

## Annex C: LEP Preparation

### LEP: Heart of the South West

Please answer each question by providing appropriate detail and using examples where possible to demonstrate where things have gone well and where they could have been improved. Unless otherwise stated keep answers to **500 words**.

## GOVERNANCE

1. How effectively have the accountability and decision-making arrangements in your LEP's Local Assurance Framework operated over the last 12 months, including engagement with the Section 151/73 officer?

Set out here:

- Is the Local Assurance Framework consistent with the National Assurance Framework and the changes made via the Mary Ney review and best practice guidance?
- How effective have the arrangements worked and how were any significant issues and risks dealt with (give examples)?
- What steps have been taken to ensure changes made at the start and during the year were communicated and understood by staff and board members?
- The arrangements for publication of Minutes and Board Papers
- The arrangements for publication of conflicts of interest policies and updating arrangements
- The nature of engagement of the S151/73 officer in LEP processes
- Whether there is active debate/discussion at the board and sub groups when decisions are made? How is this evidenced?

The Local Assurance and Accountability Framework (AAF) is consistent with the National Assurance Framework (2016) and additional work has been undertaken to comply with the Mary Ney Review and best practice guidance. All of this will be combined into a refreshed AAF when the revised national guidance has been issued. The upper tier S151 offers will provide initial approval of a revised AAF followed by endorsement by the F&R Group, SIP and LEP Board for implementation from 1 April 2019.

Arrangements work well. The accountable body are involved in the SIP and F&R meetings and provide advice and guidance where appropriate. The accountable body has power of veto on funding decisions if they do not comply with the AAF. This has not needed to be used thus far as the accountable body are consulted in respect of any decisions. Individual project risks are assessed as part of the business case technical appraisals and considered at SIP when decisions are made; any subsequent risks identified during funding agreement preparation or during project delivery are referred back to SIP for appropriate decisions. Strategic LEP risks are included within a risk register and considered at the monthly F&R meetings.

When implementing additional AAF related guidance, communications regarding the changes have been circulated to LEP Board and other relevant stakeholders to outline actions required. Further advice and guidance has been offered as required.

The LEP is committed to publishing minutes, agenda and papers for full board meetings and any sub-committees which involve decisions about public money:

LEP Board, Strategic Investment Panel (SIP) and Finance and Resources Committee (F&R). In order to comply with the Mary Ney Review the LEP publishes meeting agendas and papers 5 clear working days before the meeting takes place; and minutes of the Board and two sub-committees are published within 10 clear working days of the meeting taking place.

The conflicts of interest policy has been updated in accordance with the Mary Ney Review and Best Practice Guidelines. All COI registers are published on the LEP website for Board Members and LEP core staff.

The accountable body (Somerset County Council) and the S151 officer lead on the development and implementation of the AAF and any subsequent guidance, such as the Mary Ney Review best practice guidelines.

There is active discussion at the decision making meetings ahead of decisions being taken. The most recent example is around the proposed 4G programme. It was discussed and agreed that the current proposals no longer meet need as significant investment had already been made and do not offer value for money; a review of the proposals will take place and be presented back for decision. The key points of discussion and the decision taken are captured within the minutes of the meetings.

Scrutiny arrangements have been put in place - see more details in attachment Q G1 180710 Somerset CC LEP Scrutiny.doc. Membership of the Joint Scrutiny Committee is as below and the scrutiny committee meets in March, July and November. A work programme is currently being drafted:

Devon County Council	4 Members
Plymouth City Council	2 Members
Torbay Council	2 Members
Somerset County Council	4 Members
Devon Districts	3 Members
Somerset Districts	2 Members

## 2. What are the strengths and weaknesses of the LEP's governance structure?

Set out here:

- What are the strengths and opportunities for development of the current LEP governance structure?
- What roles and responsibilities do private sector members undertake within the Board and Sub Board structure? How effective is this and how might it be strengthened?
- Do members of the Board attend regularly and stay for the duration of the meetings?
- Whether the engagement from Board members is positive?
- What, if any, changes to the governance arrangements are currently being considered and over what period?
- Succession planning processes and evidence of these working in practice and what changes in board membership are anticipated within the next 12 months? If the chair is changing, how you intend to consult with the business community?
- Whether the LEP feels it needs to change the representation on the board, and if so how it intends to go about this? (I.e. in terms of diversity, knowledge and skills, gender, sectors)
- If scrutiny and reviews take place, what is the purpose, how are these done and what actions take place?
- What is the LEP's approach to continuous improvement?

