



## BRIEFING PAPER

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# Local Growth Deals

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## Summary

The June 2013 Spending Review saw the Government ask Local Enterprise Partnerships (LEPs) to develop multi-year local Strategic Economic Plans, which would then be used for negotiations on 'Growth Deals' with the Government. These deals would see LEPs awarded funding from the Single Local Growth Fund, created in the 2013 Spending Review.

In March 2014, all 39 LEPs submitted Strategic Economic Plans. In July 2014, the government announced details of funding received by each LEP over the period 2015 - 2021. In January 2015, the government expanded the deals, with LEPs awarded a further £1 billion in total between 2016 and 2021.

The [2016 Budget](#) included the announcement that up to £1.8 billion will be allocated through a further round of growth deals in the course of 2016.

The [2016 Autumn Statement](#) stated the government would award a third round of growth deal funding, worth £1.8 billion. Of this, £556 million will be awarded to LEPs in the North of England, £392 million to LEPs in the midlands, £151 million to LEPs in the east of England, £492 million to LEPs in London and the south east and £191 million to LEPs in the south west. As of October 2018, £9.1 billion worth of growth deal funding has been allocated to LEPs.

Further information on LEPs can be found in the Library Standard Note [Local Enterprise Partnerships](#).

Initially growth deals, like Local Enterprise Partnerships, covered England only. The [2017 Autumn Budget](#) stated the government would begin negotiations for a deals for North Wales and the Scottish Borderlands and would also consider proposals for a deal in mid-Wales.

The [2018 Budget](#) confirmed the government would commit £120 million toward a growth deal for North Wales, would seek to progress deals for Ayrshire and the Borderlands and open negotiations for deals for Moray and Mid Wales.

# 1. Single Local Growth Fund

In March 2012, Lord Heseltine was commissioned to produce a report for the Chancellor and Secretary of State for Business, with a brief to provide ideas to stimulate economic growth at a local level. This reflected Lord Heseltine's work on competitiveness during his tenure as Secretary of State for Trade and Industry in the 1990s and his time as Secretary of the State for the Environment between 1979 and 1983.

His report, [No Stone Unturned: In Pursuit of Growth](#), published in October 2012 made 89 recommendations on how to stimulate economic growth and wealth creation. Among these was a recommendation to combine separate funding streams which support growth into a "single funding pot" for local areas:

Central government should identify the budgets administered by different departments which support growth. These should be brought together into a single funding pot for local areas, without internal ring fences.<sup>1</sup>

This recommendation was accepted as part of the [2013 Spending Review](#)<sup>2</sup> and detailed in the Treasury document [Investing in Britain's Future](#), which states:

The Government agrees with Lord Heseltine that local leaders are best placed to set the strategic direction for an area, and has accepted his recommendations to devolve economic power to Local Enterprise Partnerships (LEPs) through the creation of a Single Local Growth Fund and Growth Deals.<sup>3</sup>

This document confirmed:

- the creation of a Single Local Growth Fund (SLGF) with a budget of £2 billion drawn from the existing skills, housing and transport budgets from 2015/16; and
- a Government commitment of £5 billion of transport funding to the SLGF between 2016/17 and 2020/21 and a pledge to maintain the SLGF at a total of at least £2 billion each year in the next Parliament.<sup>4</sup>

LEPs would also be asked to develop "multi-year strategic plans" detailing funding proposals for the SLGF and plans for EU Structural and Investment Funds, covering 2015/16 to 2020/21.<sup>5</sup> In turn, these plans

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<sup>1</sup> Rt. Hon. Lord Heseltine of Thenford, [No Stone Unturned: In Pursuit of Growth](#), October 2012 pg. 37

<sup>2</sup> HM Treasury, [Spending Round 2013](#) Cm8639, June 2013, pg. 21

<sup>3</sup> HM Treasury, [Investing in Britain's Future](#), Cm 8669, June 2013 pg. 57

<sup>4</sup> HM Treasury, [ibid](#) pg. 57 - 61

<sup>5</sup> HM Treasury, [ibid](#) pg. 57 - 63

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would be used as the basis for negotiating “Growth Deals” between central government and each LEP.

