

Next steps for LEPs

How greater transparency and accountability would help Local Enterprise Partnerships to support a thriving countryside.

A CPRE survey of Local Enterprise Partnerships' approach to the environment and rural economy.

June 2018

Executive summary

Local Enterprise Partnerships (LEPs) are business-led partnerships between the private and public sector, designed to support and promote growth in economic areas defined by local business interests and local government, and agreed with central Government. There are currently 38 LEPs in England, which vary in geographical and economic, social and environmental impact (see map in Annex 1). Great concerns have been raised about the failure of LEPs to take rural and countryside issues into account, as well as their governance, transparency, and accountability.

CPRE has been particularly concerned to call for new large-scale economic development - both housebuilding and new employment premises - to make efficient use of land and be well-linked to public transport. Therefore previously developed (brownfield) land in urban areas should be the first preference for such development where possible. We believe that brownfield regeneration should be the key investment priority for LEPs as it was for the former Regional Development Agencies (RDAs). Alongside this, CPRE has a strong interest in promoting environmentally sustainable economic growth in rural areas, particularly to support small farmers and rural affordable housing. Our Rural Economy Policy Guidance Note (June 2014) states: 'Economic development enables rural areas to prosper and more people to live and work in the countryside. Providing high quality work can help to tackle rural poverty and improve access to services... However, economic growth, social needs and environmental limits must be reconciled not traded off against each other. A high quality rural environment is vital for public well-being and is an integral part of a strong and resilient rural economy.'^[1]

In order to find out more about the impact on the countryside and regeneration, CPRE branches were surveyed in February and March 2017. A total of 44 survey responses were received from 34 branches, covering 32 (out of the 38) LEPs. The survey is therefore subjective in nature. However, the results suggest that a large majority of LEPs are failing rural communities by ignoring their economic potential, as well as their social needs and environmental quality. We also have particular concerns that LEPs are promoting damaging and expensive road building schemes at the expense of more affordable and/or sustainable transport options. However, we are also aware of a few examples of LEP best practice, in areas such as growing rural economies, investing in sustainable transport, broadband, and working with Local Nature Partnerships (LNPs).

The findings of the survey can be summarised as follows:

On rural and countryside policy issues, there is a clear feeling that LEPs are having a negative or strong negative impact (60% of responses). LEPs have key responsibilities in administering the Rural Development Programme for England but the perception is that many lack a rural reach and are not doing enough to address this deficiency. Coverage of environmental issues is inconsistent: we are aware of only 50% working with their equivalent Local Nature Partnership (LNP); only 21%

rural affordable housing; and 14% rural transport. Potential examples of good practice, however, include the Coast to Capital, Enterprise M3, Greater Lincolnshire, and Heart of the South West LEPs. In particular, LEPs in the South West have set up a Rural Productivity Commission, which reported in 2017. CPRE would particularly commend this approach, even if we do not necessarily endorse all of that Commission's recommendations.

On strategic planning, there is a concern that LEPs may be reinforcing inequalities within and between English regions rather than addressing them. Of the investment areas that we are aware of, it was three times more likely to be in a buoyant area than one in particular social need. Potential examples of good practice, however, include the Cornwall, Derby and Nottingham (D2N2), Enterprise M3, Lancashire, and Solent LEPs.

On governance, CPRE's perception is that in recent months LEP websites have improved significantly and are much better than before at providing LEP information to the general public. But overall we are concerned that there is still a lack of public awareness of LEPs and often a lack of willingness amongst LEPs themselves to engage with the general public. Only 21% of LEP websites that we surveyed appear to clearly provide evidence of progress with Strategic Economic Plans (SEPs) which form the basis of LEP activity. Few (only 24% according to our survey) LEPs hold public meetings although it also appears to be the case that public meetings are beginning to take place more often. Possible examples of good practice include Derby and Nottingham (D2N2), Heart of the South West, Oxfordshire, Solent and Swindon & Wiltshire LEPs.

Twelve policy recommendations for Government and LEPs are set out, based on the survey results and the best practice examples. We urge the Government to consider these recommendations in the context of both the wider review of LEP operations and the commitment in its Industrial Strategy (published November 2017), to "*set out a more clearly defined set of [LEP] activities and objectives*". ^[2]

Recommendations to Government (MHCLG, BEIS, DEFRA & DfT):

1. Place a requirement on all LEPs to produce and publish a Rural Inclusion Plan or equivalent policy statement on rural development.
2. Ensure that LEPs are required to have meaningful, inclusive representation of the non-statutory environmental sector in LEP programmes and at board level, so that landscape and biodiversity concerns are considered in decision making.
3. Distribute funding to LEPs in a way that prioritises areas of need, rather than focusing primarily on areas of opportunity.
4. Introduce robust transparency and accountability measures across all initiatives that LEPs undertake to ensure that they are delivering value for money for the taxpayer.
5. Create and enforce the implementation of a standard evaluation system for future LEP growth initiatives, which include key environmental and social indicators for the LEP area and set targets for each indicator.

Recommendations to LEPs:

6. Produce details of LEP spending showing that contracts are awarded using unbiased criteria and transparent and competitive tendering processes. Financial information - including the names of companies awarded contracts - should be published quarterly and in the LEP Annual Report.
7. Operate an open recruitment process and publish the specific roles and responsibilities of the LEP executive on their websites, alongside a register of interests for all staff and board members.
8. Monitor the performance over time of the key environmental and social indicators for the LEP area, and publish the results as part of the publicly available LEP Annual Review.
9. Ensure that Rural Inclusion Plans or rural development policy statements set out:
 - a. how agricultural and rural development fund money is, and is intended to be, spent;
 - b. how rural-proofing of LEP investments is addressed;
 - c. how the economic and employment benefits of rural initiatives are retained in the local community; and
 - d. how the LEP is contributing to the roll out of broadband connectivity and improved speeds across its rural areas.
10. Prioritise the regeneration of communities with large areas of brownfield land and empty buildings, before investing in large-scale greenfield development.
11. Prioritise investment in sustainable public transport (including bus, cycle and pedestrian links to railway stations) over road building projects, particularly in rural areas where public transport links are the least developed.
12. Recognise the value of beauty, tranquillity and local distinctiveness for the tourism and quality of life that benefits many rural enterprises.

