CEDOS - ADEPT

Local Growth Deals – An early assessment

Derek Walker - September 2014

The Chief Economic Development Officers Society (CEDOS) represents Heads of Economic Development in upper tier local authorities throughout England. Membership includes county, city and unitary Councils in non-metropolitan areas. The Society carries out research, develops and disseminates best practice, and publishes reports on key issues for economic development policy and practice. Through its collective expertise, it seeks to play its full part in helping to inform and shape national and regional policies and initiatives.

The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) represents local authority Strategic Directors who manage some of the most pressing issues facing the UK today. The expertise of ADEPT members and their vision is fundamental in the handling of issues that affect all our lives. Operating at the strategic tier of local government they are responsible for crucial transport, waste management, environment, planning, energy and economic development issues. ADEPT membership is drawn from all four corners of the United Kingdom.

CEDOS/ADEPT PLANNING, REGENERATION & HOUSING BOARD RESEARCH PROGRAMME 2014/15

Taking forward local authority economic development in the face of budget reductions, changing approaches to service delivery & the sub-national landscape

Report of Stage one of the research programme: An early assessment of the Local Growth Deal announcements and of prospects for local authority economic development 2015/16

This report has been prepared as part of the ADEPT and CEDOS research programmes, which aims to inform policy makers and practitioners in Local and Central Government and Local Enterprise Partnerships. The views expressed are however those of the author and contributors to the surveys for the report and not necessarily those of our organisations.

Derek Walker

September 2014

Foreword

CEDOS and ADEPT, through its Planning, Housing & Regeneration Board, have an ongoing programme of action-research aimed at informing local authorities, LEPs and Government in terms of policy and thinking and sharing knowledge and best practice. As part of the current programme we have carried out an early assessment of Local Growth Deals, which included a survey of our members across the country.

It is important to emphasise that we welcome the Local Growth Deal announcements and the commitments both nationally and locally to invest in local economic growth. We also welcome the creation by Government of an inter-Departmental Local Growth Team. Our members throughout the country very much appreciate the work of the Team and of BIS Local offices during a difficult period with tight timescales when the detail of national policy was still being developed.

The Local Growth Deal process is new and, as with any new process, we are sure everyone involved would agree that there are things that could be improved upon and that constructive criticism is an important part of this. It is in this spirit that we have produced our report, which was finalised after discussions at recent meetings of CEDOS and the ADEPT Planning, Housing & Regeneration Board in London.

We would be very happy to continue to discuss on the report and its findings with Government at the earliest opportunity.

David Walsh
Chair
CEDOS

Simon Neilson
Chair
ADEPT Planning, Housing & Regeneration Board

Preface

This new research programme is the latest in the series being carried out jointly by CEDOS and the ADEPT Planning, Regeneration & Housing Board and its predecessors[1] focusing on local authority economic development.

The final report of the previous project *Local Authorities, Local Enterprise Partnerships & the Growth Agenda* highlighted the vital role of city, county and unitary local authorities in supporting LEPs and developing and implementing Strategic Economic Plans. However, whilst local authorities across the country place a high priority on economic growth, the delivery of economic development services and initiatives has to be seen in the context of continuing budget reductions, changes in local authority service delivery that are taking place/being planned and the introduction of Local Growth Deals. Hence the focus of this new research project on: '*Taking forward local authority economic development in the face of budget reductions, changing approaches to service delivery & the sub-national landscape'*

The aim of the new research programme is to:

- assess the range of current local authority economic development activity areas and initiatives and how they are being funded and delivered;
- examine the impact that budget cuts, the redesign of service delivery and the changing sub-national landscape are having;
- consider the way forward for the design, funding and delivery of local authority economic development, drawing on examples and case studies of new and innovative approaches that are being developed/planned.

The purpose of the research programme is to:

- inform members on the range, funding and delivery of local authority economic development activities/initiatives across the country and the way they are changing;
- share knowledge, identify and disseminate best practice;
- inform local authority economic development policy and decision making;
- influence policy and thinking of Government and political parties.

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[1] The ADEPT Growth & Regeneration Board and the County Surveyors Society Planning & Regeneration Committee.

As in previous research projects, a core element of research is member surveys and for a series of reports to be produced rather than one report at the end of the project.

Local Growth Deals – Key messages from the early assessment

CEDOS and ADEPT welcome the Local Growth Deal announcements covering all Local Enterprise Partnerships across England and the commitments both nationally and locally to invest in local economic growth. However, the Local Growth Deal process is new and was put together to a very tight timescale. As with any new process, there are bound to be things that could be improved upon. An objective assessment of Growth Deals and the Local Growth Deal process is important and as part of this, constructive criticism is vital.

It is in this context that this early assessment of Local Growth Deals has been included in the research programme. A core part of the assessment has been a survey of CEDOS and ADEPT members across the country. Some key findings from the survey are highlighted which, it is hoped, will help to inform and improve the future development of the Growth Deal process.

The Local Authority role

Pivotal local authority role - Local authorities and their staff have played a pivotal role in supporting their Local Enterprise Partnerships to put in place Strategic Economic Plans and develop, bring forward and prioritise economic growth projects for Local Growth Fund support.

Lack of involvement in negotiations with Government - Despite their pivotal role, there are widespread reports of a lack of meaningful local authority involvement in the crucial negations leading up to the final Growth Deals. There were exceptions and differences may relate to the structures of LEPs, the relationships between individual LEPs and their local authorities and between BIS Local and the LEPs.

Growth Deals - Key issues of concern

LGF – not a single locally determined fund – Projects that have been funded are still very "loyal" to their original government funding source – transport, housing, or skills capital. This is far both from Lord Heseltine's call for a single funding pot for local areas and the Government's statement that LGF allocations would be available to be spent on the priorities LEPs and their partners have determined in their strategic economic plans[2].

Over-emphasis on capital spend in 2015/16 and focus on transport schemes – The emphasis on capital spend and the lack of a revenue element has skewed project priorities and the focus on transport schemes could limit the scope of economic development strategies and local growth projects.

Government approach to selecting projects for funding and lack of feedback – A lack of understanding as to why some projects received funding and others did not despite being prioritised locally, with lack of proper feedback from Government.

[2] *Investing in Britain's Future* HM Treasury June 2015

Lack of real freedoms and flexibilities – Although Growth Deals collectively provide some additional freedoms and flexibilities, many are concerned that in their areas they seem to consist, for the most part, of generic commitments to engage with organisations that Local authorities and LEPs are already engaging with and offer little by way of genuine devolution of powers or influence.

Uncertainty over conditions attached to Growth Deals – A Lack of clarity on the detail of the delivery process and the associated conditions and uncertainty as to how onerous these will prove to be e.g. in terms of monitoring metrics and reporting, value for money assurance frameworks – project evaluation plans etc.

Growth Deal process

Government support – Appreciation of the creation of the Local Growth Team and for support from officials nationally. In particular BIS Local is widely appreciated – but there is concern about:

Mixed messages & lack of coordination – Despite the single team, there are still concerns about a lack of co-ordination and joined up thinking between Departments resulting in mixed messages**, i**ncluding different views being given to different LEPs about what types of projects would and would not be acceptable to Government.

National policy apparently being made up as the process went on – Changing 'goalposts' and messages caused uncertainty, increased demands on local staff resources and tended to shift the emphasis from coherent strategic plans to lists of shovel-ready projects.

Timescales overly demanding – Unreasonable deadlines exacerbated by the changes that took place during the process adversely affected the Growth Deal process and put considerable pressure on local authority staff and resources.

Inadequate negotiation process – The lack of an effective negotiation process, which in many areas excluded local authorities and as a result led to a project selection process that lacked a full understanding of local projects and priorities.

Lack of synchronization with other funding processes – The fact that that the three major funds for economic growth – the Local Growth Fund, the European Structural & Investment Funds and the Regional Growth Fund operate independently made it hard to pull them together in a coherent manner.

Local readiness to bring forward future projects – Local Authorities need to develop their project pipelines - to do this they need to consider how they are organised and their resources marshalled, to develop projects that are robust enough to pass a Treasury Green Book appraisal. They also need to be ready to maximise their potential to be able to respond to any additional Government funding opportunities that might arise, for example in this year's Autumn Statement.

Resource issues

Impact of changing requirements of Government – The changing requirements during the Growth Deal process resulted in work that was wasted at a time of high demands on local authority staff resources.

Cost implications of the process – The Growth Deal process, as currently designed, has significant cost implications for local authorities and LEPs at a time of much reduced resources – both staffing and financial; and for Government in centrally controlling and managing the process.

Prospects for local authority economic development spend/services in in 2015/16 – Despite the priority placed on economic development by local authorities across the country, against a background of cuts and competing statutory and other service priorities, a majority of survey respondents are pessimistic about the outlook.

Improvements needed to the Growth Deal process

The survey findings highlight a series of improvements that are required. There is an immediate need for:

- ***a clearer process with more timely information and a more coherent approach from Departments*** – with better, clearer guidance provided on what the Government is expecting or an acceptance of a more locally tailored approach;

- ***a more realistic timetable*** – including proper time for a genuine negotiation process;

- ***an improved local growth fund*** – that is genuinely additional; provides for revenue as well as capital spending; and gives local areas flexibility over its use to meet local needs;

- ***a genuine and more transparent negotiation process*** - which involves the local authorities and focuses on local priorities;

- ***better feedback & sharing of best practice*** – stronger feedback from Government and sharing of learning and best practice is required;

- ***a strategic focus & alignment of LGF to other funding streams*** – a return to a genuinely strategic process, with a better alignment of LGF and ESIF and RGF, is needed;

- and there is a need for:

- ***an improved local growth fund*** – that is genuinely additional; provides for revenue as well as capital spending; and gives local areas flexibility over its use to meet local needs;

- ***Growth Deals to go further in future*** – Growth Deals are a step in the right direction but in future the process must go much further to become one that is genuinely local backed by Single Pot funding and real local freedoms and flexibilities.