LEPs with the strongest strategic plans that demonstrate their ability to deliver growth will gain the greatest share of the SLGF...Areas will also be able to argue for additional freedoms and flexibilities as part of this process. An area’s allocation from the SLGF will be available to be spent on the priorities LEPs and their partners have determined in their strategic economic plans.<sup>6</sup>

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<sup>6</sup> HM Treasury, [Ibid](#) pg. 61 - 63

## 2. Growth Deals

In July 2013, the Department for Business, Innovation and Skills published the document [Growth Deals Initial Guidance for Local Enterprise Partnerships](#), providing detailed guidance on how LEPs should prepare the preparation of Strategic Economic Plans and details of the timetable for the delivery of funding.

This clarified the function of Growth Deals, stating that Growth Deals will be:

A partnership between the Government and Local Enterprise Partnerships, where the Government will respond to the offers made by Local Enterprise Partnerships in pursuit of the shared objective of growth.

It also confirmed that funding would be made as a single annual grant payment, made at the start of each financial year to a nominated local authority to act as accountable body.<sup>7</sup>

This document gave LEPs a deadline of March 2014 to submit final versions of their Strategic Economic Plans, which would then be assessed by central government.

In March 2014, all 39 LEPs submitted Strategic Economic Plans for approval. In July 2014, the government announced details of funding secured by each LEP over the period 2015 - 2021. In January 2015, the government expanded the deals, with LEPs securing a further £1 billion in total investment between 2016 and 2021.

The [2016 Budget](#) included the announcement that an additional £1.8 billion will be allocated to LEPs through a third round of Growth Deals in the course of 2016.

This was confirmed in the [2016 Autumn Statement](#), which stated £556 million will be awarded to LEPs in the North of England, £392 million to LEPs in the midlands, £151 million to LEPs in the east of England, £492 million to LEPs in London and the south east and £191 million to LEPs in the south west.

Details of total public funding secured by LEP is available in [the Appendix](#), with maps showing total funding and funding per head.

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<sup>7</sup> BIS, [Growth Deals: Initial Guidance for Local Enterprise Partnerships](#), July 2013 pg. 3 -

## 3. Growth Deal funding by region

Details of funding awarded to each LEP by region are provided below.

### North East

#### [North Eastern](#)

The North Eastern LEP's Strategic Economic Plan, [More and Better Jobs: A Strategic Economic Plan for the North East](#) was submitted in March 2014. In July 2014, the North Eastern LEP was awarded £289.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £40.6 million of funding was awarded between 2016 and 2021; an additional £49.7 million was awarded in November 2016. The LEP estimates up to 5,000 new jobs could be created and £130 million of public and private investment could be generated as a result of this funding.

#### [Tees Valley Unlimited](#)

The Tees Valley Unlimited LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Tees Valley LEP was awarded £90.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £13.9 million of funding was awarded between 2016 and 2021; an additional £21.8 million was awarded in November 2016. The LEP estimates to 5,000 new jobs could be created, safeguarded or enabled, 1,500 new homes built and £150 million of public and private investment generated as a result of this deal.

### North West

#### [Cumbria](#)

The Cumbria LEP's Strategic Economic Plan, [The Four Pronged Attack](#) was submitted in March 2014. In July 2014, the Cumbria LEP was awarded £26.8 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £20.9 million of funding was awarded between 2016 and 2021; an additional £12.7 million was awarded in November 2016. The LEP estimates 3,000 new jobs could be created, 3,000 new homes built and £60 million public and private investment generated as a result of this deal.

#### [Lancashire Enterprise Partnership](#)

The Lancashire LEP's Strategic Economic Plan [A Growth Deal for the Arc of Prosperity](#) was submitted in March 2014. In July 2014, the Lancashire LEP was awarded £233.9 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £17.2 million of funding was awarded between 2016 and 2021; an additional £69.8 million was awarded in November 2016. The LEP estimates up to 8,000 jobs could be created, 3,000 homes built and up to £280 million of public and private investment generated as a result of this funding.



### [Liverpool City Region](#)

The Liverpool City Region LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Liverpool City Region LEP was awarded £232.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £31.6 million of funding was awarded between 2016 and 2021; an additional £72.0 million was awarded in November 2016. The LEP estimates up to 13,000 jobs could be created, 10,000 homes built and up to £200 million of public and private investment generated as a result of this funding.

### [Greater Manchester](#)

The Greater Manchester LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Greater Manchester LEP was awarded £476.7 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £56.6 million of funding was awarded between 2016 and 2021; an additional £130.1 million was awarded in November 2016. The LEP estimates up to 5,000 jobs could be created and up to £140 million of public and private investment generated as a result of this funding.

