Select Committees and Government departments</td>
</tr>
<tr>
<td>Closure of RDAs and, with no manifesto authorisation, Regional Select Committees had no further mandate</td>
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**The case for and against strategic planning**

It cannot be said that strategic planning since the 2004 Act has been a resounding success as part of the English statutory planning system. Strategic planning and the breadth of regional policies can appear nebulous to local interests.

The 1997-2010 Labour Government had set out to ‘modernise’ public service delivery through a plethora of reforms intended to ‘join up’ government activity. This included repeated attempts to speed up the planning system as well as the transfer of administration of European funding from GORs to RDAs, which helped align and ‘match’ European monies with the RDA’s single pot of regeneration funding. Nevertheless, the succession of attempts to integrate policies and programmes tended to further complicate an already confusing institutional landscape. The Government’s Review of sub-national economic development and regeneration (HM Treasury, 2007) encouraged sub-regional (as well as regional) planning and collaboration under which local authorities entered into ‘voluntary’ agreements, especially in recognised City Regions.

Prior to their demise, RDAs had been handed additional responsibilities under Gordon Brown’s Labour Government. One of these tasks was a more prominent role in the statutory planning process, including joint responsibility alongside locally elected leaders for devising a Regional Strategy (RS) (Townsend, 2009). This was intended to ‘integrate’ Regional Economic Strategies (RESs) and Regional Spatial Strategies (RSSs). The former had provided the overarching framework for securing RDA ‘single pot’ and European funding, whereas the latter had provided the machinery for strategic co-ordination of local authority plans and major development applications. Alas, the initiative to integrate planning and economic development at the regional scale never materialised, as they were part of the swathe of regional policy functions – summarised in Table 1 – that were deemed superfluous post-2010 general election.

To summarise Table 1, the criticisms of strategic planning and regional governance were aimed at its perceived cumbersome and technical nature and democratic credentials, which are closely related to community engagement and participation.

An alternative view (for example, voiced in recent roundtable debates hosted by the TCPA), revealed ‘that there was a surprising level of consensus about the value of strategic planning for all sectors’ (TCPA, 2013). This is consistent with the views expressed in an earlier TCPA (2010) publication:
“The challenges confronting the country, from infrastructure investment, housing and climate change to addressing social inequalities, require an overall framework to provide a context for decisions at any scale. Such an instrument, to be approved by Parliament, would readily provide the opportunity to identify those large areas where strategic effort is needed. It would not need to cover everywhere. Some areas might be whole city-regions, others might be parts of conurbations, or areas of great change; coastal areas, clusters of towns for instance.

Large-scale area planning is not determined by top-down imposition; rather it emerges by integrating local plans into coherent frameworks. Effective large area planning strategies reduce costs to both public and private sectors, secure efficiency savings, and protect the environment. They can:

- Provide certainty and generate confidence for private investors.
- Set clear priorities for public expenditure.
- Make best use of resources and specialist skills in plan-making.
- Align public and private investment, and national and local spending plans.

Absence of linkage between high-level national policy and local planning is neither practical nor in the best interests of the sustainable development of a competitive nation. The case for a middle strategic tier is based on the hard reality that many planning issues are most efficiently and effectively dealt with at a sub-national and sub-regional rather than at local level.”

Within a strategic framework, at a larger-than-local scale it is possible to prioritise development schemes in a manner that shares and minimises negative externalities from a wide range of necessary developments, due to being able to make policy-decisions at a wider geography. Diverse policies, initiatives and investment decisions are expected to be planned in a manner that accounts for the spatial implications and opportunities of each, which strategic planning can facilitate. Regional targets appear to have been discredited, at least for the time being. Nevertheless, as a very basic point, housing in one district may be complementary to employment growth in the adjoining one. Thus constraining housing delivery could significantly hinder economic recovery. Alternatively, undue speculative activity in some localities, including major retail development in one district area, could destabilise the wider urban land economy (Pugalis & Townsend, 2010).

In a way that indicates ways of ‘Filling the Strategic Void’, the TCPA (2013) suggest that the future consideration of strategic planning should be based on the following five principles:

- Functionality: The argument in favour of strategic planning is not ideological, but a reflection of England’s real functional geography. This geography is complex and, in almost every case, does not align well with local government boundaries.
- Accountability: Strategic planning must be accountable to the public. Direct accountability is vital to secure both a long term and legitimate agreement about future strategic priorities and the funding to secure their implementation.
- Subsidiarity: Planning decisions should always be devolved to the most appropriate local level. Strategic planning must therefore be genuinely strategic, dealing with issues which do not simply cross borders which relate to the geography of river catchments, travel to work
areas and housing markets. It should be a support for local action and reflect legitimate national priorities, agreed by parliament.

- **Statutory:** A legal basis for strategic planning is vital if it is to be effective. Strategic plans should be legal requirement. Even if they are not produced as a development plan, then local plans would have to have regard to their content. (Investor confidence)
- **Capacity:** If strategic planning is to be effective then planners must have the capacity and skills to do it.

Swain et al. (2012) come to similar conclusions with regard to the need to re-introduce strategic planning, particularly with respect to under-bounded local authority areas.
3. Local Enterprise Partnerships: Background

Before providing an initial analysis of the planning roles and potential of LEPs as a strategic mechanism for enabling economic growth and sustainable development, as well as exploring the potential of alternative strategic mechanisms, it is important to set out the background to LEPs. This is particularly important as the role, remit and purpose of LEPs differ across each partnership and are dependent on whom one speaks with. Indeed, different arms of Whitehall have different expectations.

As voluntary public-private partnerships comprised of business, local government and other actors, and expected by government initially to have a geographic reach of two or more upper-tier authorities, LEPs were espoused as the new scalar solution; operating somewhere above the local but below the national tier of government, providing various kinds of collaborative economic leadership and supporting businesses (HM Treasury & Business Innovation and Skills (BIS), 2013; Pugalis & Townsend, 2012).

Their broad development remit of stimulating local growth – including influencing planning, housing and infrastructure policy domains – is encouraged to take a locally distinct form, with government refraining from prescribing definitive roles, although LEPs are encouraged to bid for national funds and initiatives, including Enterprise Zones. Yet, in practice (noticeable over their first two years of operation) the apparent ‘local choice’ and ‘freedoms’ were curtailed by a lack of funding and legislative-policy levers, one which pointed some LEPs towards bidding into limited short-term opportunities, possibly at the expense of seeking to address longer-term structural challenges.