1. Introduction

1.1 Stage one of the research programme focuses on reactions to the Local Growth Deal announcements and their impacts locally, and on an early assessment of the prospects for Local authority economic development spend/services in 2015/16.

1.2 The research for stage one comprised desk study and, in particular, a survey of CEDOS and ADEPT Board members. The Growth Deal announcements were made by Government on 7th July 2014. The survey was carried out during August 2014 both to give members sufficient time to reflect on the announcements and to enable the report to be prepared in time for the meetings of CEDOS and the ADEPT Planning, Regeneration & Housing Board in mid-September 2014. To facilitate the best possible response, the survey questionnaire was kept deliberately short (see Annex A). Despite the difficulties presented by the timing of the survey, there was a good response from members in local authorities involved in around half of all the Local Enterprise Partnerships.

1.3 Across England there has been an overall welcome to the Growth Deal announcements from local authorities and Local Enterprise Partnerships with little or no critical comment – perhaps not surprising given the competitive process for part of the Local Growth Fund. Nevertheless Local Growth Deals are a new process and it would be surprising indeed if there were no imperfections and things that could be improved upon in the future. Constructive criticism is important and in this context both to encourage member views to be expressed as frankly as possible and to respect member wishes, individual extracts from the survey responses are not attributed in this report[3].

1.4 It is important to emphasise that this report has been produced whilst the Growth Deal process continues to develop. The individual Growth Deal offers set out further actions that have to be taken before the Local Growth Fund allocations become available. Meantime the Government has stated its intention to open discussions with LEPs right away on priorities for the next round of Growth Deals. For this, it is essential that Government provides more clarity at the outset to enable local partners to focus on projects and priorities that have a realistic prospect of national funding support.

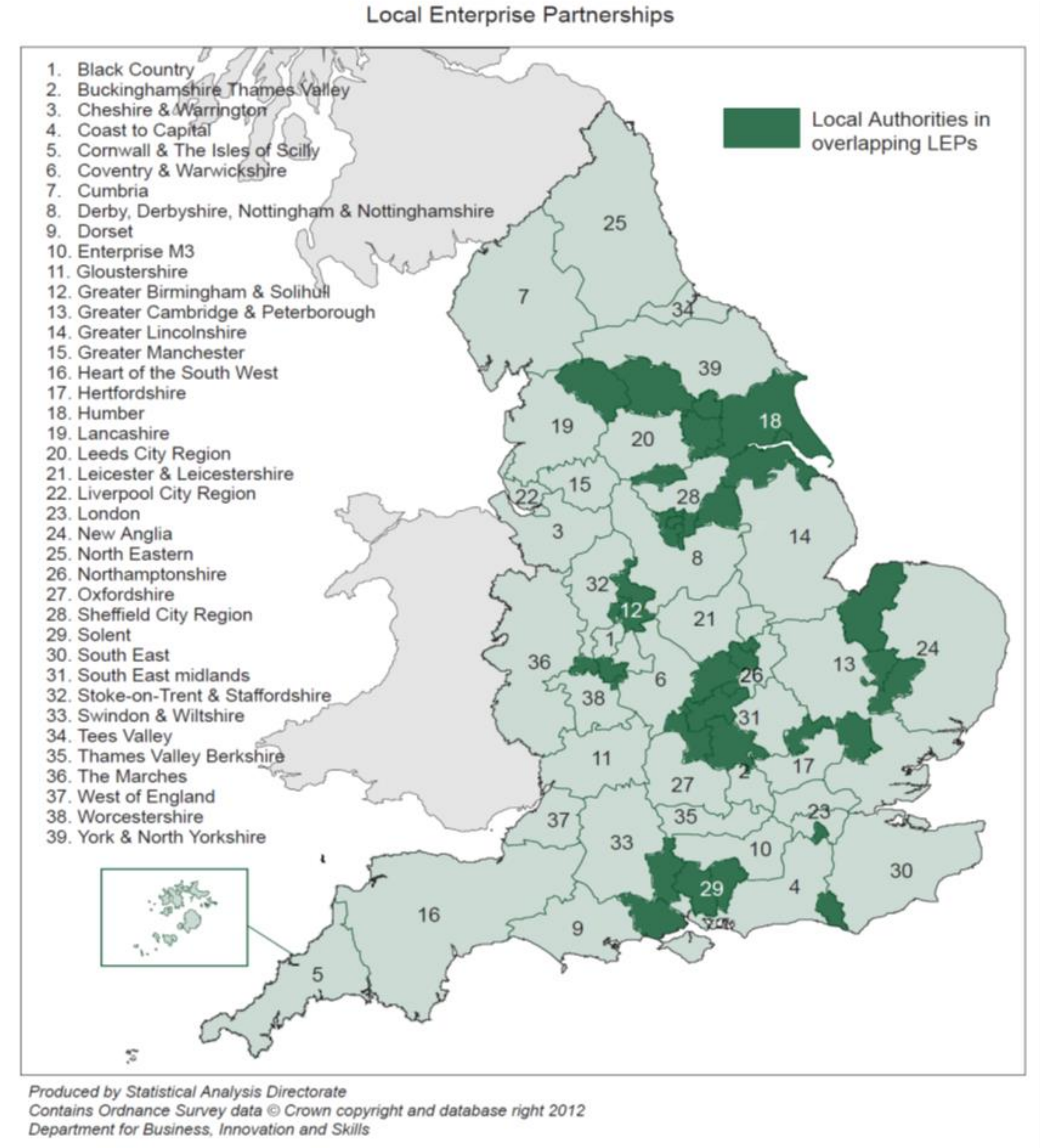
1.5 Equally it will be important for LEPs to be 'fleet of foot' and be ready to maximise their potential to be able to respond to any additional Government funding opportunities that might arise, for example in this year's Autumn Statement.

[3] Individual extracts have had to be edited in some cases to achieve this

2. The Local Growth Deals

Background

2.1 As part of the 2015/16 Spending Round announcements on 26 June 2013, the Chancellor announced a commitment to negotiating a Growth Deal with every Local Enterprise Partnership (LEP) and announced the creation of a £2 billion annual Single Local Growth Fund to be spent under the direction of LEPs. It also confirmed that the majority of spending decisions for England's £5.3 billion European Union Structural and Investment Funds (EU SIF) for 2014-2020 would be devolved to LEPs.



2.2 In July 2013, the Government published initial guidance for LEPs on the Growth Deal negotiations; including more detail on how the renamed Local Growth Fund (LGF) would be allocated. The essence of the process was that Growth Deals would be based on Strategic Economic Plans prepared for LEPs with LGF allocated through a competitive process "to strengthen the incentives on LEPs and their partners to generate growth"[4]. As part of their Strategic planning process, LEPs would prepare EU Structural and Investment Fund (ESIF) Strategies for the EU funding period 2014/20. It became clear in the Guidance that of the £2 billion LGF for 2015/16 only about half would be allocated competitively and would be new money, the remainder being in effect a re-announcement of allocations already made by Government.

2.3 The process has been very demanding with LEPs having to submit the first drafts of their EU SIF Strategies to Government in October 2013 and final drafts by January 2014; and the first drafts of their Strategic Economic Plans by December 2013 and final drafts by March 2014. For its part Government undertook to complete its assessment of Strategic Economic Plans by June 2014 and announce its Local Growth Deal/LGF offers to LEPs in July 2014.

2.4 The demanding nature of the process was intensified considerably following the round of feedback/challenge meetings on the draft SEPs held with each LEP by the Minister for Cities & the Constitution and Government officials in January/February 2014. The follow-up letters from the Minister asked LEPs to be more ambitious in bringing forward priority projects and made the point that it was important that all of the Government's capital budgets for local authority major transport schemes and local sustainable transport schemes up to 2020/21 were included within the Local Growth Fund and that there would be no additional funding available for any such schemes not funded through this route. This increased significantly the demands on the workload of local authorities and LEPs and had the effect of fundamentally shifting the focus of SEPs to become more in the nature of LGF bidding documents.

The Local Growth Deal announcements

2.5 On 7 July 2014 the Government announced details of Growth Deals with each of the 39 Local Enterprise Partnerships and the first instalment of its plans to invest at least £12 billion in local economies by 2020-21. The Government news release announced that "this includes the complete allocation of £2 billion from the Local Growth Fund for 2015 to 2016, and, because the quality of the proposals was so high, in some cases commitments are being given for following years for important long-term projects so they can get underway"[5].

2.6 In fact the actual allocations total £1.73 billion with £267 million held back mainly for European Social Fund match funding. Moreover, Governments over the years have been adept at re-announcing already committed funding and the present Government is no exception. £1.1 billion of the £2 billion Local Growth Fund for 2015/16 had already been allocated to local transport projects.

Individual allocations to Local Enterprise Partnerships

2.7 The Government's announcements of the Local Growth Fund allocations to the 39 Local Enterprise Partnerships included both new LGF awards and amounts that had already been committed. Table 1 shows the total allocations for

[4] *Investing in Britain's Future* HM Treasury June 2015
[5] *Growth Deals: firing up local economies* HM Government 7 July 2014

individual LEPs for 2015/16 and 2016/17 onwards, which also include provisional allocations to projects starting in 2016/17 and beyond. Table 2 shows the allocations of confirmed new funding.