1. Introduction

Local Enterprise Partnerships (LEPs) are business-led partnerships between the private and public sector, designed to support and promote growth in economic areas defined by local business interests. Due to there being no pre-designed boundaries, some local authorities are members of two or three LEPs.

There are currently 38 LEPs in England, which vary in geographical size (see map in Annex 1) and economic, social and environmental impact. They were established by the Coalition Government as the new vehicle to support local growth once the nine Regional Development Agencies (RDAs, set up by the Labour Government in 1999) were abolished in 2012. Unlike the former RDAs, LEPs do not have a statutory purpose to contribute to sustainable development. Most LEPs are centred on urban areas, making it hard to compare how different LEPs promote growth in rural areas or rural-proof their general investments.

Section 3 of the 2012 National Planning Policy Framework (NPPF) makes it clear that planning policies should support economic growth in rural areas. Rural businesses account for 24% of all registered businesses in England, generating around 13% of England's employment and 16.5% of England's Gross Value Added - amounting to £237 billion in 2015-16.^[3] Most importantly, rural businesses are the ones that struggle the most to access and obtain the funds necessary to remain viable long-term catalysts for their local economy.

In his speech on LEPs on 27 March 2017, the then Secretary of State for Communities and Local Government Sajid Javid asked LEPs to question themselves about whether they communicated with smaller businesses enough, and whether they meet the needs of those who do not reach out to them. He also asked LEPs to look at their corporate governance and ensure "every penny you spend is transparent and justified", and reassured the public that Government has strengthened the rules around how LEP funds are spent and invested. Government concerns about these issues have been further reflected in the commissioning a review of governance and transparency led by Mary Ney, which reported in October 2017.^[4] Alongside this, a National Audit Office investigation took place into the Cambridgeshire & Peterborough LEP in 2017 following concerns raised by a local MP, and the LEP was subsequently abolished in April 2018. In January 2018 the Government published guidance on governance and transparency, key sections of which it expects LEPs to follow, and further guidance is expected on issues such as finance.

The issue around smaller businesses is important to rural communities especially. The Federation of Smaller Businesses (FSB) support LEPs as a model for business-led investment. The FSB has however raised concerns that the voice of small businesses can be drowned out compared to larger employers who may be seem to be more obvious recipients of LEPs resources.^[5]

At the same time as Ministers have been raising concerns in public, Government has continued to increase the funding allocated to LEPs through further Growth Deals. As of March 2016, £7.3 billion worth of Growth Deal funding had been allocated to LEPs from the Government's £12 billion Local Growth Fund.^[6] This has happened despite the National Audit Office (NAO) stating in December 2013 that it has not yet been demonstrated that LEPs 'are capable of delivering value for money'.^[6]

Also, in March 2016 Sir Amyas Morse, the head of the National Audit Office, stated: 'LEPs' role has expanded rapidly and significantly but they are not as transparent to the public as we would expect, especially given they are now responsible for significant amounts of taxpayers' money. ... The Department needs to do more to assure itself that the mechanisms it is relying on ensure value for money and are in fact effective.'

Worries about oversight of the LEPs have continued, and in December 2017 the Communities and Local Government Select Committee called for local authorities to be able to scrutinise LEPs in more detail.^[7] The Committee called for overview and scrutiny committees to have access to finance and performance data, have the right to call witnesses and for public and service users to be encouraged to take part in scrutiny functions.

The survey presented in this report was conducted because CPRE has increasing concerns about the lack of rural-proofing, accountability, and transparency of LEPs, as well as their governance and narrow growth-orientated agenda. LEPs typically measure growth as the number of jobs, roads, and houses they help create by channelling the funding they bid for from Government into such projects. Such an agenda and governance model rings alarm bells in terms of accounting for sustainability, protecting the countryside, and addressing the needs of local communities. These concerns have been echoed in varying degrees by other organisations such as the National Audit Office, the Royal Town Planning Institute (RTPI), the former Commission for Rural Communities, and the Federation of Small Businesses, and have been covered extensively in the media.^[8-11]

In order to increase our understanding of these issues, a survey was sent to all CPRE branches in February 2017 to gather intelligence on their knowledge of and relationship to their local LEPs. We re-ran elements of the survey in May 2018 in the light of the new Government guidance on LEP governance, to see whether our local groups were aware of any improvements in practice as a result. The next sections of this report will show that although the results generally confirmed CPRE's concerns, some examples of LEP best practice were also uncovered.

2. LEP survey findings

The survey consisted of 20 questions around LEP consideration of rural and countryside issues, their involvement with planning issues, their transparency, accountability and stakeholder engagement. A total of 44 survey responses were received, 29 of which were selected for further analysis. This was because 11 LEPs were covered by more than one survey, and four survey responses were not complete enough to include in the analysis. The results which follow therefore cover 29 of the 38 LEPs in England. The answers to the questions that were not included in the analysis were incorporated into the discussion where relevant.

CPRE has a network of county branches that cover the whole of England. Our branches are responsible for working with individual local authorities and other local actors on planning issues where these are relevant to our campaigns. Reflecting this, contact between CPRE and an individual LEP would normally take place with a representative of the relevant CPRE branch or branches. Our branches also have a long track record of work on local planning issues. In many cases they will be able to see the work of LEPs in comparison with, for example, the former RDAs which shared some of the priorities and responsibilities that LEPs now have.