The LEP enjoys very positive contribution from its Board members in Board meetings and the different sub-committees. The (private sector) Chair of F&R and

SIP devotes considerable time to LEP matters and is supported by other Board members in this. For example Board members on F&R requested that reporting of the LEP's operational budget was strengthened. The core team worked with F&R Board members to revise the reporting suite with the result that Board members have given very positive feedback over the new format. Similarly, as noted above, Board engagement in SIP decisions remains very active and enables the LEP to make difficult decisions around projects as needed, e.g. 4G. Individual Board members also willingly contribute to other ad hoc support for the core team, for example, private sector input to developing the communications proposition behind the LEP's inward investment work.

The LEP Board currently consists of 19 active members and in line with the LEP Review one more private sector member will be recruited in 2019 to bring the total to 20. As detailed in the LEP Review response, the Board will be considering a policy of rolling replacement for private sector members to alleviate the large loss of private sector experience the LEP went through in 2017. Alongside this, Board recruitment will more actively focus on gender balance and those with protected characteristics; the LEP currently meets the short-term gender balance recommendation in the LEP Review with the 50/50 target being worked to through the rolling replacement. Detail of this policy and recruitment of the final private sector Board member will be developed once the Board has a settled view on the LEP's legal personality.

With the new CEX and the LEP Review, the LEP is looking at its target operating model and through Jan-March 2019 will be developing this to ensure the LEP can best meet the expectations of the Review. Workshops with Board members are being held in January and Ernst & Young have been appointed to facilitate this. Whilst it's too early to comment on this work in detail, broadly SIP and F&R are working well so will probably not change significantly. It is possible that the role of the LEP's Leadership Groups could be revised to focus more strongly on delivery and, in the case of People, to reflect the development of a Skills Advisory Panel.

As recommended in the last Annual Conversation the LEP has established a dedicated scrutiny function with local authority partners, with the first meeting on 2<sup>nd</sup> November.

In mid-2017 the LEP commissioned a review of its processes with a view to examining how these could be improved – shared at the 2017 Conversation and copy attached again (G2). Some of the report's findings have been reflected in the LEP Review and the report will be fed into the target operating model work.

### 3. What can Government do to better support your governance?

The Cities and Local Growth Unit wants to support your LEP to improve its governance and transparency arrangements. Please use this section to explain whether there is more we or wider Government can be doing to help facilitate this.

- i) Support to progress the Board's deliberations on legal personality and local authority independence; clear guidance from Government on what is expected here would be helpful
- ii) Support to implement the work from the target operating model would be valuable, though it is too early to give details of what this may require.
- iii) Clarifying the tension within the current draft of the National Assurance Framework which contains contradictions between acting in independent business-like manner yet still requiring adherence with local government policy and processes.

# DELIVERY

## 1. What in your investment programme has gone well?

Set out here:

- Current performance in meeting the LEP's investment profile
- Anticipated year end position
- If investment is not on track, set out the action you are taking to get back on track
- For Local Growth Fund, to what extent are you meeting/exceeding planned outputs for 2018/19? Are you on track to deliver overall programme outcomes? If so, please demonstrate. If not, set out the action you are taking to get back on track
- For other programmes (Enterprise Zones, City Deal, Growing Places Fund, Devolution Deals, Growth Hubs as appropriate) set out the extent to which you are meeting planned spending/output targets. Set out any good practice or issues in delivery and what you are doing to tackle them
- What have been some of the main achievements in your local growth programmes in the period 2018? Please also provide a view of overall investment programme delivery to date