### [Cheshire and Warrington](#)

The Cheshire and Warrington LEP's Strategic Economic Plan [Cheshire and Warrington Matters](#) was submitted in March 2014. In July 2014, the Cheshire and Warrington LEP was awarded £142.7 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £15.16 million of funding was awarded between 2016 and 2021; an additional £43.3 million was awarded in November 2016. The LEP estimates up to 12,000 jobs could be created, 5,000 homes built and up to £180 million of public and private investment generated as a result of this funding.

## **Yorkshire and the Humber**

### [Business Inspired Growth: York, North Yorkshire and East Riding](#)

The York, North Yorkshire and East Riding LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the York, North Yorkshire and East Riding LEP was awarded £101.1 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £12.1 million of funding was awarded between 2016 and 2021; an additional £23.7 million was awarded in November 2016. The LEP estimates up to 5,000 new jobs could be created, 5,000 homes built and £150 million of public and private investment could be generated as a result of this funding.

### [Leeds City Region](#)

The Leeds City Region LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Leeds City Region LEP was awarded £572.9 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £54.6 million of funding was awarded between 2016 and 2021; an additional £67.5 million was awarded in November 2016. The LEP estimates up to 10,000 jobs could be created,



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2,000 homes built and up to £640 million of public and private investment generated as a result of this funding.

### [Humber](#)

The Humber LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Humber LEP was awarded £103.7 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £9.9 million of funding was awarded between 2016 and 2021; an additional £27.9 million was awarded in November 2016. The LEP estimates up to 9,000 jobs could be created, 5,000 homes built and up to £300 million of public and private investment generated as a result of this funding.

### [Sheffield City Region](#)

The Sheffield City Region LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Sheffield City Region LEP was awarded £295.2 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £30.7 million of funding was awarded between 2016 and 2021; an additional £37.0 million was awarded in November 2016. The LEP estimates up to 15,000 jobs could be created, 12,000 homes built and up to £530 million of public and private investment generated as a result of this funding.

## **East Midlands**

### [Derby, Derbyshire, Nottingham and Nottinghamshire](#)

The D2N2 LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the D2N2 LEP was awarded £174.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £22.2 million of funding was awarded between 2016 and 2021; an additional £63.0 million was awarded in November 2016. The LEP estimates up to 22,000 jobs could be created, 10,000 homes built and up to £550 million of public and private investment generated as a result of this funding.

### [Leicester and Leicestershire](#)

The Leicester and Leicestershire LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Leicester and Leicestershire LEP was awarded £80 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £20.3 million of funding was awarded between 2016 and 2021; an additional £25.9 million was awarded in November 2016. The LEP estimates up to 3,000 jobs could be created, 1,300 homes built and up to £160 million of public and private investment generated as a result of this funding.

### [Northamptonshire](#)

The Northamptonshire LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Northamptonshire LEP was awarded £67.3 million from the Local Growth Fund over the period 2015-2021; in January 2015 a further £9 million of funding was awarded between 2016 and 2021. The LEP 2,000 jobs could be created, 5,000 homes

built and up to £60 million of public and private investment generated as a result of this funding.

In August 2016, it was announced that the Northamptonshire LEP would merge with the South East Midlands LEP. Accordingly, Northamptonshire did not receive a separate third round allocation and first two allocations were added to the South East Midlands LEP's total.

#### [South East Midlands](#)

The South East Midlands LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the South East Midlands LEP was awarded £79.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £46.7 million of funding was awarded between 2016 and 2021; an additional £59.0 million was awarded in November 2016.

Following the LEP's merger with Northamptonshire, Northamptonshire's allocations to date were added to the South East Midlands LEP's total, bringing it to £261.3 million.

### **East of England**

#### [Greater Lincolnshire](#)

The Greater Lincolnshire LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Greater Lincolnshire LEP was awarded £111.2 million from the Local Growth Fund over the period 2015-2021; in January 2015 a further £14.8 million of funding was awarded between 2016 and 2021. The LEP estimates up to 4,000 jobs could be created, 4,000 homes built and up to £110 million of public and private investment generated as a result of this funding.

