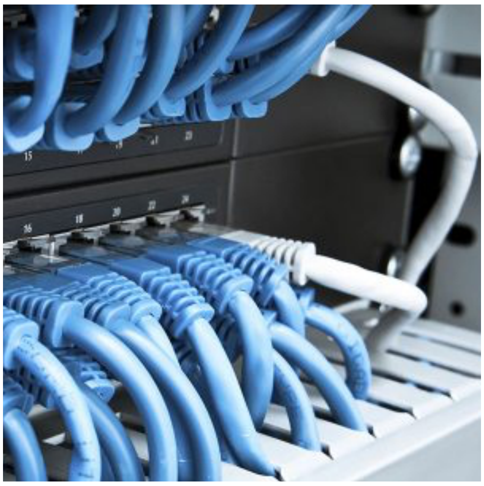

ANNUAL STRATEGIC REVIEW

EVALUATION OF THE **STRATEGIC ECONOMIC PLAN**

HEART OF THE SOUTH WEST
LOCAL ENTERPRISE PARTNERSHIP

A report from
Ash Futures

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CONTENTS

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Executive Summary

In March 2017, Ash Futures was commissioned to undertake an Annual Strategic Review (ASR) of the Heart of the South West (HoSW) Strategic Economic Plan (SEP). The responsibility for the delivery of the SEP is shared by a number of partners across the area. However, this Review concentrates on the activities of the Local Enterprise Partnership (LEP); and addresses these key questions:

- What investment has been achieved?
- What progress is being made towards SEP objectives and priorities (by leadership theme)?
- To what extent is progress being made in terms of 'economic performance' and progress against key outcome measures?
- To what extent is the Local Enterprise Partnership achieving Strategic Added Value?

There are a number of critical issues that serve as background for the ASR and its findings and recommendations:

- Firstly, the economic context in which the HoSW LEP, and in which the SEP was developed, has changed considerably in the subsequent three years. The expectations of economic growth are more muted at a national level, heightened by uncertainty associated with BREXIT, and this has had implications on the strength of growth within the HoSW.
- Secondly, the SEP was formulated at a time when LEPs understood they were to be given a number of responsibilities and 'freedom and flexibilities' that have subsequently been rolled-back by Government. This has shifted the expectation of what LEPs can do to meet local problems flexibly.
- Thirdly, the timing and the criteria of the funding programmes that have been available to the LEP and its partners – most notably Growth Deals – has set parameters around what could be funded. Use of Growth Deal was therefore not completely at local discretion, rather it was limited by national requirements.
- Finally, it is recognised that the HoSW was a relatively new 'construct' and does not naturally represent a functional economic, or political, area as found elsewhere in the UK. As such, considerable effort has been spent on persuading both public and private stakeholders of the benefits of the LEP. The evidence suggests the results on this have been mixed.

The ASR has involved both quantitative and qualitative assessment of achievements and progress against the SEP. This includes interviews and discussions with over 40 partners involved at different levels of the LEP – Board, Strategic Investment Panel, Leadership Groups and the core team. Desk research has included a review of economic data, governance structures and terms of reference for key LEP groups, financial information on the investment programmes, and project information for a sample of supported projects. There is mixed evidence on whether the LEP has improved the level of integration at a political level, or whether it has been wholly successful in fully engaging and harnessing the private sector in the area.

The broad findings of the ASR are that it has identified a lot of positive activity that is being driven and influenced by the HoSW LEP. Many stakeholders recognise that it has achieved a great deal given the limited resources available, and is well led. The partnerships that have been created around a range of common issues have led to greater cross-boundary working and closer working relationships, particularly amongst local authorities at an officer level. There is a large amount of goodwill in place across a range of partners, and it is our view that the LEP partnership structure has facilitated this.

It is also recognised that the LEP has been an important part of creating a narrative for the area, identifying the key economic issues that need to be addressed and promoting that narrative within Government circles. The SEP largely remains an important framing statement. Progress has been made in this respect, particularly in an environment where the political focus of Whitehall is, perhaps, not concentrated on the far South West.

As would be expected in any review process, this work has also identified activities where the LEP could improve. Some of these are procedural whilst others relate to wider strategic issues.

The areas where stakeholders feel that the LEP has worked relatively effectively include:

- *Both the core team, and the teams working within the local authorities to support LEP processes, were praised for their professionalism and commitment to furthering the wider objectives of the partnership.* Most of the supported projects consulted commented on the openness and knowledge of officers in helping them develop their projects. Certainly, at an officer level there is a commitment to the LEP and working across boundaries to achieve the best outcome for the HoSW as a whole.
- *The partnerships that have been put in place by the LEP were seen as positively trying to address the key issues within the area.* It is also recognised that the HoSW is actively involved in widening partnerships beyond the immediate area where there is a necessity to do so. It was felt that it was an 'open' LEP in this respect and, perhaps, less parochial than other examples.
- *In general, stakeholders felt that the LEP was well-led.* The core team achieve a lot with very limited resources. They were particularly praised in terms of working at a political level, trying to help the HoSW 'punch above its weight' in Government circles.
- *It was felt that, broadly, a consistent narrative had been created across the HoSW area.* Stakeholders within the partnership had a broadly consistent view of what structural issues the HoSW faced. What was less clear was how well understood this message was outside of the LEP.
- In terms of investment, it was felt that *many of the infrastructure projects supported were seen as helping to pave the way for future growth, particularly in urban areas.* The majority of stakeholders consulted were also aware that the beneficial impact from these infrastructure projects may take some time to fully develop.

The review process also identified a number of areas where stakeholders felt that improvements could be made.

- It was felt that *the lack of an Action Plan that clearly articulated what SEP objectives were for the LEP (and other partners) to address, and how it was going to do it, had inhibited the ability for everyone to fully understand its focus.* Without this Action Plan it has been difficult to make the direct connection between investment activities and achievement of SEP outcomes. Equally, the opportunities for making connections and 'plugging gaps' are being missed. This would be one way to ensure that there was *a clear 'line of sight' from the SEP to investment decisions.*

- It is felt that *there now needed to be a greater focus on 'sweating the assets' of those infrastructure investments, and better linkages across investment programmes including those with revenue potential.* There is a danger that without further support, the full economic benefit of investments made to date may not be fully realised. *Strategically linking different funding streams, including those from Europe, will help to bring more integrated outcomes.* This will also help with the aim of better spreading the economic benefits of those investments beyond the urban areas, recognising that no replacement programmes for the Local Growth Fund has yet been identified by Government, or that they could come with similarly 'tight' criteria.
- *There could be improvements made to how the Leadership Groups work together.* Whilst each of the Groups were generally felt to be working reasonably well within their existing remit (some felt there was a lack of clarity of purpose and a lack of influence), there is little integration across the three Groups which could mean that opportunities to achieve stronger linkages of activities contributing to SEP delivery may be being missed. As a consequence, a view expressed by some was that the SEP was being delivered in a 'piecemeal' fashion.
- It was generally felt that *communication beyond the LEP partnership had been patchy* and that LEP activities continued to be poorly understood, particularly by the business community. In terms of investment activity, it was felt that there was a lack of transparency in some of the decisions made by the LEP. The rationale for investment decisions was not clear from a review of the published meeting minutes.
- *There is clearly some tension in the LEP partnership between the private and public sector partners.* Feedback from private sector stakeholders suggest that they feel the LEP's agenda is influenced too much by the agenda of local authorities, whilst the public sector feels that this is countered somewhat by limited commitment (principally in terms of financial resources) from the private sector.
- Following on, a view expressed by many stakeholders is that *the LEP struggles with acting wholly independently from local authority influence and that its structure (lean core team with local authority support) is a contributory factor.* It is recognised there is a balance between ensuring an integrated partnership, with local authorities as important partners, and a structure that allows the LEP to make difficult but independent decisions when necessary.
- It is difficult to find evidence that the SEP has directly influenced the investment decisions of either pubic or private sector partners. While match funding has been secured for individual projects, *there is little strategic alignment of investment to the SEP aims*. *The SEP should be guiding the economic investment plans of local authorities, where possible.*
- Whilst it is recognised that the Growth Deal programme had a necessary focus on criteria set by Government, there were some views (not necessarily shared by all) that *rural areas had benefitted less from the investment programmes to date.*
- *The SEP outcome measures and objectives in the current economic environment do not currently look achievable, certainly in the short-term.* Some of this is outside of the LEP

partnership's control (with more muted conditions nationally). However, the fact that many of the SEP outcome measures are expressed in relative terms does means that even if significant absolute improvements have been made to the HoSW economy, they may still never meet their outcome measures given that other areas will grow more quickly, notably London and South East. It is our view that some of the outcome targets, particularly those associated with the 'transformational' target, now look very aspirational in their nature.

- *There is currently a heavy concentration of information and knowledge in very few key personnel within the LEP.* It was commented that the LEP Chief Executive was the only person who would fully understand all activity. *This presents a risk in terms of organisational knowledge capacity.* This issue has been further accentuated by recent large-scale changes at a Board level.
- *We feel there is an inherent risk that the true impact of supported investments will not be captured by the current monitoring & evaluation arrangements.* Many projects have indicated that the subsequent development expected to follow the original infrastructure investments may take some years to complete. Current M&E arrangements (at both a project and programme level) are in place until 2020/21. It is our expectation that many of the economic benefits will be delivered beyond that time period and, therefore, not captured. *This presents an institutional risk to the LEP because, if politically challenged in the future, it may not have sufficient evidence to demonstrate impact.*
- *Currently, there is no 'feedback loop' back to the Strategic Investment Panel to develop its understanding of 'what has worked well, and what not' with investments made.* Whilst we recognise that many projects are still at an early stage of development, we feel this is a missed opportunity. A better understanding of how investments have developed would lead to better long-term decision-making.

Recommendations

DELIVERY OF SEP OBJECTIVES

01 Any future revision of the SEP (or the emerging Productivity Plan) needs to have a robust Action Plan which can connect across partners and programmes, and where the respective contribution of each delivery activity (and partner responsibility) to the overall objectives can be clearly identified. The overall responsibility for delivering the LEP's Action Plan should be with the LEP Board, with a commissioning approach potentially acting as the tool for delivery.

02 The outcome measures for any future SEP revision (or the emerging Productivity Plan) should have a better focus on absolute rather than relative targets. If relative targets are to remain, then there should be consideration regarding the exclusion of London and South East from any measure. There should also be a better balance between 'realistic' and 'aspirational' for targets to be a better measure.

INVESTMENT PROGRAMMES

03 For any future funding programme, there should not necessarily be a focus on investing in 'new things'. Instead, we feel there is further scope to support investments already made to achieve a better economic outcome, particularly with a revenue focus. This might include workforce development, skills, supply chains, and sustainability. There will be greater impacts if available funding streams are fully aligned.

04 The LEP should consider how investment decisions could be communicated more clearly and transparently. This would help build engagement and trust with stakeholders.

05 Following on from the 'sweating the assets' issue, in the future the LEP should consider how the benefits of investments can shared better across surrounding rural areas.

INTERNAL ORGANISATION

06 Better integration and coordination of the three Leadership Groups to be created, possibly through regular meeting of Group Leads.

07 LEP communications policy and approach to be reviewed, with a reinvigorated focus on the business community and organisations outside of the LEP partnership.

08 The LEP should consider how it can spread knowledge of LEP activities and linkages around the partnership (including core team). It needs to be minimise the risk presented if key team members are unavailable.

09 The LEP partnership should engage in an 'open and honest' discourse between private and public sector partners to ensure that their respective skills are best utilised to achieve SEP objectives. This discourse should take place, and be led, at LEP Board level.

MONITORING AND EVALUATION

10 The LEP should find the resources for a more effective Monitoring and Evaluation process and to extend it beyond 2020/21, if possible.

11 An ongoing item should be placed on the SIP agenda that allows project feedback to be relayed to members.

INDEPENDENCE AND FLEXIBILITY

12 If future funding becomes available the LEP Board should review the level of resource devoted to the core team, and to decide whether a small amount of additional resource would be beneficial in terms of facilitating greater independence and flexibility.

Chapter 1: Introduction

The Brief

In March 2017, Ash Futures was commissioned to undertake an Annual Strategic Review of the Heart of the South West (HoSW) Strategic Economic Plan (SEP), addressing these key questions:

- What investment has been achieved?
- What progress is being made towards SEP objectives and priorities (by leadership theme)?
- To what extent is progress being made in terms of 'economic performance' and progress against key outcome measures?
- To what extent is the Local Enterprise Partnership (LEP) achieving Strategic Added Value?

The Annual Strategic Review (ASR) is one part of a two fold commission, the other being a Process Review of investment decision making and for which a separate report has been written.

The Tasks

The responsibility for the delivery of the SEP is shared by a number of partners across the area. However, this Review concentrates on the activities of the Local Enterprise Partnership. Work for both the ASR and the Process Review has been undertaken through:

- Initially the development of a Review Framework, setting out the logic chain for the SEP from vision to outcomes, linking the Brief's review questions to this and using it to develop the desk research and interview questions for use in the study
- Desk research which has encompassed:
    - Review of economic indicators
    - Review of SEP documents
    - Review of project information for a sample of projects
    - Review of governance structures and terms of reference for key LEP groups
    - Review of financial information on Growth Deal and Growing Places Fund investments
    - Review of three other LEPs of comparable scale to HoSW to look at their governance and investment decision making processes'
- Interviews and discussions on a one-to-one and group basis with:
    - Partners involved at different levels of the LEP – Board, Strategic Investment Panel, Leadership Groups and the core team
    - A strategic selection of other stakeholders not directly involved in the LEP
    - A sample of projects supported through Growth Deal and Growing Places Funding
    - Group discussions held with the Strategic Investment Panel and each of the three Leadership Groups (People, Business and Place)

The information from this combined activity has been brought together to respond to the key ASR questions as detailed in the brief. There are more details about governance arrangements, LEP processes, communications and issues of good practice in the parallel Process Review.

The Context

The critical background for this ASR is the economic context in which the LEP has been working and in which the SEP is set, and the timing and criteria of the funding programmes it has used.

The SEP was developed at a time of considerable economic policy change nationally. The June 2013 Government Spending Review saw the development of SEPs linked to negotiations on

Growth Deals and the awarding of funding from the Single Local Growth Fund. This was itself the pooling of funds from different government departments, notably the Department for Transport and Further Education (FE) capital spend. The timing of Growth Deal bids, and the criteria on which they had to be based, set parameters around what could be funded. Use of Growth Deal was therefore not completely at local discretion, rather it was limited by national requirements.

"*The LEPs' role in relation to European Funds is also becoming clear. Initially the LEPs were to have the direct role in decision making and funding European Regional Development Fund (ERDF) and European Social Fund (ESF) ERDF projects and in Spring 2014 LEPs prepared strategic plans setting out priorities for European Structural and Investment Funds (ESIF). As the LEPs are non-statutory the European Commission subsequently made it clear that they could not take on the role of an Intermediary Body (ie, could not manage the funds and programmes directly). The result is that LEPs remain an important partner and advisory body however the funds will be managed by Government departments whilst compliant relationships are put in place. For example the Cornwall devolution deal has confirmed the new devolved Combined Authority will manage the ESIF funds directly.*

LOCAL ENTERPRISE PARTNERSHIPS IN THE SOUTH WEST: PLANNING AND DELIVERY POTENTIAL[1]

At the same time, the wider economic context has become more uncertain since the SEP was prepared, and whereas the SEP set itself targets associated with transforming the local economy, growth expectations nationally have become more muted and there seems to be increasing uncertainty as a result of BREXIT, for example. Therefore, in undertaking this ASR we feel it is important to understand the timeline and context.