LEPs were promoted by central government as a mechanism for providing economic leadership that might wish to engage in a fairly open ‘menu’ of policy pursuits and activities related to engendering economic growth, so long as they can resource it. Thus, LEPs are a key element of the Government’s local growth policy that seeks to ‘shift’ power to local communities and businesses, tackling barriers to growth that the market would not address itself. In some respects, LEPs can be and are viewed as a vehicle for tackling planning barriers. LEPs can equally be seen as a policy response to depleted public finances.

Over their first few years of operation, there has been less clarity about what they will actually do, although since 2013 they have been given more specific responsibilities and resources.

The role of LEPs

We are asking local partnerships, led by business, to develop a strategy for growth that uses and grows local talent, meets the needs of local people, and helps to contribute to national economic growth.

(HM Government, 2010b: 9).

The role of LEPs, outlined in the above ‘invitation’ letter, was to “…provide the strategic leadership in their areas to set out local economic priorities”. As cross-boundary entities, this letter stated that LEPs should produce a ‘clear vision’ for their area setting out ‘local economic priorities’. Providing the ‘strategic leadership’ for their functional economic space, the letter stated that they will play a key role in delivering the governments’ commitment to “…rebalance the economy towards the private sector”.

The majority of submissions identified workforce skills and inward investment as key local priorities and therefore expected the LEP to play a decisive role. In terms of planning as a key priority for LEPs,
this was less visible during the bidding stage for LEP status. Nevertheless, Government did note that: “Many of the outline partnership proposals have identified a clear interest in undertaking strategic planning functions linked to infrastructure delivery, overcoming barriers to development delivery and co-ordinating approaches to investment” (HM Government, 2010b: 49). During the bidding stage, some partnerships referred to strategic transport, housing and employment planning, and many others pitched to produce a strategic economic vision and other strategic frameworks (see Table 2).

**Table 2. Common characteristics of original LEP bids**

<table>
<thead>
<tr>
<th>Key themes</th>
<th>Common characteristics</th>
</tr>
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<tbody>
<tr>
<td><strong>Role</strong></td>
<td>Many bids considered the principal role to be that of strategic leadership Terminology, such as ‘influencing’, ‘advocacy’, ‘support’ and ‘enabling’, was frequently mentioned</td>
</tr>
<tr>
<td><strong>Scope and priorities</strong></td>
<td>Most proposals tended to reflect the enterprise brief set out in the invitation letter, although addressing locally specific priorities featured prominently in many bids Some proposals used the Government’s language of ‘rebalancing the economy’ to frame their priorities</td>
</tr>
<tr>
<td><strong>Form</strong></td>
<td>The proposed form of LEPs tended to be either an informal partnership arrangement, often supported by a LA acting as accountable body, or an entity with a legal personality, such as a company limited by guarantee</td>
</tr>
<tr>
<td><strong>Functions</strong></td>
<td>Beyond those functions identified by the Secretaries of State for Communities and Local Government, and for Business, Innovation and Skills, such as housing, planning and transport, other functions including access to finance, supporting business start-ups and developing a low carbon economy were frequently identified in bids Functions identified by Government to be delivered nationally particularly inward investment, were considered crucial to the workings of LEPs in many cases</td>
</tr>
<tr>
<td><strong>Private sector support</strong></td>
<td>Most propositions claimed to have private sector backing, with some utilising signatories as ‘evidence’</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>The majority of bids mirrored the Government’s guidance by proposing a private sector chair and equitable board representation across the public and private sector Many propositions were explicit about their intention to secure further/higher education representation at board level Most bids were silent on the matter of voluntary, community and third sector representation at board level A number of bids intended to employ Employment and Skills Boards</td>
</tr>
<tr>
<td><strong>Business representation</strong></td>
<td>Some bids had clearly thought of different mechanisms and processes to engender broader business engagement beyond those nominated to comprise the board</td>
</tr>
<tr>
<td><strong>Geography</strong></td>
<td>Almost all submissions were composed of at least two upper-tier authorities,</td>
</tr>
</tbody>
</table>
Boundary disputes
There were competing bids covering similar and/or overlapping geographies. Numerous LAs were included in two or more LEP submissions.

Cross-boundary working
Many propositions recognised the need for working across LEP boundaries, primarily with immediate neighbours but also with LEPs across other parts of the country with similar sectoral strengths. Some LEP bids proposed confederated working arrangements and others set out to work within a regional framework.

Existing partnerships
It was common for LEP submissions to recognise the need to build on existing partnerships, though not necessarily mirror existing geographies: although some LEP bids are remarkably similar to sub-regional governance entities established under the previous Labour Government, such as Multi-Area Agreements.

Governmental relations
Several propositions were explicit about the need to work closely with specific government departments and agencies.

Staffing arrangements
Due to budget constraints and uncertainty of funding, most submissions outlined an expectation that secretariat support would be kept to a minimum.

Funding and other sources of finance
Consistent calls for accessing the Regional Growth Fund have been made. Several bids suggested that they would consider pooling public sector resources and there was significant interest in place-based budgeting.

Assets
Consistent calls were made through LEP bids for taking on the ownership of RDA physical assets, such as land and property.

Adapted from: Pugalis (2011).

The Government encourages LEPs to collaborate “…in respect to transport, housing and planning as part of an integrated approach to growth and infrastructure delivery” (HM Government, 2010b: 13). The Local Growth White Paper set out a lengthy list of diverse roles that LEPs may wish to undertake, including:

- Strategic planning role, including the production of strategic planning frameworks.
- Making representation on the development of national planning policy.
- Ensuring business is involved in the development and consideration of strategic planning applications.

Indeed, the White Paper was explicit that: “[LEPs] will be free to work with partner planning authorities to develop strategic planning frameworks to address economic development and infrastructure issues. If constituent local authorities agree, they may also wish to take on other planning related activities, including enabling the timely processing of applications for strategic development and infrastructure” (HM Government, 2010b: 26). The Government went on to confirm that: “[LEPs] could take on a strategic planning role linked to their objectives of fostering sustainable economic growth …Partnerships will be free to develop strategic planning frameworks to address economic development and infrastructure issues which relate to economic geography. They
may also wish to take on other planning related activities, including enabling the timely processing of applications for strategic development and infrastructure” (HM Government, 2010b: 49).

The White Paper also states that local authorities are uniquely placed, via politically accountable leadership, to bring stakeholders together from across all sectors, and suggests that they may wish to perform key roles, including:

- Leadership and coordination using their community leadership role and planning powers to set out a clear framework for local development, helping to provide certainty for business and investment, overcome coordination failures and manage externalities and competing interests.
- Directly and indirectly influencing investment decisions via the use of statutory powers, particularly through the planning system, which are key determinants of businesses’ ability and confidence to invest.