#### [Greater Cambridge and Greater Peterborough](#)

The Greater Cambridge and Greater Peterborough LEP's Strategic Economic Plan [Internationally Competitive, Nationally Significant](#) was submitted in March 2014. In July 2014, the Greater Cambridge and Greater Peterborough LEP was awarded £71.1 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £38 million of funding was awarded between 2016 and 2021; an additional £37.6 million was awarded in November 2016. The LEP estimates up to 15,500 jobs could be created, 10,000 homes built and up to £210 million of public and private investment generated as a result of this funding.

#### [New Anglia](#)

The New Anglia LEP's Strategic Economic Plan [Releasing Our Potential](#) was submitted in March 2014. In July 2014, the New Anglia LEP was awarded £173.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £48.5 million of funding was awarded between 2016 and 2021; an additional £69.1 million was awarded in November 2016. The LEP estimates up to 16,000 jobs could be created, 3,000 homes built and up to £240 million of public and private investment generated as a result of this funding.

## West Midlands

### [Black Country](#)

The Black Country LEP's Strategic Economic Plan [Made in the Black Country, Sold Around the World](#) was submitted in March 2014. In July 2014, the Black Country LEP was awarded £138.7 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £24 million of funding was awarded between 2016 and 2021; an additional £55.1 million was awarded in November 2016. The LEP estimates up to 5,000 jobs could be created, 1,400 homes built and up to £310 million of public and private investment generated as a result of this funding.

### [Greater Birmingham and Solihull](#)

The Greater Birmingham and Solihull LEP's Strategic Economic Plan [The SEP to Change Britain](#) was submitted in March 2014. In July 2014, the Greater Birmingham and Solihull LEP was awarded £357.4 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £21.4 million of funding was awarded between 2016 and 2021; an additional £54.2 million was awarded in November 2016. The LEP estimates up to 29,000 jobs could be created, 7,000 homes built and up to £170 million of public and private investment generated as a result of this funding.

### [Stoke-on-Trent and Staffordshire](#)

The Stoke-on-Trent and Staffordshire LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Stoke-on-Trent and Staffordshire LEP was awarded £82.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £15.4 million of funding was awarded between 2016 and 2021; an additional £23.3 million was awarded in November 2016. The LEP estimates up to 7,000 jobs could be created, 1,000 homes built and up to £70 million of public and private investment generated as a result of this funding.

### [The Marches](#)

The Marches LEP's Strategic Economic Plan [Accelerating Growth Through Opportunity](#) was submitted in March 2014. In July 2014, the Marches LEP was awarded £75.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £7.7 million of funding was awarded between 2016 and 2021; an additional £21.9 million was awarded in November 2016. The LEP estimates up to 7,000 jobs could be created, 3,000 homes built and up to £50 million of public and private investment generated as a result of this funding.

### [Coventry and Warwickshire](#)

The Coventry and Warwickshire LEP's Strategic Economic Plan [An SEP for the Future and for Bringing Manufacturing Home](#) was submitted in March 2014. In July 2014, the Coventry and Warwickshire LEP was awarded £74.1 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £15.3 million of funding was awarded between 2016 and 2021; an additional £42.4 million was

awarded in November 2016. The LEP estimates up to 4,000 jobs could be created, 1,400 homes built and up to £220 million of public and private investment generated as a result of this funding.

#### [Worcestershire](#)

The Worcestershire LEP's Strategic Economic Plan [World Class Worcestershire](#) was submitted in March 2014. In July 2014, the Worcestershire LEP was awarded £47 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £7.2 million of funding was awarded between 2016 and 2021; an additional £17.5 million was awarded in November 2016. The LEP estimates up to 4,000 jobs could be created, 1,200 homes built and up to £100 million of public and private investment generated as a result of this funding.

### **South West**

#### [Gloucestershire – GFirst](#)

The GFirst LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the GFirst LEP was awarded £62.5 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £15 million of funding was awarded between 2016 and 2021; an additional £29.1 million was awarded in November 2016. The LEP estimates up to 6,000 jobs could be created, 400 homes built and up to £220 million of public and private investment generated as a result of this funding.

#### [West of England](#)

The West of England LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the West of England LEP was awarded £212.6 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £18.1 million of funding was awarded between 2016 and 2021; an additional £52.8 million was awarded in November 2016. The LEP estimates up to 6,000 jobs could be created and up to £200 million of public and private investment generated as a result of this funding.