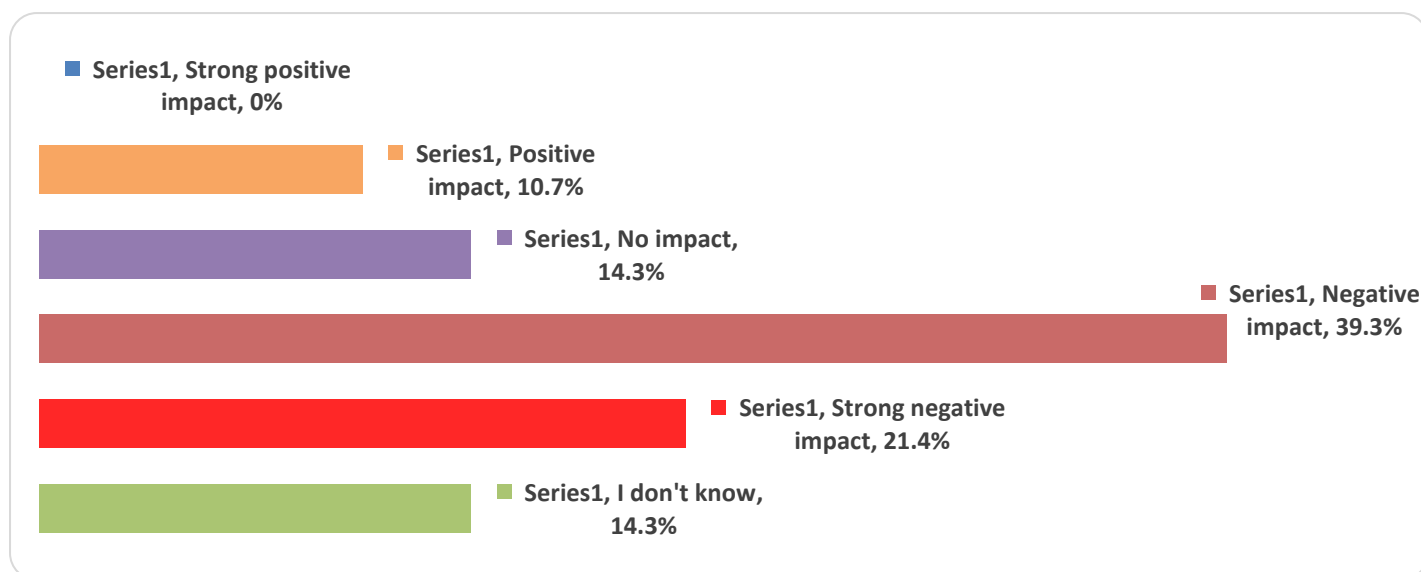
The surveys were completed through a combination of branch knowledge of their local LEPs' activities on the ground, and a review of the resources and information available on each LEP website. A key source of information were the LEP Strategic Economic Plans (SEP) and annual reviews, which should be published on their websites annually. The survey results summarised in this section are therefore an indication of whether, at least, the LEP sets out that it intends to address the issues raised in the survey, but do not always indicate that there is any evidence of the LEP addressing these issues in practice.

Indeed, survey respondents expressed concerns about LEPs paying lip service to environmental and rural concerns in their online resources, without actually committing to any projects on the ground to help tackle these issues. The numbers presented in this report should therefore be considered as the maximum percentage of LEPs that may commit to these issues, on the assumption that some LEPs may not have translated their written engagement into tangible investment programmes.

2.1 Rural and countryside issues

Only three (11%) of the LEPs surveyed were perceived to have a positive impact on rural and countryside issues (Figures 1 & 2). More precisely, these LEPs showed evidence of investment in improving rural broadband and sustainable transport. However, this leaves an overwhelming 60% of LEPs being perceived as having a negative or strongly negative impact on rural and countryside issues (Figure 1). Of the remaining 28%, half were said to have no impact, and half the respondents did not know (Figure 1). Potential examples of good practice notified to us (where survey returns suggested evidence of LEP activity across one or more rural and countryside themes) include the Coast to Capital, Enterprise M3, Greater Lincolnshire, and Heart of the South West LEPs.

Figure 1: What impact do you perceive the LEP is effecting on the local rural economy and countryside?



The sample size is of 28 surveys, covering 28 LEPs.

Research has shown that some rural groups have been faced with lack of interest and even resistance at attempts to engage with LEPs.^[11] We are aware of only 21% of LEPs being involved with the provision of rural affordable housing, and an even smaller 14% setting out to address rural transport. This should be a cause of concern for LEPs as a lack of housing and infrastructure to meet the needs of rural workers is hindering the growth of rural economies. The fact that rural businesses already provide 16.5% of England's Gross Value Added and 13% of England's employment^[3] show that there is great potential for LEPs to tap into.

A few LEPs have stated that it is challenging for them to justify smaller rural projects because Government funding often focuses on the ability to deliver large-scale growth.^[11] This model of funding allocation assumes that business is driven by cities^[11]. CPRE would agree that most large-scale economic development projects, including housing, are best located in urban areas and we advocate a brownfield first approach. We also recognise, however, the need for investment in rural communities and the land-based sector, particularly small and medium-sized farming enterprises, and affordable housing available to people on average rural incomes or below. There are 102,235 SMEs in farming, forestry and fishing in England, approximating to around 2% of the national total. We are particularly concerned that investment in rural economies should take place in a manner that is sensitive to the rural environment.

It is therefore particularly worrying for CPRE that there appears to be an uneven recognition amongst LEPs of the importance of the environment and the benefits a good quality natural environment brings to business. Increasingly a thriving natural environment and its associated services are being recognised as essential contributors to sustainable growth.^[12] CPRE groups were aware of about half (52% and 50%, respectively) of LEPs looking to address environmental issues, and working with the relevant Local Nature Partnerships (LNPs) on these issues (Figure 2).