[1] *Chris Balch, Plymouth University, Mary Elkington, Gareth Jones, Hardisty Jones Associates; for Royal Town Planning Institute SW. Feb 2016*

Year	GOVERNMENT ACTIONS	Allocated funds £m	Profiled spend £m	HoSW LEP ACTIONS
2010				HoSW LEP established 1st Chair appointed
2011	Government announces Growing Places Fund	GPF **22.54**		LEP Prospectus produced LEP local bidding process to identify the projects for the Growing Places Fund 1st interim CX appointed
2012			GPF **1.17**	Growing Places Fund first approvals CX resigns 2nd interim CX
2013	Single Local Growth Fund established LEPs to develop a SEP to be used for negotiations on Growth Deals LEPs to draw up investment programmes for ESIF 2014 - 2020		GPF **0.46**	Local Transport Board established Development of pipeline project lists CX appointed New Chair appointed
2014	Plymouth and Peninsula City Deal signed Growth Deal 1 Financial Allocations announced ESIF notional allocation announced - for period 2104-20	GD1 **103.3** ESIF **108.8**	GPF **6.88**	Draft ESIF Strategy submitted Draft SEP submitted to Government. Leadership Groups established Partnerships Manager starts
2015	Growth Deal 2 Financial Allocations Calls for ESIF projects in HoSW area, made by DEFRA, DCLG and DWP SW Enterprise Zones agreed	GD2 **65.2**	GPF **0.63** GD **24.2**	South Yard, Huntspill, Exeter and East Devon EZs agreed Greater SW Partnership established
2016			GPF **0.67** GD **45.1**	HoSW Devolution Prospectus launched LEP commissions the HotSW Productivity Plan
2017	Industrial Strategy consultation Growth Deal 3 Financial Allocations: General Election	GD3 **43.6**	GPF **8.92** GD **65.4**	SW Rural Productivity Commission established, with surrounding LEPs 8 new Board members appointed

"LEPs will bring locally-elected leaders and business together, on an equal footing with one voice, to create more flexible economic development"

NICK CLEGG

"Central government . . confers on LEPs a range of benefits but also creates some drawbacks, not least the degree of LEP autonomy and capacity to act."

RT.P.I

"LEPs have faced a whirlwind of changes in recent years."

TIM JONES

Chapter 2: The Strategic Economic Plan

Aims and Priorities

HoSW's Strategic Economic Plan (SEP) was submitted to Government and published in 2014. It sets out an aspirational vision for the HoSW area to "transform the reputation and positioning of our region nationally and globally by 2030". Its mission proposes "connecting people, places, businesses and ideas to transform our economy, securing investments in infrastructure and skills to create more jobs and enable rewarding careers".

VISION: transform the reputation and positioning of our region nationally and globally by 2030

MISSION: reposition the Heart of the South West's profile and reputation nationally and globally. Connecting people, places, businesses and ideas to transform our economy, securing investments in infrastructure and skills to create more jobs and enable rewarding careers

ENVIRONMENTAL SUSTAINABILITY
achieving growth whilst protecting and enhancing our environment

INCLUSION
where opportunity is available to all and everyone benefits from collective success

AIM: creating the conditions for growth
- improving our infrastructure and services to underpin growth

PRIORITY: PLACE

Infrastructure for growth:

- Transport and accessibility
- Digital infrastructure
- Sustainable solutions for flood management
- Energy Infrastructure

PRIORITY: BUSINESS

Creating a favourable business environment:

- A simpler business support system, tailored to our needs
- Improving access to finance
- Stimulating enterprise growth

PRIORITY: PEOPLE

Creating a responsive environment, where businesses and individuals can reach their potential:

- Skills infrastructure and facilities
- Accessibility to education/ employment
- Employer engagement and ownership

AIM: maximising productivity and employment
- stimulating jobs and growth across the whole economy

PRIORITY: PLACE

Infrastructure and facilities to create more and better employment:

- Enterprise infrastructure
- Strategic employment sites
- Unlocking housing growth

PRIORITY: BUSINESS

Achieving more sustainable and broadly based business growth:

- Reaching new markets (on-line, supply chains, public sector)
- Globalisation (exports and inward investment)

PRIORITY: PEOPLE

Increasing employment, progression and workforce skills.

- Moving people into employment
- Supporting people to progress to better jobs
- Improving workforce skills

AIM: capitalising on our distinctive assets
- utilising our distinctive assets to create opportunities for business growth and better jobs

PRIORITY: PLACE

The infrastructure and facilities needed to support higher value growth:

- Specialist marine sites
- Science/Innovation infrastructure
- Maximising environmental assets

PRIORITY: BUSINESS

Supporting higher value growth:

- Innovation through Smart Specialisation
- Building capacity for innovation

PRIORITY: PEOPLE

Creating a world class workforce to support higher value growth:

- Enterprise and business skills
- Technical and higher level skills development and retention
- Skills and employment opportunities aligned to our transformational opportunities

The vision and mission are developed in the SEP through three main aims (and two cross cutting ones) and three priorities. This logic chain is summarised in the diagram above and is the vital starting point for the Annual Strategic Review which looks at whether and how investments being made are, or will, deliver the SEP's aims, mission and vision.

Outcomes and Growth Indicators

The aims and priorities are only a part of the logic chain for the SEP. It also defines some overall outcomes for the SEP, and which are set out as objectives for 2020 and 2030. Bearing in mind that the SEP is a document which is for the HoSW area as a whole and not specific to any one funding stream and its particular requirements, and also that it has set itself a high aspirational vision, the outcomes also reflect this. One notable feature of the outcome measurements is that a majority set relative targets rather than absolute numbers. The outputs from individual projects should therefore be contributing towards achieving these outcomes – and to the growth scenarios below.

OUTCOMES	OUTCOMES	OUTCOMES
2020	2020	2020
• Transport infrastructure more resilient • Partial dualling of A30/303 corridor • Rail journey less than 2h 45m • 95% superfast broadband reach • 10,000 new homes a year	• Top 15 LEPs for youth unemployment • Start to close the gap with UK average wages • Middle third of LEPs for competitiveness, exporting and enterprise indicators	• Middle third of LEPs for innovation and knowledge economy indicators • Middle third of LEPs for higher value employment indicators
2030	2030	2030
• Eliminate cut-offs • Full dualling of A30/303 corridor • Rail journey less than 2h 30m • 100% superfast broadband reach • 10,000 new homes a year	• Top 10 LEPs for youth unemployment • Average wages equal UK average • Top third of LEPs for competitiveness, exporting and enterprise indicators	• Top third of LEPs for innovation and knowledge economy indicators • Middle third of LEPs for higher value employment indicators

The SEP uses some core indicators to describe three 'growth scenarios', with the transformational scenario being the most aspirational target[2]. This uses absolute figures and also indicates what transformational growth should mean in terms of growing faster than UK averages for the chosen indicators.

GROWTH SCENARIOS - IMPACTS

Indicator	Baseline	Strong Growth	Transformational
	falling behind UK averages	keeping up with UK averages	faster than UK averages
Average GDP growth	2,654%	2.8 - 2.85%	3.06%
New jobs by 2030	82,000	112,000 - 120,000	163,000
GVA by 2030 *(2010 prices)*	£45 billion	£47 - £47.5 billion	£49 billion
New homes by 2030	104,421	135,000 - 144,000	179,000
Investment needed to achieve this	n/a	EUSIF, City Deal, private sector, investment in Hinkley, moderate Growth Deal allocation, some added freedoms and flexibilities	As per **strong growth** + significant LGF allocation and commitments to address strategic transport infrastructure

[2] *The term 'aspirational' is used in the context of the SEP's overall aspirational vision, which we assume encapsulates both the strong and transformational growth scenarios*

In 2015, HoSW LEP commissioned the consultants SQW to carry out the first Annual Review of the LEP and consider progress towards delivery of the SEP. In undertaking this Review it is also useful to briefly flag up key recommendations from that work. These covered three immediate priorities:

- Continuing to 'do the basics' well – in relation to progress and delivery of GD and GPF
- Continuing to communicate with stakeholders (especially businesses) and be transparent in decision making
- Continuing to prioritise and act strategically

And considering further actions on wider issues

- Giving more explicit consideration to productivity issues
- Responding to the 'deep rural' agenda and its fit with transformational actions
- Reflecting further on the spatial economy of the area
- Continuing to engage with processes around devolution deal

One further suggestion was an alternative suite of indicators for measuring performance linked to the three priorities of the SEP – business, place and people. This was a result of SQW's recommendation to 'move to a tool which draws directly on official data that are regularly – and reliably – updated on a consistent basis'. We have taken these indicators, as well as those in the SEP, forward into our review work, particularly in relation to progress on economic performance and key outcome measures.

This is all a vital starting point for the ASR. It is about the progress against SEP aims, priorities, outcomes and growth targets which can show whether or how investments are contributing to the economic change that the SEP's vision is seeking. At the same time, it recognises that there are other external factors that might inhibit the ability to do so.

POSTCARD

OCEANSGATE MARINE INDUSTRIES PRODUCTION CAMPUS

Plymouth City Council applied for funding through Growth Deal 2 and the Growing Places Fund as part of the SW Peninsula City Deal to support the first phase of a marine industries development on the South Yard site of Devonport's Naval Base. Marine industries have been identified as a potential high growth sector for the UK and the Oceansgate Project was designed to build on Plymouth's strong marine industrial presence by providing the opportunity to expand in commercial exports, Naval, Leisure and Marine renewables whilst also helping to create a network of marine industries campuses across the Peninsula. Both loan and grant funding was initially sought for this project but the eventual allocation was more strongly weighted to the former than was envisaged which has somewhat constrained the development.

Positively, construction work has started and is running slightly ahead of schedule; two construction apprentices have already been taken on through the development, showing some of the wider impacts that can be achieved through infrastructure investment; and, there have been some unexpected benefits including a number of 'historic finds' on the blitz site that are being used for educational purposes locally. With early indications suggesting that prospective tenants are excited about the opportunities, the team is confident that they will deliver a successful project. They are clear that Oceansgate would not have been possible without the capital investment but, as with other projects, feel that even more could have been achieved if additional grant funding could have been secured to support the activity.

Chapter 3: Evaluation Questions

Section 1: What investments have been made

As the LEP's website states '*The LEP has no direct discretionary funding to allocate to businesses or organisations. However LEPs are a platform for funding applications; with some funding streams being entirely dependent on LEPs administering them, such as the Growth Deals, and others having potential advantage should they be supported by the LEP, such as European funding*'[3].

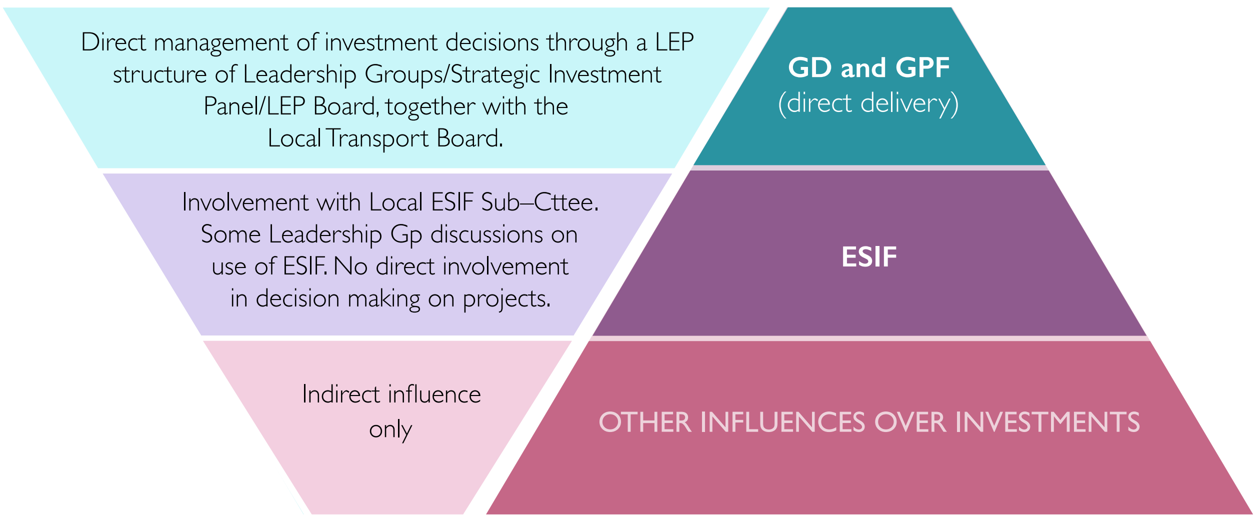
This evaluation question has been approached in two parts. The first is the basic question of what investments have been made. For this we have looked at total funding through Growth Deal and Growing Places Funding, being the two funding programmes over which the LEP has had direct delivery management during the SEP period.

The more interesting question is whether the investments made have contributed to delivery of SEP aims, vision, outcomes and growth targets. For this we have looked at how GD and GPF projects fit with SEP aims and priorities and also looked more broadly at other funding opportunities.

The LEP has had a key influencing role in the distribution of EU funding through the ESIF, in that the ESIF strategy for the HoSW is very much a subset of and integrated with the SEP. However its management and delivery is not part of the LEP's direct project management activities.

Beyond that the LEP seeks to have an influencing role over the investment decisions of others. Local investment is being made where there is a matched funding requirement to go with GD, GPF and ESIF funding (as well as ESIF and GD/GPF being potential matched funders in their own right). However, it is hard to establish that this is happening on any strategic level more widely.

The following summarises the LEP's role in investments[4]:



[3] http://heartofswlep.co.uk/doing-business-in-our-area/funding/

[4] *A summary of investment decision making processes is given in Appendix 1*

Overview of GD and GFP Core funding programmes

Development of the SEP, setting out the area's proposals for growth, was linked with the allocation of funding through the Single Local Growth Fund. Growth Deal funding has been allocated in three rounds; Growth Deal 1 in 2014, Growth Deal 2 in 2015 and Growth Deal 3 in 2016. As the timeline has already set out, the Growth Deal funding is very largely a capital grant programme. It is heavily dominated by investments in transport schemes, skills development/training space and other workspace because the Growth Deal funding was drawn principally from Dept of Transport and Skills Funding Agency/BIS capital funding for Further Education[5].

The Growing Places Fund preceded the SEP by quite some time. Nationally announced in 2011, with an allocation to each LEP, local projects were selected through local competition in 2012. Again the funding was essentially capital funding although as loan rather than grant. It too came with national guidance on its use and focuses on unlocking strategic housing and employment development sites.