#### [Swindon and Wiltshire](#)

The Swindon and Wiltshire LEP's Strategic Economic Plan [Aligning Local Innovation with Government Ambition](#) was submitted in March 2014. In July 2014, the Swindon and Wiltshire LEP was awarded £129.3 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £11.5 million of funding was awarded between 2016 and 2021; an additional £28.1 million was awarded in November 2016. The LEP estimates up to 3,000 jobs could be created, 2,000 homes built and up to £80 million of public and private investment generated as a result of this funding.

#### [Dorset](#)

The Dorset LEP's Strategic Economic Plan [Transforming Dorset](#) was submitted in March 2014. In July 2014, the Dorset LEP was awarded £66.4 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £12.6 million of funding was awarded between 2016 and 2021; an additional £19.5 million was awarded in

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November 2016. The LEP estimates up to 26,000 jobs could be created, 3,000 homes built and up to £650 million of public and private investment generated as a result of this funding.

### [Heart of the South West](#)

The Heart of the South West LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Heart of the South West LEP was awarded £103.2 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £65.2 million of funding was awarded between 2016 and 2021; an additional £43.6 million was awarded in November 2016. The LEP estimates up to 22,000 jobs could be created, 11,000 homes built and up to £260 million of public and private investment generated as a result of this funding.

### [Cornwall and Isles of Scilly](#)

The Cornwall and Isles of Scilly LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Cornwall and Isles of Scilly LEP was awarded £48.9 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £11.3 million of funding was awarded between 2016 and 2021; an additional £18.0 million was awarded in November 2016. The LEP estimates up to 5,000 jobs could be created, 7,000 homes built and up to £160 million of public and private investment awarded as a result of this funding.

## South East and London

### [Hertfordshire](#)

The Hertfordshire LEP's Strategic Economic Plan [Perfectly Placed for Business](#) was submitted in March 2014. In July 2014, the Hertfordshire LEP was awarded £199.2 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £22.3 million of funding was awarded between 2016 and 2021; an additional £44.0 million was awarded in November 2016. The LEP estimates up to 15,000 jobs could be created, 20,000 homes built and up to £430 million of public and private investment awarded as a result of this funding.

### [Buckinghamshire Thames Valley](#)

The Buckinghamshire Thames Valley LEP's Strategic Economic Plan [Enhancing Buckinghamshire's Connectivity](#) was submitted in March 2014. In July 2014, the Buckinghamshire Thames Valley LEP was awarded £44.2 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £8.8 million of funding was awarded between 2016 and 2021; an additional £20.5 million was awarded in November 2016. The LEP estimates up to 5,000 jobs could be created, 600 homes built and up to £40 million of public and private investment awarded as a result of this funding.

### [Oxfordshire](#)

The Oxfordshire LEP's Strategic Economic Plan [Driving Economic Growth Through Innovation](#) was submitted in March 2014. In July 2014, the Oxfordshire LEP was awarded £108.5 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £9.9 million

of funding was awarded between 2016 and 2021; an additional £24.2 million was awarded in November 2016. The LEP estimates up to 9,000 jobs could be created, 5,000 homes built and up to £440 million of public and private investment awarded as a result of this funding.

#### [London](#)

The London LEP's Strategic Economic Plan [A Growth Deal for London](#) was submitted in March 2014. In July 2014, the London LEP was awarded £236 million from the Local Growth Fund over the period 2015-2021. In January a further £58 million of funding was awarded between 2016 and 2021; an additional £141.3 million was awarded in November 2016. The LEP estimates up to 8,000 jobs could be created, 5,000 homes built and up to £190 million of public and private investment awarded as a result of this funding.

#### [Thames Valley Berkshire](#)

The Thames Valley Berkshire LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Thames Valley Berkshire LEP was awarded £96.6 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £10.2 million of funding was awarded between 2016 and 2021; an additional £35.6 million was awarded in November 2016. The LEP estimates up to 20,000 jobs could be created, 12,000 homes built and up to £40 million of public and private investment awarded as a result of this funding.

#### [Enterprise M3](#)

The Enterprise M3 LEP's Strategic Economic Plan [Working for a Smarter Future](#) was submitted in March 2014. In July 2014, the Enterprise M3 LEP was awarded £118.1 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £29.9 million of funding was awarded between 2016 and 2021; an additional £71.1 million was awarded in November 2016. The LEP estimates up to 7,000 jobs could be created, 4,000 homes built and up to £210 million of public and private investment awarded as a result of this funding.