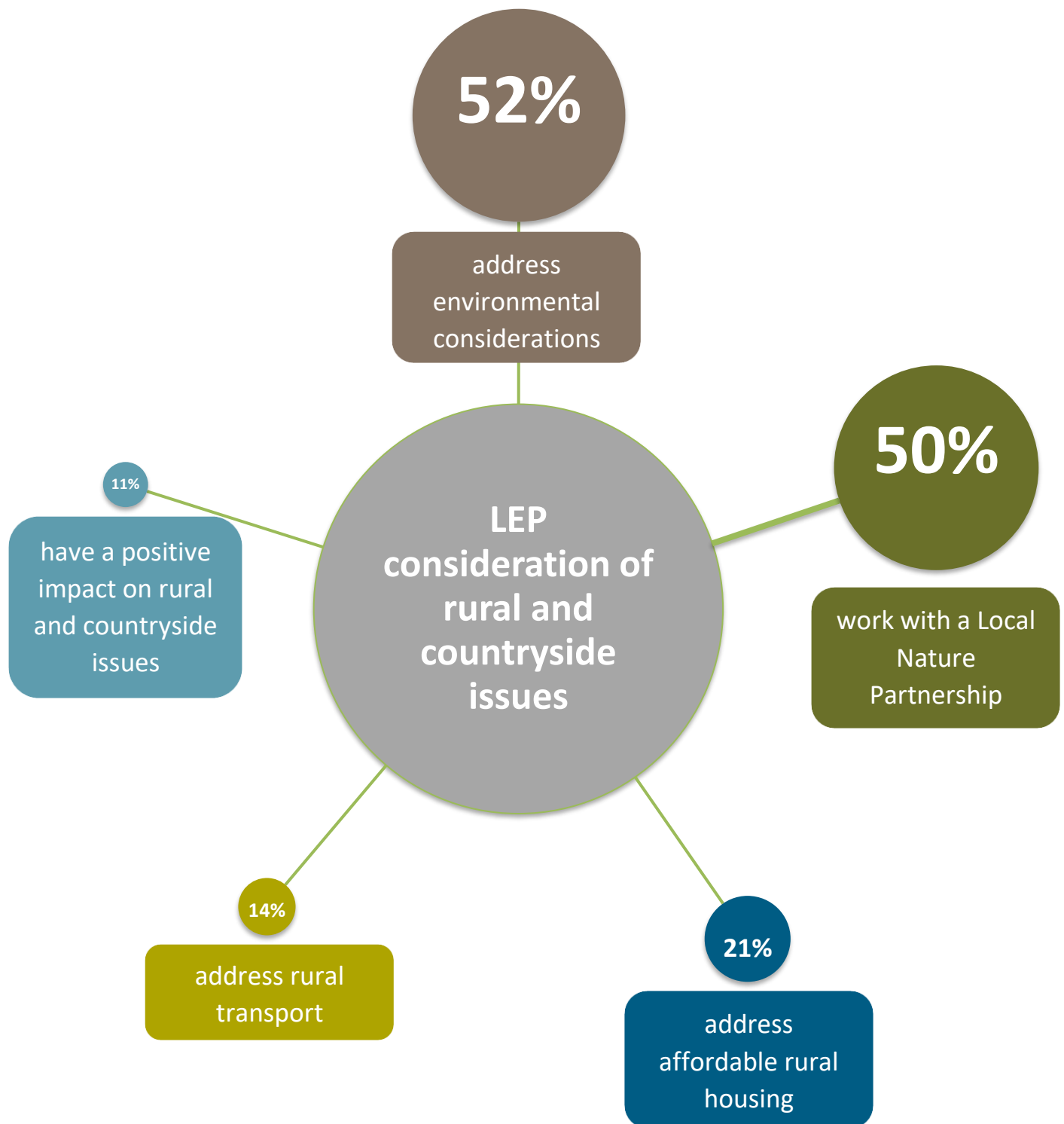
Other than receiving a very small amount of initial pump-priming funding from government, the LNPs have not been supported as independent institutions and there are concerns about whether they can sustain their activities in the medium to longer term. To date Government has advised

LNPs to seek financial support from the LEPs - the very institutions they were supposed to hold to account. That said, joint work between LEPs and LNPs can enable infrastructure to be built out more quickly for example, if environmental concerns are discussed and met as part of the process.^[12]

The Government's 25 Year Environment Plan proposes the establishment of 'natural capital plans' on a strategic, sub-regional basis across England. The Plan envisages that these plans will be produced for the 14 'aligned areas' of England that are used to guide the work of Defra and its agencies including the Environment Agency, Natural England and the Forestry Commission. These plans are thus likely to cover different areas to either LEPs or LNPs. But they have the potential to be the key vehicle for increasing collaborative work between LEPs, LNPs, and the statutory agencies. A further proposal in the Plan would also see LEPs being involved in identifying suitable areas for large scale woodland creation and forestry development zones. These can help support the enhancement of the natural environment, especially in areas where landscapes and biodiversity have been degraded. In addition, such collaborations can encourage innovative local carbon reduction and resource efficiency initiatives, and support small scale energy generation projects in rural areas.^[13]

Wider issues relating to strategic planning are considered in the next section.

Figure 2: LEP consideration of rural and countryside issues



Note: These results are based on the analysis of 29 LEPs. These results should be interpreted as an indication of whether the LEP sets out that it intends to address these issues, but do not always indicate that there is any evidence of the LEP addressing these issues in practice.

2.2 Strategic planning issues

The 2010 Local Growth White Paper included the development and consideration of strategic planning applications' as part of the responsibilities of LEPs. Planning is also referenced within the Government's guidance on Growth Deals which sets out how the LEP Strategic Economic Plan should make a case for Growth Deal funding, although there is no suggestion that LEPs should override the role of local authorities in making planning policies or decisions ^[14].

The National Planning Policy Framework (NPPF) advises local planning authorities to consult with LEPs on strategic planning issues, and similarly the Planning Practice Guidance supporting the NPPF encourages local authorities to work with LEPs to promote the redevelopment of brownfield sites. However, our survey showed that only 24% of LEPs had a clearly publicised sub-group with a planning remit (Figure 3), which echoes the RTPI finding that '[some] LEPs have made it clear that they do not see planning as part of their remit'.^[8]