Also see Dec SIP investment report (D1 attached)

### Growth Deal

- All GD1 and GD2 business cases approved/ partially approved. 8 of the 11 GD3 projects have business case approval.
- 45 funding agreements signed, 23 projects completed. Once started, projects generally deliver to revised plans – though see Marsh Barton Station below
- Spend forecasts: 18/19 40.88m; cumulative £121.96m, 62% of programme funding. Slippage vs LEP's original profile but fits better with Government's profile: now more expenditure in 20/21 and likely no need for recipients to fund a shortfall in 19/20.
- Outputs: delivery is behind original forecasts, partly due to project slippage, partly to do with reporting but on track to deliver overall
  - as previously explained some outputs are beyond LEP control, e.g. GD infrastructure unlocks sites but no influence on pace of subsequent housebuilding. Uncertainty, especially Brexit, causing a slowdown in the overall economy, including the housing & commercial markets
  - GD funding agreements set up to report annually, so in-year output reporting is generally low (Q2 reflects Q1 figures) until the Q4 figures.

### Growing Places

- 7 projects: 5 complete or nearing completion/ in repayment period, 1 loan repaid, 1 in delivery.
- Two projects joint GD/GPF funded. Still a desire to consider further integration of GD/GPF
- Some delays with GPF projects coming forward, partly due to wider project issues, e.g. the need to spend other funding first (broadband and South Yard). Not significant and repayments have no significant delays. Further GPF rounds potentially 2019

### Enterprise Zones

#### *Oceansgate, Plymouth*

Phase 1 complete March 2018, 15 of 26 units let/ being let. Seventeen jobs created, increasing through 2019. Tenants exclusively marine or marine supply chain/technology related.

Phase 2 starts May 19 (£2.2m ERDF bid submitted), completion summer 2020, creating up to 160 jobs. £15m Phase 3 funding gap remains; strategic business case shared with BEIS in October - feedback awaited

#### *Exeter and East Devon*

Occupiers on 3 of the 4 sites (Cranbrook, Science Park and Skypark) and new buildings developed or in the pipeline. East Devon DC approved borrowing of up to £8m against future business rate receipts to enable development; includes:

- Airport Instrument Landing System
- Park & Change – supports travel within the EZ and the Greater Exeter area.
- Enhanced bus service – improved transport service for those working on the various EZ sites and enhanced access to the airport.

Further schemes include an open innovation building and enhancement of Long Lane, creating access to the Airport Business Park & development of Cranbrook town centre office space.

#### *Huntspill – renamed Gravity*

GD business case approved for road to unlock site, delivery expected 19/20. CPO for the road has been made and case transferred to PINs; awaiting the timescale and next steps. Vision and brand developed for the site with hard launch Spring 2019. Site remediation progressing, first tenants expected 2020.

#### Growth Hub:

Expenditure on forecast. GH engaged with 6,606 businesses, delivering “light touch” triage, information and signposting, 2,288 received deeper “medium intensity” information, diagnostic and brokerage, and 259 “high intensity” support (at least 12 hours/equivalent).

One-year contract extension triggered and the LEP is reviewing the GH business support offer for 2019, including procuring a pilot scale-up programme.

## 2. What has not gone well and what problems have arisen in the last 12 months?

Set out here:

- Where issues have been encountered, what has not gone as well as expected in the previous year (e.g. projects not coming to fruition or major programmes hit by delays etc.) and what has created the problems?

Delays experienced with some schemes, but less pronounced than the last report, with no failed projects and most projects coming forward as expected and able to stick to plans once on site.

SIP’s “amber project review” process has unblocked delivery of schemes with risks and issues with a strong push in early 2018/19. For example, the LEP, County and District Councils have worked together with Exeter Science Park identifying risks and mitigating actions on the Open Innovation Building, a complex project and partnership; business case now approved and the funding gap looking to be resolved in January 2019 and onsite later in 2019. Project moved from “red” to “green” rating.