Table 1: Total Local Growth Fund allocations to Local Enterprise Partnerships 2015/21

Local Enterprise Partnership	2015/16	2016/17 onwards	Total to 2021
Black Country	35.4	103.3	138.7
Buckinghamshire Thames Valley	11.0	33.2	44.2
Cheshire & Warrington	20.1	122.6	142.7
Coast to Capital	44.1	158.3	202.4
Cornwall & the Isles of Scilly	11.0	37.9	48.9
Coventry & Warwickshire	18.2	55.9	74.1
Cumbria	9.1	17.7	26.8
D2N2*	45.4	127.0	174.3
Dorset	23.9	42.5	66.4
Enterprise M3	35.0	83.1	118.1
Gloucestershire	23.6	38.9	62.5
Greater Birmingham & Solihull	63.4	294.0	357.4
Gtr. Cambridge & Gtr. Peterborough	21.1	50.0	71.1
Greater Lincolnshire	48.3	62.9	111.2
Greater Manchester	169.7	307.0	476.7
Heart of the South West	63.0	67.3	130.3
Hertfordshire	53.2	146.0	199.2
Humber	29.1	74.6	103.7
Lancashire	84.3	149.6	233.9
Leeds City Region	72.9	500.0	572.9
Leicester & Leicestershire	28.3	51.7	80.0
Liverpool City Region	45.7	186.6	232.3
London	151.5	84.6	236.0
New Anglia	59.8	113.5	173.3
North East	111.7	177.6	289.3
Northamptonshire	18.8	48.5	67.3
Oxfordshire	15.7	92.8	108.5
Sheffield City Region	45.9	251.4	297.3
Solent	45.8	78.8	124.6
South East	84.8	358.1	442.1
South East Midlands	30.6	48.7	79.3
Stoke-on-Trent & Staffordshire	21.0	61.3	82.3
Swindon & Wiltshire	12.9	116.4	129.3
Tees Valley	22.9	67.4	90.3
Thames Valley Berkshire	17.0	79.9	96.9
The Marches	12.8	62.6	75.3
West of England	79.0	133.6	212.6
Worcestershire	12.9	34.1	47.0
York, North Yorkshire & East Riding	34.3	75.8	110.1

* D2N2 is the Derby, Derbyshire, Nottingham & Nottinghamshire LEP

Table 2: Local Growth Fund allocations to Local Enterprise Partnerships – Confirmed new funding 2015/21

Local Enterprise Partnership	2015/16	2016/17 onwards	Total to 2021
Black Country	25.8	77.6	103.4
Buckinghamshire Thames Valley	8.9	27.0	35.9
Cheshire & Warrington	15.3	36.7	52.0
Coast to Capital	38.0	124.2	162.2
Cornwall & the Isles of Scilly	10.4	17.1	27.5
Coventry & Warwickshire	13.6	20.5	34.1
Cumbria	7.8	11.2	19.0
D2N2	31.6	69.5	101.1
Dorset	11.7	39.9	51.6
Enterprise M3	29.4	31.3	60.7
Gloucestershire	11.7	16.6	28.3
Greater Birmingham & Solihull	38.7	58.5	97.2
Gtr. Cambridge & Gtr. Peterborough	17.1	20.4	37.5
Greater Lincolnshire	18.6	21.2	39.8
Greater Manchester	65.1	208.0	273.1
Heart of the South West	49.2	42.8	92.0
Hertfordshire	20.9	126.1	147.0
Humber	21.2	60.6	81.8
Lancashire	36.4	48.6	85.0
Leeds City Region	62.2	233.3	295.5
Leicester & Leicestershire	20.2	40.3	60.5
Liverpool City Region	35.0	74.5	109.5
London	151.5	84.6	236.0
New Anglia	32.5	29.3	61.8
North East	47.9	69.6	117.5
Northamptonshire	9.1	11.5	20.6
Oxfordshire	9.2	53.7	62.9
Sheffield City Region	36.8	105.9	142.7
Solent	27.5	57.7	85.0
South East	64.6	143.6	208.2
South East Midlands	20.1	23.9	44.0
Stoke-on-Trent & Staffordshire	13.6	14.1	27.7
Swindon & Wiltshire	12.0	50.1	62.1
Tees Valley	14.1	21.2	35.3
Thames Valley Berkshire	13.4	2.0	15.4
The Marches	10.4	12.3	22.7
West of England	16.6	61.1	77.7
Worcestershire	9.0	20.3	29.3
York, North Yorkshire & East Riding	18.8	22.6	41.4

The distribution of the Local Growth Fund

2.8 The tables in Annex B focus on the distribution of the Local Growth Fund across the LEPs in the context of what the media has termed ‘winners and losers’. The tables look at the highest and lowest LEP allocations for 2015/16 and the whole period 2015/21 both in total and per capita in terms of (a) the overall allocations (including already committed funding) and (b) new funding.

2.9 Drawing any hard and fast conclusions is obviously difficult for a variety of reasons including, for example, the size and characteristics of different LEPs, the impact of LEP overlaps and the fact that the Growth Deal for the London Enterprise Panel covers only the non-transport elements of the LGF[6]. Nevertheless, it can be observed that the LEPs with the most mentions in the lists of 'highest' include, in particular, the core city based LEPs in the North of England, whilst those with most mentions of 'lowest' include some of the more rural LEPs.

Growth Deal projects

2.10 The Growth Deal Guidance said that the LGF resources would be able to be used by Local Enterprise Partnerships to support those local economic growth priorities agreed in their Strategic Economic Plan. It went on to remind LEPs that the LGF is bringing together resources to support housing, transport and skills and that Government would expect LEPs to reflect these themes strongly, but not exclusively, in their plans to invest Local Growth Fund where that is appropriate.

2.11 The Growth Deal announcements do not enable a detailed analysis of the types of projects being supported, partly because some are packaged and cross over themes and also because the published Growth Deals do not distinguish between projects that were already being funded and those that involve new money and have been competitively bid for. A broad assessment of projects indicates a clear predominance of transportation schemes, followed by further education capital and other skills schemes. Outside these core areas, other schemes come under the following headings:

- enterprise & sector growth e.g. investment funds, Growth Hubs, workspace and sector development;
- innovation;
- flood defences;
- digital connectivity;
- energy;
- housing, employment land & regeneration.

Freedoms & flexibilities

2.12 The Government's report *Investing in Britain's Future*[7] refers to "new steps to significantly extend their scope and ambition through giving LEPs greater control over the key economic levers of skills, transport and housing". It said the *Single* Local Growth Fund (SLGF) as it was then being called "will provide LEPs with the flexibility to tackle the barriers to growth in their areas and provide influence over the key economic levers of transport, skills and housing" and that "an area's allocation from the SLGF will be available to be spent on the priorities LEPs and their partners have determined in their strategic economic plans".

2.13 The freedoms and flexibilities actually referred to in the published Growth Deals can be considered under the headings of: Government disbursement of

[6] The Mayor of London already has devolved responsibility for transport in London.
[7] *Investing in Britain's Future* HM Treasury June 2015

the funding to LEPs, the ability of LEPs to vary projects, and their ability to influence key economic levers.

2.14 **Government disbursement of funding** - The Growth Deals Guidance said that a single annual grant payment will be made at the start of each financial year to a nominated LEP local authority. However, in the announced Growth Deals this applies to only some LEPs, with others to receive funding quarterly in advance.

2.15 LEPs that will be provided with funding annually in advance are: Black Country, Buckinghamshire Thames Valley, Coast to Capital, Cornwall & the Isles of Scilly, Enterprise M3, Gloucestershire, Greater Birmingham & Solihull, Greater Lincolnshire, Greater Manchester, Heart of the South West, Hertfordshire, Humber, Lancashire, Leeds City Region, Leicester & Leicestershire, Liverpool City Region, London, New Anglia, Northamptonshire, North East, Sheffield City Region, Solent, Tees Valley, York, North Yorkshire & East Riding.

2.16 Those to be provided with funding quarterly in advance are: Cheshire & Warrington, Coventry & Warwickshire, Cumbria, D2N2, Dorset, Greater Cambridge & Greater Peterborough, Oxfordshire, South East, South East Midlands, Stoke-on-Trent & Staffordshire, Swindon & Wiltshire, Thames Valley Berkshire, The Marches, West of England, Worcestershire. In the case of LEPs whose funding will be provided quarterly in advance, Growth Deals state that the Cities & Local Growth Unit will work closely with them to resolve any outstanding concerns that will allow them to achieve increased flexibility ahead of the first payments in April 2015.

2.17 **Ability to vary projects** - The extent to which LEPs are able to vary projects also differs:

- three LEPs have been given the ability to redirect Local Growth Funding to fit with changing growth priorities and only need to notify Government of any changes to specific projects (Greater Manchester, Leeds City Region, Sheffield City Region);

- the LEPs that will be provided with funding annually in advance will be expected to deliver the projects highlighted in the Deals but will have flexibility over the management of the projects in order to deliver the greatest economic benefits to the area but are required to discuss any significant changes to the projects with the Government in advance;

- the LEPs that will be limited to funding provided quarterly in advance will be expected to deliver all the projects in the Deal documents and with any changes to projects having to be agreed with Government each quarter.

2.18 **Influencing key economic levers** - As far as other flexibilities are concerned, these appear to focus largely on influencing particular Government agencies. There are a number of standard statements in Growth Deals for all LEPs referring to the Skills Funding Agency (SFA), UK Trade & Investment (UKTI) and the Technology Strategy Board. In addition individual Growth Deals refer to the National Careers Service (providers), Environment Agency, Natural England, Forestry Commission, Visit England, Homes & Communities Agency, Highways Agency, Department of Transport, Network Rail, Government Property Unit.

'Conditions' attached to the Growth Deals

2.19 'Conditions' attached to Growth Deals focus on:

- *Governance arrangements* – in a majority of cases a need to strengthen governance;

- *Ensure implementation and demonstrate success* - by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework;

- *Ensure good value for money* - by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks;

- *Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders* - by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area.

2.20 Other 'conditions' referred to in individual Growth Deals relate to:
- planning issues;
- broadband coverage;
- collaboration with neighbouring LEPs with overlapping boundaries;
- NEETs;
- structures and mechanisms for delivery of the Strategic Economic Plan and Growth Deal.

2.21 As regards strengthening governance arrangements, the details vary from LEP to LEP with the main headings being:

- *Strengthening partnership arrangements/collaboration* e.g. Cheshire & Warrington, Coventry & Warwickshire, D2N2, Gloucestershire, Greater Lincolnshire, Heart of the South West, Lancashire, Liverpool City Region, Northamptonshire, Oxfordshire, Solent, SEMLEP, Swindon & Wiltshire, Thames Valley Berkshire, Marches, West of England, Worcestershire;

- *Strengthening and developing the organisational arrangements* e.g. Buckinghamshire Thames Valley, Coventry & Warwickshire, Dorset, Humber, Stoke-on-Trent & Staffordshire, Swindon & Wiltshire, Tees Valley, West of England, Worcestershire, York, North Yorkshire & East Riding;

- *Reviewing the structure and resourcing of groups below Board level* e.g. Coast to Capital, Coventry & Warwickshire, Enterprise M3, Greater

Birmingham & Solihull, Heart of the South West, South East, South East Midlands.