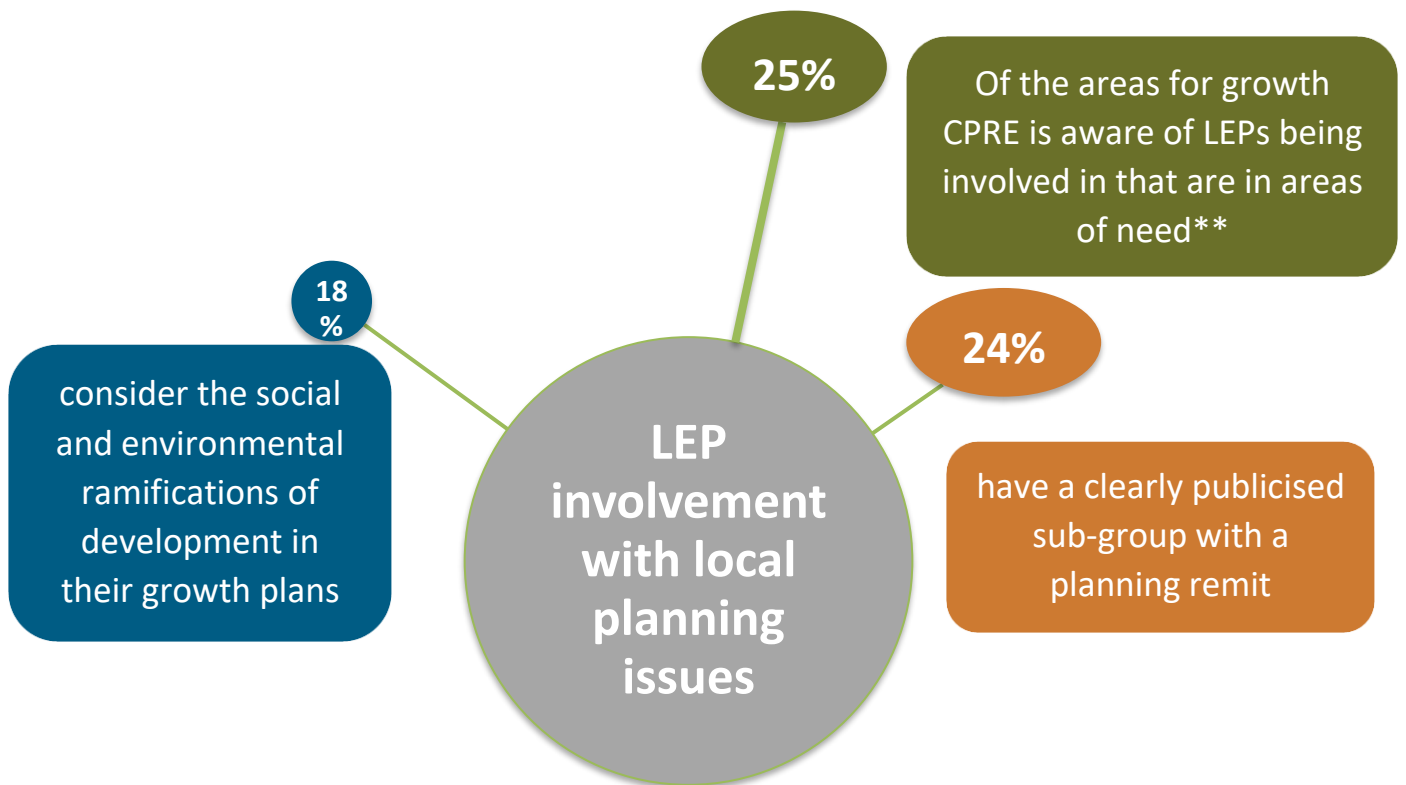
These findings are made all the more concerning by the perception of local CPRE groups that only 18% of LEPs consider the social and environmental impacts of development fuelled by their growth plans (Figure 3). Furthermore, of the areas that we are aware of LEPs prioritising for investment, two-thirds of these are where the economy is already buoyant, compared with only 25% being areas of need (Figure 3). If this impression is accurate then it raises concerns about the potential increase in inequalities with areas that are being left behind, but which may have greater economic capacity in terms of the availability of employees and employment premises, for instance. A possible illustration of this may be Cambridgeshire and Peterborough, where the Metro Mayor James Palmer has emphasised investing in areas of deprivation across the county, with the implication being that the former LEP had not taken sufficient interest in this. ^[15]

The RTPI has also argued that: '[...] many LEP Strategic Economic Plans ignore the issue of deprivation and some fail to consider social and environmental ramifications of growth plans'.^[16] From the point of view of LEP staff, the many changes and expansion in the remit of LEPs since their creation means that there is a lack of staff members with strategic planning skills.^[16] But LEPs could still aspire to play a role in facilitating the affordable and social housing that local authorities and housing associations want to deliver - by investing in brownfield remediation, for example.

Potential examples of good practice that we are aware of, however, include the Cornwall, Derby and Nottingham (D2N2), Enterprise M3, Lancashire, and Solent LEPs.

CPRE believes that much more could be done to build on these examples and, working within the established local planning policy context, to identify rural areas in other parts of the country that would benefit from targeted investment, taking account of local population, average incomes and employment opportunities. However, we would not want to see LEPs taking on a greater role in specific planning policy formulation. There are particular concerns about transparency, openness to public influence and governance within the LEP model which in our view make such a role undesirable and impractical. These issues are considered in the next section.

Figure 3: LEP involvement with local planning issues



2.3 Governance, transparency and accountability

Trust in an organisation's activities can be built by having a diverse board membership and holding open meetings where the public are invited to learn about projects and given the opportunity to have a say. Although the CPRE survey found that 75% of LEP boards include members other than business people and local government representatives, their influence can only be minimal as only 33% of these non-business related board members had voting power. It should also be noted that some 'non-business' LEP Board members may effectively be potential developers - landowners or representatives of landowning institutions, such as universities.

Both the NAO report and CPRE survey found that a relatively small percentage of LEPs held meetings that were open to the public: 36% and 24% respectively (Figure 4). Some LEPs felt that open meetings would hinder their ability to discuss confidential and sensitive matters openly.^[16] This raises questions about the transparency and engagement of LEPs with the local community. The re-run CPRE survey in May 2018 suggested, however, that while there is little new evidence of LEPs holding regular meetings, it may be the case that more public meetings may be taking place, at least occasionally.

Similarly, the NAO and CPRE find that 74% and 86% of LEPs respectively had an annual report published on their website - although, when digging a bit deeper, CPRE found that only 40% of LEPs actually provided documents with evidence of the LEP's progress against the targets set out in their Strategic Economic Plan (Figure 4). As Government has not set specific quantifiable objectives for what it hopes to achieve through Growth Deals, it is difficult to monitor the success of LEPs in completing these objectives and comparing their performances nationally.

Some LEPs have stated that, as corporate structures, they are not required to be as transparent as local authorities. For example, in 2015 the Solent LEP referred Freedom of Information Requests to Portsmouth City Council as its accountable body.^[16] Other LEPs expressed that minimising the bureaucracy involved in being very transparent and accountable was sometimes necessary to keep the private sector engaged.^[10] These findings should be a concern for LEPs, as projects that have the consent and understanding of local people through transparent communications and engagement are more likely to thrive.

Possible examples of good practice in governance and transparency that we identified include Derby and Nottingham (D2N2), Heart of the South West, New Anglia, Oxfordshire, and Swindon & Wiltshire LEPs.

Figure 4: LEP governance, transparency and accountability



Note: These results are based on analysis of 29 LEPs.