Whilst government guidance was limited, there was a steer that the geography of LEPs should be based on new spatial imaginaries distinct from those of the redundant administrative regions of England, together with an explicit preference for partnership configurations to reflect ‘natural economic geographies’ (Cable & Pickles, 2010). In the White Paper, government recognise that: “Planning issues often affect communities spanning traditional administrative borders” and thus argue: “That is why local enterprise partnerships can take on a vital role in working with neighbourhoods and local authorities to foster sustainable economic growth” (HM Government, 2010b: 26).

By the end of 2011, a total of 39 LEPs had been approved, covering every part of England while some local authorities are members of two LEPs as depicted in Figure 1. Contrary to original ministerial guidance, some propositions composed of a single upper-tier authority were accepted at this stage (e.g. Cumbria), while some overlapping rival proposers settled to enter one LEP.

There clearly remains a great range in the nature and size of LEPs. The eventual average size of LEPs outside the boundaries of Greater London is a total population of 1.17 million (or 1.30 million after allowing for population located in two LEPs). The four largest LEPs, those of London, the South East, the Leeds City Region and Greater Manchester each have a greater working population than the smallest of the previous English regions, but eight have less than 300,000 jobs. The most self-contained LEPs comprised either (i) relatively isolated areas, that is Cumbria (95.5%) and the North Eastern LEP (94.8%), or (ii) extensive concentrations of population, in Leeds City Region (94.1%) and Heart of the South West (93.5%) (see Table 3 below). The most divided, in terms of having ten or more centres of official Travel-to-Work Areas located in a single LEP territory and therefore lacking internal travel cohesion, are the more rural areas.
Table 3. The largest and smallest approved Local Enterprise Partnerships

Workplace employed population, year-ending September 2011

(Source: Labour Force Survey)

% Column shows self-containment in 2001

(Source: 2001 Census, % of resident working population working within area)

<table>
<thead>
<tr>
<th>Largest LEPs (ranked)</th>
<th>Number</th>
<th>%</th>
<th>Smallest LEPs (ranked)</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>4,150,800</td>
<td>93.2</td>
<td>Buckinghamshire</td>
<td>188,300</td>
<td>65.9</td>
</tr>
<tr>
<td>South East</td>
<td>1,520,600</td>
<td>80.5</td>
<td>Worcestershire</td>
<td>212,300</td>
<td>75.1</td>
</tr>
<tr>
<td>Leeds City Region</td>
<td>1,304,500</td>
<td>94.1</td>
<td>Cornwall and the Isles of Scilly</td>
<td>235,100</td>
<td>91.7</td>
</tr>
<tr>
<td>Greater Manchester</td>
<td>1,148,600</td>
<td>90.6</td>
<td>Cumbria</td>
<td>239,300</td>
<td>95.5</td>
</tr>
<tr>
<td>Derby et al.</td>
<td>874,900</td>
<td>87.5</td>
<td>Tees Valley</td>
<td>262,200</td>
<td>88.9</td>
</tr>
</tbody>
</table>

Source: Adapted from Pugalis & Townsend (2013a); note that equivalent data to the 2001 Census were not released at time of writing.

Continuity in these recent partnerships is shown by the geographies of some LEPs being remarkably similar to those of antecedents, including metropolitan and other counties counties established in 1974 and since divided into unitary council areas, and more recent governance experiments such as City Regions. Indeed, in some places the geography of the LEP mirrors or is closely aligned with the geographical template used for strategic planning accords (e.g. the Black Country).
Figure 1. The geography of Local Enterprise Partnerships
The governance of LEPs

Government guidance indicates that business and civic leaders need to work together to ensure effective governance (HM Government, 2010b). The Government expects to see business representatives form half the board, with a prominent business leader in the chair, and suggests that partnerships will want to work closely with universities, further education colleges and other key economic stakeholders, including social and community enterprises. Crucially, central government has not defined local enterprise partnerships in legislation. Instead, the constitution and legal status of each partnership is a matter for the partners, informed by the activities that they wish to pursue.

Local authority leaders have a more prominent role in governing the activities of LEPs than they did in respect of RDAs, yet LEPs suffer the same democratic deficit as RDAs. Namely, unelected business interests dominate and local authority leaders are not elected to govern beyond their administrative area. The consequences of a lack of political oversight and political capital has led to the demise of numerous antecedent arrangements, as RDAs would attest.

The majority of LEPs are not embarking on participatory forms of democracy or community governance. While some LEPs have taken tentative steps towards strengthening connections with pre-existing and broader frameworks of governance, and there is a close link with the Greater Manchester Combined Authority, others are content with stand-alone systems, as in the case of Coventry and Warwickshire, which consider the board appointment of democratically-elected local authority leaders to provide necessary legitimacy and accountability.

To date LEPs have experimented with a range of organisational arrangements, which can be conceptualised as a continuum from informal, loose associations to formal companies with legal status.

Changing roles and new responsibilities

Over the past 18 months, some important decisions have been made that have changed the remit of LEPs quite dramatically as they have been handed new responsibilities and additional resources.

Pertaining to leave ‘No Stone Unturned in Pursuit of Growth’, Lord Heseltine’s Review challenged the Government to back LEPs through a series of hard hitting recommendations and some radical proposals, including a £49 billion Single Pot Growth Fund allocated over a 4 year spending period (Heseltine, 2012). His first recommendation was for central government to identify the budgets administered by different departments which support growth, and for these to be brought together into a single funding pot for local areas, without internal ring fences. Other notable recommendations included:

- Recommendation 3: Government should streamline its management of EU Common Strategic Framework funds in England, strip out the bureaucracy of multiple programmes and align local allocations from the four funds with the single funding pot.

- Recommendation 4: Taking full account of the Government’s national growth strategy, all LEPs, in collaboration with local stakeholders, should lead the development of a long term strategy and business plan for their area that will be used to bid for economic growth funds from central government.

- Recommendation 5: The Government should allocate LEPs up to £250,000 of new public funding, resourced through departmental efficiency savings and underspends, in each of
years 2013/14 and 2014/15 specifically to devise their local economic strategies, and create the foundations for their implementation.

- Recommendation 7: In light of the new role and vision for LEPs, each LEP should ensure that their board has the necessary skills and expertise to deliver their expanded functions and pay particular attention to the representation of employees from both private and public sector.