Growth Deals – the process from now on

2.22 The initial Growth Deals Guidance indicated that, as a minimum, LEPs would be required to produce an annual report setting out how Local Growth Fund resources were used, what they delivered, and the effectiveness and propriety of decision making. Since then Government appears to have tightened up the reporting requirements. The Growth Deal offers issued on 7 July 2014 set out further stages before Local Growth Fund allocations become available in April 2015 to start implementing Local Growth Deals, with LEPs needing to:

- accept the 'funding agreement';
- track progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework; with monitoring metrics and reporting to be agreed with the Government by September 2014;
- agree a value for money assurance framework with the Government by September 2014;
- produce evaluation plans for the projects contained in their Growth Deals before April 2015.

2.23 It remains to be seen how onerous these requirements will be on LEPs.

3. Reactions to the Growth Deals

3.1 The published reactions to the Growth Deal announcements that have been looked at, both from the LEPs and participating local authorities, are universally complementary and upbeat. Given the central approval process, the competitive element and the inevitable desire to demonstrate success, this is hardly surprising. As we have said though, as a new process, there are bound to be issues that have arisen and need addressing and constructive criticism is an essential part of this. The aim of the survey of CEDOS and ADEPT Planning, Regeneration & Housing Board members was to look beyond the rather bland wording of news releases and encourage frank views to be put forward.

3.2 Inevitably some of the views relate to specific aspects of individual Growth Deals. The aim in this report is to bring these together to identify overall points.

Local authority involvement in the preparation of/negotiations for Local Growth Deals

Strategic Economic Plans & Growth Deal bids

3.3 Overall, member authorities and their staff have played a pivotal role in the preparation of LEP Strategic Economic Plans. Just some examples from the survey illustrate this:

- "The council played a key role in supporting the LEP";
- "The council has provided the majority of the resource for the preparation of the documents, providing the lead authors for both the SEP and ESIF";
- "We played a very substantial and significant role in preparing the Local Growth Deal";
- "The council was central to the preparation of the SEP, providing leadership and core resources".

"The Council has played a very large role with the only full time officer working on the LEP seconded from the Economic Development team of the Council. In addition as accountable body for the LEP, there is a large input in terms of financial support. There have been at least 2 officers at any one time working on the SEP with another in Highways spending up to 30% of their time on LEP work. Negotiations were done by the local authorities with little input from private sector apart from chair of LEP. Council staff wrote the ESIF and has done all negotiation. We have taken the lead on all the EU funding work for the LEP".

3.4 Involvement by member authorities has covered a whole range of activities, including: preparation of the evidence base, developing and writing key elements of Strategic Economic Plans, providing supporting data, maps and diagrams, developing projects, supporting scheme promoters, providing detailed business cases for projects, participating in working groups and prioritization mechanisms.

Project development

3.5 The survey response highlights the pivotal role member authorities have played in developing projects for Local Growth Fund bids, for example:

- "Officers prepared detailed business cases on the projects to be funded through the Local Growth Fund, with particular reference to transport infrastructure";
- "Significant officer contribution to sector specific proposals and significant input by the authority's Strategic Transport Team into transport schemes";
- "Developing schemes that fit with Growth Deal criteria and met strict objectives around value for money and deliverability; supporting scheme promoters with the above; negotiating local priority scheme lists with partners";
- "The team led the call and co-ordination of project proposals across the LEP area against the theme areas, including identifying, assessing and evaluating suitability for individual projects, in line with national guidance and the essence of the LEP Growth Deal";
- "We were heavily involved in developing the various individual projects, particularly the transport schemes that formed the bulk of the request for funding".

3.6 A number of survey respondents referred to the particular significance of transport projects and the workload demands, for example:

> *"The Infrastructure section was very demanding as it required a 2015/16 priority list for transport schemes as well as a detailed list of transport schemes year by year to 2021 as requested by the Department for Transport (DfT) for their evaluation process. The SEP was accompanied by a very detailed confidential Negotiation Document much of which was prepared by the Council staff particularly for the bulk of the ask which was for DfT funding. The result was a detailed spreadsheet with a list of transport schemes supported by individual project summaries describing each of the schemes in as much detail as was available, to set out clearly why the schemes should be supported by DfT".*

Negotiating the Growth Deal with Government

3.7 Despite the very heavy involvement of local authority staff in preparing the SEPs and Growth Deal bids, there is widespread reference to a lack of involvement in the negotiation process, for example:

- “Whilst the Council informed the debate and ensured the LEP was kept up to date on policy and process developments it was not fully empowered to negotiate”;

- “We had no role in the negotiations which were undertaken by the Chair and Chief Executive of our LEP”;

- “We do not perceive that there was any negotiation post 31st March to speak of”;

- “The Council had a limited role in negotiations to conclude the Growth Deal itself; the opportunity to engage in these negotiations was not offered”;

- “The Council was not involved with the actual negotiations with Government over the final Deals; this has also made councils feel excluded from part of the process in terms of transparency”;

- “There has been very little by way of negotiations”;

- “There was one meeting locally with the Minister but the main sessions in London when the SEP was discussed in detail were only between BIS Local and the Local Growth Team”.

3.8 It would appear, however, that local authority involvement varied in different areas. Indeed, one member reported that not only were the local authority directly involved, they led most of the negotiations. The differences may relate to the relationships between the individual LEPs and their local authorities and between BIS Local and the LEP.

Views on Local Growth Deals/ Local Growth Fund announcements

3.9 The survey asked for member views on the Local Growth Deal/Local Growth Fund announcements for the LEPs in their areas and on the likely local impacts of the Government’s decisions.

Level and scope of LGF funding

3.10 A variety of views have been received, perhaps not surprising in the light of ‘winners’ and ‘losers’ referred to in Chapter 2. Views range from:

- “the LEP received one of the highest LGF allocations in the Country; when compared to a per capita allocation, this is a really positive allocation”; and

- “the Growth Deal provides an essential source of funding and flexibility that will unlock significant economic growth for the area”;

to:

- “disappointment at the funding allocated and particularly at the omission of a key road scheme”; and

- “whilst the official press releases welcomed the local Deal and commitment to Government investment in the area, there was local disappointment at the overall level of funding and narrow focus of the Deal”;

- “huge disappointment that not one of our Council schemes got competitive LGF funding in 15/16 whereas the other Councils in the LEP both got funding in 15/16”.

3.11 Amongst the individual responses, one member observed that whilst they believe their LEP received proportionally a reasonable level of LGF settlement compared to other LEPs with similar characteristics, they also believe that the LEPs with Combined Authorities received greater settlements proportionally. Another observed that City areas particularly in the North seemed to be particularly better rewarded.

Projects approved and not approved

3.12 Similarly, there are a range of views on the support given for projects put forward, ranging from “most submitted projects were approved” to “there have been many schemes that will not be funded or only part funded in the LEP area”. Some of the views on some key issues that have been raised with regard to projects selected or not selected for funding are set out below.

3.13 **LGF – not a single locally determined fund**, despite the Government’s statement that “an area’s allocation from the SLGF will be available to be spent on the priorities LEPs and their partners have determined in their strategic economic plans”[8]. Concerns expressed by members include:

- “Overall, not what Lord Heseltine advocated – neither single nor local (in terms of appraisal/approval)”;

- “The projects that have been funded are still very "loyal" to their original government funding source – transport, housing, or skills capital- rather than being a single locally determined fund. Whilst all of the projects that were submitted were strong priorities for the LEP, some of our board members are concerned that they joined the LEP to promote enterprise within their sector and there has so far been very little funding available for that purpose”.

3.14 **Focus on transport schemes** – some views:

- “The vast majority of the funds secured through the Deal relate to the provision of transportation infrastructure associated with two development locations”;

[8] *Investing in Britain’s Future* HM Treasury June 2015

- "The majority of LGF allocations were against transport projects with exceedingly few in relation to the provision of commercial or housing sites/other; we understand that, in part, funding transport schemes may have been perceived by Government as carrying less risk than funding commercial or housing site development";

- "The transport bias in the initial Growth Deal announcement provides no scope for traditional economic development projects of property investment or business support services, aside from nominal investment in Growth Hubs. This is likely to severely affect economic development strategies across the LEP and gives us a huge task in respect of securing funding from Europe which will become heavily over-subscribed".

3.15 **Over-emphasis on capital spend in 2015/16** – some views:

- "The key issue was the focus on spend in 2015/16. This skewed which projects could be brought forward. The rationale of the allocations and the process in respect of achieving long term growth is not at all clear";

- "The push for capital spend in 2015-16 has obviously skewed the priority scheme list approved by Government; we still have significant concerns that some of the schemes approved will not be deliverable as they scored poorly in the independent evaluation commissioned by the LEP prior to the negotiation of the Deal";

- "Many of the transport investments outlined have not been accompanied with the requisite revenue injection and this will, in some cases, scupper the projects given the amount of revenue often needed to kick-start larger schemes - feasibility studies etc.";

- "Growth Deals in future must have a revenue element as well as capital - for example, there is no point in LEPs being able to influence FE capital spend but have zero influence over revenue spend".