#### [South East](#)

The South East LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the South East LEP was awarded £444.2 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £46.1 million of funding was awarded between 2016 and 2021; an additional £102.7 million was awarded in November 2016. The LEP estimates up to 45,000 jobs could be created, 23,000 homes built and up to £700 million of public and private investment awarded as a result of this funding.

#### [Coast to Capital](#)

The Coast to Capital LEP's [Strategic Economic Plan](#) was submitted in March 2014. In July 2014, the Coast of Capital LEP was awarded £202.4 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £35.8 million of funding was awarded between 2016 and 2021; an additional £66.1 million was awarded in

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November 2016. The LEP estimates up to 21,000 jobs could be created, 9,000 homes built and up to £390 million of public and private investment awarded as a result of this funding.

### Solent

The Solent LEP's Strategic Economic Plan [Transforming Solent](#) was submitted in March 2014. In July 2014, the Solent LEP was awarded £124.8 million from the Local Growth Fund over the period 2015-2021. In January 2015 a further £27.1 million of funding was awarded between 2016 and 2021; an additional £31.0 million was awarded in November 2016. The LEP estimates up to 6,000 jobs could be created, 11,000 homes built and up to £400 million of public and private investment awarded as a result of this funding.



## 4. NAO Assessment, March 2016

In March 2016, the National Audit Office published the report [Local Enterprise Partnerships](#), which examined the extent to which LEPs have funded and implemented Growth Deals “in a way that is likely to deliver value for money.”<sup>8</sup>

Some of the report’s findings included:

- the DCLG has not set specific quantifiable objectives for what it hopes to achieve through Growth Deals and that it will be difficult to assess their contribution to economic growth
- pressure on LEPs to spend their Local Growth Fund allocation in year creates a risk that LEPs will not fund projects most suited to long-term economic development
- there is a risk that LEPs do not possess the resources necessary to deliver Growth Deal projects.<sup>9</sup>

The report concludes that while the Department for Communities and Local Government expects LEPs to deliver growth deals effectively, LEPs do not have “an established track record of delivery” and LEPs themselves “have serious reservations about their capacity to deliver” and there is a risk that projects being pursued “will not necessarily optimise value for money.”<sup>10</sup>

To mitigate these potential flaws in the delivery of Growth Deals, the report recommends that the DCLG should:

- distribute Local Growth Funding to LEPs in a form that will give them medium to long-term funding flexibility,
- set out specific quantifiable objectives and performance indicators for the success of Growth Deals,
- ensure that there is sufficient local capacity within LEPs to deliver Growth Deals
- use the approach to monitor Growth Deals as an opportunity to standardise output metrics for future local growth initiatives.<sup>11</sup>

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<sup>8</sup> NAO, [Local Enterprise Partnerships](#), HC 887, Session, 2015-16, 23 March 2016, pg. 6

<sup>9</sup> NAO, [ibid](#), pg. 7-8

<sup>10</sup> NAO, [ibid](#), pg. 9

<sup>11</sup> NAO, [ibid](#), pg. 10

## 5. Budget 2018 and Spring Statement 2019

The 2018 Budget confirmed that a number of areas outside of England would, for the first time, be granted growth deals.

### North Wales

The [2017 Budget](#) stated the government would begin “formal negotiations toward a North Wales growth deal”, with the [2018 Budget](#) confirming £120 million in funding for the deal.

The deal will cover the six council areas of Gwynedd Council, Conwy County Borough Council, Isle of Anglesey County Council, Flintshire County Council, Denbighshire County Council and Wrexham County Borough Council.

### Borderlands

The Borderlands Initiative was first launched by the Scottish Government in August 2013, alongside Scottish Borders Council and Dumfries and Galloway Council, Carlisle City Council, Cumbria County Council and Northumberland County Council, alongside the publication of the report, [Borderlands: can the north east and Cumbria benefit from greater Scottish autonomy?](#) produced on behalf of the Association of North East (of England) Councils (ANEC) and Cumbria County Council.

In October 2018, a growth deal bid was submitted; the 2019 Spring Statement confirmed “up to £260 million” would be allocated in funding.<sup>12</sup>

### Ayrshire

Proposals for an Ayrshire growth deal were first launched in September 2016 by the South Ayrshire, North Ayrshire and East Ayrshire local authorities. In January 2017, [an adjournment debate was held](#) on the subject.

The 2018 Budget confirmed negotiations were ongoing.