Other issues encountered include:

- Stations – as reported in 17/18 – suffered from significant cost escalation, delays and challenges with Network Rail. Following an unsuccessful attempt to secure funding from Network Rail’s industry risk fund (a relatively small amount of compensation has been provided) is currently in a process of value-engineering before coming to the LTB/LEP with a revised proposal in March/April 2019.



- 4G Mobile – delayed due to significant market changes and state aid, meaning the original plans have been superseded by events – particularly with coverage targets to deliver by Dec 2017.  
Significant market engagement carried out during 2018 and a revised business case was taken to November SIP to address the ongoing not spots. However, SIP felt this was not necessarily the best use of GD funding at this stage with a LEP Digital Strategy due to be produced and GD3 funding allocated to a broadband/mobile package, with the market thus addressing many issues originally identified. It was recognised many of the not spots do not even have 2G coverage and there has been regular scrutiny of the programme through Devon and Somerset County Councils. Final decision at the January 2019 Board.
- Connecting Devon and Somerset has had delays in spending GD2 funding and bringing forward the GD3 business case. GD funding is part of a much larger project which a) needs to spend DCMS monies first and b) faces slippage due to a number of factors with Gigaclear, the new provider, including Carillion being a subcontractor. The LEP has closely monitored developments and requested a SIP update from the Project Director and a revised expenditure profile for the GD2 element is expected at January SIP. On GD3, a digital strategy is being produced, as mentioned above, encompassing the business case for the GD3 broadband/mobile funding plus the significant match funding already existing. The LEP will seek assurances that GD3 funding can be spent by end March 2021, otherwise would need to discuss options with DCMS and MHCLG.

#### Managing Underspends

Several steps to this

- GD rounds are managed flexibly, e.g. reallocation of GD1 funding to GD3 pipeline project.
- Board agreed that GD underspend will be allocated to the Unlocking Growth Fund sub-programme, enabling a quick decision should reallocation be needed. UGF makes smaller workspace investments (£5m across 8 projects in GD2) enabling the LEP to run an application round for schemes able to spend by end March 2021.
- The Board has also reallocated funding between transport schemes on a case by case basis.

### 3. How effective have the LEP's performance management processes, as set out in the Local Assurance Framework, been?

Set out here:

- How have you worked with projects to ensure that spend and output performance do not pose risks, whether any mitigating factors and actions have been taken to get performance back on track?
  - What risks/problems have been identified in the last 12 months and might arise in the future?
  - Whether you foresaw the problems that you experienced? How have you managed risks and what remedial/mitigating actions have you taken?
  - Have there been situations where the performance management processes have been particularly successful? Please give examples
  - Add mitigating factors and actions taken to get back on track
- We are continuing with quarterly SIP reviews of expenditure profile – using the claims process for live projects and conversations with project sponsors and theme leads for other forecasts.
  - We have continued the Amber projects list review at each SIP meeting, identifying risks and mitigations to enable support for unlocking delivery issues.
  - Individual project review meetings when needed, involving LEP Directors, CEX and PMO, for example with Exeter Science Park Open Innovation Building project

(above), the DC Hotels Bridgwater Hotel project, to enable resolution of issues and provide LEP expertise on finance and governance. Any special conditions identified flow through the appraisal process into the funding agreement.

- On transport schemes, ITA and project sponsors work towards business case approvals and resolution of issues
- Successful examples include the now complete Tiverton EUE project. There was no GD2 funding allocated to this scheme originally. The LEP supported through identified potential underspend on another project, so carrying out temporary over-programming, also underwritten by GPF.
- We are addressing slippages in overall programme expenditure by offering to fund temporarily at higher intervention rates. Slippage in some major schemes is due to external factors beyond our control – for example ERDF funding, housing developers/CIL negotiations.
- Risks now include the GD allocation being smaller in 19/20 with a significant award in the last year of the programme. Mitigation approaches include the use of LA's to cashflow their own schemes until GD is available. However some project delays now mean this may not be necessary. The programme management of the overall GD3 programme will enable delivery to link in with the funding profile.
- We have only had 1 failed project. This was in 17/18 with funding reallocated by LEP Board in the same financial year to the North Devon Enterprise Centre (next on the GD3 pipeline), ensuring progress. Funding for Tiverton EUE to unlock housing outputs indicates willingness to be flexible to address funding gaps in the programme.

