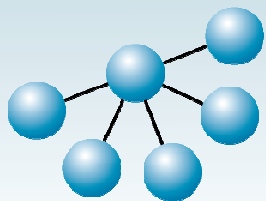


# Local Enterprise Partnerships

*How long might they last and what impact will they have?*

Patrick McVeigh

CLES Summit – July 2012



SHARED INTELLIGENCE

# Context is everything

- International and domestic recover still uncertain and growth projections are low
- National output not yet recovered to pre-recession levels
- ‘Double dip’ or depression but still not good and further exacerbates existing regional and local disparities
- Government still focused on deficit reduction and on-going pressure on public finances

# Economic development is a long term process

- Global macro-economic conditions can't be ignored
- Economic restructuring often intractable process
- Level of investment made by the public sector is only marginal at best
- Institutional change and leads to inefficiencies and a loss of momentum
- Local government is often the only constant but responsibilities non statutory

# Creating institutions is a political game

- MSC 1976-1988 = 12 years
- TECs 1989-2001 = 12 years
- RDAs 1998-2010 = 12 years
- LSC 2000-2010 = 10 years
- Business Link Service = 20 years and still going
  - 1992-1997 = 89 Business Link Partnerships
  - 1997-2000 = 45 Business Link Providers
  - 2000-2005 = 15 Business Link Providers
  - 2005-2010 = Regional Information, Diagnostic and Brokerage
  - 2010 = [www.businesslink.gov.uk](http://www.businesslink.gov.uk)
- LEPs 2010 - ???

## Doesn't have to be this way

- Urban Redevelopment Authority of Pittsburgh (1946)
- Boston Redevelopment Authority (1957)
- Philadelphia Industrial Development Corporation (1958)
- Scottish Enterprise (1991)
- Scottish Development Agency (1975 – 1991)
- Welsh Development Agency (1976 – 2006)

## LEPs – A new approach?

- Local Growth White Paper heralded LEPs as the key mechanism for promoting private sector growth and local job creation
- Provide strategic leadership on economic growth
- Real partnership between public and private sectors
- Focus on local priorities and not national targets

## Sounds familiar?

- TECs and RDAs both presented as part of a devolution agenda
- Both about bringing ‘strategic economic leadership’
- Both about a new partnership between the public and private sector

“The creation of TECs ...represented a significant devolution of power to the local level ...What was remarkable about the decision to create TECs was that it placed senior private sector leaders at the heart of the arrangements”

Graham, A (1995) The Accountability of TECs, Parliamentary Affairs 48 (2)

# Big difference for LEPs

- Previous arrangements had real resources – for both operational costs and for delivery
- TECs got annual grants and were able to make and recycle operational profits
- In addition, RDAs were gifted and acquired significant land holdings and there was sufficient scale to allow for effective investment approaches
- Level of resources that have been made available for LEPs is laughable by comparison
- Initiatives like the Growing Places Fund are welcomed but the idea that a recycled investment fund can be established with a few million is naïve
- Some LEPs do have more scale and additional resource but this is not universal and often a product of history and local authority commitment



# In a Pickle ...Contradictory Messages?

- We are taking power away from Whitehall and putting it back in the hands of councillors and councils
  - (Councils) will have greater autonomy to plan and control your finances
  - We've cut the strings...to allow you to decide how best to spend it
  - Local retention of business rates...will mean that councils will get more money for looking forward not back
  - The best councils are driving local growth
- We're giving you the power to get on with the job. To put money into local growth and local infrastructure
  - We need to give more power to your elbow
  - We wanted you to bring that private sector vitality to the party. To encourage local authorities to share
  - If there are local authorities...that are refusing to pool their resources and support their partnerships, I'll be expecting answers
  - If you see rules break them. If there are obstacles – go through them. Otherwise the dead hand of Government will come up from the grave and pull you all down

LGA Annual Conference June 2011

LEP Network Conference April 2012

## So what impact will LEPs have?

- It's still early days and they are all very different
- A lot of the successes that Government are lauding are about anticipated outputs
- The lack of guidance, targets and outputs will hamper effective evaluation
- The ones that have a bit of scale and based on real and/or pre-existing partnerships feel like they are in the best position to progress
- Local government drive and engagement essential

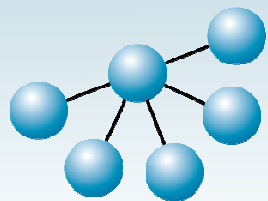
# How do they maximise their chance of success?

- Recognise this is a long term process and don't get distracted by the hype
- Build a real and sustaining partnership which can stand up to democratic scrutiny
- Acknowledge and value the role of the public sector
- Be ambitious about vision but realistic about how you get there
- Be cautious about chasing every funding opportunity
- Prioritise, evaluate and learn

You can't please all of the people...

“RDAs have been an expensive failure. Over £15billion of taxpayers' money has been spent...with little discernible impact”

*Tax Payer's Alliance*



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