In terms of the recommendations relating to a LEP growth strategy, Heseltine argued that LEPs required more adequate resourcing which: “…must be used to hire professional private sector planners as part of a deliberate attempt to spread best practice, engage private sector expertise and avoid LEPs being entirely dependent on the already stretched planning departments of their local authorities” (Heseltine, 2012: 46).

Although central government has accepted the majority of Heseltine’s recommendations (HM Treasury & Business Innovation and Skills (BIS), 2013), including a Strategic Economic Plan, the Government’s Single Local Growth Fund has fallen way short of Heseltine’s ambitions. The Government has only guaranteed at least £2 billion a year over the next Parliament. Nevertheless, each LEP will have access to £250,000 over 2013/14 and 2014/15 to develop and oversee their EU Structural and Investment Fund (SIF) Strategies and Strategic Economic Plans. LEPs, as of early 2014, have a greater role in driving the local growth agenda than that originally set out in 2010 (see Figure 2 for a summary).

**Figure 2. An expanding role: key milestones**

- **October 2012:** Heseltine Review was published.
- **March 2013:** Government response to the Heseltine Review was published.
- **July 2013:** SIF Strategies and Growth Deals guidance were issued.
- **October 2013:** LEPs submitted first draft of SIF Strategies to government and LEPs to submit progress report to government on Strategic Economic Plan development.
- **December 2013:** LEPs shared the first draft of their Strategic Economic Plans with government and in public consultation.