#### 4. How effective has the LEP been in assessing value for money and strategic fit in business cases and in developing a high-quality project pipeline?

Set out here:

- Any issues that have arisen in assessing value for money or ensuring that projects supported are of the greatest strategic value to your place
- To what extent has the project pipeline been used to address any gaps in the programme or slippage by projects?
- Have you developed any good practice in relation to assessing value for money and developing project pipelines (please give examples)?

- Other than the 4G mobile project above there have not been major issues in ensuring projects are of the greatest strategic value to our place.
- Soon after the previous Annual Review the GD3 pipeline was used to allocate funding to the next project on the list, the North Devon Enterprise Centre, following the cancellation of the Edginswell Station project. The LEP Board agreed after this that the GD3 pipeline had effectively expired. Currently the LEP is not maintaining a project pipeline for Growth Deal or GPF, other than for the Unlocking Growth Fund. However, we do keep a record of any project ideas that come forward.
- The Unlocking Growth Fund mechanism has been approved by LEP Board to be used to reallocate any underspend (see above).
- We are using the same BCR/vfm calculations as per the previous year's report to assess projects at business case approval stage. This updates the BCR figures submitted with the GD bids with more accurate information at business case, particularly in the case of transport projects seeking final approval in a 2-stage process, following procurement and provision of accurate costs.
- The evidence base being used for the development of the Productivity Strategy, delivery plan and LIS will be useful in the future in assessing the strategic fit and value for money for projects coming forward into a pipeline.

5. How effective has the LEP been in promoting its work and ensuring LGF branding guidance is followed:

Set out here:

- How the LEP explains its decisions and investments to the wider business community and public?
- How the LEP implements the branding guidance in relation to growth deal projects. (Please provide 2 examples)

The LEP implements the PR requirements set out by MHCLG by including the requirements in the funding agreements and highlighting the importance of adherence to these protocols with the Growth Deal theme leads, the project sponsor's operational lead and PR lead.

At key milestones on project delivery, press releases and/or PR events invite quotes and/or attendance by a minister, through the contacts provided in the protocols.

The relevant logos are used on signage and plaques, and the required hashtags are used on social media.

Following feedback from some Growth Deal funding recipients on the interpretation of the protocols, the LEP has defined the protocols into a simple checklist to enable the 67 project leads and their PR leads to follow the requirements more easily, which has led to the successful implementation. Two examples are:

[Electronics and Photonics Centre](#), Torbay

[Advanced Engineering Centre](#), Exeter College

6. What can Government do to better support your delivery?

The Cities and Local Growth Unit wants to support your local growth programmes to deliver. Please use this section to explain whether there is more we or wider Government can be doing to help facilitate this.

- i) Support for strategic business case to close Oceansgate Phase 3 funding gap
- ii) Support renewal of LEP/ local authority/ Government Enterprise Zone MOUs which will be required in 2019, to ensure the EZs play a full role in contributing to growth within HotSW
- iii) More assistance in working with the rail sector and Network Rail in particular would be helpful. Also for DfT to increase the pot for rail funding in future. Historically the small size of the New Stations Fund pot has led to only a handful of projects being funded and there has been little rail funding available.
- iv) Work with the LEP to assist housebuilders in moving forward on sites where growth deal has provided infrastructure but other factors are impacting on development proceeding, e.g. developer contributions, affordable housing, CIL processes, Brexit...

## STRATEGY

1. What is the vision for your place to 2030? How is the LEP going to get there? What are your key short-term objectives and priorities?