	Total Allocation/Offer £m	Total number of projects	Current Profile for total spend
Growing Places Fund Of which: - loan - grant	22.54 18.34 4.2	7	22.54
Growth Deal 1	114	28	114.09
Growth Deal 2	65.2	11	40.10 **
Growth Deal 3	43.57	10	43.57
TOTAL	**245.31**	**56**	**220.3**

Source: HoSW LEP financial monitoring information

*** One major road project has been taken out of the Growth Deal and is to be funded directly by DfT instead.*

One point to note on GD1 is that the overall allocation made to HoSW area was £130m but this included funding to others as well as the LEP. Discussion for this Review identified that the LEP's share was £111m and was subsequently adjusted to include some further funding for one project, taking it to £114m.What is also relevant to note is that, as projects are contracted and delivered, total funding packages do change and final out-turns on projects may not match initial allocations. Providing definitive investment figures is not therefore straightforward.

Only seven of the 56 projects are as yet complete in spending terms, although others should complete this year. Profiling of the Growth Deal funding indicates that a significant element of the total spend (65%) is still to come - for Growth Deal 2 and 3 projects which are in the process of being contracted, and for Growth Deal 1 and 2 projects, which are still in progress. Four of the Growing Places funded projects have completed capital spend. One is now making repayments on the loan, one has completed repayments and the remainder have planned repayment schedules. Three have still to complete their spend amounting to around 56% of total GPF allocation.

[5] Of the £2bn 2015-16 Local Growth Fund pot, 55% came from three blocks of transport funding (with a considerable amount already pre-committed) and a further 16.5% from FE capital funding. The remainder was a mix of New Homes Bonus, Adult skills, Regional Growth Fund, Local Infrastructure Fund and Housing Revenue Account.

	GD 1,2,3, projects profile £m	GPF spend profile £m	TOTAL SPEND PROFILE £m
12/13		1.17	1.173
13/14		0.46	0.463
14/15		6.88	6.88
15/16	24.21	0.63	24.84
16/17	45.13	0.67	45.80
17/18	65.39	8.92	74.31
18/19	50.59	3.80	54.39
19/20	9.57		9.57
20/21	2.87		2.87
TOTAL	**197.76**	**22.54**	**220.30**

Source: HoSW LEP April 2017 profile of GD spend/GPF Monitoring Report Month 11, 2016/17

What these figures indicate is that whilst GPF and then GD allocations have been made to HoSW, actual spend on all projects is not yet at the midway point, on average. GD3 projects and some GD2 ones are still to be contracted. The implications of this is that outputs, and perhaps more importantly for the SEP, outcomes are still to develop from these investments.

Investments by leadership theme and SEP aims

Currently, investment information on projects is held at a programme level. Projects are not specifically mapped onto SEP aims although leadership groups reflecting the SEP's three priorities of business, place and people are involved in developing the pipeline of projects coming forward and recommending prioritisation of these to the LEP's Strategic Investment Panel (SIP) (as has been briefly discussed in Appendix 1). However it is important to note that discussions suggest that the model has not worked quite as smoothly as this, with some frustration about the lack of influence of the leadership groups in investment decision making and in making other contributions to SEP activity.

For this review we have aligned projects with SEP aims and priorities. The following tables[6] show our assessment of the total number of projects and allocations in relation to GD and GPF.

Creating the Conditions for Growth

Creating the conditions for growth		LGF allocation £m	GPF loans £m
PLACE	Infrastructure for Growth		
	30 projects	**150.955**	**4.2**
BUSINESS	Creating a favourable business environment		
	No projects		
PEOPLE	Creating a responsive environment where businesses and individuals can reach their potential		
	No projects		

[6] *The tables only contain aggregated figures for more than one project. Individual project figures are not given as not all projects are contracted.*

Creating the Conditions for Growth has the largest number of projects and financial allocation, in large part a reflection of the make up of GD and GPF as capital programmes and with transport being a significant contributor to the Local Growth Fund. Of the 30 projects, 26 are transport projects, 3 are digital infrastructure (broadband/4G) and one is flood alleviation. Of the 26 transport projects, three are rail (related to station improvements) and the remainder are road related (and may include cycle and walking elements). Some of the road schemes are providing infrastructure which aims to enable subsequent housing and employment development by improving road capacity to accommodate growth or by reducing congestion and journey times in order to make an area more attractive for investment. In this sense they also contribute to the Maximising Productivity and Growth aim.

Maximising Productivity and Growth

Maximising productivity and growth			
		LGF allocation £m	GPF loans £m
PLACE	Infrastructure and facilities to create more and better employment		
	5 projects	3.75	8.8
BUSINESS	Achieving more sustainable and broadly-based business growth		
	1 project		
PEOPLE	Increasing employment, progression and workforce skills		
	1 project		

The five Place related projects include three workspace schemes. Interestingly, one of these is effectively an umbrella fund for unlocking smaller workspace schemes and will be supporting several schemes. It has potential for extending the reach of GD funding beyond the key strategic growth centres in the LEP area to other more rural market towns. At the time of writing four schemes have been conditionally approved, two of which are in market towns.

The remaining two Place schemes are private sector led, one opening up a site for housing and serviced employment land, and one developing commercial employment space including a hotel and restaurant.

Growth Hub is also one scheme, particularly important as a key tool for LEP engagement with businesses and supporting the SEP's aim of achieving more sustainable and broadly based business growth. The HoSW Growth Hub is being delivered by Serco.

Capitalising on Distinctive Assets

Capitalising on distinctive assets			
		LGF allocation £m	GPF loans £m
PLACE	Infrastructure and facilities needed to support higher value growth		
	15 projects	62.803	9.5
BUSINESS	Supporting higher value growth		
	1 project		
PEOPLE	Creating a world-class workforce to support higher value growth		
	1 project		

This aim picks up investments to support developing higher value growth, particularly in relation to smart specialisation themes which include low carbon/nuclear, marine, big data and photonics. The 15 projects supported are very much around capital investment to create appropriate workspace and training space to support these higher value sectors. 10 of the projects will create employment space and include one Innovation Centre, an Energy Park and several linked projects related to Exeter Science Park and the Met Office. The remainder are Further Education (FE) college skills development facilities, using the SFA FE capital budget that was part of the Local Growth Fund.

Appendix 2 lists projects by SEP Aim on which the review above is based[7]. What this analysis very clearly shows is the focus on capital investments in relation to the Place priority and its application across all three SEP aims but principally that of Creating the Conditions for Growth. Given the criteria of the funding streams and that key contributors to the Local Growth Fund was capital funding from Dept for Transport and SFA capital spend for FE skills development, this is not an unsurprising result.

One further point raised in consultations, albeit limited, related to innovation and the question of how innovative the investments are. The Local Authority management of accountable body and financial management functions is suggested as a possible brake on really innovative projects, perhaps because they are too risky. But equally government wants novel and eye catching projects and balancing these two factors can be a dilemma. Our review cannot directly evidence the validity of this point either way but it is valuable point to consider going forward as innovation and taking some risk is part of trying to develop new solutions to economic issues.

ESIF

European funding through the ESIF is a potential source of funding support for schemes in the HoSW. Unlike Growth Deal and GPF it has the potential to support revenue funding for both business support and skills development. Given the findings from the GD and GPF review we have also reviewed funding opportunities through ESIF to explore if this begins to fill gaps in other aspects of SEP aims and priorities or add value to the capital spend through GD and GPF[8].

The notional allocation for the HoSW area is £108.83m for the period 2014 – 2020. A table on HoSW LEP's website indicates that of this total 20% is currently contracted (£21.83m) and a further 36% is under application and going through assessment (£39.54m). A further 16% of the allocation (£17.4m) is available through live calls, leaving the remaining 28% (c£30m) for future calls.

Our review of the HoSW 'calls' indicates they appear well aligned with the SEP's 'capitalising on our distinctive assets' and 'maximising productivity and employment' aims (see Appendix 3). They have the potential for a mix of capital and revenue grant support. ESIF applications have to make the connection with the SEP and indicate how they will deliver SEP aims. Leadership Groups have had a mixed involvement in discussions about ESIF and its use; for example the People Leadership Group has discussions on ESF in relation to skills development. However, business group representatives felt they had little influence in the ESIF context. The view was that they could add value in shaping calls and achieving better integration across themes.

What is not apparent from our review is the extent to which connections between GD/GPF investments and ESIF is being fully explored either in terms of supporting capital investments with revenue activities or plugging gaps in the delivery of the SEP that GD/GPF cannot meet. If these

[7] Note that this is our assessment of fit.

[8] Our brief did not include looking at EU funding specifically. However we felt it important to include at least an overview of this, especially as the ESIF Programme for HoSW and the SEP are so interlinked.

connections are being made then segmented reporting on GD/GPF only is not enabling a more rounded picture of SEP progress to be made.

Having said this however, we are very aware that the ESIF process has taken time to get going and has experienced delays, for reasons beyond the LEP's control. Whilst a number of calls are closed, the two stage application process also means that it is taking time to get to full approval and funding agreement. This could mean now is a good opportunity to explore how some of these connections can be better made with the remaining funds available.

Other investment

Figures for matched funding on Growth Deals 1 and 2[9] suggest significant levels of public matched funding is being levered in. Other public sector includes FE/HE funding - with a significant element into one project. This is not unexpected given the high proportion of transport and FE capital projects in the mix.

Private sector funding is not as significant as other matched funding. Our consultations have also highlighted that the SEP is not perceived as having had any significant influence over private sector investment plans. Again this could be due to the nature of the funding which is capital infrastructure based and with little direct relationship with the many SMEs in the HoSW area.

One of the LEP's projects is funded from a completely different source. The Enterprise Advisor Network project, which is working in schools to develop awareness of future careers, is funded from Careers and Enterprise Co Ltd (65%) with matched funding from other sources.

In terms of wider influence on investment, consultations have not indicated any significant SEP influence on the investment strategies of stakeholder and partner organisations.

	Total Matched Funding Forecast	Percentage of matched funding
Local authority	£40,281,396	17%
Other public sector	£141,214,130	58%
Private sector	£55,273,217	23%
Third sector	£5,975,000	2%
Total	**£242,743,743**	**100%**

The LEP has also been involved with other investment programmes that help to deliver the SEP aims. These include:

Plymouth and Peninsula City Deal. This was signed in January 2014. The Deal covered Cornwall, Devon, Plymouth, Torbay and Somerset. It was particularly focused on the marine and advanced manufacturing and had three elements; the Marine Industries Production Campus with its focus at South Yard in Plymouth, the Growth Hub and the Youth Deal. The Deal covered some £34m of local and national funding, intended to lever in £262m of private sector funding over the longer term and create some 9,000 jobs.[10] Oceansgate is now the name for South Yard, the focus of the Marine Industries Production Campus. It is a marine Enterprise Zone and development there has been in receipt of GD and GPF funding. The LEP is noted as a key partner in City Deal providing

[9] *Taken from March 2017 reporting. The figures are those for forecast spend to 2020/2021 but do need to be treated with some caution as not all projects have indicated their matched funding, especially those projects as yet uncontracted. These figures therefore represent a snapshot rather than a fully comprehensive picture.*

[10] *http://heartofswlep.co.uk/projects/plymouth-city-deal-south-yard/*

'financial advice, support and advocacy from Board members and an interface with government departments.

Rural Growth Network. HotSW was one of five pilot areas for a Defra funded initiative to support rural business growth between 2012 - 2015. It received £2.9m to develop rural enterprise hubs and provide rural business advice and guidance

Outputs

The following tables set out proposed outputs for projects[11] in line with CLG reporting requirements for GD and GPF. These outputs are not profiled over time. Given that very few projects are yet fully complete, there is no significant level of actual outputs being reported against these aspirations as yet. As discussions on project case studies have also indicated it may be a long time before some of these outputs are achieved, particularly where there is a reliance on third parties (e.g. housing developers) for their delivery. As yet monitoring and evaluation of outputs and impacts has also not begun in any comprehensive way, and this will be an important next step if progress on outputs and impacts is to be fully assessed.

Capitalising on distinctive assets		Jobs created /safeguarded	New dwellings	Develop-ment land unlocked	Businesses safeguarded	Commercial floorspace (sqm)
PLACE	Infrastructure for growth					
	25 projects (out of 30)	36,830	12,816	327.5	8,280	175,626
BUSINESS	Creating a favourable business environment					
	No projects					
PEOPLE	Creating a responsive environment where businesses and individuals can reach their potential					
	No projects					

Maximising growth and productivity		Jobs	Commercial building -new / refurb (sqm)	New homes	Skills training space (sqm)
PLACE	Infrastructure and facilities to create more and better employment				
	5 projects (out of 30)	2,141	86,811	126	1,400
BUSINESS	Achieving more sustainable and broadly-based growth				
	1 project				
PEOPLE	Increasing employment, progression and workforce skills				
	1 project				

[11] *Again, the tables only contain aggregated output figures for more than one project. Individual project figures are not given as not all projects are contracted or outputs fully identified as yet.*

Capitalising on distinctive assets		Apprenti-ships	Jobs created /safeguarded	GVA £m	Commercial building - new / refurb (sqm)	Increased learner numbers
PLACE	Infrastructure and facilities needed to support higher value growth					
	11 projects (out of 15)	3,556	1,829	14	40,578	24,794
BUSINESS	Supporting higher value growth					
	1 project					
PEOPLE	Creating a world-class workforce to support higher value growth					
	1 project					

What is also relevant to note is that, of the GD and GPF outputs to be reported on, none have a direct read across to the outcomes set out in the SEP. Two have a direct read across to the indicators for growth impact in the SEP (new jobs, new houses). The outputs from projects should clearly contribute to SEP outcomes e.g. new jobs created in the context of transformational investments in innovation centres should contribute to achieving higher value employment indicators. Given the very limited progress to date on achieving outputs (as few projects are complete and even where complete, outputs could be in the longer term, whilst monitoring and evaluation is still to begin on any comprehensive basis) drawing direct conclusions on how investments are delivering outcomes is difficult. This is discussed further in Section Five.

Conclusions

HoSW LEP has had direct management of the delivery of GD and GPF programmes, whilst also being involved in the ESIF programme. Whilst a number of projects have been supported through GD and GPF, only seven have completed their financial spend. There is still a significant element (c 64%) of the total funding from these programmes still to be spent up to 2021. This impacts on achievement of outputs and outcomes from projects, most of which are still to be delivered.

The following table summarises key achievements and challenges associated with investments made to support delivery of SEP aims and priorities.

Achievements	Issues
HoSW LEP and partners have secured some £245m of investment through GD and GPF supporting 56 strategic investment projects.	Investment through GD and GPF programmes is heavily dominated by capital funding in transport, FE training space and employment space developments as neither programme provides an opportunity for significant revenue funding support.
Seven projects have completed their spend; four supported through GPF and three through GD. There are committed Growth Deal allocations from Government to HoSW LEP for GD1, GD2 and GD3.	There is still some 64% of the overall GD and GPF allocations to be spent, including GD2 and GD3 projects which are still to be contracted. This means outputs and outcomes for projects are still largely to come, with indications that some of this will be beyond 2021. It is now very important that Monitoring and Evaluation of projects is put in place on a comprehensive and consistent basis so that outputs and outcomes can be captured

Achievements	Issues
Projects supported through GD and GPF programmes appear broadly aligned with SEP aims and priorities – although some projects were approved before the SEP was written and the planning of a number of projects would have pre-dated the SEP. Projects supported through these two programmes principally contribute to the 'Creating the Conditions for Growth' and the 'Capitalising on Distinctive Assets' aims.	Project monitoring and reporting is not done on the basis of SEP aims and priorities, rather it is done by funding programme. This makes it hard to have a direct read across into SEP aims – although all projects do need to make connections with SEP aims as part of their application for funding. Generating more explicit links would be beneficial for the future.
ESIF provides the opportunity to draw in revenue (and capital) funding to complement GD ad GPF investments. There is a notional allocation for the HoSW area of £108.8m.	The extent to which ESIF, GD and GPF investment activity is being fully integrated is not that apparent. ESIF can complement GD and GPF investments and plug gaps. Looking forward, the opportunity to get greater synergy needs to be taken.
Existing GD and GPF supported projects are drawing in significant levels of matched funding, currently estimated as c£242.7m.	Some 58% of the matched funding is currently identified as coming from public sector sources other than local authorities, and with local authorities contributing a further 17% (although it is important to note that one project accounts for a significant part of the other public sector matched funding). Private sector funding only accounts for 23% of matched funding. Beyond matched funding for projects, the SEP is having little influence on investment activity in either the public or private sector.