3.16 **The Government approach to selecting projects for funding and lack of feedback** comes in for criticism including:

- "There was too much 'steering' by BIS Local and DfT and the simplistic cost per job value for money criterion used was a very inadequate means of determining which projects were funded";

- "We got a clear message back that Ministers were not interested in public realm improvements which supported business growth indirectly, with no justification";

- "Some disquiet regarding why some projects received funding and others did not, despite being prioritised highly by our LEP" - 'feedback' from Government departments (thus far) has been highly abbreviated and unofficial";

- "No formal feedback from Government to date on the Growth Deals";

- “Some key transport infrastructure projects that would have delivered significant housing and job growth, did not receive funding - feedback from DfT has been limited to date but it appears that there was little time for proper evaluation and ‘old rules’ relating to business cases were applied”;

- “Due to negotiations not taking place as expected there is little understanding as to the rationale as to why some projects were funded and others not across the LEP”.

Freedoms and flexibilities

3.17 The extent of Local Growth Deal freedoms and flexibilities has been looked at in some detail in chapter 2. A number of members raised points of concern about the lack of real freedoms and flexibilities in the published Growth Deals:

- “The apparent lack of flexibility for most LEPs to re-assign funding, if it should become necessary”;

- “Our LEP is amongst those which will receive funding quarterly in advance, rather than an annual payment; this will increase bureaucracy and there should be clear criteria to enable LEPs to achieve a more trusted status”;

- “Freedoms and flexibilities have been very understated, with them being considered at the 11th hour and largely only concerned with maintaining an open dialogue between the LEP and government departments”;

- “Freedoms and flexibilities are vaguely worded and appear to offer little by way of genuine devolution of powers or influence”;

- “The lack of freedoms and flexibilities are reflective of our experience of the City Deal process so are not a surprise”;

- “The Growth Deal does not contain any real freedoms and flexibilities, and we have very limited scope as to how to use the Growth Deal funding that has been allocated”;

- “The freedoms and flexibilities that were requested of Government as part of the SEP were largely overlooked as part of the Deal itself. What we received seemed to be a nationally generic set of loose commitments to engage with organizations which either the LEP or the local authority would be engaging with anyway”.

Uncertainty over conditions attached to Growth Deals

3.18 Conditions attached to the Local Growth Deals were also looked at in some detail in Chapter 2 including those that relate to the Growth Deal process from now on, with the point being made that it remains to be seen how onerous these requirements will be on LEPs. This uncertainty is reflected in the following member responses:

- “Details on the delivery process and conditions are still emerging”;
- “The only condition that we are sure of is that we will need to spend this allocation of LFG commencing early in 2015/16”;
- “The detail of the delivery is yet to be provided, including the expectations of the accountable body and level of reporting”;
- “Some apprehension about the ‘further guidance’ on Implementation Plans which Government is due to release before the end of October”;
- “We remain confused as to what conditions have been attached to the Deal itself and detail regarding the expectation of business case creation for schemes that have been allocated LGF in future years is yet to be provided”.

4. Reflections on the Local Growth Deal process so far

4.1 As well as seeking views on the Growth Deals themselves, the survey of members asked them to reflect on the Local Growth Deal process both nationally and locally – what worked well, what did not work well and what could be improved upon in the future.

The process nationally - what worked well and what did not

4.2 The Local Growth Deal process and what it involved has been looked at in overall terms in Chapter 2. In their reflections on the national process, members focused in particular on the support provided by Government, national policy and changing messages, timescale issues, the negotiation process, the relationship of LGF to ESIF/RGF processes.

Government support

4.3 Looking at the process nationally, member views on what worked well relate mainly to the level of Government officer support, for example:

- "a positive from the process was the engagement with Cabinet Office who was very supportive throughout the process";

- "the support from civil servants to help understand and guide on the requirements of the document and its process, as much as they were aware of".

4.4 There is appreciation of the creation of the Local Growth Team and the support provided by officials nationally. Whilst not without some criticisms, there is appreciation of the role of BIS Local, which is referred to in more detail below under the process locally.

4.5 At national level, one member suggested that a cultural breakthrough is starting to emerge – "the single local growth team (albeit minus DfT colleagues) is starting to shift conversations to be more rounded and less siloed". Others, however, were critical of mixed messages from different parts of Government:

- "Government Department consistency and collaboration - whilst DBIS and DCLG demonstrated an ability to get their act together eventually, other Departments were way behind the curve and working in isolation";

- "A lack of co-ordination and joined up thinking from various Government Departments; a number of different Departments wanting different things and having separate discussions with different partners";

- "Mixed messages from Whitehall Departments, Ministers, presiding peers and other organizations created a national confusion around ambition, project suitability, local offer ratios and negotiation processes post SEP submission";

- "The Skills Funding Agency seemed not infrequently to give conflicting advice on the FE Capital element – it still lacks some clarity going forward in respect of the competitive element of the FE capital allocations and the minimum match funding requirements".

4.6 The guidance available also comes in for criticism for being ineffective throughout the process:

- "The original prospectus for the Growth Deal issued by Government was clear and useful, but rather overshadowed and undermined as the process evolved";

- "The bidding process was not well coordinated and guidance was minimal. Whilst the initial guidance was due to be complimented by additional guidance later on in the SEP development time frame, this additional guidance never materialized. This ultimately left LEPs and local authorities with significantly more questions than answers".

- "The goal posts for criteria of successful projects were moved on several occasions which meant that projects, proformas and templates had to be constantly changed. This was very time consuming and on occasion, very frustrating for officers. It would have been better for Government to publish the criteria so that projects could get worked up in accordance to these criteria".

National policy not fully thought through & changing messages

4.7 A major criticism of the process is of national policy being made up as the process went on:

- "It did appear as though Ministers were making up policy incrementally, and hence their civil servants were often unable to give us adequate warning or adequate steer";

- "BIS Local were honest in saying that they and other Departments were making it up as they went along".

4.8 The consequences of this are spelled out by a number of members:

- "Changing messages from Government left local partners unsure on preparation and presentation of local interventions";

- "The message from Government changed markedly around the feedback on the draft SEPs, with a call for greater ambition interpreted as a call for shovel-ready projects. Consequently the SEP resembled a list of projects rather than a coherent, strategic growth strategy";

- "The changes which came part way through the drafting stage - this meant a refocus of the document and the projects that required additional staff resources, in order to respond";

- "The large amount of bureaucracy relating to project applications and appraisals, which didn't seem to be planned by government, stifled a good discussion about freedoms and flexibilities".

Timescales overly demanding

4.9 Although one member refers to the tight timeframe helping to focus efforts and resources to produce projects and priorities, more refer adversely to overly demanding timescales, exacerbated by the changes that took place during the process:

- "Very unhelpful deadlines";

- "The process was incredibly time intensive";

- "The SEP document was intended to be the framework for the EU, however the EU strategy had already been submitted. The deadline left very little time to assess evidence and present the position from the LEP. The timeframe became even tighter following the changes which came part way through the drafting stage".

"The timelines for the Growth Deal process were unreasonably tight, and requests for further information at various points throughout the process were ill-conceived and poorly managed by Government departments. There was a distinct lack of clarity about what level of detail was required, which led to duplicated requests from different parts of the Government's Growth Team. The interpretation of some of this at LEP level also did not help with what was generally a very confused process".

Inadequate negotiation process

4.10 The lack of direct involvement of many local authorities in the Growth Deal negotiation process has been referred to above. Some of the consequences are spelled out by the following survey responses:

- "It is clear that proper time needs to be afforded to a real negotiation process. This was desperately lacking in the first round of the Growth Deal and led to the selection of some projects by Government which did not align with the local order of priority and was ignorant of some of the intricacies behind making certain projects work - funding dependencies, planning, land purchase etc.";

- "Our experience was that the Ministers and Government officials only worked with the LEP and as local authorities we were excluded, therefore it was not possible to be part of the prioritization process. As a consequence, some DfT funding has been given to schemes that were not a top priority in our view";

- "Blatant disregard of independent evaluation of schemes and reconfiguration of priority list with no transparent process caused major difficulties across the partnership".

4.11 Government's approach to the negotiation process also comes in for some criticism. Some points made by individual members:

- "In respect of those schemes to be chosen for funding it would normally be seen as an important part of negotiations if the potential funder (HMG) had indicated early on those projects it favoured and why, to allow the LEP to respond and make considered suggestions for alternatives where required - this did not happen";

- "The negotiation process was haphazard and did not involve a lot of negotiation with LEPs or local authorities. Ministerial or government visits seemed to be badly timed, often last minute, ill-informed and lacking advice or feedback on submitted projects and strategy";

- "Very little chance for our LEP to actually explain our SEP and LGF bid for funding instead this was done by civil servants. We were not happy about this as inevitably they did not have the in-depth understanding that the local partners themselves could have provided. Overall we did not have enough engagement with Whitehall after submission".

Relationship with ESIF/RGF processes

4.12 Other members also refer to the lack of synchronization with the ESIF process, which caused confusion over where best to use/seek resources. One member goes further saying that the Growth Deal process was not helped by the fact that that the three major funds for economic growth - LGF, ESIF and RGF - operate independently making it hard to pull them together in a coherent manner.

Strategic Economic Plans or lists of projects?

4.13 Despite the Government's original intention for Growth Deals to be based on local Strategic Economic Plans, there is criticism that as a result of changes during the process, it became less strategic and more focused on bidding for projects:

- "The message from Government changed markedly around the feedback on the draft SEPs, with a call for greater ambition interpreted as a call for shovel-ready projects. Consequently the SEP resembled a list of projects rather than a coherent strategic growth strategy";

- "The process became a project bidding process for capital funding, rather than any sort of strategic plan. Government became more interested in project delivery plans than the overarching strategy".

The process locally - what worked well and what did not

4.14 The survey responses on the process locally reveal a mixed picture, perhaps not surprising given the variety in LEP make up in terms of area coverage and history of partnership working and with a process that was new and accompanied by a very tight timescale exacerbated by changing demands nationally. Key features from the individual responses are set out below.

4.15 **As regards what worked well**, the main references are to officer working and the contribution of BIS Local.

Joint officer working

4.16 There are several references to good officer working, for example:

- "Good officer level working between the LEP and local authorities";
- "Collaboration and emerging consensus among local partners in development of the SEP";
- "Plenty of collaborative effort and thinking";
- "The support, dedication and passion of some key local officers to secure the best outcome possible for the area";
- "Local authority officers working together to try and interpret what the Growth Deal Guidance actually meant and so what was really required".