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January 2014: Final drafts of SIF Strategies to government and government to feedback to LEPs on their first draft Strategic Economic Plans.
March 2014: Final drafts of Strategic Economic Plans to be submitted to government.
July 2014: Local Growth Fund offer made to LEPs and Growth Deal negotiations completed
April 2015: Growth Deals to be implemented.
```

From 2014, LEPs will be engaged in implementing SIF Strategies, which carries substantial amounts of EU funding for some LEP areas. For example, during the programme period 2014-2020, Cornwall and the Isles of Scilly have been allocated €600 million and Greater Manchester has been allocated over €400 million. These Strategies also broaden the policy scope of LEPs beyond business growth and skills, to include other policy issues such as social inclusion and rural development. The new role of LEPs in directing EU Structural Funds towards priorities in accordance with their SIF Strategies means that engagement with a broader cast of actors, beyond private business interests, is now crucial.

From 2015, LEPs will have access to resources from the Government’s Single Local Growth Fund (Single Pot), although the exact offer of resources and or flexibilities will be subject to an iterative
negotiation known as the Growth Deal. These deals, which are distinct from City Deals, will be informed by the quality of multi-year Strategic Economic Plans, governance and capacity. Therefore, it is anticipated that LEPs which develop strong Strategic Economic Plans that are deliverable and are supported by strong governance and arrangements for local accountability, will benefit in three ways:

1. They should receive more money;
2. They will earn local accountability;
3. Wider powers and responsibilities.

The Government also indicates that effective delivery in the first year will influence Growth Deal commitments over future years (HM Government, 2013).

There is no set format for Strategic Economic Plans, but they will be assessed against the following criteria:

- **Ambition and rationale**: clear evidenced-based logical argument as to how the proposed solution will address the problems and opportunities identified.
- **Value for money**: government expect a clear explanation of costs, income streams and expected outputs, consideration of how these unit costs compare to alternative interventions and justification of any higher cost approaches.
- **Delivery and risk**: clear and effective arrangements for decision-making, resource allocation and delivery, and accountability.

Strategic Economic Plans are expected to provide a reasonable level of detail about the individual interventions which make up the overall programme. The Strategic Economic Plans are also expected to contain three discrete elements: a growth plan, implementation plan and delivery plan (HM Government, 2013). For the growth plan element, government has offered the following checklist reproduced in Figure 3.

**Figure 3. Growth plan checklist**

- **Vision**: for the local area.
- **Strategic objectives**: these objectives should be SMART. For instance, they should be time bound and include indicators and targets.
- **Area opportunities for growth**: diagnosis, evidence and support (based on the Local Enterprise Partnership’s and local leaders’ understanding of the area’s competitive advantage, and unique combination of strengths and challenges).
- **Area barriers to growth (market failures)**: diagnosis, evidence and support.
- **Evidence**: that proposed interventions (both interventions and flexibilities) are appropriate to address market failure based on a clear evidence base and logical chain.
- **Explanation**: of why the proposed solutions are optimal; consideration of alternatives.


LEPs have also been handed increasing responsibility for housing as a result of the Government proposing to give them a share of the New Homes Bonus incentive that councils receive for every new home added to their council tax register. The result of this change is that LEPs will have a significantly expanded role, from that of direct support for business-led growth to a more holistic growth programme encompassing resource efficiency and arguably social inclusion, amongst other things. The broad form of LEPs is summarised in Table 4.
There have been repeated warnings about expanding functions and ‘mission creep’ (APPG on Local Growth, 2013) on several grounds such as those relating to capacity issues, maintaining a clear focus and democratic credentials. It will be important to hear from LEPs themselves on whether they consider a strategic planning role to be a natural progression or possibly a step too far.

Table 4. The form of LEPs

<table>
<thead>
<tr>
<th>Role</th>
<th>Governance</th>
<th>Size</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide strategic leadership</td>
<td>• Non-statutory partnerships</td>
<td>• Better reflect the natural economic geography; covering the real functional economic and travel to work areas</td>
<td>• Minimal state funding during first two years</td>
</tr>
<tr>
<td>• Set out local economic priorities and a clear vision</td>
<td>• Collaboration between business and civic leaders, normally including equal representation on the boards of these partnerships</td>
<td>• Expect partnerships would include groups of upper tier authorities, which would not preclude that which matches existing regional boundaries</td>
<td>• Expected to leverage private sector investment and utilise other forms of funding</td>
</tr>
<tr>
<td>• Create the right environment for business and growth</td>
<td>• A prominent business leader expected to chair the board</td>
<td></td>
<td>• Pivotal role in allocated European Structural Funds from 2014 and resourced via Local Growth Fund from 2014</td>
</tr>
<tr>
<td>• Tackle issues such as planning and housing, local transport and infrastructure priorities, and employment and enterprise</td>
<td>• Sufficiently robust governance structures</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Proper accountability for delivery by partnerships</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. The forms and styles of planning that LEPs are engaged in

The Communities and Local Government Committee (CLG) Inquiry into the Abolition of Regional Spatial Strategies suggested that LEPs ‘may fulfil a planning function’ (HOC (House of Commons), 2011). This generally accords with broad statements from the Government and other stakeholders that LEPs could or may wish to take on a planning role. Yet, the precise forms and styles of planning that LEPs are engaged in remains less clear.

Why might LEPs take on a strategic planning role?

Firstly, LEPs may provide one of potential several forums in which all aspects of the future development of an area wider than a single local planning authority can be considered together (Pugalis & Townsend, 2010). This is more evident in the case of emerging Combined Authorities, mainly based on previous Metropolitan Counties. Nonetheless, in covering defined areas of some size, they provide the opportunity to map out land use and transport plans in a wider statutory planning system.

Secondly, LEPs present an opportunity for the strategic consideration of non-local, sub-national, economic planning matters. The previous Government responded to business and HM Treasury directives in legislating for joint economic and spatial strategies (i.e. Regional Strategies). They did not last long enough to be broadly judged, but the lesson to learn is that there needs to be full economic input into planning, and vice versa, just as there also needs to be full social and environmental input. In the words of the National Planning Policy Framework:

“These roles should not be undertaken in isolation, because they are mutually dependent. Economic growth can secure higher social and environmental standards, and well-designed buildings and places can improve the lives of people and communities. Therefore, to achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. The planning system should play an active role in guiding development to sustainable solutions.” (Communities and Local Government (CLG), 2012: 8).

Thirdly, LEPs could prove invaluable as a co-ordinator of implementation. While not a delivery tool in itself, it could be more appropriately conceived as the framework that enables the spatial delivery of activities, including its new role as distributor of Structural Funds from 2014 and Growth Deals from 2015.

LEP planning-related functions

During the crafting and development of LEP bids, explicit requests for statutory planning powers were rare. More often, proposals outlined prospective ‘planning’ roles (as they did other priorities and activities) in an extremely loose sense. See Table 5 for an overview of the primary role(s) of LEPs in relation to national responsibilities). Given the compressed submission timeframe and lack of guidance, this may have been a purposeful tactic to allow future flexibility.
Table 5. The primary planning role(s) of LEPs in relation to national responsibilities, as per government guidance

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Possible role(s) of LEPs</th>
<th>Central government responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning</strong></td>
<td>Coordination role</td>
<td>National policy in the form of a National Planning Framework</td>
</tr>
<tr>
<td></td>
<td>Potential for the same area – through joint Planning Committees - to take on statutory planning functions, including determination of applications for strategic development and infrastructure</td>
<td>Determination of infrastructure and planning decisions of national importance within the LEP area</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>Strategy formulation and engagement with local transport authorities on their local transport plans Cross-boundary co-ordination of bids to the Local Sustainable Transport Fund Support for the delivery of national initiatives</td>