Set out here:



- Does your SEP closely guide the plans, activities?
- When was it last refreshed and in what ways has it been kept under active review during the last 12 months?
- What the LEP is doing to develop its evidence base and other preparation for the development of its Local Industrial Strategy, so that it is long-term, based on clear evidence and aligned to the national Industrial Strategy?
- To what extent do you engage with partners to maintain your understanding on the local economy? Do you engage with partners outside the area to inform and improve strategic thinking?

The LEP has worked with local authorities and the National Parks to produce the HotSW Productivity Strategy which was approved by the LEP Board and Joint Committee in March 2018 after a development phase which included two rounds of consultation in early and late 2017. The Strategy focusses specifically on the area's longstanding productivity challenges and has the ambitious goal of doubling the HotSW economy by 2038 through raising productivity and ensuring prosperity for all. A delivery plan has been developed which sets out specific actions which will form the basis of the LEP's activity in 2019-20 and the whole process has laid a strong foundation from which to build the Local Industrial Strategy (LIS).

The strategies are linked and complimentary: the SEP is targeted at broad growth and employment outcomes, both of which have been strong in the LEP area since 2014. The Productivity Strategy is also a broad approach, building on the SEP with an emphasis on productivity. The Local Industrial Strategy is then one important channel through which the strategy's productivity ambition can be realised; others will also be required, e.g. the complimentary work on the sub-national transport body, so the LEP and partners will work across these channels in 2019-20 and beyond.

The Productivity Strategy is available on the LEP's website [here](#) and is underpinned by a substantial evidence base available at <https://heartofswlep.co.uk/evidence-base-local-industrial-strategy/>

The evidence base has strengthened the LEP's understanding of the local economy with the economic analysts in the four upper tier/ unitary authorities providing direct support in understanding of the LEP area's economy. In 2018 this included the joint purchasing of a shared economic model so the LEP and upper tier/unitary local authorities are all working from the same basis. In 2019-20 the LEP aims to better institutionalise this knowledge through establishing an Observatory for the area in conjunction with local partners.

The LEP develops its strategic thinking with partners from outside the area in several ways, e.g. development of the marine (CloS, HotSW, Dorset & Solent) and nuclear opportunities (WoE, Cumbria, New Anglia) or the Innovate UK MOU (IUK, CloS, Dorset, HotSW).

HotSW would welcome further engagement with the West of England on developing complimentary approaches in areas of shared interest.

2. How successful has the LEP been at engaging local partners and the wider community in delivering local growth? How successfully have you worked with different political entities in your area?

Set out here:

- How have you engaged local stakeholders about your strategy and ambitions for the LEP?

- How do you work with different political entities (such as MPs, Mayoral Combined Authority, Local Authorities), and do you actively work together on projects or strategies? Are there any examples of good practice?

Extensive consultation was undertaken in developing the Productivity Strategy (see reports on the evidence base link above) and local authority, National Park and university partners played an active role in drafting the Strategy and its delivery plan.

The HotSW Joint Committee brings together local authority and National Park Leaders and CEX to jointly oversee delivery of the Productivity Strategy alongside the LEP Board. The LEP participates in Joint Committee meetings and is part of the PMO for the Joint Committee. Six of the LEP's Board members are from local authorities.

MPs' engagement has been strengthened over the year with a new agency appointed to build on this further. The new CEX has met with all MPs 1-1 since summer, complimenting regular LEP Chair and CEX meetings to brief them on areas where they can support the LEP. The recent Living Better prospectus was sent to all MPs (drawn from the Productivity Strategy delivery plan: see <https://heartofswlep.co.uk/wp-content/uploads/2018/11/HotSWProspectus18ReadonWeb.pdf>) highlighting the potential in the area and where they can support these opportunities. Feedback from MPs on the LEP's more active approach has been complimentary. The LEP will build on this through 2019-20 through the appointment of a new specialist agency – JPB – who are developing a bespoke programme of engagement with the LEP.