Section 2: Contribution to SEP Aims and Priorities

The previous section outlined the investments that have been made so far in terms of the projects and their value. This section explores their overall contribution to the SEP's aims and priorities, largely drawing on the feedback gathered through the consultation, supported by a review of key documentation. It has been noted that the SEP itself is a fairly high-level document and the development of a clear action or delivery plan would have been beneficial in helping to more fully understand the contribution that has so far been made. This chapter should be read within that context.

Securing Funding and Selecting Projects

Our consultation process showed a clear perception that the LEP has done well in securing the level of funding it has received, particularly through the Growth Deals, in order to further the SEP's aims and priorities. Our analysis of HoSW's allocations in relation to other LEPs nationally shows a slightly more mixed picture. Taking all three Growth Deals together, the HoSW LEP was in the bottom half nationally. This is discussed further in Section 4 in relation to Strategic Added Value and securing investment.

It was largely felt that, within the constraints of the funding available, the LEP had developed a sensible set of projects when working up their Growth Deals, reflecting outcomes that the government would want to invest in, although a handful of comments suggested that some decisions had been made to 'keep certain areas happy' rather than for strategic reasons. As a result there is a sense that geographically some areas, particularly the districts, feel over-looked. Additionally, there was some question, particularly from the business representatives, about how far they have been able to reflect key business priorities. Further, as we discuss in the previous section, it was felt that there could have been more strategic linkage between the Growth Deal and ESIF investments, though this has undoubtedly been made more complicated by the delays in the ESIF process.

Notwithstanding the above, most stakeholders felt that there has been a clear line of slight between the SEP and the investment decisions that have been made, although some comments indicated that it could be a little opaque at times. Our review of a sample of Growth Deal and Growing Places Fund business cases shows a slightly mixed picture in terms of their direct link to SEP outcomes. All of the business cases that were reviewed indicate their contribution in one way or another but in some cases the evidence was stronger than in others.

It is recognised that in some instances this has been beyond the LEP's control, resulting from the negotiations with central government which have been complex and have to some extent shaped the nature of the projects selected. For example, the Somerset Flood Action Plan was added to GD3 at the request of the Cabinet Office following the 2013-14 floods. Whilst this project undoubtedly contributes to the 'infrastructure for growth' under the Place priority, the perception was that the business case had to be shoe-horned into an economic development framework without the time or evidence base in which to develop a logic chain that linked its activities to SEP outcomes.

What is also evident from project case studies is that the short timescales for bidding for funds, particularly for GD1, meant that projects coming forward were often 'oven ready'. For some projects such as road schemes, the planning lead in time is lengthy anyway e.g. one project had been in the planning for around five years. This means some projects were being developed prior to the LEP coming into existence and certainly before the SEP, whilst application processes for the

GPF projects also preceded the SEP. Nevertheless there is clearly synergy between the strategic development intentions of projects and SEP aims, although this may not be explicitly stated for some early projects.

It should also be borne in mind that there are other drivers for projects, notably the transport ones, where meeting Dept for Transport (DfT) criteria and requirements are key. Case study project discussions highlight the challenges of trying to balance SEP/LEP aspirations with those of DfT requirements, whilst the parallel Local Transport Board process for project approvals also challenges the integration process.

There was mixed evidence from the business cases that were reviewed in relation to the projects' contribution to the SEP's cross-cutting aims of environmental sustainability and social inclusion. Whilst some authors made compelling statements to describe how their project would deliver against the cross cutting themes, in other cases such statements were limited or non-existent. It is not clear that there has been explicit activity to deliver the two cross cutting aims of the SEP. We are aware that the Place Group set up a task and finish group in 2014, looking at environmental resilience issues, the delivery of green infrastructure as a component of growth and environmental impact mitigation. This followed from a Local Nature Partnership workshop utilising the local environment and economy toolkit methodology promoted by DEFRA. However it took two years to progress the work to the point of a report (the Environment as an Economic Driver) which was taken to the LEP Board in September 2016 where the Board supported further development of this report and its findings.

Making Progress

Given that many of the projects have long lead times and have not yet reported on their outputs and outcomes it is difficult to establish exactly how much has been achieved so far but most consultees felt that good progress is being made towards achieving the SEP's aims and priorities, especially around what was often described as the 'transformational projects' and smart specialisation work which, it is hoped, will lay the foundations for future growth. However, there was a sense from some stakeholders that some of the other economic drivers for the region such as tourism and hospitality should not be neglected as the LEP moves forward as they offer opportunities for innovation and growth[12]. As can be seen from the previous chapter, the majority of funding has so far supported infrastructure projects in relation to the Place priority, principally under 'Creating the Conditions for Growth' and most people understood and accepted the reasons for this.

Moving forward, it was felt that there now needs to be more of a focus on the other themes to enable the area's ambitions to be truly achieved, particularly as the LEP moves towards its 'productivity and prosperity' agenda. In particular, stakeholders highlighted the need to deliver on:

- Labour market shortages
- Workforce development
- Rural issues
- Other business issues such as exporting/internationalisation and R&D, linking with the knowledge base
- Business aftercare
- Natural capital

[12] *We are aware that there has been been a tourism champion role assigned to a LEP Management Committee Officer although discussions have not specifically noted activities arising from this*

These are seen as key investment gaps at present time. Some of the gaps may be filled through the ESIF calls which are now coming on stream. On rural issues, specifically, the recently announced Rural Productivity Commission is hoped to provide some intelligence on how best to move forward and is a welcome development. HoSW has also been one of Defra's Rural Growth Network pilot projects, bringing in £2.9 million from DEFRA to develop a network of rural enterprise hubs and business support activities to support micro and small businesses across rural Devon and Somerset.

However, it is expected that revenue funding will remain a challenge in this respect and it may be that more creative solutions need to be sought. The theme of 'sweating the assets' came through strongly within the consultations – i.e. the ability to achieve additional sustainable development outcomes from the investments to date. There have already been some specific studies commissioned by the LEP, for example, to consider how the area can achieve more employment and skills outcomes from construction projects. This work could be proactively used across the groups and it may be that this type of thinking could be broadened to other areas of work such as local supply chains, sustainable sourcing of materials etc.

POSTCARD

The Genesis Building is a development by the Millfields Trust, a Community Economic Development Trust in Plymouth and funded through the LEP using £2.1m of Growing Places Loan Funding. It was submitted to the LEP in 2012, predating the Strategic Economic Plan. With ERDF funding as a major matched funder for the project, and construction completed in 2015, the scheme is part of a wider regeneration masterplan in the Stonehouse area of Plymouth and the first stage of a development programme for the HQ site owned by the Trust. The Genesis building is built to BREEAM Excellent standards which includes a green 'living wall' which won 'Building of the Year 2015' from the Building Forum of Devon and Cornwall. It has 33 office spaces over four floors which range in size to provide for business start ups and larger businesses. It is at over 80% occupancy now, with some 25 businesses and around 100 people employed there, and some businesses occupying more than one unit.

MILLFIELDS TRUST GENESIS BUILDING

Developing a scheme balancing two external funding sources was a challenge for the Trust, in terms of the time taken to secure Growing Places funding approval which potentially jeopardised this balance. Nevertheless the Trust was successful in securing the funds which enabled it to proceed with a project which might otherwise not have happened otherwise. It has already opened up business development and employment opportunities for the Stonehouse area as well as contributed more widely to the streetscape and community. The challenge now is proceeding with the wider regeneration masterplan for the HQ site whilst also repaying on the Growing Places development loan.

Additionally, it is thought that more could be done in partnership with external organisations, including businesses, to address these gaps. The lack of integration between the LEP and external parties that deliver similar activities was mentioned by several stakeholders and better alignment with a variety of organisations from Employment and Skills Boards through to business representative groups could potentially help to provide valuable resources to support key ambitions.

Integrating Priorities

In relation to the above, it was also felt that more could potentially be delivered through better co-ordination internally. Whilst it was recognised that the Leadership Groups have done well in helping to prioritise investments, there have been suggestions that they have tended to operate in silos. Evidence indicates that the theme groups have largely made their recommendations in isolation from one another and it is felt that better integration could help deliver a more holistic programme. For example, the People and Business Leadership groups may be able to contribute to the decisions about the infrastructure projects and link them into wider areas of work that could add value to the overall package (and vice versa). This may be a key learning point for the future.

Discussions have also indicated that Leadership Groups have been involved in other work, for example, discussion and reporting on specific issues affecting their priority. The Environmental Resilience Task and Finish Group of the Place Leadership Group has already been mentioned, with the Place group also establishing another Task and Finish Group looking at barriers to developing housing which reported to the LEP Board. Likewise the Business Leadership Group has established a Future Economy sub-group, led by the area's HEIs to support to the LEP on topics concerned with the economy and labour market of the region.

It is not always clear how this work is being used within the LEP to inform activities - including the prioritisation of projects and linking across priorities. Yet this seems very valuable and useful work for Leadership Groups to be involved in, utilising their specialist knowledge. It should all contribute towards delivering SEP aims. A strong action plan to the SEP would be invaluable in ensuring the work is picked up across the LEP and makes a positive contribution.

Additionality

Stakeholders were asked about the extent to which the investments would have happened anyway, i.e. without the LEP's intervention. They could point to several examples of projects which would definitely not have taken place without the GD/GPF allocations such as Oceansgate in Plymouth. It was also suggested that some of the workspace projects would not have happened as they would have been too commercially risky for the private sector alone. However, the views on other projects were more mixed, particularly around the transport schemes which some people felt may have happened anyway through the old system of bidding directly into the Department of Transport. Notwithstanding that observation, several stakeholders commented that even if the projects would have happened anyway, the LEP had enabled them to come on stream much quicker than would otherwise been the case and in a more strategic (less parochial) manner which does indicate some additionality.

Conclusions

Although many projects have yet to deliver their outputs and outcomes, stakeholders are broadly comfortable with the progress that has been made against SEP aims and priorities to date, given the constraints within the funding that has been available.

The following table summarises key achievements and challenges.

Achievements	Issues
Early infrastructure projects are seen as helping to pave the way for future growth.	There will need to be more emphasis on other objectives, geographic areas and sectors in future, particularly as the LEP moves towards its productivity and prosperity agenda.
Investment is particularly seen as positive in supporting transformational opportunities through the 'capitalising on distinctive assets' aim.	There have been inherent challenges in securing revenue funding for investment activities (given the capital investment focus of GD and GPF). What is now needed for the future is a stronger focus on 'sweating the assets' of investments already made and a greater linking across investment programmes including those with revenue potential.
Some investments are contributing well to the SEP's cross cutting aims of environmental sustainability and inclusion.	It is not clear that, overall, there has been explicit activity to deliver the two cross cutting aims of the SEP.
The focus of the ASR has been to look at GD and GPF and its contribution to achieving SEP aims and priorities. However, it is apparent that other activities contribute to this as well, including ESIF investments and other work coming out of the Leadership Groups.	Limited integration across the three LEP Leadership Groups is particularly noted as an issue . Greater integration across programmes (e.g. ESIF) and between LEP groups would be beneficial in achieving a stronger linking of activities contributing to SEP delivery. However the key missing element in our view is a strong Action Plan for delivery of the SEP. Without this it is hard to make direct links between all investment activities and achievement of the SEP. It is possible that opportunities for making connections and plugging gaps are being missed. For the future, any revision of the SEP or similar strategic plan does need to have a robust action plan which can connect across partners and programmes and where the outcome of work from LEP partner groups can be clearly placed and used.

POSTCARD

EXETER SCIENCE PARK ENVIRONMENTAL FUTURES CAMPUS

£2.5mn support from Growth Deal I, matched against Regional Growth Funding, was provided to fund infrastructure development on Phase 2 of Exeter Science Park. It aimed to prepare a parcel of land for a Global Environmental Futures campus, whilst also facilitating the adjoining Met Office £100mn supercomputer facility, acting as the campus's anchor occupier. There are also well advanced plans for additional innovation and grow-on buildings on an adjacent plot, developed jointly by Exeter Science Park Ltd in partnership with University of Exeter and the Met Office, and part funded through Growth Deal 2. The remaining land is available as development plots to the private sector.

The output targets for the project included 3,000sqm of Met Office space, and 6,000sqm of further private development. This private-sector led development would leverage in an estimated additional £15mn. Overall, it is estimated to deliver circa 370 gross jobs.

The project was completed in early 2016 – on time and on budget – and the Met Office supercomputer building was completed with some occupancy in late 2016. The collaboration building is also largely complete.

The project had a clear link to the SEP as a 'transformational opportunity'. The Science Park is an illustration of partnership working, with Devon County, Exeter City and East Devon Councils, and the University being key partners. The Science Park felt that it is firmly supported by the HotSW in facilitating land for development, and helping to retain the Met Office supercomputer in the region. Growth Deal support was crucial in making the project happen.

Section 3: Progress on Economic Performance and Key Outcome Measures

Economic performance and progress towards key SEP outcomes measures

The HoSW SEP contained a number of outcome targets to help monitor its progress against the aspirational objectives contained within the SEP. These outcome measures are broadly associated with how strongly the HoSW economy is growing (in terms of output and jobs), as well as capturing how its infrastructure (in terms of housing and transport) is developing to help facilitate that growth.

As part of the brief for this work, this review has included an extensive analysis of the available economic data to understand how well the HoSW is performing against the SEP outcome targets. This analysis is wholly detailed in 'Appendix 4 – HoSW progress against Outcomes'. The findings and considerations of this analysis is outlined in summary format in the main body of the report below. Appendix 4 should be reviewed to understand the full analysis.

Firstly, it is important to understand the macro-economic context in which our assessment of progress has taken place. The SEP detailed three growth scenarios (as shown in the table below) and four core 'growth measurements' associated with each scenario. The SEP itself clearly outlines an ambition for 'transformational growth. The core growth measures are targets relative to the performance of the wider UK economy. However, there has been a changing economic context since the SEP was formulated in 2014. Growth expectations have become more muted in recent years, exacerbated by increased uncertainty caused by BREXIT. The medium-term decline in productivity which has been seen in the UK and other developed economies since the recession, has placed some structural pressure on the growth potential of the economy as a whole.

Therefore, assessing whether the HoSW has met these growth targets needs to be within the context of muted conditions elsewhere. It could be argued that this will have the biggest influence on whether growth targets will be met.