<td>Digital connectivity led by Broadband Delivery UK</td>
</tr>
<tr>
<td><strong>Sectors</strong></td>
<td>Provide information on local niche sectors</td>
<td>Leadership on sectors of national importance and the development of low carbon supply chain opportunities Support for national Manufacturing Advisory Service</td>
</tr>
</tbody>
</table>

Adapted from: Pugalis & Townsend (2013b).

Since the approval of LEPs began in late 2010, some (if not all) LEPs have begun to influence planning decisions and process in a number of different ways (see Box 1). This is perhaps not surprising given that a 2012 Federation of Small Business survey of their members revealed that 23 per cent called for LEPs to focus on strategic planning and development.
Box 1. Five ways that LEPs are influencing planning

1. LEPs have been asked by the government to produce Strategic Economic Plans. HM Treasury announced in June 2013 that: “Areas will be expected to ...support pro-growth reforms including a coordinated approach to spatial planning’ and that ‘local authorities must co-ordinate land use planning functions and align adopted local plans, across local authorities in a LEP area”.

2. The Government has also asked LEPs and councils to pursue local development orders (LDOs), which grant automatic planning permission for certain kinds of development in specified areas. In March 2013, the government announced LEPs and authorities should “...put in place bespoke approaches to land use planning ...including the use of LDOs for economically important projects”.

3. Several LEPs have drawn up business-friendly planning protocols aiming to speed up and improve the planning application process. These include commitments to make sure applications are dealt with as quickly as possible.

4. A few LEPs have embarked on drawing up non-statutory spatial plans for their areas, some of which set out housing and employment site ‘allocations’.

5. In 2013, the Government announced that LEPs would have increased responsibility over housing and consulted on proposals to pool £400 million from the New Homes Bonus to the Single Local Growth Fund.

Source: Adapted from PLANNING, 13 November, 2013.

According to the Department for Communities and Local Government, LEPs can complement the statutory role of LPAs by:

- Providing a powerful voice of business in the planning system.
- Leading the production of strategic frameworks that identify/align strategic economic priorities and guide infrastructure delivery.
- Providing a strong business role lobbying for key infrastructure investment.
- Producing evidence/technical assessments to inform decision-making.
- Facilitating decision making on strategic planning.

In terms of providing a powerful voice of business in the planning system, the role of LEP boards that includes business leaders and civic leaders has proved instrumental. Board meetings provide a mechanism to influence local planning priorities and decisions in a less formal and indirect manner.

As part of the Leeds City Region Deal, for example, the Leeds City Region LEP sets out to: “…deliver a much more business-friendly planning system’ as part of a supplementary proposal under the heading ‘Business Friendly Planning to Promote Growth and Development”. Other planning-related actions that the Leeds LEP is pursuing include preparing Local Development Orders to promote development in an Enterprise Zone, creating Strategic Planning Committees within authorities to deal with and fast-track major development applications, and developing a consultee role for the LEP Board to give it a valuable and clear public role in major planning decisions affecting economic growth and competitiveness. The Leeds City Region Deal prospectus concludes that they “…are keen to explore how we could better use existing and potential new tools and measures to help kickstart and accelerate housing delivery, as well as to explore other means to improve efficiencies and reduce costs within planning services” (Leeds City Region, 2012).

Greater Birmingham and Solihull LEP is a notable example where a LEP is producing a strategic framework or spatial plan. In late 2011, the LEP started the process of developing a strategic spatial
framework, known as the Spatial Plan for Recovery and Growth. It is being developed through collaboration between local planning partners in the LEP, which it is hoped will help local authorities to satisfy the Duty to Cooperate. As a non-statutory framework, it is intended to ‘provide a helpful context for individual local plans and core strategies rather than supplant them’ (see Figure 4). Thus, it is intended to work alongside existing and local plans. The consultation draft was issued in September 2013 and Greater Birmingham and Solihull claim that the Spatial Plan for Recovery and Growth will be subject to annual review and update.

Figure 4. Greater Birmingham and Solihull’s Spatial Plan for Recovery and Growth ‘Spatial Diagram’

a) The GBSLEP area showing the urban areas, Green Belt and strategic centres

b) Economic policies and initiatives

c) Housing proposals

d) Connectivity

e) Environmental initiatives

f) Linkages with adjoining LEPs and regions

In addition to those LEPs that are preparing softer forms of strategic planning frameworks, several groupings of local authorities are preparing joint planning strategies that broadly correspond geographically with their LEP (e.g. Greater Cambridgeshire & Peterborough, Greater Manchester and Tees Valley). As part of the Government’s submission of evidence to the House of Commons Business, Innovation and Skills Committee scrutiny of LEPs, the Government argued that: “Many LEPs have brought fresh and innovative thinking around supporting growth. Private sector members have, in particular, challenged public sector partners to do things differently to ensure a stronger focus on delivery; for example through streamlined local planning processes”.

However, other evidence focussed on the need for strategic thinking; for example: “LEPs need more resources and support from central and local government to develop their strategic planning roles and their local delivery roles” (RTPI evidence in HOC (House of Commons), 2013). Therefore, the role of LEPs acting as a conduit for providing a strong business role lobbying for key infrastructure investment appears to be one of the weaker ways in which they can enhance the planning system.

The importance of producing evidence/technical assessments to inform decision-making appeared to be in retreat in the immediate aftermath of the 2010 general election, in this as in some other fields. For example, local economic assessment guidance and associated milestones and monitoring were no longer required, although the duty remains in place (Shapps, 2010) as part of a broader rhetoric of ‘cutting bureaucracy’ and leaving the private sector to deliver. Yet, the need for a rigorous evidence-base has continued to resurface, especially when LEPs are bidding for government funding, as within SEPs, and as they seek to solidify relations within their new sub-national geographies (Pugalis & Carling, 2012). Several LEPs have comprehensive research bases and monitoring systems, which appear to be a growing feature of most LEPs as their strategy-making responsibilities expand. The North East LEP opted to undertake a high-profile economic review exercise (modelled on the Manchester Independent Economic Review). This was chaired by Lord Adonis and involved the commissioning of numerous technical or specialist reports, which has helped the North East to agree some spatial priorities and arrive at a stronger shared vision.

As LEP teams grow, in terms of core staff numbers, experience and expertise, some local planning authorities (especially the smaller ones with a now denuded research and policy staff) may look towards LEPs to provide the economic data and business intelligence to inform local planning decisions. Nevertheless, the research and strategy capacity across LEPs is non-uniform, hence an expectation that LEPs should provide this form of service could pose problems in some areas.

In terms of facilitating decision making on strategic planning advisory work, Stoke-on-Trent & Staffordshire and the Black Country LEPs have established a business friendly approach to planning, including planning and development charters. This has been described by the RTPI as “an outstanding example” in the case of a larger-than-local area that has “deliberately set out to devise and implement a business-friendly planning approach. This is making a real contribution to addressing widespread business concerns that ‘red tape’ often seems to delay and obstruct economically important development projects” (HOC (House of Commons), 2013). Similarly, Coventry & Warwickshire LEP has developed a protocol for planning applications in which it has formed a ‘contract of commitment’ with planning authority members within its area, to assist in the timely and efficient processing of applications. In addition, Worcestershire LEP has set up a support service for companies that are working with the planning system and Leicester & Leicestershire LEP has produced a Rural Planning Toolkit. There is clearly a great range of LEPs engaging in planning-related functions and seeking to influence the formal planning system.