BIS Local

4.17 There are several positive references to BIS Local:

- "BIS Local engagement provided a positive input and support for the local partners";
- "Impressed with the open discussions that BIS Local have had relating to projects, and their ability to have identified a Whitehall civil servant who has been prepared to give us strong help";
- "We have good relationships with our (BIS) local contacts and were able to use an iterative process to develop the SEPs and the Investment Plan";
- **"**BIS Local supported the process and made helpful suggestions where they could".

4.18 However there were reports of some inconsistency between different BIS Local offices in advice to adjacent LEPs with conflicting messages about what would and would not be acceptable to Central Government/Departments and differences in the amount of information given about the next round of funding.

4.19 **As regards what did not work well**, the most significant number of references relate to local leadership/coordination and resource issues. On local leadership and coordination issues - some comments:

- "Lack of co-ordination, lack of information to wider partners";
- "Lack of formal instruction on what was required";
- "Lack of clarity on prioritsation at LEP level";
- "Lack of clarity about lead roles within organisations and poor handling of the overlap between the core LEP Officer Group and the Local Transport Body led to some confusion about expectations and responsibilities".

4.20 It is recognised by many that this was in large part due to the constantly changing requirements of Government within tight timescales:

- "This was mainly a result of the Government's lack of direction and setting of unrealistic deadlines";
- "The lack of clarity about the process/timeline was not helped by the Government's constant changing of goalposts";
- "The shifting of goal posts at government level affected the local portfolio of projects. LEP and Government messages often got lost or misinterpreted at the local level".

Resource issues

4.21 A number of responses to the survey refer to resource issues, both in terms of resource limitations and the high impact on local authority resources:

- "High level of resource impact to local authorities";
- "Lack of resource generally for project development";
- "Limited resource from all partners to input into the drafting phases";
- "Resources were very tight for local authorities to deliver in tight timescales".

4.22 Two particularly pertinent points raised in the survey response are:

- "Constantly changing requirements from Government (e.g. templates emanating from ministers), translating into changing requirements from the LEP, meant that work was frequently wasted and revised as the requirements grew. It would have been much more helpful to have been given clear and comprehensive instructions from the outset, however onerous a task that might have presented. This would have enabled a much better level of resource planning and alleviated what was a very stressful time for staff members involved";

- "The vast majority of this work was taken forward by the local authority partners so an interesting question would be on the estimated cost in resources (including time and travel) that local authorities had to bear to support Growth Deal development at a time of much reduced resources – both staffing and financial".

4.23 The last point could be extended to cover also the resource costs of Government in centrally controlling and managing the process – something the National Audit Office will no doubt wish to take into account.

4.24 Other issues raised by some members relate to uneasy relationships in some areas where LEPs are new and not underpinned by a previous history of partnership working:

- "The private sector boards are still not turned on by economic development strategy work. There remains a unclear/uneasy relationship between the role of Leaders' Boards/Joint Committees/Local Transport Boards and the LEP Board in terms of where decision-making rests";

- "Some areas of conflict at a district level where the top priorities were the focus of the SEP did not include local smaller projects that were very important to local councils";

and on limited opportunities to engage wider partners:

- "The timetable gave limited opportunity to engage with a wider range of stakeholders and partners - it became a case of needs must, in order to meet the deadline";

- "Insufficient time to engage and consult with wider business community and key stakeholder groups - has raised concerns among these about the authority of the LEP to make decisions on their behalf";

and the impact of LGF limitations:

- "Limitations on ability to secure funding due to wider LGF funding constraints";

- "The list of shovel–ready schemes was limited and this was likely to have been a factor both in the prioritization process and the level of award";

- "Our LEP was informed that LGF could not be used as match for Superfast Extension Programme funds from DCMS which has to be matched £ for £, yet other LEPs were able to use LGF money for Superfast Broadband provision – so a real inconsistency in what LGF could be used for."

5. Growth Deals - what should be improved in the future?

5.1 The survey for stage one of this project asked for member views in terms of both the national and local processes. As far as the local processes are concerned, inevitably these relate to the individual circumstances of the individual LEPs and except where they also relate in fact to the process nationally, it has not proved possible to identify general points of improvement at this stage. The focus is therefore on improvements to the overall Growth Deal process.

5.2 The survey response highlights a series of improvements that are needed:

A clearer process with more timely information and a more coherent approach from Departments – better, clearer guidance is needed on what the Government is expecting including on;

- the criteria for future SEPs and related bids;
- the objectives, for example funding – revenue/capital, spend profile etc.;
- what 'be ambitious means' and what are 'red-lines' for Government;
- how to capture, quantify and present outcomes.

A more realistic timetable – points made by individual members are:

- more time allowed to undertake due diligence on deliverability before Deals are finalised;
- allowing much more time to conclude the process should be a pre-requisite of any future rounds;
- proper time needs to be afforded to a real negotiation process;
- Government should not start negotiations for 16/17 projects yet – LEPs and Councils need time to mobilise for 15/16 delivery and Government risk breaking the capacity, which is already under significant pressure.

Local Growth Fund – improvements called for focus on the need for:

- a single pot with greater flexibility over the possible use of LGF;
- funding to be genuinely additional;
- Growth Deals in future to have a revenue element as well as capital;
- further development of cross-LEP projects;
- funding for smaller scale projects e.g. to take into account the needs of market towns in rural areas possibly on a programme basis.

"Local Authorities and LEPs should endeavour to bring forward holistic proposals that present a comprehensive series of initiatives and interventions to support economic growth, skills development, transport infrastructure and new housing that in turn contribute to overall place shaping. In addition, when assessing proposals within individual departments, Government needs to ensure that individual proposals are not just considered in isolation, but rather across departments so that the original holistic approach brought forward is not disaggregated and potentially lost".

***A genuine and more transparent negotiation process, which involves the local authorities* and focuses on local priorities** – some points made by individual members are:

- the need for a proper negotiation process and ability to present detailed proposals to decision makers;
- Government should recognise that LEPs invest significant resources in independent evaluation of schemes and priorities - this should form the basis of the Growth Deal negotiation, and not be discounted due to conflicting national priorities.

"A proper negotiation process is needed and the ability to present detailed proposals to decision makers rather than working through third parties, such as BIS Local. Increased scope to secure genuinely new funding to invest in local interventions, with greater local freedom and flexibility to manage a five year investment programme".

Feedback from Government & sharing of best practice – some individual points:

- stronger feedback needed once decisions on funding have been taken;
- further sharing of best practice around freedoms and flexibilities needed;
- far more sharing of learning across LEPs required.

"Stronger feedback once decisions on funding have been taken – we still do not know what administrative requirements will be placed on successful projects. More importantly, we do not know what steps need to be taken on the provisionally approved projects to turn them into full approvals. Having little ability to tell project sponsors what the next steps are does ultimately take some local autonomy and empowerment away from the LEPs".

A strategic focus - some individual points:

- there needs to be a clearer sense that the SEP is important, rather than a set of projects;
- it feels a little like we have lost the 'strategic' in pursuit of the money;
- it would be helpful to better align Local Growth Fund, ESIF and RGF so that there is a wider strategic plan looking at capital and revenue;
- the main area for improving the process is to go back to the SEP and have a full dialogue about expectations on funding sources, mechanisms for stimulating private sector investment across the full scope of the strategy.

"Whilst accepting the motivation to get oven ready projects on the ground in 2015, consideration should be given to the long-term nature of capital programme development with some seed-corn revenue money available to facilitate the development of cross-cutting (cross-departmental) proposals that align to SEP objectives and economic growth".

Local readiness to bring forward future projects – Local authorities need to organise themselves to develop effective pipelines of projects.

> *"Local Authorities need to develop their project pipelines. To do this they need to consider how they are organised and their resources marshalled, to develop projects that are robust enough to pass a Treasury Green Book appraisal. This may require some local authorities to re-orientate their way of working to ensure that project pipeline development is a seamless part of the SEP process and everyday working".*

Growth Deals must go further in future – some individual points:

- overall – not what Heseltine advocated – neither single nor local (in terms of appraisal/approval).
- Growth Deals are a step in the right direction but any future process must go further.

> *"Any future process must go further. Heseltine proposed a much larger Local Growth Fund than was allocated and while the Growth Plans reflect local priorities, Government still require lengthy business cases to be completed before activity can commence: in essence, they still hold the purse strings fully. This is despite improved governance arrangements through a Combined Authority and pre-agreed assurance frameworks being in place".*

6. Prospects for local authority economic development spend/services in 2015/16 – Early assessment

6.1 The member survey also took initial soundings on the prospects for local authority economic development spend/services in 2015/16 – both overall and in the context of Growth Deals and the focus on LEPs. It must be emphasized that this is very much an early and limited assessment, which inevitably reflects the position of and views from the individual member authorities responding to the survey.

Impact of LEP-based Growth Deals on local authority economic development spend & services, including structures and delivery mechanisms/commissioning

6.2 The assessments of the likely impact of LEP-based Growth Deals vary with the nature and scale of the different LEPs and with the current structures of the local authorities. The perceived likely impact varies from very significant to comparatively little in the immediate future, with in some cases reviews going on, the outcomes of which are still uncertain. Nevertheless the overall picture, as reported by members responding to the survey, is that to a greater, or in some cases, a lesser extent, there is likely to be an impact on the economic development structures and/or the focus their local authority's services and spend - as many of the examples below indicate.