Secondly, it is important to recognise that this analysis does not provide any inference on the extent to which changes in performance can be attributed to LEP activities or investments. Rather, as in the previous annual review, this analysis indicates whether the underlying picture has changed, and whether any changes indicate if the SEP's strategic vision is on-track to be achieved.

Table: HoSW SEP Growth Scenarios and Targets

	Baseline – continuing to fall behind UK average	**Strong growth** – keeping pace with UK average	**Transformational** – faster than UK average
1. Average growth rate	2.65%	2.8%-2.85%	3.06%
2. GVA by 2030 (2010 prices)	£45bn	£47bn-£47.5bn	£49bn
3. New jobs by 2030	82,000	112,000-120,000	163,000
4. New homes by 2030	104,421	135,000-144,000	179,000

With the above context in mind, the review of economic data leads to the overall conclusion that *the HoSW economy, at best, continues to track the 'baseline' growth scenario. That is, there is no firm evidence that it is achieving either 'strong' or 'transformational' growth as aspired to in the SEP.* It is our view that the HoSW 'productivity conundrum' remains, its relatively good quality 'inputs' (i.e. high employment rate, good skill levels etc.) not translating into better quality 'outputs (i.e. improvements in relative productivity).

This conforms to the majority of views expressed through the consultations. Many of the stakeholders recognised that the long-standing structural issues that were originally highlighted in the SEP remain. In particular, the problem of closing the 'productivity gap' remains. However, most were realistic that these issues could not be solved in the short-term and require long-term structural changes.

Nevertheless, the remit of this work was to assess progress against the outcome targets. The analysis in this review focused on two broad elements:

1. As discussed above, this included a review of the 'core growth' SEP measurements to understand whether the HoSW economy was on target to achieve its broad aspirations
2. A review of progress against the outcomes associated with the three core SEP aims, with a particular focus on targets for 2020

Our assessment of progress against each of these targets is illustrated below using a 'traffic lights' system. For the four core growth measurements, our assessment is based on whether the HoSW is on track for its aspirational growth. Our assessment criteria is contained in the below table.

Assessment criteria – core 'growth measurements'	**Classification**
No evidence that the HoSW economy exceeding above trend ('strong' or 'transformational') growth	
Limited evidence that HoSW economy exceeding above trend ('strong' or 'transformational') growth	
Evidence that HoSW economy exceeding above trend ('strong' or 'transformational') growth	

When set against the above criteria, the evidence indicates that the HoSW is, at best, only achieving baseline trend growth. The exception is new housing development, where the data suggests that housing development density (development rates against existing stock) is higher than national average. This is illustrated by Chart 14 in the appendix. As such, we feel there is limited evidence.

HoSW SEP 'core growth' measurements – progress against aspirational growth

Average annual growth rate	GVA by 2030	New jobs by 2030	New homes by 2030

It is also worth highlighting that we have found evidence that the HoSW economy has actually grown faster than trend rate if you exclude London and the South East from the measurement (Chart 9 in the appendix). This is highlighted further when compared to the three 'comparator LEPs' that we have reviewed in the Process Review – the HoSW has performed relatively well. However, given the remit of this work is to assess performance against the measure contained in the SEP itself, we can only conclude that the HoSW economy is not growing faster than the *national* rate. This highlights the problem of having relative performance measurements (as discussed elsewhere), particularly in the context of the dominating factor of London within the wider UK economy.

It is recognised that the SEP primarily sets out a long-term (to 2030) vision for the HoSW, and that economic conditions are unlikely to have altered significantly since 2014. This is particularly in the context of the long-term structural imbalances it was designed to address. However, the SEP did also include targets for 2020 and the brief for this work included the requirement to assess progress against these outcome measures. Given that 2020 is not too long in the future, as such it is reasonable to expect that some progress against these 2020 targets could have been made at this stage (2017). This review provides a reasonable juncture for the LEP and its partners to understand the 'headwinds' it may face in meeting the aspirational elements within the SEP.

Again, we assess progress using a 'traffic lights' system. The criteria is set out in the table below. Principally, for these 2020 targets associated with the three SEP core aims, given that they are a mixture of relative and absolute measures, the assessment is our view of progress based on available evidence. In some cases, the target has required a qualitative assessment (in particular, the assessment of whether transport infrastructure is more resilient), with no available evidence to make that judgement.

Assessment criteria – '2020 SEP outcome targets'	**Classification**
No evidence that the 2020 target will be met	🔴
Limited (or mixed) evidence that the 2020 target will be met	🟡
Evidence that the 2020 target will be met	🟢

Our assessment is contained in the table below. This shows that on only one measure – 95% superfast broadband availability – do we consider that the 2020 target is on track to be met. For other measurements where we have classified progress as 'amber', this is largely due to those measurements representing a range of indicators, some of which the HoSW performs relatively well and for some not.

Maximising productivity & employment opportunities	
Middle third of LEPs for competitiveness, exporting and enterprise indicators	🔴
Top 15 LEPs for youth unemployment	🟡
Start to close the gap with UK average wages	🔴
Creating the conditions for growth	
Transport infrastructure more resilient	🟡
Achieve partial dualling of A303/A30 corridor	🟡
Rail journey times <2 hours, 45 minutes	🔴
95% superfast broadband	🟢
10,000 new homes per year	🟡
Capitalising on our distinctive assets	
Middle third of LEPs for innovation and knowledge economy indicators	🟡
Middle third for higher value employment indicators	🟡

Monitoring and Evaluation

As detailed in Section 3 the projects that have been supported through both Growth Deal and Growing Places Fund have a range of output targets associated with those investments. This includes a substantial number of jobs that are projected to be associated[13] with the (principally Growth Deal) investments. In total, projects are expected to bring forward circa 41,000 jobs. Clearly, this scale of job creation could potentially be a significant contributor to one of the core SEP 'growth measures' relating to job creation.

Therefore, is it is clearly important that the outputs and outcomes from the project investments are monitored to understand how they are contributing to SEP aims. As part of this work, through better understanding the processes in place as well as interviews with a sample of supported projects, we have reviewed the monitoring and evaluation (M&E) arrangements[14].

All supported projects have a requirement to put in place a monitoring & evaluation plan, as well as a requirement to report against output performance as part of their quarterly monitoring process. Previously, projects were contacted separately in the quarterly monitoring process for financial claims (by Somerset CC as the financial accountable body) and output reporting (by Devon CC as the programme office). The two processes are in the process of being amalgamated to a single quarterly process, and this is to be welcomed, particularly from a project's perspective. To date, output monitoring has been on a project-by-project basis and not necessarily consistently.

In terms of outputs that have been delivered to date, it is important to understand that, to date, very few outputs have been delivered by the projects. This is primarily a reflection of two factors:

1. That many projects have yet to be completed (mostly relating to the capital element), and the operational phase has yet to start
2. For many of the supported projects, job creation is expected to be as an indirect consequence of the investment itself. For example, some transport projects are expected to open up sites where subsequent job creation will take place. Equally, housing development is expected to take place through the same mechanism

The principal finding from this review is that evidence from the projects indicates that output delivery (and delivery of outcomes and economic impact) is likely to be a slow and long term process. For those projects that are expected to deliver new jobs, it is possible that the subsequent development required to support jobs i.e. commercial space, will not take place for a number of years. Therefore, it is our view there is a real prospect that the majority of job output delivery could take place beyond 2020-21.

This creates a problem in a monitoring and evaluation context. The LEP only has a requirement to report back Growth Deal programme outputs until 2020/21. As a consequence, funded projects only have a requirement (as defined in the Funding Agreements) to report their own outputs until this period. Given that monitoring & evaluation is a relatively resource-intensive process, there is an expectation that at both a programme and project level there will be limited resources (and perhaps inclination) to undertake monitoring and evaluation beyond 2021.

Given that it is our expectation that many outputs will only be delivered beyond this period, there is a danger that the full impact of supported projects will not be fully captured. This is particularly

[13] *This could mean that the jobs could be directly or indirectly created as a consequence of the project. When reviewing the projects that have been supported through the funding programmes, it is our view that the majority of these relate to the indirect creation of jobs is that are not directly in the control of the project itself i.e. job creation facilitated by infrastructure improvements*

[14] *We know the LEP has an M&E Framework which recognises the importance of a feedback loop, but this is high level and does not set out the detail of how output and outcome reporting in the longer term will be coordinated.*

the case for jobs and housing developed. This is relevant given that these are the two outputs that can be directly linked to one of the core SEP 'growth measures', therefore allowing a link between the SEP aims and the impact of the investments made to support those aims.

Whilst understanding the considerable resource constraints that all organisations are under, consideration should be given to resourcing M&E activity beyond 2021 to fully understand the long-term impact of the Growth Deal programme.

The other difficulty that faces the LEP in terms of meeting output targets such as job creation, new homes and commercial space development is that the activity required to deliver these outputs is reliant on third parties. It is largely dependent on private sector investment and the viability of the associated sites. Several of our project consultations have indicated that this may not occur within the next few years. The LEP and its partners do not hold any real delivery levers to ensure that outputs (and outcomes and impacts) will be delivered as envisaged in the business cases.

For other output targets, such as learning opportunities and apprenticeships the above issue is less relevant. Consultations with the projects that are expected to support learning opportunities, such as investments in FE infrastructure, have shown that there is a good probability that these learning opportunities will be delivered over the next few years. Hence, these will be captured through the M&E process.

POSTCARD

TORQUAY GATEWAY

Torquay Gateway transport scheme received £3.74m from Growth Deal 1 funding for a transport scheme comprising improvements to four pinch points at the southern end of the South Devon Link Road, together with development of a new cycle route link. The scheme has been delivered by Torbay Council as Transport Authority. Collectively the scheme opens up sites for existing and planned employment, and housing, adding to the benefits of the South Devon Link Road in terms of reduced journey times and greater journey time reliability. Sites include the existing Torbay Hospital, and the proposed Eginswell Growth Area which proposes housing and employment development with associated infrastructure such as schools.. Three of the five phases of the transport scheme, including the cycle route, are now complete. The final two phases have been combined and delayed until 2018.

This transport scheme had been in the planning for some time (five years or more) before Growth Deal funding provided the opportunity to secure their delivery, with some elements particularly prompted by the opportunity of the South Devon Link Road. Growth Deal funding meant that components were delivered that would otherwise not have happened or may have taken much longer and been achieved on a smaller scale, reducing the attractiveness of sites for development.

The scheme opens up significant sites for future housing and employment which are part of Torbay's strategic development plans and which have adopted supplementary planning documents. However actual delivery of the housing and employment development is in the hands of developers and is long term. Even by 2021, some of these developments may only be in early stages. Long term monitoring of these wider impacts is therefore important if Growth Deal longer term benefits are to be documented.

Finally, at present, there is no embedded mechanism for monitoring and evaluation information to be reported back to the Strategic Investment Panel (or Local Transport Board for transport projects). It is not clear how the main decision-making groups are kept informed of progress against those investments they had prior approved. There is a lack of a feedback loop into the decision-making structure. As such, we feel there is a missed opportunity for the LEP to understand 'what is working well, and what is not'. Whilst we understand there are plans for a SIP regular agenda item, this is overdue. We would recommend this to be implemented as soon as practical, helping to establish a structured feedback mechanism. Our consultations with members of the SIP suggest they would welcome this.

Conclusions

Our analysis has shown that the HoSW is facing considerable 'headwinds' in terms of being able to meet the targets as defined in the SEP. Whilst the performance of the HoSW economy has been reasonable in absolute terms, the fact that the SEP targets were expressed as *relative* measurements, means it is likely that many of them will not be met.

Achievements	Issues
The HoSW is achieving growth broadly consistent with the 'baseline' growth scenario in the SEP. The exception is new housing development, where housing development density (development rates against existing stock) is higher than national average. There is also evidence that the HoSW economy has actually grown faster than trend rate if London and the South East are excluded from the analysis, particularly when set against some other comparable rural areas.	It is not currently achieving either 'strong' or 'transformational' growth. As such, it is not achieving its growth targets. The changing context of muted economic growth nationally has not helped in this regard. For the future careful thought should be given as to whether having relative performance measures (relative to other places, particularly London and the South East) is the best indicator to have.
Investments in GD and GPF projects are expected to bring forward circa 41,000 jobs. This scale of job creation would be a significant contributor to one of the core SEP 'growth measures' relating to job creation. However, it needs to be recognised that not all of these could be considered 'additional'.	Very few outputs have been delivered by projects to date. The true impact of those projects supported by the LEP and its partners has yet to fully work through. Given that many are infrastructure projects - often reliant on third parties to deliver the subsequent economic activity - impact is expected to be over the longer-term and beyond 2021. There is a danger that the true impact of projects will never be fully captured given constraints on resources available for M&E activity. For the future there needs to be an embedded mechanism for monitoring and evaluation information to be reported back to the Strategic Investment Panel, aid the LEP to learn from investments and to do better on 'sweating the assets'.
On one 2020 outcome measure – 95% superfast broadband availability –the 2020 target is on track to be met. Housing development has performed relatively well but is still not achieving the 2020 target.	Overall, assessing performance against the short-term 2020 outcome measures as defined in the SEP indicates mixed progress. It is our view that several targets are unlikely to be met by 2020. Again, one of the explanatory factors is that many are relative targets and therefore performance against the measurement is outside of the HoSW LEP's control i.e. other areas are also improving.

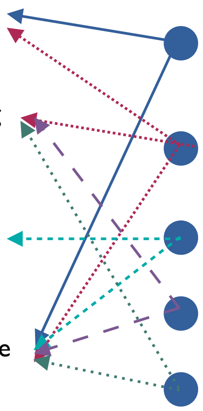
Section 4: Achieving Strategic Added Value

This section explores the qualitative question of whether the LEP is achieving Strategic Added Value (SAV). We have reviewed this in relation to the four evaluation sub-questions as set out in the brief:

- Is the LEP championing priorities? For example does it provide strategic leadership and act as a catalyst: does it articulates and communicates the area's needs effectively
- Is the LEP leading and coordinating partnerships? For example is it helping to set the business development agenda; or generate stakeholder interest, activity and engagement
- Is the LEP securing and delivering investment? Is it creating leverage to draw in stakeholder resources to meet objectives
- Is the LEP developing as an effective organisation? In part this question is the analysis of the combination of all three previous questions. There are other relevant elements to SAV which are also considered here – whether there is synergy in terms of sharing what works, what is happening to avoid duplication; and whether there is strong engagement in terms of working together on common themes, sharing from elsewhere.

It is recognised that the assessment of SAV is a largely qualitative process. However, it is important to assess it in as structured manner as possible. We have reviewed the sub-questions and related them back to the five SAV measures that are commonly used in evaluation work. The relationship is set out in the diagram below.

The brief: SAV sub questions	Five SAV measures
Is the LEP championing priorities?	**Strategic leadership and catalyst:** articulates and communicates the area's needs. Understands its existing businesses
Is the LEP leading and coordinating partnerships?	**Strategic influence:** sets the business development agenda. Generates stakeholder interest, activity and engagement
Is the LEP securing and delivering investment?	**Leverage:** draws in stakeholder resources to meet objectives
Is the LEP developing as an effective Organisation?	**Synergy:** sharing what works, what is going on, avoids duplication
	Engagement: working together on common themes, sharing from elsewhere



We recognise that there is some overlap between some of the issues covered by these evaluation questions and earlier analysis. The aim here is therefore to focus on additional information, whilst referencing earlier analysis where appropriate.