Despite numerous positive examples of LEPs influencing planning and local planning authorities working with one another and with constituent LEPs, the planning status of LEPs remains unclear and is not always immediately transparent. Unfortunately, the recent request from central government for LEPs to prepare Strategic Economic Plans (including a spatial Growth Plan component) has not clarified matters. Civil service conference presentations have presented models of the seamless interweaving of SEP work and activities of statutory planning. One independent view suggests that Strategic Economic Plans, approved under European Union legislation, will thus perform a crucial role in the statutory planning system (Morphet and Pemberton, 2013). Lord Heseltine has mentioned that LEPs’ use of consultants outside the local planning authorities is essential to provide forward-looking capacity and vision, in particular to take a broad view of the LEP area that is less constrained by local authority boundaries and local politics. Yet, an alternative view is more circumspect about the ‘weight’ that these soft forms of plans will carry in the planning decision-making arena. Not only is the time-scale for both making and implementing Local Plans entirely different, but the Duty to Co-operate leaves each authority sovereign as the originator of land use changes in its area – a point to which we now turn.
5. Beyond LEPs: Alternative strategic mechanisms

Whilst the National Planning Policy Framework places a duty on local planning authorities to take account of the views of LEPs, a key issue for LEPs is that they possess no statutory basis for undertaking activities in the formal planning system. Above all, there has been a view, which has strengthened over time, that LEPs’ board membership and lack of statutory underpinning leaves them unaccountable for actually taking planning decisions. There is unease and a strong belief across different sectoral interests that LEPs should take on planning roles only in so far as it relates to the economy and employment. Simply because each LEP has a private sector chair and a majority board from the business community, LEPs are not a direct replacement for all the regional policy architecture that immediately preceded the 2010 general election.

Submitting evidence to the House of Commons Business, Innovation and Skills Committee scrutiny of LEPs, the LEP Network called for clarification of ‘the role that LEPs, as ‘preferred consultees’ under the National Planning Policy Framework, could play in shaping local spatial plans. It is essential that all members of the LEP (including local authorities with planning body status) – have a clear and common understanding of the role of the LEP as being able to provide challenge where plans are not sufficiently pro-growth in outlook’ (HOC (House of Commons), 2013). For example, some districts have expressed concern that they are ‘two steps’ removed from LEP decision-making arenas. On the other hand, the RTPI suggested that “LEPs are out on a limb” divorced from key public activities such as planning. So whilst many of these organisations may be members of LEPs, they remain “…separate bodies with their own accountabilities… A casualty of this independence is that few LEPs have integrated their economic strategies with local planning strategies” (HOC (House of Commons), 2013). Yet, as Ward & Hardy warn:

\[\text{One of the issues that sealed the fate of the RDAs was the attempt, in the closing phase of the Labour government, to merge the separate regional economic and spatial strategies into single, integrated, regional strategies. (Ward & Hardy, 2013: 6).}\]

It is clear that the potential pitfalls that applied to the joint public-private sign-off of Regional Strategies by the RDA and the Leaders’ Board persist. The narratives of ‘regionalism’ and ‘localism’ may have altered the scale of policy organisation, but it has done little to address the English question of how to conduct strategic planning in a democratically accountable and business-friendly manner. A key concern with some LEPs is the absence of district involvement. This might be judged as a failure of management basically which needs redressing rather than a fault design-in to the constitution of LEPs. Having alluded to the potential dangers of LEPs taking on a more prominent formal planning role, it is worth examining the potential of alternative strategic planning mechanisms.

Among present partnerships between local authority areas, including notably some ‘City Regions’, there are firm precedents for a successful approach to strategic planning, though one which falls short in every case so far of having a joint planning committee for a LEP or similar area. Political conditions have been propitious and the need clearly exists in a number of areas that largely coincide with pre-existing but now de-merged counties, for example the Tees Valley. Alternative strategic mechanisms for combining economic growth and sustainable development, for example through joint working arrangements or Combined Authorities have arisen in areas where there also exists a history of continuous collaboration, for example Greater Manchester. Table 6 outlines some of the most notable alternative mechanisms that are currently in use.
Table 6. Alternative strategic mechanisms

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Legislation</th>
<th>Functions/Expectations</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duty to Cooperate</strong></td>
<td>2011 Localism Act</td>
<td>The Duty to Cooperate seeks to ensure that local planning authorities produce strategic planning effectively through their Local Plans, addressing social, environmental and economic issues that can be addressed effectively only by working with other local planning authorities beyond their own administrative boundaries.</td>
<td>Greater Birmingham and Solihull</td>
</tr>
<tr>
<td><strong>Joint Planning Committee</strong></td>
<td>1972 Local Government Act s101 Planning and Compulsory Purchase Act s29</td>
<td>Plan-making (and potential for certain development management functions). Do not necessarily cover the same geography as a LEP.</td>
<td>Greater Cambridge/Greater Peterborough (although the joint unit doesn’t cover the whole area of the LEP)</td>
</tr>
<tr>
<td><strong>Combined Authority</strong></td>
<td>2009 Local Democracy, Economic Development and Construction Act s109</td>
<td>As a corporate body with legal personality and powers in its own right, providing a stable mechanism for long term strategic decision collaboration between relevant local councils as well as other partners. Combined authorities currently have a ‘function related general power of competence’ provided to them under Chapter 3 of Part 1 of the 2011 Localism Act.</td>
<td>Greater Manchester</td>
</tr>
<tr>
<td><strong>Strategic Planning Charter/Accord</strong></td>
<td>Non-statutory</td>
<td>A loose and flexible agreement to work towards shared principles and agreed priorities.</td>
<td>Stoke-on-Trent and Staffordshire</td>
</tr>
</tbody>
</table>
Each alternative mechanism offers potential and particular advantages, but each is also beset with their own limitations. In general, the northern examples of emerging Combined Authorities provide strong prospects for statutory joint planning across LEP areas, in which the LEP itself may emerge as the economic consultees for area-wide plans, which in turn might use 2004 and 2009 legislation for having joint planning committees, at least for major applications.

Elsewhere, the prospects for LEP-wide co-ordination appear to be based on soft planning principles. Joint Local Plans exist, for example for smaller areas in and around both Norwich and Cambridge, but are effected through separate district committees. Burrall (2013) explains how three component districts of the greater Norwich area set up a joint Core Strategy which called for the development of 37,000 new homes around Norwich was heavily delayed by judicial review and is still meeting objections from parish councils. Otherwise, a semblance of strategic thinking is provided by the Duty to Cooperate. However, in an operational sense the Duty is still shrouded in ambiguity, and the subject of a now considerable number of Local Plan rejections by Planning Inspectors. Importantly, it is a duty to cooperate and not a duty to agree. Therefore, it may be ill-equipped to deal with strategic planning matters, such as the location and intensity of housing and employment sites. In this respect, the RTPI set out that: “The challenge for government in developing the LEP agenda and the new arrangements for strategic planning (through the Duty to Cooperate) is how to encourage and/or incentivise cooperation where there is strong resistance to it. One means of assisting this cooperation is to encourage LEPs to develop clearer and more effective arrangements for working together with the Local Planning Authorities and other public agencies in their areas. Another means of encouraging this cooperation would be to establish grant regimes where cooperation is a criterion for the allocation of funds.” The RTPI also recommend that: “LEPs should be required to cooperate with Local Planning Authorities in preparing and delivering spatial planning and economic development policies and programmes because LEPs are not at present included in the duty to cooperate” (HOC (House of Commons), 2013).

Often as a precursor to exploring the potential of alternative strategic planning mechanisms, local authority leaders have united to form Leaders’ Boards that tessellate or coincide with the LEP geography. For example, the North East Leaders’ Board was formed as a precursor to the announcement that they wish to form a Combined Authority. It is notable that while Scotland enjoys some administrative cooperation and success in the strategic plans for its four City Regions, and Wales is legislating for them for greater Cardiff, Swansea Bay and North Wales, there is no requirement to have joint plans for other areas in the two countries. Relating this to the strategic planning situation unfolding across England, it would appear that an uneven patchwork of formal and softer strategic planning mechanisms will continue to emerge over the foreseeable future.
6. Summary and next steps

As part of a broader examination of the planning roles and potential of LEPs (and alternative mechanisms) as a strategic means for enabling economic growth and sustainable development, this document has reported on Phase 1 of the study, which has analysed the historical position and development trajectory of LEPs. The following is a summary which outlines points to consider in phase 2, which will attempt to survey the changing position and prospects of LEPs.

