



BRIEFING PAPER

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Regional Development Policy 2010 – 2015: a Summary

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1. Summary and Background

This note provides a summary of four regional development initiatives undertaken by the Coalition Government of 2010-15 and continued by the current Government.

The October 2010 White Paper [Local Growth: Realising Every Place's Potential](#) set out the Coalition Government's approach to regional development in England. The paper argues that a successful regional growth strategy should entail "shifting powers away from central government" in favour of local communities. Additionally, the paper proposes an emphasis on "rebalancing" the economy in regions that had become reliant on public sector employment and recognising the effect specific local geographic, economic and environmental factors have on development.

Many of the paper's specific proposals and initiatives were first mooted in the May 2010 [Coalition Agreement](#) and the [June 2010 Budget](#), some of which are detailed below.

The White Paper [Local Growth: Realising Every Place's Potential](#) was published on 28 October 2010.¹ It set out three key priorities:

- a. **Shifting power to local communities and businesses** - by establishing dynamic local enterprise partnerships of local business and civic leaders, operating within an area that makes economic sense, which can provide the vision, knowledge and strategic leadership to set local priorities and empower communities to fulfil their potential.
- b. **Increasing confidence to invest** – by creating the right conditions for growth through a consistent and efficient framework for investment, an effective planning framework and new incentives to make sure local communities benefit from development.
- c. **Focused investment** – by tackling barriers to growth that the market will not address itself and supporting investment that will have a long term impact on growth.

As part this agenda, the White Paper announced the first tranche of approved Local Enterprise Partnerships, the opening of the Regional Growth Fund and a range of measures designed to provide incentives for local authorities to promote business growth.

¹ BIS, [Local growth: realising every place's potential](#), Cm 7961, 28 October 2010

2. Local Enterprise Partnerships

The Coalition Agreement outlined plans to replace Regional Development Agencies with Local Enterprise Partnerships (LEPs). From June 2010, businesses and local authorities were invited to form LEPs. The approval of 24 LEPs was announced as part of the 2010 [Local Growth](#) White Paper; a further 15 LEPs, including one covering the whole of London, were subsequently approved. A map of LEPs is available on the [Department for Business, Innovation Skills website](#), as is a [list of LEPs by local authority](#).

LEPs are locally owned strategic partnerships of local businesses and civic leaders. They are designed to determine specific local economic priorities and promote growth, employment and infrastructure development. Initially established without any direct government funding, LEPs were collectively awarded £25 million in September 2012 up to 2014/15 and a further £20 million over 2013/14 and 2014/15.

The [June 2013 Spending Review](#) saw the Government ask 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 from 2015/16. The budget for the Single Local Growth Fund, set at £2 billion a year, will be drawn from the existing budgets of central government departments.

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.

For more information see the Library Briefing Papers [Local Enterprise Partnerships](#) and Local Growth Deals.

3. Regional Growth Fund

The Regional Growth Fund (RGF) was announced as part of the 2010 [Local Growth](#) White Paper as a fund open to businesses, local authorities and other organisations to bid for financial support to help stimulate private enterprise and create sustainable private sector employment. Recipients must use their funding to secure investment from private sources.

The Department for Business, Innovation and Skills described the original purpose of the RGF as “to help areas and communities at risk of being particularly affected by public spending cuts.” There have been six funding rounds between 2010 and 2015, awarding total funding of £3.5 billion. The fund is scheduled to run until 2017.

The Department for Communities and Local Government have reported that the RGF has created or safeguarded 65,000 jobs in rounds 1 - 4, estimating the cost per net additional job at £52,300.

For further information, see the Library Briefing Paper [The Regional Growth Fund](#).

4. Enterprise Zones

In a speech to the Conservative Party spring conference in March 2011, George Osborne announced plans for the creation of Enterprise Zones, to assist “the parts of Britain that had missed out in the last ten years.” The [2011 Budget](#) and accompanying [Plan for Growth](#) announced plans for 24 Enterprise Zones, later increased to 25. These became operational in April 2012. Enterprise Zones are geographically defined areas, hosted by Local Enterprise Partnerships, in which commercial and industrial businesses can receive incentives to set up or expand.

Businesses moving into Enterprise Zones are offered numerous concessions, including a business rate discount of up to 100% over a five year period, exemption from rates on industrial and commercial property and Development Land Tax, a simplified planning regime and capital allowances for plants and machinery. Funded by central government, these incentives are predicted to total £205 million by 2015/16.

The 2015 [Spring Budget](#) included proposals to expand six existing Enterprise Zones and establish a further two, one at the Plymouth Naval Dockyard and another in Blackpool. The 2015 [Summer Budget](#) announced that the government would hold a bidding round for a new programme of Enterprise Zones. Applications closed on 18 September 2015.

The [2015 Spring Budget](#) announced the creation of 2 new Enterprise Zones at Blackpool Airport and Plymouth. The 2015 [Summer Budget](#) announced that the government would hold a bidding round for a new programme of Enterprise Zones. Applications closed on 18 September 2015. The 2015 [Autumn Statement](#) announced the creation of 18 new Enterprise Zones, as well as extension to 8 existing zones, bringing the total to 44.

A map of Enterprise Zones is available on the [Department for Communities and Local Government website](#).

For further information, see the Library Briefing Paper [Enterprise Zones](#).

5. City Deals

City deals are bespoke packages of funding and decision-making powers negotiated between central government and local authorities and/or Local Enterprise Partnerships and other local bodies.

Between July 2012 and August 2014, 27 City Deals were negotiated. The first wave covered the 8 largest English cities outside London; the second wave covered the next 14 largest English cities and their wider areas, as well as the next 6 English cities and areas with the highest population growth between 2001 and 2010.

In a one-off deal in August 2014, Glasgow and the Clyde Valley became the first area outside England to agree a deal. The Spring 2015 Budget included proposals to begin negotiations for the creation of a further 3 City Deals: 2 in Scotland and 1 in Wales.

For further information, see the Library Briefing Paper [City Deals](#).

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