3. Next Steps: changing LEPs for the better

Although the survey results generally confirmed CPRE's concerns on the negative impact of the LEP growth agenda on rural and countryside issues, as well as LEP lack of transparency and stakeholder engagement, some examples of LEP good practice were also uncovered. These examples are detailed in the section below, as lessons to be learned and applied to whatever form LEPs will take in the changing context of devolution.

3.1.1 Growing rural economies

Issues with rural-proofing of LEP investment are a major concern. LEP investments are more likely to focus on places with the greatest potential for business formation and expansion, and these tend to be larger cities or enterprise zones. Such an approach may often be consistent with the urban, brownfield first approach that CPRE wishes to see for larger scale developments (see above). However, many larger cities already have buoyant economies. There is a high concentration of SMEs - including small farms - in smaller rural settlements, meaning that any neglect of these businesses by LEPs would have the harshest impact in rural areas. Rural businesses have also raised concerns about the high requirements for detailed information necessary to obtain funding, which they do not always have the capacity to provide.

SEMLEP has formulated a Rural Inclusion Plan, implemented by its rural steering group, to ensure that there is a focus on the rural economic priorities of its area. This rural steering group also aims to ensure that benefits generated by the local rural economy are retained within the local community. The Rural Inclusion Plan includes:

LESSONS LEARNT

Growing rural economies

- Provision of detail on the LEP's approach to spending money from the European Agricultural Fund for Rural Development (EAFRD) fund.
- Promotion of the local food and drink economy.
- Development of rural tourism.
- Provision of support for agriculture and forestry economies.
- Provision of support for small businesses in rural settings, in particular rural shops.
- Promotion of interactions between business and Higher Education, including investment in rural business apprenticeships and trainings, for example agricultural apprenticeship schemes.
- Planning of events to showcase the funding available for rural areas and where rural businesses can meet with funders.

It is perhaps too early to judge, however, what positive impact the Rural Inclusion Plan has had on the local rural economy.

The South West Rural Productivity Commission was a joint initiative between four LEPs in the former region, covering the counties of Cornwall, Devon, Dorset, Somerset and Wiltshire. The Commission included the Chief Executive of the Exmoor National Park Authority as well as senior people in the landowning and food sectors.^[17] It took evidence during the first half of 2017 and published a report in October 2017. The report had ten themes including mobile connectivity; housing and planning; and natural and cultural heritage.

CPRE does not necessarily agree with all the analysis in the Commission report, particularly in relation to the view given of planning as a barrier to enterprise. However, the report made a number of arguments and recommendations that resonate with CPRE's 2026 Vision and recent campaigning work. In particular:

- The region has a bounty of cultural and natural assets, which must be protected and enhanced to support growth in the longer term.
- The Government should require that 'all sites, however small' should make an 'appropriate contribution to affordable housing needs locally'.
- The LEPs should invest more in natural and cultural heritage, and also support and help small farms to survive.

If rural-proofing measures such as the ones mentioned above are put into practice, this would be a start in ensuring that growth in rural economies is included within the growth of the LEP area as a whole, without harming the character and specificities of rural economies, or leaving these rural areas behind.

3.1.2 Working with Local Nature Partnerships

As previously mentioned, Local Nature Partnerships (LNPs) were originally created with an expectation that they would have a formal role in advising LEPs. Although LNPs are organised over a different geography, they can be seen as the environmental counterparts of LEPs, promoting the protection and enhancement of nature rather than business. Having LEPs work with LNPs therefore appears an effective way to ensure business thrives hand in hand with nature and rurality. Our survey found that just 50% of LEPs work with LNPs and other similar groups. This engagement includes:

LESSONS LEARNT

Working with LNPs

- Inclusion of LNPs as part of the LEP governance model and stakeholder groups.
- Inclusion of other nature or rural groups as part of the LEP engagement model.
- Attendance of LNP representatives at the LEP board meetings.
- Coordination of quarterly meeting with the local LNPs.
- Co-hosting of LNP events.
- Collaboration with LNPs to complete Levels 1, 2 and 3 of the Local Environmental and Economic Development (LEED) toolkit.^[18]
- Implementation of a Stakeholder Engagement Strategy that identifies stakeholders and lays out how best to engage them.

Working in partnership with groups that have an environmental or rural remit ensures that countryside and rural issues are taken into consideration in LEP investment decisions.

3.2 Housing, planning and infrastructure

Planning for economic development including housing is, and should be, the responsibility of democratically accountable local authorities. LEPs can however play an essential role in enabling the development of key infrastructure to support housing and employment growth, as well as in bringing sites forward for development. A few LEPs, notably Cornwall, Greater Lincolnshire, Oxfordshire and Coast to Capital (C2C), are engaging with their planning remit through:

LESSONS LEARNT

Planning

- Investment in affordable and social housing programmes.
- Investment in town centre regeneration, for example new cafes, restaurants and retail.
- Bringing forward brownfield sites for development by prioritising lower value brownfield land.
- Acceleration of development in marginally viable sites through fund loans for infrastructure.
- Re-use of redundant buildings.

Such measures show a strategic involvement with planning decisions, as required under the responsibilities of LEPs, and enable the houses people need to be built out on the best sites for

protecting the countryside, and in areas where adequate infrastructure is also provided.

3.2.1 Sustainable transport

Too often, LEPs are key investors in road building, which they justify as the silver bullet solution to ease congestion and relieve traffic demand. However, our recent research shows undeniable evidence that building more roads only creates more traffic, and does not generate clear economic benefits.^[18] Some LEPs however, for example D2N2 and Lancashire, have also been investing in developing and improving viable, effective and innovative sustainable transport links around new and already established railway stations, as well as between neighbouring towns. Best practice elements include:

LESSONS LEARNT

Sustainable transport

- Investment in improving bus and cycle connections between neighbouring towns railway stations.
- Investment in shared use cycle paths.
- Investment in cycle hire schemes.
- Promotion of cycle links at nearby tourist attractions.
- Provision of Real Time Passenger Information.
- Installation of electric vehicle charging infrastructure at railway stations.
- Monitoring of indicators such as CO₂ emissions per capita (in tonnes), vehicle miles by car (as a percentage of all vehicle miles), and number of days air quality exceeded 'moderate' or higher thresholds across the LEP area.

