

2013/58

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Pocket Watch – Drafting a Local Growth Deal

Introduction

The ambition is clear, the funding has been announced and the expectation built up: Local Enterprise Partnerships (LEPs) are to be given greater freedom and resources in a bid to stimulate local growth through the creation of a Growth Deal. But just what is a Growth Deal, how's it put together and what should go into it? This week the Government started to provide answers to these and other questions on local growth planning by producing initial technical **guidance** for LEPs. Only started to because there's still a fair amount of detail to come: *"the Government will work with LEPs over the summer to co-design more detail and will add to this guidance in September."* Co-working features strongly in the guidance with the Government stressing the virtues of collaborative working. Synergy appears, but later on

What is a Growth Deal?

Growth Deals, which build on the model of City Deals, form part of an individual LEP's Strategic Economic Plan, essentially a Plan for local growth *"based on a strong rationale, value for money and partnerships for delivery."* In neither case, Growth Deal nor Strategic Economic Plan, is the Government seeking to impose a prescribed model, *"there will be no set format for the Strategic Economic Plan."* Local ownership as envisaged by Lord Heseltine is the primary objective but it leaves the language somewhat esoteric as a result. The guidance does however list the three main criteria against which such Plans will be assessed, namely

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

What happens to the Plans?

The purpose of both the Strategic Plan and Growth Deal is to signal intent and secure funding so as to be able to deliver local growth objectives. Government funding won't be the only source of funding, there will be EU Structural Funding and also could be local authority funding, private sector investment and in the case of the Growth Deal, access to the Local Growth Fund. The latter will come in the form an annual grant payable in April to a nominated local authority that will act as an accountable body. There may be some additional capital funding as well and the Government will be looking for an annual report as well as local transparency and reporting to ensure accountability

What happens now?

The three key dates are December 2013 when LEPs share the first draft of their Strategic Economic Plans with Government, January 2014 when the Government provides feedback, and July 2014 when the formal Local Growth Fund offer is made to LEPs for implementation from April 2015



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LEP Growth Plans July 2013