### Mid Wales and Moray

The 2018 Budget also confirmed the government would work with the devolved governments in Scotland and Wales and local partners to secure growth deals for both Moray and Mid Wales.

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<sup>12</sup> [Spring Statement 2019: Written statement - HCWS1407](#), 13 March 2019

## 6. Appendix 1 – Funding by LEP

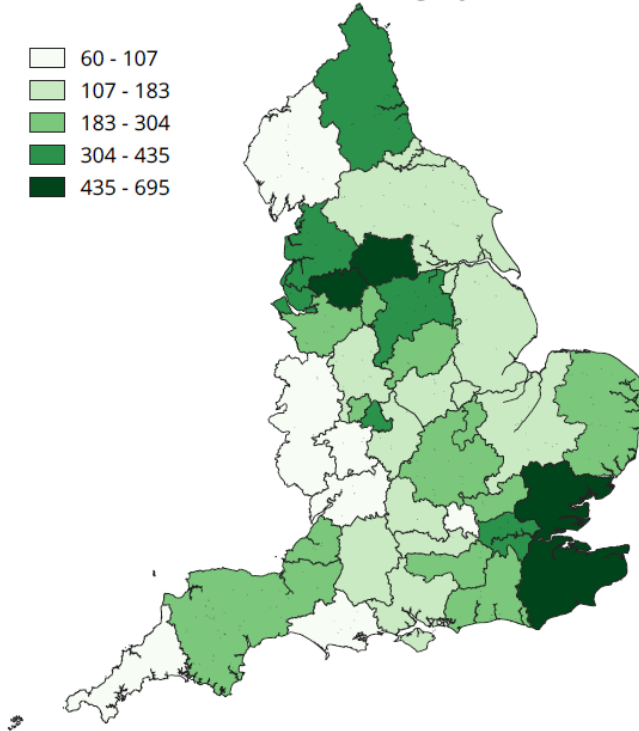
| Growth Deal funding awarded by Local Enterprise Partnership (£ millions) |                            |                           |                           |                |
|--|----------------------------|---------------------------|---------------------------|----------------|
|  | Growth Deal 1<br>July 2014 | Growth Deal 2<br>Jan 2015 | Growth Deal 3<br>Nov 2016 | Total          |
| <b>North East</b>  |                            |                           |                           |                |
| North Eastern  | 289.3                      | 40.6                      | 49.7                      | 379.6          |
| Tees Valley Unlimited  | 90.3                       | 13.9                      | 21.8                      | 126.0          |
| <b>North West</b>  |                            |                           |                           |                |
| Cheshire and Warrington  | 142.7                      | 15.1                      | 43.3                      | 201.1          |
| Cumbria  | 26.8                       | 20.9                      | 12.7                      | 60.4           |
| Greater Manchester   | 476.7                      | 56.3                      | 130.1                     | 663.1          |
| Lancashire   | 233.9                      | 17.2                      | 69.8                      | 320.9          |
| Liverpool City Region  | 229.3                      | 31.6                      | 72.0                      | 332.9          |
| <b>Yorkshire and Humber</b>  |                            |                           |                           |                |
| Humber   | 103.7                      | 9.9                       | 27.9                      | 141.5          |
| Leeds City Region  | 572.9                      | 54.6                      | 67.5                      | 695.0          |
| Sheffield City Region  | 297.0                      | 31.0                      | 37.0                      | 365.0          |
| York, North Yorkshire and East Riding                                    | 110.1                      | 12.1                      | 23.7                      | 145.9          |
| <b>East Midlands</b>   |                            |                           |                           |                |
| Derby, Derbyshire, Nottingham and Nottinghamshire                        | 172.3                      | 22.2                      | 63.0                      | 257.5          |
| Leicester and Leicestershire   | 80.0                       | 20.3                      | 25.9                      | 126.2          |
| South East Midlands*   | 146.6                      | 55.7                      | 59.0                      | 261.3          |
| <b>West Midlands</b>   |                            |                           |                           |                |
| Black Country  | 138.7                      | 24.0                      | 55.1                      | 217.8          |
| Coventry and Warwickshire  | 74.1                       | 15.3                      | 44.2                      | 133.6          |
| Greater Birmingham and Solihull  | 357.4                      | 21.4                      | 54.2                      | 433.0          |
| Stoke-on-Trent and Staffordshire   | 82.3                       | 15.4                      | 23.3                      | 121.0          |
| The Marches  | 75.3                       | 7.7                       | 21.9                      | 104.9          |
| <b>East of England</b>   |                            |                           |                           |                |
| Greater Cambridge and Greater Peterborough                               | 71.8                       | 38.0                      | 37.6                      | 147.4          |
| Greater Lincolnshire   | 111.2                      | 14.8                      | 29.5                      | 155.5          |
| New Anglia   | 173.3                      | 48.5                      | 69.0                      | 290.8          |
| <b>South East and London</b>   |                            |                           |                           |                |
| Buckinghamshire Thames Valley  | 44.2                       | 8.8                       | 20.5                      | 73.5           |
| Coast to Capital   | 202.4                      | 35.8                      | 66.1                      | 304.3          |
| Enterprise M3  | 118.1                      | 29.9                      | 71.1                      | 219.1          |
| Hertfordshire  | 199.2                      | 22.3                      | 44.0                      | 265.5          |
| London   | 236.0                      | 58.0                      | 141.3                     | 435.3          |
| Oxfordshire  | 108.5                      | 9.9                       | 24.2                      | 142.6          |
| Solent   | 124.8                      | 27.1                      | 31.0                      | 182.9          |
| South East   | 442.2                      | 46.1                      | 102.7                     | 591.0          |
| Thames Valley Berkshire  | 96.9                       | 10.2                      | 35.6                      | 142.7          |
| <b>South West</b>  |                            |                           |                           |                |
| Cornwall and Isles of Scilly   | 48.9                       | 11.3                      | 18.0                      | 78.2           |
| Dorset   | 66.4                       | 12.6                      | 19.5                      | 98.5           |
| Gloucestershire: GFirst  | 62.5                       | 15.0                      | 29.3                      | 106.8          |
| Heart of the South West  | 130.3                      | 65.2                      | 43.6                      | 239.1          |
| Swindon and Wiltshire  | 129.3                      | 11.5                      | 28.1                      | 168.9          |
| West of England  | 212.6                      | 18.1                      | 52.8                      | 283.5          |
| Worcestershire   | 47.0                       | 7.2                       | 17.5                      | 71.7           |
| <b>Total</b>   | <b>6,325.0</b>             | <b>975.5</b>              | <b>1,783.2</b>            | <b>9,083.7</b> |

