FAQS FOR THE STRATEGIC ECONOMIC PLAN

BACKGROUND INFORMATION

Why does the West of England LEP have to produce a Strategic Economic Plan? Following the Heseltine Review* in March 2013, the Government announced that they want to negotiate a Growth Deal with every Local Enterprise Partnership (LEP), building on the success of City Deals. Through Growth Deals, LEP can seek freedoms, flexibilities and influence over resources from government, and a share of the Local Growth Fund to achieve their identified growth priorities.

In return, the Government expects LEPs to demonstrate their commitment to the growth agenda by developing ambitious, multi-year strategic economic plans.

Alongside the share of the Local Growth Fund, each LEP must draw up investment plans for over £5 billion of European Structural and Investment Funds (EU SIF) for 2014 – 2020.


What is a Local Growth Deal? The Government envisages that Growth Deals will include:

- A greater influence over key levers affecting local growth and freedoms and flexibilities
- A share of the Local Growth Fund for LEPs to spend on delivery of their Strategic Economic Plan
- Commitments from LEPs, local authorities and the private sector on their resources and levers for delivery of the Strategic Economic Plans, including through:
  - better use of local authority assets to unlock resources to be reinvested in growth
  - commitments to pro-growth reforms, for example, a coordinated approach to the development of local plans by local planning authorities across the relevant economic geography
  - commitment to collective decision-making, involving all local authorities within a LEP

Local Growth Deals will be a partnership between the Government and LEPs, where the Government will respond to the offers made by LEPs in pursuit of the shared objective of growth. The Government and LEP will negotiate Growth Deals on the basis of the LEP’s Strategic Economic Plan.


What is a Strategic Economic Plan? A Strategic Economic Plan (SEP) is a plan that identifies how the LEP is going to stimulate growth in its region over the next 6 years to 2020, the West of England SEP has a longer term Vision to 2030. It will be used to negotiate the growth deal and will seek to address the guidance on Growth Deals outlined above.
There is no set format for a SEP, it is for LEPs to determine what needs to go into theirs, based on their knowledge of what is required for economic growth in their locality.

**Why has the government tasked LEPs with producing the SEP?**
The Government recognises the critical role that LEPs have to play in providing strategic economic leadership for their areas, bringing public and private sector partners together around a common set of goals. It is acknowledged that they understand the drivers and barriers to growth which affect the local economies in a way that central government cannot.

**What is the point of doing the SEP?**
The Government has said that areas with strong deliverable SEPs, evidenced by strong partnership working, robust arrangements for accountability and effective collaboration will earn local accountability – providing autonomy over resources allowing greater scope for local decision making. They will also be able to negotiate wider powers and influence and they will earn a greater share of the Local Growth Fund.

The certainty of funding the Government is providing will enable regions to plan for the longer term and ensure business-led LEPs have the power to make the right choices for their local economies.

**How much money is in the Local Growth Fund pot?**
The Government is guaranteeing at least £2 billion a year over the next Parliament. The Government has also allocated over £5 billion of European Structural and Investment Funds to LEP areas, allowing LEPs to use their Growth Deal funding on combined or complementary activities.

**How much money is the West of England going to get from the Local Growth Fund?**
At this stage, we don’t know how much the Government will allocate to the West of England. However, our SEP will be ambitious and our indicative programme will be pitched at around £350-480 million over the lifetime of the plan (ie. £70-95m a year). We have ambitious plans that could deliver a programme of up to £95 million a year, but it will be scalable.

The Local Growth Fund is just one of the investment options available to LEPs. LEPs will need to draw on a range of resources to fund the priorities identified in their SEP, such as private sector funding, local authority funding, match funding from partners, as well as the EU Structural and Investment Fund, which has already been allocated to LEPs.

**Has the Govt said how it will assess SEPs?**
Assessment of Strategic Economic Plans will be based round three core themes:

A – Ambition and rationale for intervention for the local area
B – Value for money
C – Delivery and risk

**How much money has the West of England been allocated from the EU SIF?**
The West of England has been allocated €68.8m (approx £59 million) of SIF funding available over the period 2014-20. In order to realise this full value, eligible match funding will be required.
**When will LEPs get their allocation from the Local Growth Fund?**
The Government will receive final SEPs on March 31st 2014. The negotiation will be an iterative process. It is anticipated that Government will inform LEPs in Summer 2014 of their allocations for 2015/16.

**WEST OF ENGLAND STRATEGY & AMBITIONS**

**What is the West of England LEP’s strategy for the plan?**
The West of England LEP began early engagement to inform the SEP process in April 2013.

The LEP’s SEP team have been working with business representatives and the four unitary authorities to develop the draft economic strategy, basing it on priority sectors, drivers of growth and the region’s Enterprise Zone and Areas (see attached diagram).