Championing Priorities

Articulating the Area's Needs

It was generally felt by those stakeholders consulted through the evaluation process that the HoSW's SEP continued to *articulate the area's needs relatively well* despite changing economic and political circumstances. It was felt that the LEP led the process well and the SEP was based on a comprehensive evidence base. It was recognised by many that the challenges highlighted in the SEP, such as relatively low productivity and poor connectivity, were still in place and these were longer-term structural issues that needed continued attention.

Some felt that the refresh – in the form of the emerging Productivity Plan – was also timely to refocus on these key structural issues. There was an interesting debate in several of the consultations (as highlighted elsewhere) between whether the emerging Productivity Plan should continue to have a focus on transformational opportunities, and/or should now focus on improving inclusivity across all sectors.

In terms of the existing SEP, the main issues that were raised by some stakeholders are highlighted below. However, it is also important to note that most recognised that any Strategy has to have an element of prioritisation to effectively focus on the key issues:

1. The focus on 'transformational opportunities' has an implicit urban focus and, as such, the subsequent investment focus and much of LEP activity has also been predominantly urban focused. Several stakeholders felt that rural areas have been 'overlooked' by LEP investments and much of this was due to this original identification of urban-based transformational opportunities. One Growth Deal project that addresses this in part is the Unlocking Growth Fund workspace project where two of four schemes currently going through approval confirmation are market town based. However, given the strategic growth focus of Growth Deal in particular, and that spatial planning focuses strategic growth into the main urban centres, the urban focus of investments is perhaps inevitable.
2. Whilst the SEP has reference to social inclusion and inclusivity, some stakeholders felt that this hadn't necessarily translated to subsequent focus in terms of activity. The inter-relationship between infrastructure and skills was an area that was cited as an example of where an opportunity to improve inclusivity had been missed.
3. The lack of a strong action plan accompanying the SEP was cited by several stakeholders as a deficiency. As a consequence, it was not clear what organisations were responsible for delivering the different elements of the SEP. The development of an action plan was cited as a requirement of the emerging Productivity Plan (see other comments elsewhere). Whilst this Review has focused on the Growth Deal and Growing Places Fund in terms of the funding programmes within the direct management of the LEP, there is clearly other activity taking place in the HoSW area, in which the LEP is involved and which contributes to SEP aims, as noted in earlier sections. The lack of an action plan means these links are not necessarily clear to all.

Communicating the Area's Needs

It was felt that the SEP, and subsequent LEP activity, has been relatively successful in communicating the needs of the area in the context of securing Growth Deal funding. Most stakeholders felt that these needs were outlined relatively clearly and succinctly in the SEP, and that the LEP has maintained a focus on the core messages relatively well. It is perceived that the HoSW LEP management has 'walked the corridors of Whitehall' relatively successfully. Discussions indicate that LEP staff have the knowledge and experience of working at this political level which has supported this approach. However, Board members could be more active in supporting the LEP's ambitions through their channels into Whitehall. Some felt that the most productive approach was to bring ideas and solutions rather than problems and complaints.

The political make-up of the HoSW area has helped in this respect, and there are examples of the HoSW LEP coordinating political influence to lobby on priorities for the area. One example has been the establishment of a multi-site Enterprise Zone, in Bridgwater and Exeter / East Devon[15], where the LEP playing a key role in lobbying for its inclusion. The LEP's role in lobbying on the Further Education Area Reviews was also noted in discussions.

[15] *A further Enterprise Zone is located at South Yard, in Plymouth*

Leading and coordinating partnerships

Generating HoSW stakeholder interest and engagement

The responsibility for sharing good practice and information within the HoSW area largely falls to the LEP's Partnership Manager. This role has a responsibility for ensuring that partners are kept informed of important development, as well as facilitating to the LEP itself. There is also responsibility on some of the Board representatives to 'cascade information' out to partners who are not represented i.e. district authorities. Overall, *there were mixed views whether the LEP is wholly effective on this measure.* Whilst many recognised that improvements had been made – particularly after the establishment of the Partnership Manager role – it was not clear through this review process that key parts of the wider community still felt they were fully involved in the LEP partnership, most notably the business community and rural areas. It is not clear whether the system of cascading information from the LEP Board is working effectively.

Given limited resources available to the core LEP, it is recognised that it is difficult to improve matters. We also recognise that the targeted audience needs to be responsive to LEP contact. For example, the HoSW LEP Chief Executive already devotes considerable time to engaging with the business community, and the extent of this engagement is necessarily limited to the time available. The establishment of the Growth Hub, as a key Growth Deal project, was also intended to be a tool for directly working with businesses. Although many businesses will approach the Growth Hub directly, some consultees, particularly from the private sector, felt that it does not necessarily meet their needs. The perception expressed by some is that it has been designed more as a public sector intervention without due consideration of what businesses actually require – described by one individual as 'Business Link lite.' It does not appear to use intelligence from the Business Leadership Group to inform its work. Equally, it is also not clear from our review work how information from the Growth Hub feeds back into the LEP as this would clearly be valuable information for helping to shape future activities that can respond to business needs.

It may be appropriate for the LEP to consider other methods of communicating to 'difficult to reach' groups (which could include businesses) in order improve the perception of how successfully it engages with those groups. We understand that the LEP has already begun to think about how it can develop its approach to help it broadcast more broadly and clearly to help people better understand future intentions. Using different tools, promoting successes and addressing the question of how investments directly help groups e.g. businesses (the 'what has it done for me' question) would all be valuable.

It was generally felt that the *LEP – particularly its core staff – have been effective in working with partners on shared important issues.* Given limited resources available to the LEP core itself, activity has been concentrated on bringing partners together to 'corral' resources and effort on these key issues. This ranges from using back office support from the local authority partners (see later comment), through to mobilising political lobbying influence. The LEP has been an important player in activities such as the establishment of the Peninsula Rail Task Force Group, Nuclear South West, and the inclusion of strategic improvements to the A303 in the Government's Road Investment Strategy.

Many stakeholders – particularly local authority partners – felt that *the LEP partnership structure has delivered tangible benefits in terms of facilitating cross local authority boundary working.* Our review would also agree that the LEP structure, particularly the leadership theme group activity, has led to greater joint local authority work. It is doubtful whether this would (or could) have been at the same level without LEP involvement. However, it could be argued that this has predominantly been on a local authority officer basis, with more mixed evidence of support at a political level.

Working beyond the HoSW area

In March 2017 the HoSW, Dorset and Cornwall & Isles of Scilly LEP's established a short-term post focusing on the 'Greater South West Partnership'. This built on previous cross-LEP initiatives such as Nuclear South West and the Marine Cluster, which had tended to be established on an issue-by-issue basis and have been successful in creating a wider than local presence and investments with a broad reach, for example the Somerset Energy Innovation Centre. The establishment of this more formal role is recognition that business leaders wanted the LEPs to take forward important issues on a more coherent basis to better organise the region's 'ask' of Government. Part of the role is to create a coherent narrative for the region.

POSTCARD

SOMERSET ENERGY INNOVATION CENTRE

The low carbon energy sector, including nuclear, is a key priority for Somerset County Council (SCC) and part of the SEP's transformational opportunities for the Heart of the South West area. Phase 1 of the Somerset Energy Innovation Centre (SEIC 1) was part-funded by SCC, the European Regional Development Fund and £1.34m from the Growth Deal 1 funding.

SEIC 1 was delivered in two phases. Stage one delivered 2,400m^2 of flexible office, meeting and café/informal collaboration space. Stage two delivered an additional 600m^2 to support the local supply chain to maximise opportunities from the construction of the Hinkley Point C power station and other low carbon energy initiatives in the region. It was completed on time and to budget.

SCC commissioned an Operator to manage SEIC 1.It was formally opened in February 2016 and is currently 90% occupied. Growth Deal 1 enabled the Operator to secure the EDF Energy Induction Centre within the SEIC. Personnel of all tiers of suppliers to EDF Energy (across the UK) have to attend the induction centre before being allowed on any of EDF Energy's sites, including Hinkley Point C. This represents a great opportunity for local businesses and the HoSW area that could not have been achieved without the investment of Growth Deal 1. The Operator of SEIC 1 also plays a key role in the delivery of the cross-LEP nuclear business support and inward investment project.

Delivery of the project included the construction contractor working with local schools and colleges. The Greater Crested Newt was found on the site and schools visited the site to learn about its ecology. The contractor also worked with Bridgwater College to provide "work experience" for students attending the Construction Skills College. SCC has plans to develop a further two phases of the SEIC with additional support from Growth Deal funding and ERDF.

The creation of closer relationships with other South West LEPs is also as a direct response to the emphasis upon the 'Northern Powerhouse' and 'Midlands Engine'. There is recognition that the South West needs to punch above its weight and there is a significant danger that it does not hold sufficient political influence in Government circles. Therefore, closer relationships across South West LEPs are to be welcomed.

The feedback from our consultations is that the *HoSW LEP has been instrumental in encouraging other LEPs to think about the wider geography on key strategic issues.* We understand that the HoSW has tried to engage the West of England (WoE), Gloucestershire First and Wiltshire and Swindon in the Greater South West Partnership but they have yet to formally engage. Certainly, it is our view that the inclusion of WoE in particular within this partnership is crucial in forming sufficient mass to counter the significant influence being formed in the north of England.

Securing and delivering investment

Securing GD and GPF funding

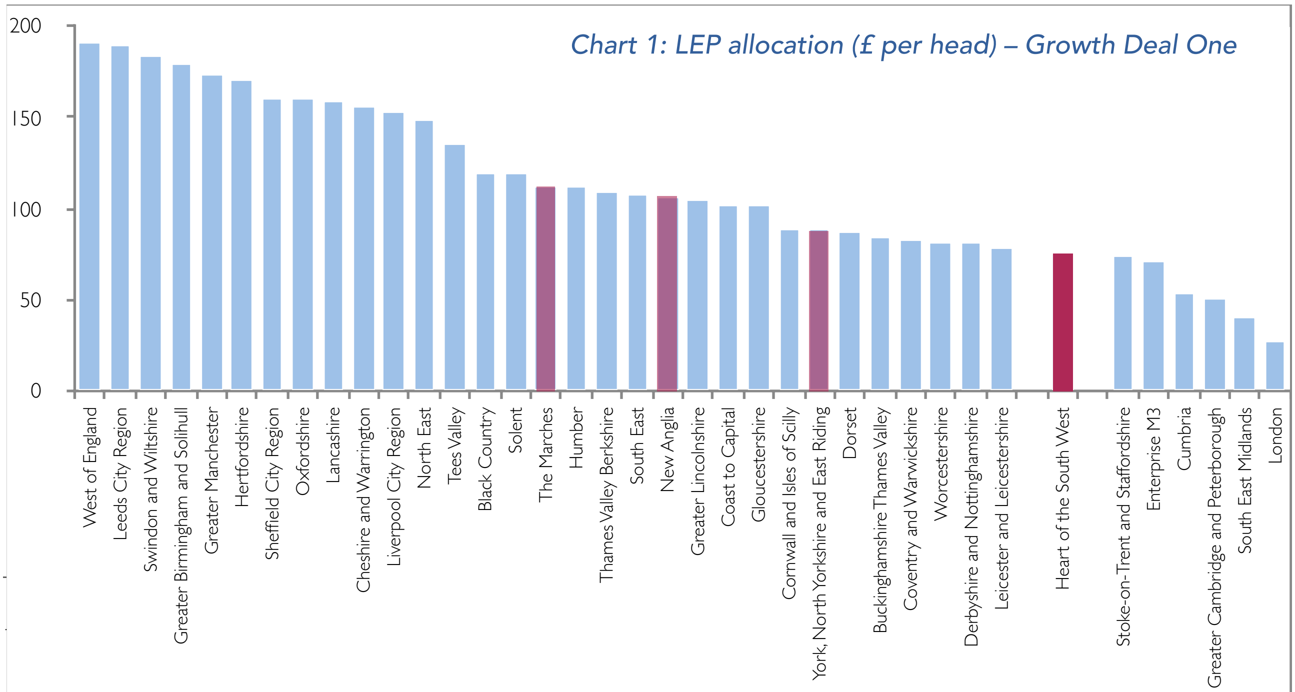
The HoSW LEP has been instrumental in securing over £210m in Government funding through the three Growth Deals[16] as well as some £22.5m of Growing Places Fund. Set alongside the matched funding and leveraged investment this represents significant investment into the HoSW economy. The view amongst the majority of stakeholders is that the LEP – led by the core staff – has been successful in securing a 'good share' of the funding that was available.

As with all LEPs, the amount of funding available through the Local Growth Fund has not been at the level as envisaged when the original policy announcement was made (see timeline). The competitive nature of the Local Growth Fund has meant that the success of bids has been reliant on the quality of those submissions, and particularly that the LEP demonstrates the importance of submitted projects to the growth agenda. Some of the stakeholders commented on how the HoSW was able to play a good 'tactical game'.

The perception of the outcome, in terms of Growth Deal allocations, is that the HoSW has been in the 'top ten' of LEPs. As part of this review we have analysed Growth Deal allocations for each of the three rounds for all LEPs on a per head basis to understand what the evidence shows.

Overall, when assessed on a per head basis[17], the HoSW has actually received one of the lower allocations across the LEP network. This was principally due to relatively low allocations in Growth Deal 1 and 3. It performed very well in Growth Deal 2, receiving the highest allocation on an absolute cash basis and the 2nd highest allocation on a per capita basis. Each of the allocations are set out in the tables below. We have highlighted the three comparator LEPs that we have assessed in the Process Review - The Marches, New Anglia and York, North Yorkshire and East Riding.