LEPs clearly have an important strategic role in supporting investment confidence and championing economic growth, especially through their spatial priorities, support programmes and other initiatives. However, the role of LEPs vis-à-vis planning remains unclear (Pugalis & Townsend, 2010, 2013b; TCPA, 2013). Roundtable debates recently hosted by the TCPA reached a degree a consensus in “...that LEPs had limited opportunities to play a meaningful role in strategic planning because of their lack of accountability and, in some cases, their ‘odd’ boundaries. However, there was also a view that while LEPs could never have statutory planning powers, their role in supporting planning could be evolved to become a useful part of the evidence base. It was also considered that the increasing EU obligations applying to LEPs from 2014 may force a resolution of issues relating to accountability and spatial competence” (TCPA, 2013). Clearly, the debate remains open and will continue, especially as the role of LEPs continues to evolve and further changes to the planning system are introduced.

LEPs are not necessarily as novel as is often thought. There is already a number of articles analysing their scope and formation, but the focus of this report has been in demonstrating a complementary point, how their remit, responsibilities and constitution may interface with the planning system in direct and less direct ways. The key findings and points to note can be summarised as follows:

The form of LEPs

- LEPs are non-statutory entities without a clearly defined role in the formal planning system.
- They are voluntary public-private partnerships comprised of business, local government and (increasingly) other actors.
- Each LEP has its own locally-devised constitutional and governance arrangements.
- Some local authority leaders sit on LEP boards but councillors are not democratically elected to serve at a larger-than-local geography.
- The open menu of policy areas that LEPs could cover includes planning amongst a range of other domains such as transport, tourism, economic development and business support, and housing.
- Some LEPs have overlapping territories, which can increase complexity but also offers the potential for enhanced flexibility and new ways of working.
- A non-uniform development trajectory of LEPs continues to unfold.
- The Government does not intend to define LEPs in legislation.
- LEPs, as of early 2014, have a considerably greater role in driving the local growth agenda than that originally set out in 2010.
- New responsibilities include the development of EU Structural and Investment Fund (SIF) Strategies and the production of Strategic Economic Plans.

The role of LEP in relation to planning

- The precise role of LEPs is subject to local discretion, although there are several common characteristics.
Whilst the National Planning Policy Framework places a duty on local planning authorities to take account of the views of LEPs, a key issue for LEPs is that they possess no statutory basis for directly making decisions in the formal planning system.

The lack of direct democratic mandate for LEPs may place limits on any extension of their planning role.

Since the approval of LEPs began in late 2010, some (if not all LEPs) have begun to influence planning decisions and processes in a number of different ways.

Many LEPs have explored and piloted different planning roles, although some LEPs remain more hesitant to engage in this politically charged policy domain, which many local authorities regard as being entirely their domain.

It is apparent that LEPs can provide a flexible framework both for deployment of economic resources over the period of one parliament, extending to 4 years in current Strategic Enterprise Plans, and provide advisory frameworks which constituent local planning authorities might frame local plans, subject to equal weight being given to social and environmental objectives.

The potential for strategic planning is greater to the extent that some local authorities are preparing joint local plans across geographies that align with or are similar to those of LEPs.

A typology, against which LEPs can be examined in terms of planning functions, includes:

- A business perspective/voice – intended to inform and shape policies, decisions and funding.
- Lobbying – intended to influence policies, decisions and funding (as for major central government transport projects).
- Spatial visioning and ‘soft forms’ of spatial frameworks – intended to provide the strategic context for statutory local plans, to align strategic economic priorities and guide infrastructure delivery.
- Information, intelligence and evidence-sharing – intended to inform and shape policies, decisions and funding.
- Multi-area planning accords – intended to make the planning process more ‘business-friendly’ and speed-up the application process.
- A coordination role – intended to reach broad consensus over larger-than-local priorities, bring together different interests in the development process.

There are some firm precedents for a successful approach to strategic planning where political conditions are propitious and the need clearly exists. An example prior to the fairly short-lived example of Regional Assemblies was that of SERPLAN, the London and South East Regional Planning Conference.

Alternative strategic mechanisms include the Duty to Cooperate, Joint Committee arrangements, Combined Authorities and strategic planning accords or charters.

Each alternative mechanism offers potential and particular advantages, but each is also beset with their own limitations.

The Duty to Cooperate seeks to ensure that local planning authorities undertake strategic planning effectively through their Local Plans, including addressing issues that can only be addressed effectively by working with other local planning authorities beyond their own administrative boundaries. A key strength of the Duty is that it prompts action by the local planning authority itself, while also being capable of sanction by Planning Inspectors. Yet, this duty does not apply to LEPs and it is not a ‘Duty to Agree’.

A Joint Committee enables plan-making and (potentially) development management functions in two or more authorities. Their main shortcoming is that elements of joint plans are not necessarily passed by planning machinery in the shape of the constituent separate planning committees, appeals and judicial reviews.

A Combined Authority is a corporate body with legal personality and powers in its own right, providing a stable mechanism for long term strategic collaboration between relevant local
councils as well as other partners. Due to its statutory nature, it is not some form of collaborative venture that should be entered into lightly; it may emerge from many years of successful multi-authority collaboration.

- A Strategic Planning Charter/Accord aligns with the principles underpinning the formation of LEPs in that they are loose and flexible agreements that may help to establish shared principles and develop strategic priorities, however their primary weakness is that they have no legal or legislative basis.
- The narratives of ‘regionalism’ and ‘localism’ may have altered the scale of policy organisation, but have done little to address the question of how to conduct strategic planning in a democratically accountable and business-friendly manner in England.

LEPs have played a significant role as consultees for the Government’s growth agenda, particularly in brokering the selection of sites for Enterprise Zones, providing a programme management function for investing the national Growing Places Fund, and supporting applications to the Regional Growth Fund. However, there are distinct inherent problems from the present governance composition of LEPs, with its questionable democratic credentials. This caution points towards the limitations of LEPs under their present voluntary and non-elected constitution, for a statutory planning role.

There have been repeated warnings about expanding functions and ‘mission creep’ associated with LEPs (APPG on Local Growth, 2013), which is an outcome of uncoordinated central government ‘asks’ of LEPs, placing a steady build-up of new responsibilities on them. The planning functions dispensed by LEPs are unlikely in any case to be uniform and could be marginalised by some LEPs if they opt to concentrate on a narrow economic growth agenda.

It will be important to hear from LEPs themselves on whether they consider a strategic planning role to be a natural progression or possibly a step too far. The next stage of research, Phase 2, will continue to examine the potential of LEPs, from a limited start, to become part of a strategic mechanism to plan for growth. It will provide a comprehensive and up-to-date analysis of the planning roles that LEPs are focussed on, the challenges that they face and their ambitions for the future. Allowing that each of England’s 39 LEPs is markedly different, a mixed-method approach combining quantitative and qualitative analysis will be utilised, including a questionnaire survey, interviews and content analysis of Strategic Economic Plans. This will take place at an opportune time when LEPs are in the process of finalising their SIF Strategies and Strategic Economic Plans. The research approach for Phase 2 will provide for the application of common tests, broadly to assess the nature of LEP planning activities and the planning implications of Strategic Economic Plans.
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About the research

This report is based on research conducted for the RTPI by Lee Pugalis and Alan Townsend at Northumbria University and Durham University respectively, funded through the RTPI’s Small Projects Impact Research (SPIRe) scheme.

Further information

The report is available on the RTPI website at: www.rtpi.org.uk/spire

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