6.3 Many are anticipating a likely or possibly significant impact:

- "The Growth Deal, if the current process continues, will be the primary source of securing funding for local projects. As such it will have a major impact on the future shape and delivery of the economic development activity, both in terms of project development, match funding and staff resourcing";

- "Greater centralisation of resources around the LEP; greater alignment of Council resources and delivery mechanisms with the LEP; and the potential for greater integration of economic development functions at both tiers of the local authorities with the LEP";

- "Given that all party support has now been pronounced for LEPs, we are having to adapt our approach to economic development spend and services, and more particularly on our structures";

- "It is the conditions on the funding which could have the biggest impact on the council's economic development activity and could lead to a substantial change to how we organise ourselves, with joint teams, pooled funding and a single governance structure across the LEP area ";

- "Resources need to be assigned to the delivery and monitoring of the Growth Deal programme; sitting within the programme will be a suite of individual projects which will also needs support – either a lead or assistance with delivery; the focus on delivery of the Growth Fund may take away staffing resource from other key locally funded activities and projects";

- "In the short term there is likely to be some increased spend on economic development activities. It is likely to result in a focus of resources on high profile projects (particularly those that partners are able or willing to match fund) possibly at the expense of lower profile activities that may have equal or greater impact";

- "The Growth Deal will not only fund some of our economic development activity but also change the way in which we work with colleagues internally, with regards to transport for example, and externally on cross border projects. As a Council we are moving towards a far more whole place approach and this reinforces that from an economic development perspective";

- "At the moment it is increasing spend on technical consultancy, project management for capital schemes and for various physical survey work for highways schemes. As regards staffing it is reducing levels as there is an assumption that LEP staff will take on more of the mainstream economic development work. It is increasing the focus on moving to complete commissioning of all economic development work".

6.4 Some are uncertain at this stage, with in some cases reviews in progress:

- "A review of the economic development roles and functions of local authorities in the county is already underway; uncertain what the Growth Deal result will mean for this";

- "We have begun the process of adjusting our capital programme systems to take account of the interface with the LEPs and LGF. We cannot fully judge the impact on economic development until the outcome of the EUSIF negotiations is finalized";

- "The local authorities will be evaluating the case for establishing a combined authority to include the economic development function".

6.5 Others foresee comparatively little impact at this stage:

- "The Growth Deal will have a limited impact on the Council's economic development spend and services, given that the majority of the investment is in capital transport schemes, which are managed by another part of the organisation. Economic Development spend will not be impacted by the Growth Deal in the current round, although some revenue has been allocated to explore site development options in the future which may be put forward as schemes to future Growth Deal rounds";

- "Limited impact on economic development budgets as there has been no revenue input. Key demands from businesses are not around the capital programme but on support for business growth. Without revenue there is little scope for commissioning of services".

- "Probably minor impact on economic development spend in 2015/16 as compared to 2014/15. In terms of structures and activities, this could become more significant as initiatives such as Growth Hubs become established. The authority may need to revise its own economic development resources (staff and budgets) to better interface/dovetail with the wider agendas in relation to inward investment and business support".

- "It is unlikely that the LEP structures local to us will have any discernable difference on the projects we seek to promote. As the Council has recently moved to that of a commissioning authority, we would contend that our structures are well set to work favourably with the LEP model(s). The impact will however be felt in terms of what we do or do not deliver when we fully understand how much or how little funding is available for traditional economic development projects".

6.6 Some are pursuing restructuring in any event:

- "The council, like all local authorities, is working hard to reduce its budgets to meet the Government cuts. However, we are also balancing this with continued investment in infrastructure, businesses and people, to improve the economy and create more private sector employment. This has meant changing the way services are delivered, and, activity is funded";

- "We have restructured to put a commissioning/delivery split in place, and this will see us commissioning the growth deal projects, EU funding, and wider schemes separately to the way we might deliver them".

6.7 **Combined authorities** – there are reports of these being discussed in a number of areas in addition to those already announced. The Municipal Journal has reported recently on discussions going on in Derbyshire, Lancashire and Tees Valley amongst other areas[9].

What is your early assessment of the prospects for overall economic development spend/services in your authority in 2015/16?

6.8 The Governments Guidance on Growth Deals made clear that it expected to see a clear commitment from local authorities in LEP areas to maintain their activities on economic development and growth[10]. The previous CEDOS/ADEPT research report[11] highlighted the difficulties facing local authorities in achieving this. It pointed to the scale of the cuts in Government funding to local authorities and referred to the Local Government Association assessment that by the end of the current Parliament, local government funding will have fallen by £20 billion,

[9] See *The bandwagon rolls* MJ 14 August 2014 and *More councils eye combined authorities* MJ 20 August 2014
[10] *Growth Deals – Initial Guidance for Local Enterprise Partnerships* HM Government July 2013
[11] *Local authorities, Local Enterprise Partnerships and the growth agenda* Derek Walker – CEDOS/ADEPT February 2014

a cut of 43% and that the next 2 years would be the toughest yet for local public services[12].

6.9 The impact on local authorities is underlined by recent data from the Department for Communities and Local Government and the Chartered Institute of Public Finance and Accountancy(CIPFA). The analysis by CIPFA finds that council spending will have fallen by nearly 30% by the end of the current parliament as a result of government funding reductions. It shows that local authority per capita spending in England will have fallen by 14.5% in cash terms by 2014-15, when compared to the last financial year of the last Parliament in 2009-10. When adjusted to take account of inflation this represents a fall of 29.1%, a significant reduction in the spending power of local authorities. It means that that spending levels for 2014-2015 will have fallen back to the level of 2005/06 in cash terms[13].

6.10 Against this background, the responses to the question in the member survey present a mixed picture ranging from some optimism in some cases to a more pessimistic view - but with pessimism outweighing optimism overall.

6.11 Examples of those expressing some optimism are:

- "Fairly positive, given Growth Deal and 2014-2020 EU Structural and Investment Fund programme";

- "Early assessment of prospects for 2015-16 for economic development would be cautiously optimistic. Whilst the Council has a fundamental service review process ongoing to identify areas that can deliver savings in excess of £150 million over the next two years, economic development is a key priority in the Strategic Plan and Members are keen to see a continued focus on activity which supports jobs and skills in particular";

- "Economic development has been set as a priority for the Council. Current thinking is that we need to invest in the economic development function because of its importance to local authority finances and to growth in the area generally";

- "Recognising the role of economic development across the board in project development and delivery, additional resources have been added to the team for a period of time";

- "We have a four-year budget resolution for the Council for 2014/15-2017/18. Our budget will be the same as this year plus additional one-off funding for skills and employability activity, an established Capital Growth Fund for allocation of resources to support the economic growth agenda; and some resources put into reserves to enable us to match European Funding in future years - so the total amount of economic development spend/services in 2015/16 is likely to higher than for this year (which itself is higher than 2014/15)".

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[12] *Provisional local government finance settlement 2014-15 & 2015-16* LGA Briefing 18 December 2013
[13] *Council spending cut by nearly one-third since 2010* Public Finance 4 August 2014

6.12 Many are more pessimistic, even where economic development is seen as a council priority:

- "Very limited – economic development budget cut to nil in 2014/15 and further cuts in the Directorate to be made in 2015/16. Economic development services across the county are currently (at district and county level) being reviewed by our Public Service Board – outcome unlikely to be known before end of 2014, making it difficult to assess the prospects for 2015/16";

- "Economic development and regeneration remains a priority for the Council…(but it)… will continue to need to make efficiency savings and these will also apply to the Economic Development team, in terms of reduced funding. We continue to look at new delivery methods, partnership opportunities and increasing cross-service delivery";

- "All resource is being aligned with LEP, in recognition that to maximise spend we need this alignment to secure the external resource. Internally there is an ever-reducing budget";

- "Most unlikely to see any increase due to overall financial position and competing priorities";

- "Activity spend may reduce as the County Council aligns itself with LEP funded activities";

- "Like all local authorities we are going through major budget reductions and realignments. Members give high priority to regeneration and hence our budgets and activities have been hit proportionately less than most other council services apart from the statutory Children's and Older Persons Service areas";

- "Reduction of around 20%";

- "We are currently modelling a 4-year budget on the basis of 30% or 60% cuts";

- "Business growth and reducing worklessness have been identified as key priorities for the Council. However, economic development remains a discretionary service and has been reduced by over 50% over the last 3 years. There are now no service budgets and activity is funded through income";

- "The Council continues to face spending reductions and the economic development service will have to take its share of pain. There is nevertheless a clear cross party commitment to supporting economic development despite the general austerity across the public sector".

6.13 Some are uncertain:

- "Despite the fact that our core economic growth services spend is slightly diminished, a favourable Growth Deal would have required us to increase investment from previous years significantly to match that investment from Government. However, the lack of funding for any non-transport initiatives means that we are still unclear as to the funding of traditional economic development schemes beyond the very basic level of what we are contracted to do";

- "Unclear what the mid-term future position is regarding the delivery of economic development services. Discussions are underway and it is hoped that resources will be secured for the coming financial years. Members get the wider impact of spend on economic development, in terms of early intervention for long term issues, but are reluctant to be seen to cut children's, adults and other services – hence economic development could be squeezed all the while it is one of the solutions to many of our social problems".

6.14 The last comment encapsulates the dilemma for councils who want to prioritise economic development but also have to face immediate issues around resources for the delivery of all services including those that are statutorily required.

6.15 The above are initial soundings on the impact of local authority budget cuts and of the advent of LEPs and Local Growth Deals on local authority economic development activities and services and their delivery. These and other issues including the effect of the increasing number of authorities going down the 'commissioning authority' route will be looked at in more detail in the next stages of this research project.

Annex A: The Member Survey

Survey questions

1. What has been your authority's role in the preparation of and negotiations for the Local Growth Deals covering your area?

2. What are your views on the Local Growth Deal/ Local Growth Fund announcements for the LEPs in your area & what are the likely local impacts of the Government's decisions – e.g. as regards the amount of LGF funding allocated, projects approved and not approved, freedoms and flexibilities, and conditions attached to the funding?

3. Reflecting on the Local Growth Deal process <u>nationally</u>, in your view:
   a. what worked well?
   b. what did not work well?
   c. what could be improved or built into the review/future Growth Deal process?

4. For the Growth Deal process at <u>local</u> level:
   a. what worked well?
   b. what did not work well?
   c. what could be improved in the future?