Source: Cabinet Office and Deputy Prime Minister's Office

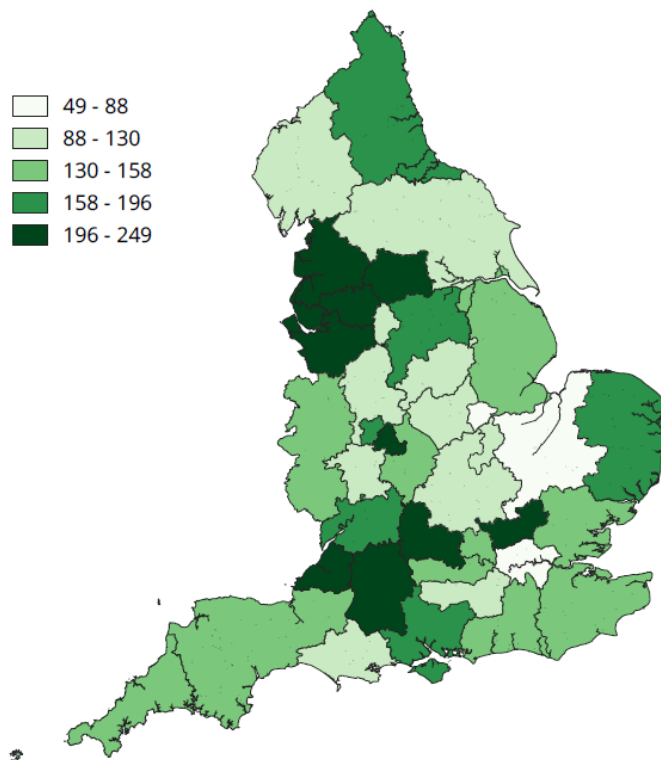
\* The South East Midlands and Northamptonshire LEPs have now merged; the South East Midlands total includes Northamptonshire's allocations from Growth Deals One and Two

## 7. Appendix 2 - Maps

**Total Growth Deal funding by LEP (£ millions)**



**Growth Deal funding by LEP per head (£)**



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