3.2.2 Broadband and connectivity

Many rural areas are likely to be hobbled in achieving innovation and growth because they do not have access to decent broadband connectivity. Some LEPs are trying to bridge this gap through:

LESSONS LEARNT *Broadband*

- Support for small-scale innovative initiatives to extend superfast broadband and digital connectivity.
- Delivery of the £16 million Broadband Next Generation Access programme, supported by county councils.
- Implementation of a 5G mobile broadband pilot, in partnership with universities.

The Government has proposed that the minimum standard for broadband connectivity across the country should be 10 megabits per second, but in areas such as Kingston upon Hull East (Yorkshire and the Humber) and North Herefordshire (West Midlands), 56.8% and 54.9% respectively of connections are still below this target.^[20] In an ever-more digitalised world, LEP investment in connecting people to the internet is a key priority.

3.3 Transparency and accountability

Government advises that all LEPs should have a local assurance framework, which ensures that they have robust value for money processes in place. All 38 LEPs now have an assurance framework. Best practice steps taken by LEPs within this framework, or in addition to it, include:

LESSONS LEARNT

Transparency and accountability

- Inclusion of a full breakdown of LEP income and expenditure in each Annual Report.
- Dedicated website page detailing LEP spending; dates at which spending is approved; provenance of the funding; and the project on which the money is spent.
- Dedicated 'What we're doing' website page listing up-to-date projects that the LEP is involved with.
- Inclusion in the LEP Strategic Economic Plan of easy to read and clear figures and numbers showing performance and delivery against targets, as well as next step goals for the year to come.
- Agreement on a monitoring and evaluation process as part of each LEP project business case, on which the provision of funding is dependent.
- Undertaking of a LEP audit.
- Publication of board meeting minutes on the website.
- Publication of a register of interest for all board members.
- Publication of a Conflicts of Interest Policy.
- Publication of guidance on Freedom of Information requests.
- Dedicated website page on 'Open and honest communications', including links to the documents in the three bullet points above.
- Publication of a Director's report and financial statements.
- Engagement with local authorities not formally represented on the LEP, to deliver joint decisions.
- Use of an open recruitment process.

In its new guidance, the Government now expects LEPs to take a number of these measures. Going further in the fashion suggested above would increase public understanding and trust of LEPs.

4. Policy recommendations

Policy recommendations for Government and LEPs were formulated based on the survey results and the best practice examples in this analysis. We urge the Government to consider these recommendations in the context of their commitment in the Industrial Strategy, Building a Britain fit for the future (November 2017),^[2] to ‘set out a more clearly defined set of [LEP] activities and objectives in early 2018’. In particular, CPRE wants to see LEPs promote a ‘smart growth’ approach that encourages the regeneration of

- (i) urban communities with large areas of brownfield land, thereby preventing the unnecessary loss of valuable farmland
- (ii) rural areas through support for small farms and investment in affordable housing for rural workers

and (iii) connections between these places through sustainable modes of travel such as public transport, walking and cycling in preference to new road building.

The recommendations are mainly aimed at Government (MHCLG, BEIS, DEFRA & DfT) but also will need implementation by LEPs themselves.

4.1 Place a requirement on all LEPs covering rural areas to produce and publish a Rural Inclusion or Productivity Plan.

With around 20% of England’s population (11.4 million people) living in ‘predominantly rural’ areas,^[21] all LEPs must set out how these citizens will benefit from its investment. A Rural Inclusion or Productivity Plan should specify how agricultural and rural development fund money is spent; addresses rural-proofing of LEP investments; identify rural economic, social and environmental priorities including the protection and enhancement of environmental and cultural assets; and ensure that the benefits of rural initiatives (e.g. jobs) help support the local community. The creation and of such a requirement would ensure that LEPs are undertaking necessary steps to incorporate rural issues, concerns and opportunities into their broader strategic planning.

4.2 Set out in Rural Inclusion or Productivity Plans:

- a. how agricultural and rural development fund money is spent;
- b. how rural-proofing of LEP investments is addressed;
- c. how the economic and employment benefits of rural initiatives are retained in the local community; and
- d. how the LEP is contributing to the roll out of broadband connectivity and improved speeds across its rural areas.

The good practice of the South West Rural Productivity Commission in particular should be adopted more widely. LEPs should identify opportunities to strengthen sectors like speciality local food and drink, agriculture and forestry where they are currently/or could become important drivers of rural economies. Plans should also ensure that rural business apprenticeships and training schemes are developed; the natural environment is protected and enhanced; and community-led renewable energy generation projects are supported.

The LEP should showcase the funding that is available for rural areas through this Rural Plan and through holding events where rural businesses can meet with funders. In the event that Government does not enforce this requirement, the LEP should seek to produce a Rural Plan of

their own initiative. SEMLEP has a Rural Inclusion Plan,^[13] although as noted above we have yet to see its concrete positive impact on rural communities. To ensure that rural communities and civil society groups can take an active part in LEP activities, the LEP could usefully rural proof all their documentation.

Alongside a rural plan, LEP Strategic Economic Plans should also consider policies to increase and support economic regeneration across rural areas in the respects we outline here - that is, support for small land-based enterprises, affordable housing for rural workers, and also rural broadband. The South East Midlands LEP's Strategic Economic Plan contains a section on the Rural Economy pledging to improve rural broadband and transport connections and help local rural firms export more of their produce. The plan also recognised the LEP's role in securing future sources of rural finance following the end of EU funding programmes that currently support a variety of rural businesses and community schemes.

4.3 Ensure that LEPs are required to have meaningful, inclusive representation of the non-statutory environmental sector in LEP programmes and at board level, so that landscape and biodiversity concerns are considered in decision making.

To help achieve their environmental targets, LEPs would benefit from expert advice and guidance at board level. Local Nature Partnerships (LNPs) should preferably be the first option for this role. In any case, the Government should expect that at least one senior representative of the environmental NGO sector (preferably one with a proven holistic appreciation of biodiversity, landscape, environment and land use planning) has a seat on each LEP. LEPs should also be required to include these groups as stakeholders in their governance models. The Government should also investigate the potential to provide funding for local environmental groups represented on LEP boards - whether LNPs or NGOs - that could be invested in sites of environmental need (degraded landscapes and poor biodiversity) within the LEP area.

The 'environmental' board member would have full voting powers, representing the interests of the landscape and natural environment and in the context of the impacts of LEP investment decisions. The 25-Year Environment Plan envisages the production of 14 Natural Capital Plans to cover the whole of England. The environmental board member could usefully raise awareness of the relevant plan (or plans) at board meetings and take responsibility for LEP contributions towards achieving them.