5. As regards your authority:
   a. what impact do you think the Growth Deals and the LEP-based approach will have on your authority's economic development spend & services and on its structures and delivery mechanisms/commissioning?
   b. what is your early assessment of the prospects for overall economic development spend/services in your authority in 2015/16?

The survey was sent to CEDOS and ADEPT Planning, Regeneration & Housing Boar members.

Local enterprise Partnerships covered wholly or in part by the survey response are:

Black Country
Cornwall & the Isles of Scilly
Coventry & Warwickshire
Cumbria
Derby, Derbyshire, Nottingham & Nottinghamshire (D2N2)
Dorset
Enterprise M3
Greater Cambridge & Greater Peterborough
Greater Lincolnshire
Humber
Leeds City Region
New Anglia
Sheffield City Region
Solent
South East Midlands
South East
Swindon & Wiltshire
Thames Valley Berkshire
The Marches
York, North Yorkshire & East Riding

Annex B: The distribution of the Local Growth Fund (LGF) – highest & lowest allocations (£m)

The following tables list the ten highest and lowest LEP Local Growth Fund allocations both overall and per capita for total allocations and new funding for

- 2015/16;
- 2015/21.

LGF – Total allocations 2015/16

Table B1: LGF - Total allocations 2015/16 - Highest

1	Greater Manchester	169.7
2	London	151.5
3	North East	111.7
4	Lancashire	84.3
4	South East	84.8
6	West of England	79.0
7	Leeds City Region	72.9
8	Greater Birmingham & Solihull	63.4
9	Heart of the South West	63.0
10	New Anglia	59.8

Table B2: LGF - Total allocations 2015/16 - Lowest

30	Northamptonshire	18.8
31	Coventry and Warwickshire	18.2
32	Thames Valley Berkshire	17.0
33	Oxfordshire	15.7
34	Swindon and Wiltshire	12.9
34	Worcestershire	12.9
36	The Marches	12.8
37	Buckinghamshire Thames Valley	11.0
37	Cornwall & Isles of Scilly	11.0
39	Cumbria	9.1

Table B3: LGF - Total allocations per capita 2015/16 - Highest

1	West of England	73.1
2	Greater Manchester	62.9
3	North East	57.8
4	Lancashire	57.3
5	Hertfordshire	46.9
6	Greater Lincolnshire	45.9
7	Gloucestershire	39.9
8	New Anglia	37.6
8	Heart of the South West	37.6
10	Tees Valley	34.7

Table B4: LGF - Total allocations per capita 2015/16 - Lowest

30	Coventry & Warwickshire	20.7
31	Cornwall & Isles of Scilly	20.4
32	The Marches	19.7
33	Thames Valley Berkshire	19.5
34	Stoke-on-Trent & Staffordshire	19.1
35	Swindon & Wiltshire	18.9
36	London	18.2
37	Cumbria	18.0
38	South East Midlands	17.9
39	Greater Cambridge/Greater Peterborough	15.2

LGF – Total new funding 2015/16

The total LGF allocations include substantial amounts of funding that had been announced previously. The following tables relate to new funding both in total and per capita.

Table B5: LGF – Total new funding 2015/16 - Highest

1	London	151.5
2	Greater Manchester	65.1
3	South East	64.6
4	Leeds City Region	62.2
5	Heart of the South West	49.2
6	North East	47.9
7	Greater Birmingham & Solihull	38.7
8	Coast to Capital	38.0
9	Sheffield City Region	36.8
10	Lancashire	36.4

Table B6: LGF – Total new funding 2015/16 - Lowest

30	Swindon & Wiltshire	12.0
31	Gloucestershire	11.7
31	Dorset	11.7
33	The Marches	10.4
33	Cornwall & the Isles of Scilly	10.4
35	Oxfordshire	9.2
36	Northamptonshire	9.1
37	Worcestershire	9.0
38	Buckinghamshire Thames Valley	8.9
39	Cumbria	7.8

Table B7: LGF – New funding per capita 2015/16 - Highest

1	Heart of South West	29.33
2	Thames Valley Berkshire	26.20
3	Lancashire	24.83
4	North East	24.71
5	Greater Manchester	24.09
6	Liverpool City Region	23.16
7	Humber	23.01
8	Black Country	22.50
9	Tees Valley	21.25
10	Sheffield City Region	21.09

Table B8: LGF – New funding per capita 2015/16 - Lowest

30	Cumbria	15.63
31	Coventry & Warwickshire	15.61
32	Dorset	15.59
33	West of England	15.36
34	D2N2	14.88
35	Oxfordshire	13.92
36	Northamptonshire	12.99
37	Greater Cambridge/Greater Peterborough	12.37
38	Stoke-on-Trent & Staffordshire	12.34
39	South East Midlands	11.58

Overall LGF allocations to 2021

The Growth Deals also include figures of LGF awards (new money) for 2016 onwards and previously committed funding plus provisional allocations to projects starting in 2016/17 and beyond. The following tables relate to the overall allocations to 2021.

Total LGF 2015/21

Table B9: 2015/21 Total LGF – Highest

1	Greater Birmingham/Solihull	322.4
2	Leeds City Region	295.5
3	Greater Manchester	273.1
4	London	236.1
5	Sheffield City Region	234.6
6	South East	208.2
7	North East	196.2
8	Liverpool City Region	188.2
9	Coast to Capital	178.2
10	Hertfordshire	147.0

Table B10: 2015/21 Total LGF – Lowest

30	Stoke-on-Trent & Staffordshire	61.7
31	Coventry & Warwickshire	58.8
32	Greater Cambridge/Greater Peterborough	57.0
33	Northamptonshire	55.7
34	Dorset	54.2
35	Cornwall & Isles of Scilly	40.0
36	Worcestershire	39.3
37	Gloucestershire	38.7
38	Buckinghamshire Thames Valley	35.9
39	Cumbria	19.0

Table B11: 2015/21 Total LGF per capita - Highest

1	Swindon & Wiltshire	171.3
2	Greater Birmingham/Solihull	164.47
3	Thames Valley Berkshire	161.09
4	Oxfordshire	152.39
5	Cheshire & Warrington	136.53
6	Sheffield City Region	134.45
7	Hertfordshire	130.19
8	Liverpool City Region	124.52
9	Tees Valley	108.50
10	Black Country	101.24

Table B12: 2015/21 Total LGF per capita - Lowest

30	D2N2	61.94
31	Heart of the South West	58.48
32	Enterprise M3	57.05
33	Stoke-on-Trent & Staffordshire	55.99
34	South East	51.78
35	New Anglia	51.20
36	Greater Cambridge/Greater Peterborough	41.23
37	Cumbria	38.07
38	South East Midlands	37.23
39	London	28.42

New Funding 2015/21

Table B13: 2015/21 LGF Total Confirmed new Funding – Highest

1	Leeds City Region	295.5
2	Greater Manchester	273.1
3	London	236.0
4	South East	208.2
5	Coast to Capital	162.2
6	Hertfordshire	147.0
7	Sheffield City Region	142.7
8	North East	117.5
9	Liverpool City Region	109.5
10	Black Country	103.4

Table B14: 2015/21 LGF Total Confirmed new funding – Lowest

30	Tees Valley	35.3
31	Coventry & Warwickshire	34.1
32	Worcestershire	29.3
33	Gloucestershire	28.3
34	Stoke on Trent & Staffordshire	27.7
35	Cornwall & Isles of Scilly	27.5
36	The Marches	22.7
37	Northamptonshire	20.6
38	Cumbria	19.0
39	Thames Valley Berkshire	15.4

Table B15: 2015/21 LGF Confirmed new funding per capita – Highest

1	Hertfordshire	130.1
2	Greater Manchester	101.1
3	Leeds City Region	99.5
4	Oxfordshire	95.3
5	Swindon & Wiltshire	90.0
6	Black Country	89.9
7	Humber	88.9
8	Coast to Capital	83.6
9	Sheffield City Region	82.0
10	Liverpool City Region	72.5

Table B16: 2015/21 LGF Confirmed new funding per capita – Lowest

30	Greater Lincolnshire	37.9
31	Enterprise M3	37.0
32	York, North Yorkshire & East Riding	36.3
33	The Marches	34.4
34	Northamptonshire	29.4
35	London	28.4
36	Greater Cambridge & Greater Peterborough	27.2
37	South East Midlands	25.4
38	Stoke on Trent & Staffordshire	25.2
39	Thames Valley Berkshire	17.7

In addition to confirmed new funding, for some Growth Deals Government made provisional allocations to projects starting in 2016/17 and beyond.

Table B17: Total provisional allocations – Highest

1	Greater Birmingham/Solihull	225.2
2	South East	164.4
3	Sheffield City Region	91.9
4	Liverpool City Region	78.7
4	North East	78.7
6	Cheshire & Warrington	71.7
7	Thames Valley Berkshire	67.0
8	Swindon & Wiltshire	55.9
9	Lancashire	48.9
10	The Marches	41.9

Table B18: Total provisional allocations – Lowest

30	Heart of South West	6.1
31	Humber	6.0
32	Leicester/Leicestershire	3.3
33	Dorset	2.6
34	Buckinghamshire Thames Valley	0.0
34	Cumbria	0.0
34	Greater Manchester	0.0
34	Hertfordshire	0.0
34	Leeds City Region	0.0
34	London	0.0

Table B19: Provisional allocations per capita – Highest

1	Thames Valley Berkshire	130.99
2	Greater Birmingham/Solihull	114.89
3	Swindon & Wiltshire	81.16
4	Cheshire & Warrington	79.14
5	The Marches	63.41
6	Tees Valley	55.30
7	Oxfordshire	52.97
8	Sheffield City Region	52.67
9	Liverpool City Region	52.07
10	Northamptonshire	50.10

Table B20: Provisional allocations per capita – Lowest

30	Humber	6.51
31	Heart of South West	3.64
32	Dorset	3.47
33	Leicester/Leicestershire	3.34
34	Buckinghamshire Thames Valley	0.0
34	Cumbria	0.0
34	Greater Manchester	0.0
34	Hertfordshire	0.0
34	Leeds City Region	0.0
34	London	0.0