Chart 1: LEP allocation (£ per head) – Growth Deal One



LEPs cover

Chart 2: LEP allocation (£ per head) – Growth Deal Two

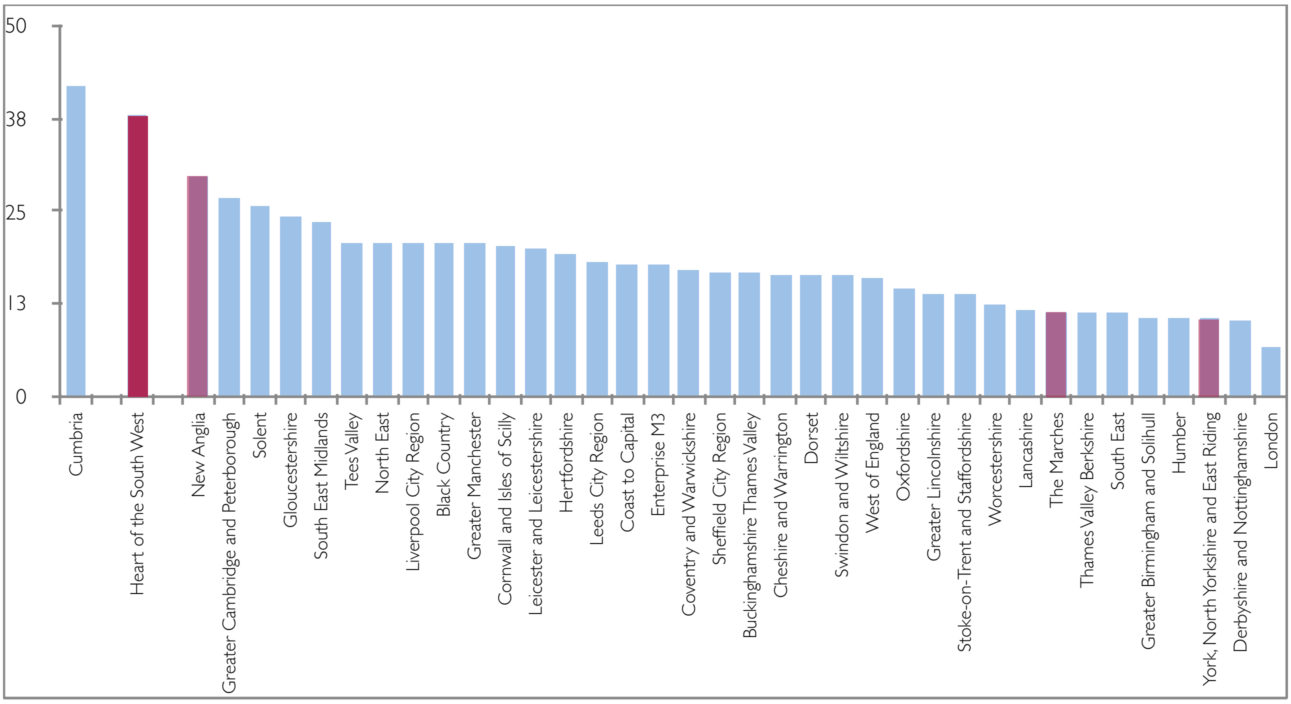
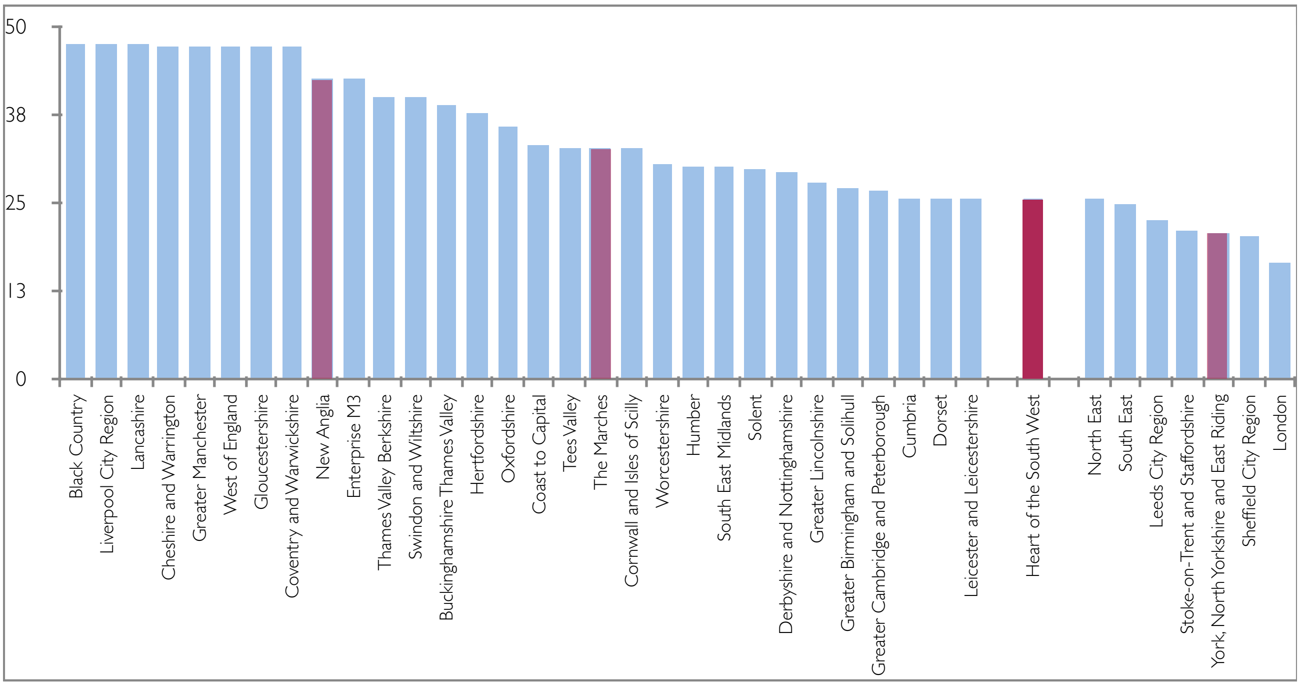


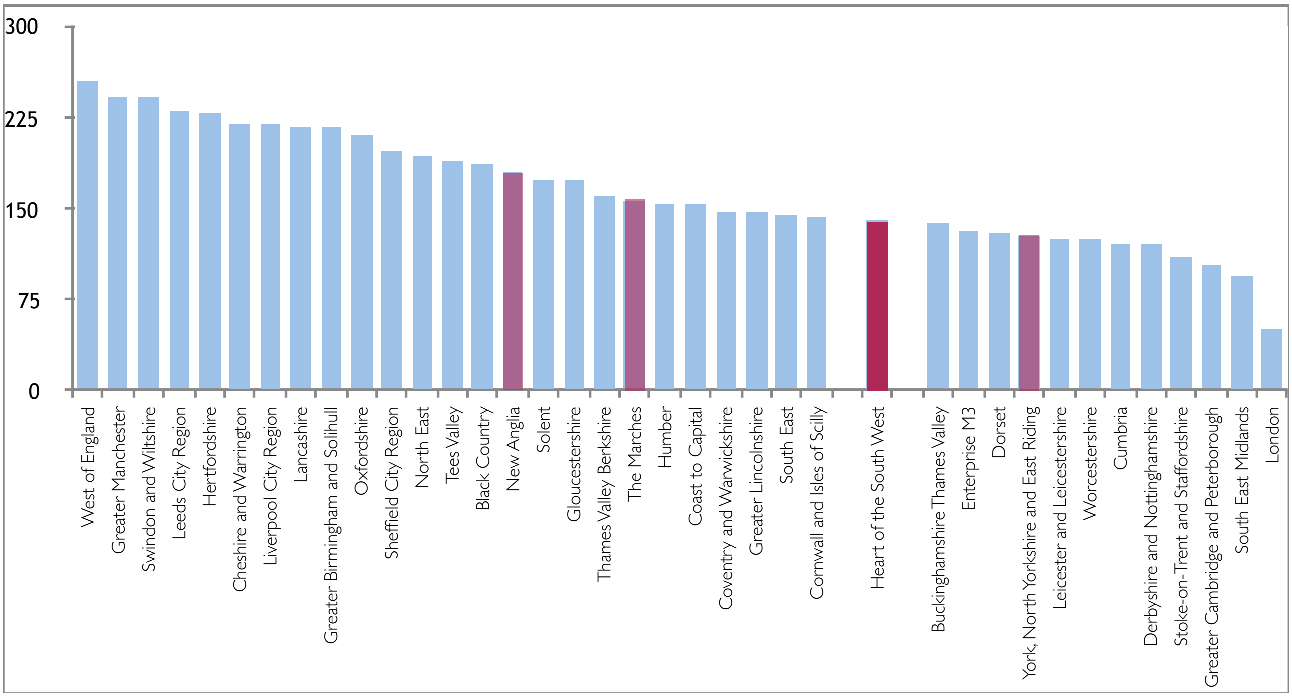
Chart 3: LEP allocation (£ per head) – Growth Deal Three



As the above charts show, the overall funding available in Growth Deal 1 was significantly higher than in the subsequent rounds (mostly reflecting the significant transport funding that was included in the initial Local Growth Fund). The charts also show that the perception of the HoSW performing relatively well in securing Growth Deal allocations was probably most closely associated with its success in Growth Deal 2.

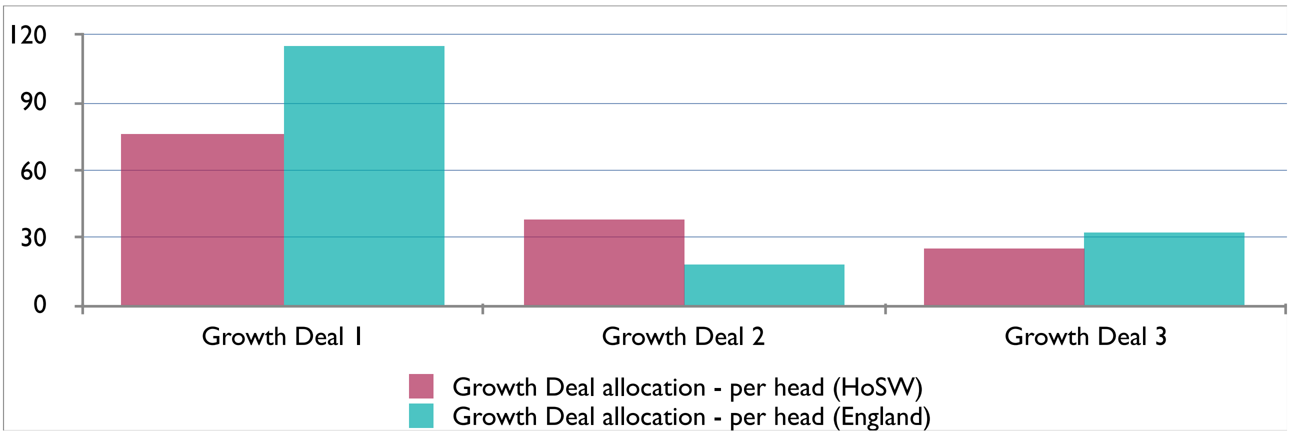
The overall allocations across the three combined Growth Deal rounds are shown in the chart below. The chart shows the relatively higher concentration of investment in the northern LEPs, as well as the West of England and Swindon and Wiltshire in the wider South West.

Chart 4: LEP allocation (£ per head) – Overall Growth Deal allocation (GD1, GD2, GD3)



Finally, presenting the data a different way, the below chart shows the HoSW allocation for each of the three rounds against the average allocation. Again, this illustrates that the HoSW did relatively well in Growth Deal 2, but less well in prior and subsequent rounds.

Chart 5: LEP allocation (£ per head) – Overall Growth Deals



In terms of delivering the secured investment, the view from the consultations have been that the LEP partnership has been successful in prioritising (see analysis elsewhere) and delivering the secured investment against broad spend targets. The HoSW LEP has been, and is projected to be, successful in spending the allocation received through each Growth Deal. This is to be commended given the relatively stringent rules that exist regarding in-year spend.

The issues that have been highlighted in in this review relate to the geographical allocation of the investment i.e. the question of whether an urban-focused programme has resulted in few benefits flowing to the rural parts of the HoSW, and some issues regarding spend on a project-by-project basis when set against original investment profiles as set out in business cases i.e. investment slippage.

It is our view that some of these issues are unavoidable when managing a large and complex investment programme. Given the criteria set out by Government that Growth Deals needed to be clearly linked to the growth agenda in each of the LEP areas, we feel it understandable that subsequent investments necessarily had an urban-focus. As detailed elsewhere, a key question for any funding programmes available in the future will be to consider how benefits are better dispersed across the whole area. Equally, given that most of the projects were capital infrastructure projects it is also likely that spend did not meet original expectations on occasion. This is despite many projects, particularly those following Department for Transport guidance, having to consider optimism bias in their appraisals.

We understand that the LEP, particularly through the focus of the Strategic Investment Panel, have recently sought to tighten procedures to more closely monitor project's spend profile against original expectations. This is to be welcomed. One other possible outcome could be the strengthening of the appraisal process to more thoroughly question the delivery expectations of project applicants. It is not clear whether this has been done consistently in the past by each of the leadership themes, and whilst never being able to totally account for unforeseen circumstances it may lead to a more realistic delivery timetable for the investment programmes as a whole.

Acting as a catalyst to influence investments of stakeholders

There is not significant evidence that shows that the SEP has influenced the investment agenda of other partner organisations. Whilst many of the projects had been successful in matching Growth Deal funding with local authority and other public sector funding contribution, this tends to be on a project-by-project basis rather than as a consequence of 'strategic alignment'. In fact, there was more evidence that local authorities sought to ensure that the SEP aligned to their emerging economic development strategies, rather than the SEP influencing local priorities. *There is no significant evidence that the SEP has influenced the investment activity of private sector. In fact, the level of private sector match investment through Growth Deal projects has been lower than originally envisaged (expressed in business cases).*

Developing as an effective partnership

The LEP Partnership

The HoSW LEP spends a considerable amount of its time in developing partnerships to address a range of important issues. The majority of stakeholders consulted recognised that it has done relatively well in linking activity and creating networks. Much of this has been driven by the Chief Executive and helped by the Partnership Manager role. Although there is activity happening in this regard, what appears less apparent is an effective mechanism for drawing this information together to present a wide view of progress on SEP aims and priorities. In our view this comes back to the lack of a strong Action Plan for the SEP which can demonstrate how and where activities contribute to the overall SEP aims.

There have been specific examples of where the LEP has been crucial in bringing together local authorities to work more coherently on strategic matters. The LEPs role in helping to facilitate the Local Transport Board is one such example. Generally, it is recognised that the ability of the LEP to represent a stronger partnership view has been of benefit to local partners. The additional 'weight' the partnership has provided has developed over time.

Cross-boundary working through a partnership structure has worked well because it has fitted with the political desire for the LEP itself to be 'lean'. Therefore, partnership working has become necessary given the limited resources available to the LEP core itself.

There were a number of views expressed that the right 'balance' between business and local authorities within the wider partnership has not been found. The general view among the private sector representatives was that much of the influence was held by the local authority partners. This is also discussed in the Process Review.

Sharing information, working together on common themes and learning from elsewhere

The LEP has sought to share information, for example through its monthly newsletter circulated to approximately 2,000 people. For example the December 2016 newsletter included the following in its list of achievements in the previous 12 months:

- *We have increasingly worked more closely with our neighbouring LEPs on shared issues/ opportunities to achieve strategic impact, forming alliances in relation to opportunities in nuclear, aerospace, marine and transport.*
- *We are now managing a £500m investment portfolio which covers projects which all help strengthen the foundations for economic growth, and we're expecting a further injection into this funding early next year.*
- *We've secured our ESIF confirmation of €137,184,144 (£107,405,266), and established a series of events to help applicants make successful bids. More about this below.*
- *We've established our Growth Hub, which since starting up in March has helped 1368 businesses start up, develop or grow, and all 78,000 businesses across the area can now access free, impartial business advice and signposting to relevant business support services.*

Although the LEP is seeking to publicise its activities and achievements e.g. with the newsletter and through the website, discussions with partners suggest that greater PR and visibility of the LEP would be beneficial. This point was particularly made with reference to businesses awareness of LEP activities, with a lack of knowledge if not directly impacted. One approach to communications could therefore be in the context 'what has the LEP done for me'.