4.4 Distribute funding to LEPs in a way that prioritises areas of need, rather than focusing primarily on areas of opportunity.

The government proposes to establish a Shared Prosperity Fund, which LEPs are likely to administer at the local level. It is critically important that the fund is designed so as to address the wider spatial imbalance of development in England between north and south, and it should prioritise urban regeneration on brownfield sites over greenfield development. But it should also aim to support the regeneration of neglected areas within rural England. Areas of opportunity are defined as areas that have the greatest potential for business formation and expansion (mostly larger urban areas), and areas of need are where the economy is stagnating and at risk of being neglected (mostly rural areas). Powse and Pringle (2017) argue that with a higher concentration of Small & Medium Enterprises (SMEs) within smaller settlements, any neglect of these businesses within policy hits hardest in the rural context.^[22] The study also argues that small settlements are also likely to gain less attention politically, and politicians are perceived as generally risk averse, meaning that patchworks of smaller interventions are often not seen as the best option ^[16].

Challenges for rural businesses where there were high expectations in terms of the information required to receive funding ^[16].

4.5 Prioritise the regeneration of communities with large areas of brownfield land and empty homes and buildings before investing in greenfield development.

LEPs can support city, town and village centre regeneration by working with local authorities to identify areas ripe for regeneration, and bring forward suitable sites by subsidising brownfield remediation and access. LEPs can also increase the viability of marginal sites by funding sustainable infrastructure development. Social and affordable housing schemes should be central to any regeneration scheme - with its potential to increase the social and economic vitality of villages and market towns, and will benefit greatly from LEP investment.

LEP's should also recognise that the re-use and adaptation of existing rural buildings (particularly former agricultural buildings) can help meet the needs of rural areas for commercial, industrial and recreational premises. Given that such buildings are likely to be located within farmyards or open countryside, their re-use must take account of local character and the landscape setting.

4.6 Prioritise investment in sustainable public transport (including bus, cycle and pedestrian links to railway stations) over road building projects, particularly in rural areas where public transport links are the least developed.

CPRE's recent research shows that building more roads only creates more traffic and does not generate clear economic benefits ^[19]. Providing more trains and light rail services, along with low emission buses and electric vehicle charging infrastructure, will help achieve better Air Quality standards and create sustainable travel choices to the great benefit of urban and rural economies.

The recommendations discussed in 4.5 and 4.6 provide opportunities to allow England to benefit from the 'Smart Growth' principles that have proved successful in the USA. ^[23] Smart Growth (the efficient and sustainable use of land) is a holistic approach to development that promotes the regeneration of brownfield land and empty buildings; planning and transport policies which reduce the need to travel; development that supports public transport, walking and cycling; energy efficient zero carbon buildings; community-supported renewable energy; and healthy town centres with accessible green spaces. CPRE is a member of the UK Smart Growth Coalition which also includes bodies such as Civic Voice and the Campaign for Better Transport (CfBT).

4.7 Create and enforce the implementation of standardised and quantifiable output metrics for future LEP growth initiatives, which include key environmental and social indicators for the LEP area and set targets for each indicator.

The House of Commons Public Accounts Committee ^[24] has highlighted that 'the varying presentation and detail of financial information across LEPs...makes it difficult to draw meaningful conclusions or make comparisons across LEPs on how they spend public money'. A more consistent approach to performance measurement would also help with achieving more transparent governance as well as reducing reporting burdens.

In particular, when compiling and enacting their Strategic Economic Plans, LEPs should also be required to show how they are contributing towards the achievement of the Sustainable Development Goals (SDGs), particularly SDG11 on making human settlements inclusive, safe, resilient and sustainable. This would reflect the Government's wider commitment to the SDGs. The existing Government guidance on Growth Deals (referred to in earlier sections of this report)

already encourages LEPs to provide evidence that their proposals will have a 'positive impact' on sustainable development more generally.

4.8 Produce details of LEP spending showing that contracts are awarded using unbiased criteria and transparent and competitive tendering processes. Financial information - including the names of companies awarded contracts - should be published quarterly and in the LEP Annual Report.

The Government has pledged to produce further guidance on this issue following Mary Ney's review. CPRE advises that income and expenditure reporting should include the date at which the spending was approved; the provenance of the funding; and the project on which the funding is spent. The performance and delivery against Strategic Economic Plan (SEP) targets should be published each year, including 'next steps' goals for the year(s) to come.

4.9 Introduce robust transparency and accountability measures across all initiatives that LEPs undertake to ensure that they are delivering value for money for the taxpayer.

The Government should encourage increased scrutiny of LEPs, as recommended by the House of Commons Communities and Local Government Select Committee and the Centre for Public Scrutiny; and bring LEPs under a single umbrella (single officer structure and an assurance framework) with Combined Authorities where these exist, as promoted by James Palmer, the Mayor of Cambridgeshire and Peterborough Combined Authority.

Before confirming future funding allocations, the Government should test the past performance and delivery of LEPs against their Strategic Economic Plan (SEP) targets, as well as the implementation of their local assurance framework, in line with the update of the LEP National Assurance Framework published in November 2016 by BEIS and DCLG. This recommendation has also been put forward by the National Audit Office. ^[6]

That apart, CPRE supports the recommendations of the Communities and Local Government Select Committee calling for greater monitoring of LEPs by local authority scrutiny committees. ^[7]

4.10 Operate an open recruitment process and publish the specific roles and responsibilities of the LEP executive on their websites, alongside a register of interests for all staff and board members.

The specific roles and responsibilities of the LEP Executive should be outlined on the website, alongside a register of interests for all LEP staff and board members. LEPs do not fall within the statutory bodies that are subject to the Freedom of Information Act and only some of them respond to freedom of information requests, with others referring requests to their accountable local authority. All LEPs should produce and publish a policy for responding to Freedom of Information requests themselves, rather than delegating to their accountable body, within 10 working days.

4.11 Monitor the performance over time of the key environmental and social indicators for the LEP area (on the basis of Government producing standardised output metrics for future local growth initiatives), and publish the results as part of the publicly available LEP Annual Review.

See 4.7 above.

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Annex 1: Map of the 38 Local Enterprise Partnerships