Our economic strategy has identified five key growth areas as the focus for support and intervention. These sectors are:

- low carbon
- high tech
- advance engineering/aerospace
- creative & digital media
- professional & legal services

These sectors demonstrate the greatest potential to create GVA (gross value added) and jobs, as well as generating multiplier effects in other sectors.

In addition, four drivers of growth have been identified:

- Skills & people
- Place & infrastructure
- investment & promotion
- business support (including SMEs)

This strategy has been endorsed by the LEP Board.

**What is the LEP’s timetable for getting the plan to its final draft submission to Government?**
The emerging SEP will receive strategic input from a range of groups before the final submission. The timetable is as follows:

12th November - LEP Board
18th November - LEP Business Advisory Group
22nd Nov - LEP Conference
25th November - Infrastructure and Place Group
26th November - Joint Scrutiny Committee
2nd Dec - Joint Transport Executive Committee
w/c 2nd Dec - Planning, Housing and Communities Board
It will then go to the following for endorsement of the draft plan:

2nd December - SEP Board  
9th December - LEP Executive  
19th December – draft SEP submitted to Govt for early feedback  
Mid-Dec – late Jan 2014 – key consultation period with key stakeholders  
6th February – LEP Board  
Ratification of the plan from unitary authorities  
31st March 2014 – submission of the final plan to Govt

How are the proposals being assessed by the LEP?
To ensure consistency and transparency of decision-making and help with prioritisation, the LEP’s SEP team have developed a single assessment process based on the following criteria:

- Rationale for public intervention  
- Sector group  
- Strategic fit  
- Impacts and benefits  
- Match funding  
- Scalable/flexible

The outcome of this process will result in a draft indicative delivery programme with types of interventions for:

Years 1-2  
Years 3-6  
Years 7+

How can we be sure the plan is robust and plausible?
The LEP has appointed KPMG for specialist consultancy support to review the proposed evaluation process for the proposals and to ensure the final plan offers a robust methodology, value for money and the best possibility of delivering the jobs growth and GVA.

What happens if the LEP doesn’t get as much funding as it asks for to deliver the SEP?
We will need to have flexibility in our plans. Our ambitious plans will rely not just on the SEP but on a blend of funding such as City Deal, RIF, and other investment from our partners.

CONSULTATION

Who has the LEP consulted with to develop its strategic economic plan?
We undertook qualitative research for the SEP between May and July 2013. Over 50 in-depth interviews were carried out with LEP partners. We also set up an Economic Intelligence Panel, comprising a University Academic specialising in regional economics, Business West, unitary authorities and an independent economic consultant. This group commissioned Oxford Economics, the Red Group and OCO to provide a variety of independent economic forecasts, models and critiques of the region.
Following guidance issued by the Government in July on how it wanted SEPs done, the LEP set up formal processes to progress the SEP and the EU SIF with strong governance around them.

At the LEP Board on 4th Sept, it agreed the proposed document outline, programme structure and creation of the SEP SIF Board to manage and monitor the progress. The Board also agreed the principle of developing a smart-specialisation approach to economic development, based on evidence base.

The SEP/EU SIF Board met on 9th Sept with an equal representation from business and local authorities to agree the project governance and Board.

Workshops were held in September and October with each of the LEP’s 11 Sector Groups, the Infrastructure & Place Group, the Skills Group and the four local authority partners to help develop the SEP and identify proposals.

**Will there be the opportunity to consult after the draft has gone to government on Dec 19th?**
Yes, the timetable we are working to means that we have planned a programme of consultation for anyone who wishes to comment on the draft plan from 16th December - 24th January 2014. This will allow us to actively seek input to the draft plan and make best use of this input in our final submission document to the Government.

The consultation can be viewed online at: [www.westofenglandlep.co.uk/plan](http://www.westofenglandlep.co.uk/plan).

**Who is the LEP looking to consult with? Can anyone get involved?**
We welcome views from anyone who wishes to comment to help shape our plan and ensure we make a compelling case to Government.

This consultation is not a statutory process, and will not follow the formal consultation processes. However, we will be welcoming views from anyone who wishes to comment to help shape our plan and ensure we make a compelling case to Government.

**Will the final SEP be available to see publicly after it has been submitted?**
Yes the Strategic Economic plan will be available on the LEP website.

**GOVERNANCE**

**How is the LEP proposing to arrange the governance to implement the SEP?**
The West of England LEP already has well established and robust arrangements for joint governance, built around a LEP Board and a series of local authority or business led committees, boards and groups with remits that include transport, planning, skills, inward investment and our key sectors.

The LEP Board consists of the four council leaders and business representatives and has been meeting formally since April 2011. It has successfully driven forward the establishment of the Bristol Temple Quarter Enterprise Zone and five Enterprise Areas and the City Deal with government.

The LEP is currently exploring several options around joint governance going forward.