The LEP has its structure of three leadership groups, each focused on one of the SEP's priorities – of people, place and business. These groups have a primary role to advise on their priority in the SEP with a particular focus on aspects of the priority in relation to SEP aims. It is clear from discussions that these groups have provided a useful function in networking organisations to work on common themes as a result. In turn leadership groups have established task and finish groups to look at specific issues (for example the barriers to housing group under the auspices of the Place Leadership Group). This attention to specific issues is to be welcomed. What is however less apparent from consultations and has been flagged up as an issue in some discussions, is how this focus of activity by the leadership groups is feeding back into the LEP and influencing LEP (and partner) activities in order to deliver SEP aims. Whilst this is in part a process issue and not for this Annual Strategic Review, our view is again that a strong Action Plan for the SEP, would help to link this undoubtedly valuable activity within the LEP Partnership, to SEP delivery.

We have already commented on the participation of HoSW LEP in wider LEP networks in the region, both on sector specific and a more general LEP activity basis. This is to be welcomed and helps to spread knowledge from elsewhere.

Conclusion

The LEP has delivered significant amounts of Strategic Added Value in terms of leading on key issues for the region, putting in place a partnership structure that has facilitated much greater cross-boundary working, and battling to increase the political influence of the area. The consultations undertaken as part of this work identified a lot of good activity undertaken by the LEP, particularly in the context very limited resources for the LEP core itself.

Achievements	Issues
The general view was that the LEP has done a good job at championing priorities.	The focus on 'transformational opportunities' has an implicit urban focus.
The LEP core team was generally seen as experienced and relatively skilled in bringing partnerships together and 'walking the corridors of Whitehall' on behalf of the area.	Board members could be more active in supporting the LEP's ambitions through their channels into Whitehall, bringing forward ideas and solutions into this dialogue.
There was a general consensus that the issues facing the area were well understood and this had been well articulated in the SEP and subsequent documents.	What was less clear however, was how LEP activities were then addressing the core aims in the SEP. As noted elsewhere, an Action Plan could make this more transparent and should be considered for the future.
Establishment of the Partnership Manager role has been valuable in developing stakeholder engagement and interest.	Cascading information from the LEP Board to wider stakeholders is not felt to be working as effectively as it could or should do.
The LEP and its core staff have been effective in working with partners on shared important issues; whilst the partnership structure has supported more cross local authority boundary working and the LEP is also working beyond its boundaries with other LEPs.	There is still a general lack of awareness of the role and purpose of the LEP beyond the partnership itself, particularly in the business community. For the future, the LEP's communication policy would benefit from review to try to address this continuing problem.
The LEP has done relatively well in securing Growth Deal funding into the region, particularly in the 2nd round when the political environment was particularly favourable.	As with all LEPs, it has become increasingly difficult to draw in the level of Government support that matches aspirations given the decreasing scale of the overall Local Growth Fund.
The LEP has been, and is projected to be, successful in spending the allocation of received through each Growth Deal.	There was limited evidence that there was strategic alignment in investment priorities across partners. Partners have seen Growth Deal funding as an 'opportunity' to progress local projects, rather than aligning it with their overall economic development strategies. Project consultations have also shown that there has been relatively limited private sector leverage, and what has been envisaged may take some years to come to fruition.
The LEP's leadership groups have provided a useful function in networking organisations and working on common themes as a result.	It is unclear how this activity by the leadership groups is feeding back and influencing LEP (and partner) activities in order to deliver SEP aims.

Chapter 4: Conclusions and recommendations

This Annual Strategic Review has identified a lot of positive activity that is being driven and influenced by the HoSW LEP. Many stakeholders recognise that it has achieved a great deal given the limited resources available, and is well led. The partnerships that have been created around a range of common issues have led to greater cross-boundary working and closer working relationships, particularly amongst local authorities. There is a large amount of goodwill in place across a range of partners, and it is our view that the LEP has put in place a partnership structure that has facilitated this.

It is also recognised that the LEP has been an important part of creating a narrative for the area, identifying the key economic issues that need to be addressed and promoting that narrative within Government circles. The SEP largely remains an important framing statement. Progress has been made in this respect, particularly in an environment where the political focus of Whitehall is, perhaps, not concentrated on the far South West.

This work has also identified that the economic context has changed since the SEP was formulated in 2014. There is a greater degree of economic and political uncertainty. One impact of this is that it is unlikely that the objectives in the SEP regarding economic growth will be met. The HoSW will not be alone in this, many of the growth expectations in different parts of the country (certainly outside the Greater South East) will not be met, certainly in the short-term.

As would be expected in any review process, this work has also identified activities where the LEP could improve. Some of these are procedural – and outlined in more detail in the accompanying Process Review – whilst others relate to wider strategic issues.

This work involved an extensive consultation process across a wide range of partner organisations, with the aim of identifying issues that were raised on a number of occasions. The areas where stakeholders felt that the LEP was working effectively included:

- Both the core team, and the teams working within the local authorities to support LEP processes, were praised for their professionalism and commitment to furthering the wider objectives of the partnership. Most of the supported projects that we spoke to commented on the openness and knowledge of officers in helping them develop their projects. Certainly, at an officer level there is a commitment to the LEP and working across boundaries to achieve the best outcome for the HoSW as a whole.

- The partnerships that have been put in place by the LEP were seen as positively trying to address the key issues within the area. Some of these. Generally these partnerships are working well. It is also recognised that the HoSW is actively involved in widening partnerships beyond the immediate area where there is a necessity to do so. It was felt that it was an ‘open’ LEP in this respect and, perhaps, less parochial than other examples.

- In general, stakeholders felt that the LEP was well-led. The core team achieve a lot with very limited resources. They were particularly praised in terms of working at a political level, trying to help the HoSW ‘punch above its weight’ in Government circles.

- It was felt that, broadly, a consistent narrative had been created across the HoSW area. Stakeholders within the partnership had a broadly consistent view of what structural issues the HoSW faced. What was less clear was how well understood this message was outside of the LEP.

- In terms of investment, it was felt that many of the infrastructure projects supported were seen as helping to pave the way for future growth, particularly in urban areas. The majority of stakeholders consulted were also aware that the beneficial impact from these infrastructure projects may take some time to fully develop.

As noted, this review process also identified a number of areas where stakeholders felt that improvements could be made. We feel that these lead onto a number of recommendations for possible improvements, which are highlighted below:

- It was felt that the lack of an Action Plan that clearly articulated what SEP objectives were for the LEP to address, and how it was going to do it, had inhibited the ability for everyone to fully understand its focus. Without this Action Plan it has been difficult to make the direct connection investment activities and achievement of SEP outcomes. Equally, the opportunities for making connections and 'plugging gaps' are being missed.

- It was felt that there now needed to be a greater focus on 'sweating the assets' of those infrastructure investments, and better linkages across investment programmes including those with revenue potential. There is a danger that without further support, the full economic benefit of investments made to date may not be fully realised. This will also help with the aim of better spreading the economic benefits of those investments beyond the urban areas. We recognise that no future funding programmes that may be managed by the LEPs has yet been identified by Government. Therefore the ability of the LEP to address this issue may be constrained by the criteria set by Government (as in Growth Deal)

- There could be improvements made to how the Leadership Groups work more closely together. Whilst each of the Groups were generally felt to be working reasonably well within their existing remit (although having a clear set of deliverables would help), there is a lack of integration across the three Groups which could mean that opportunities to achieve stronger linkages of activities contributing to SEP delivery may be being missed. As a consequence, a view expressed by some was that the SEP was being delivered in a 'piecemeal' fashion. Some members of the Leadership Groups felt that their remit was not clear enough and that they did not have sufficient influence over either investment or policy decisions.

- It was generally felt that communication beyond the LEP partnership had been patchy and that LEP activities continued to be poorly understood, particularly by the business community. In terms of investment activity, it was felt that there was a lack of transparency in some of the decisions made by the LEP. The rationale for investment decisions what not clear from our review of the published meeting minutes.

- There is clearly some tension in the LEP partnership between the private and public sector partners. Feedback from private sector stakeholders suggest that they feel the LEP's agenda is influenced too much by the agenda of local authorities, whilst the public sector feels that this is countered somewhat by limited commitment (principally in terms of financial resources) from the private sector.

- Whilst we recognise that the Growth Deal programme had a necessary urban focus (given the growth point criteria set by Government), there some views (not necessarily shared by all) that rural areas had benefitted less from the investment programmes to date. The benefit of the LEPs investment activity was seen to concentrate along the M5-A38 corridor.

- The SEP outcome measures and objectives in the current economic environment do not currently look achievable, certainly in the short-term. Some of this is outside of the LEP partnership's control (with more muted conditions nationally). However, the fact that many of the SEP outcome measures are expressed in relative terms does means that even if significant absolute improvements have been made to the HoSW economy, they may still never meet their outcome measures given that other areas will grow more quickly, notably London and South East. It is our view that some of the outcome targets, particularly those associated with the 'transformational' target, now look rather unachievable.

- There is currently a heavy concentration of information and knowledge in very few key personnel within the LEP. It was commented that the LEP Chief Executive was the only person who would fully understand all activity. This presents a risk in terms of organisational knowledge capacity. This issue has been further accentuated by recent large-scale changes at a Board level. We also feel that it is inter-connected to the issue previously highlighted regarding a general lack of knowledge of the range of activities the LEP are involved in.

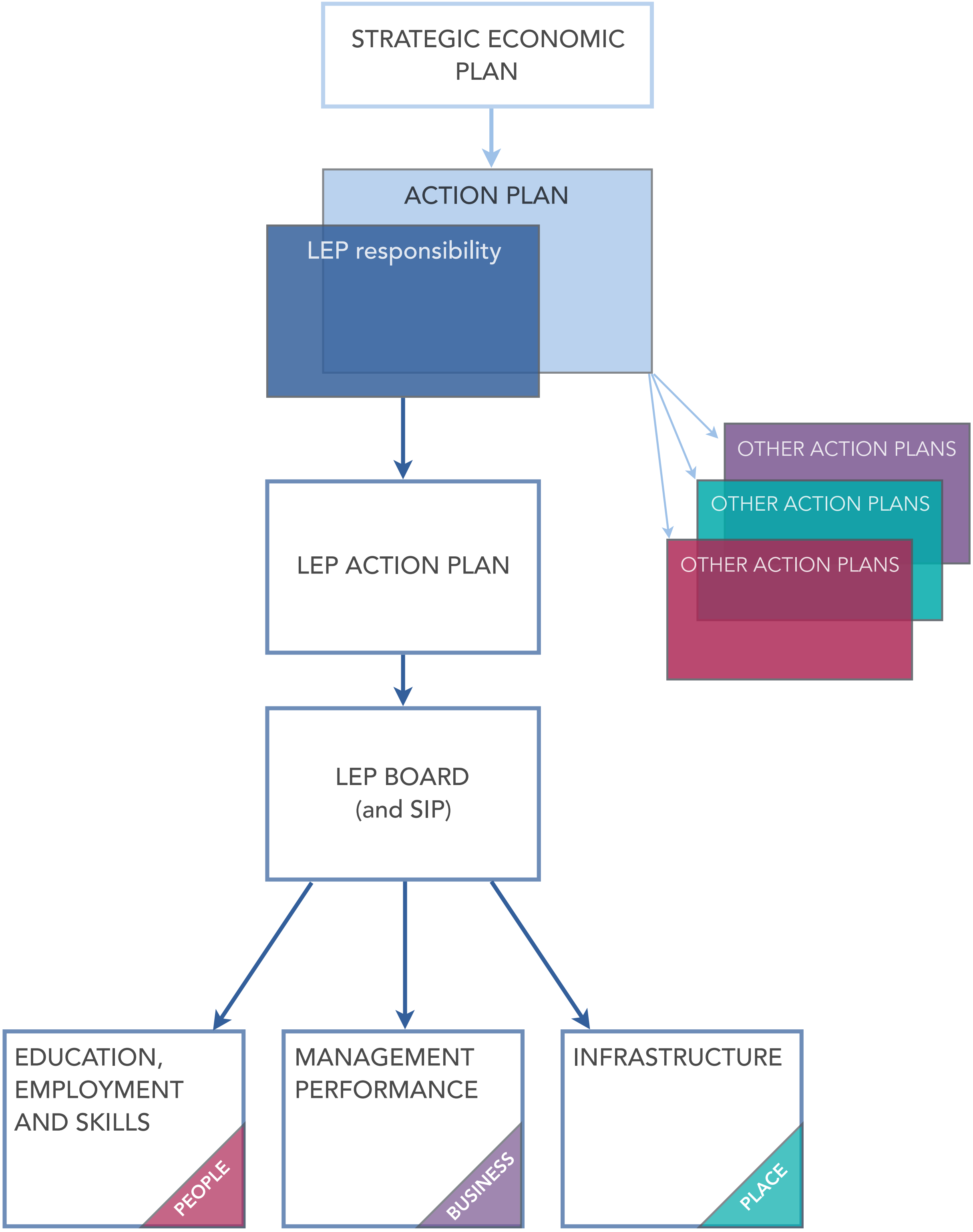
- We feel there is an inherent risk that the true impact of supported investments will not be captured by the current monitoring & evaluation arrangements. Many projects have indicated that the subsequent development expected to follow the original infrastructure investments may take some years to complete. Current M&E arrangements (at both a project and programme level) are in place until 2020/21. It is our expectation that many of the economic benefits will be delivered beyond that time period and, therefore, not captured. This presents an institutional risk to the LEP because, if politically challenged in the future, it may not have sufficient evidence to demonstrate impact.

- Currently, there is no 'feedback loop' back to the Strategic Investment Panel to develop its understanding of 'what has worked well, and what not' with investments made. Whilst we recognise that many projects are still at an early stage of development, we feel this is a missed opportunity. A better understanding of how investments have developed would lead to better long-term decision-making.

Recommendations

Recommendation 1

Any future revision of the SEP (or emerging Productivity Plan) does need to have a robust Action Plan which can connect across partners and programmes, and where LEP contribution to the overall objectives can be clearly identified. The overall responsibility for delivering the LEP Action Plan should be with the LEP Board, with a commissioning approach potentially acting as the tool for delivery.



Recommendation 2

For any future funding programme, there should not necessarily be a focus on investing in 'new things'. Instead, we feel there is further scope to support investments already made to achieve a better economic outcome, particularly with a revenue focus.

Recommendation 3

Better integration and coordination of the three Leadership Groups to be created, possibly through regular meeting of Group Leads.

Recommendation 4

LEP communications policy and approach to be reviewed, with a reinvigorated focus on the business community and organisations outside of the LEP partnership.

Recommendation 5

The LEP to consider whether investment decisions to be communicated more clearly and transparently.

Recommendation 6

Following on from the 'sweating the assets' issue, in the future the LEP should consider how investments can better disseminated across surrounding rural areas.

Recommendation 7

The outcome measures for any future SEP revision (such as the emerging Productivity Plan) should have a better focus on absolute rather than relative targets. If relative targets are to remain, then there should be consideration regarding the exclusion of London and South East from any measure. There should also be a better balance between 'realistic' and '' for targets to be a better measure.

Recommendation 8

The LEP should consider how it can spread knowledge of LEP activities and linkages around the partnership (including core team). It needs to be minimise the risk presented if key team members are unavailable.

Recommendation 9

The LEP should find the resources for a more effective Monitoring and Evaluation process and to extend it beyond 2020/21, if possible.

Recommendation 10

An ongoing item should be placed on the SIP agenda that allows project feedback to be relayed to members.