### 3. How successful have you been in collaborating with other LEPs, Universities, communities and industry bodies etc? And what have you achieved as a result?

Set out here:

- Where you have worked across different functional geographies and whether you actively work together with other areas or bodies on different themes or projects? Please state any involvement you have had in engaging with the development and implementation of initiatives such as the Northern Powerhouse and Midlands Engine
- Good practice and key achievements as a result of this collaboration and ideas for the future

Cross-LEP area working has been, and will continue to be, extensive. This has included:

- Nuclear: continued cooperation with WoE & Wales to deliver supply chain programme, Cumbria and New Anglia on implementing the sector deal. HotSW playing leadership role amongst the LEPs through a cluster resource funded by HotSW
- Aerospace: working with partners in HotSW and WoE to support the iAero partnership and for the partnership to act as a space for industry primes to meet with LEPs, HEI's, Catapults et al to support the delivery of AGP priorities within the locality
- South coast marine cluster (CloS, Dorset, Solent local authorities, research & business partners): strengthened cluster now has dedicated resource jointly funded by CloS, HotSW and Dorset LEPs along with Solent local authorities. Cluster has developed a core proposition around offshore renewables, marine autonomy and high value engineering. Business engagement strengthened and Strength in Places bid submitted, increased influence with Govt via BEIS, DIT & DfT, increased influence in emerging marine sector deal (marine autonomy, a

key part of the SCMC proposition, is now a core part of the sector deal). This has also opened up the opportunity for HotSW to influence the emerging defence sector deal which also now has a land sea and air autonomy proposition

- Great South West and its rural workstream: governance established. On rural, covering CloS, HotSW, Dorset, S&W LEPs, business cases shared with officials for Digital, Tourism and Farming, Food & Fishing. Support from James Brokenshire to continue this. HotSW jointly funding resource
- Innovation: MOU signed with IUK, CloS and Dorset. Research commissioned into barriers for SMEs accessing IUK support which, amongst other things, will feed into spec for revised Growth Hub service

This is not without its challenges as it is resource-intensive and managing the dynamics of multiple partnerships can be challenging, particularly where partners feel they must see direct benefit for their efforts, when timescales to measure that benefit can be over several years.

#### 4. How can Government support you in the next 12 months?

The Cities and Local Growth Unit wants to support you to realise the potential of your place. Please use this section to explain whether there is more we or wider Government can be doing to help facilitate this.

- i) Ensure design of the Shared Prosperity Fund ensures benefit for areas, such as HotSW, which fall outside the traditional priority areas for EU funding, e.g. north of England, Cornwall & Isles of Scilly. Government has stated “the UKSPF will tackle inequalities between communities by raising productivity, especially in those parts of our country whose economies are furthest behind” (Local Growth: Written statement - HCWS927). This means the EU-formula for allocation must be replaced by one considering productivity and a purely competitive fund will not be adequate.
- ii) LEP private sector Board members want to be part of an organisation which is making a difference to their place; without this their engagement will fall away and LEPs key unique selling point will be significantly diminished. Project funding flowing through LEPs, as per the Growth Deal model, is therefore an essential part of this, also giving LEPs influence with partners over other parts of the local growth picture. The recent move to more department-based funding, especially in transport, means it is even more important that future funding sources such as Shared Prosperity Fund are channelled through LEPs. HotSW would also question whether, without a European Commission-driven audit regime, a large central team is the best use of resources or whether local teams, as in LGF, offer better value for money in delivery.
- iii) Encourage stronger engagement from the West of England to pursue areas of common interest e.g. strategic transport links, nuclear, exploring joint calls on unused ERDF monies
- iv) Recognition that cross-border partner working often requires Govt support to ensure continued cooperation and engagement, e.g. Govt actively support the retention of Dorset within the South Coast Marine Cluster; their presence gives Dorset scale and adds to the impact of the cluster and its influence with Government and Maritime UK
- v) Support the LEP in ensuring that a component of the supply chain support available through the nuclear sector deal is available for regional (place) based supply chain delivery



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