

The future for LEPs: issues and options

December 2021

Andy Pike, Louise Kempton, Danny MacKinnon, David Marlow*, Peter O'Brien and John Tomaney**

Centre for Urban and Regional Development Studies (CURDS), Newcastle University; *Third Life Economics, **Bartlett School of Planning, UCL

andy.pike@ncl.ac.uk

1. Introduction

This paper aims to identify key issues and questions for the Government's LEP review 2021 and its linkages to the forthcoming White Paper on Levelling Up. It summarises the history and context, asks what the national policy goals are, explains the rationales for decentralised economic development, sets out a framework to determine what LEPs are for, examines how many LEPs and what geographies are appropriate, asks how LEPs should be funded and where they should sit in the 'local growth architecture', and identifies policy options of status quo, retain and reform (national-led or local-led), and abolition.

The main messages are:

- Clarification of the national policy goals are needed before the roles and contributions of LEPs can be determined. This suggests the LEP review should be undertaken as part of the development of the forthcoming Levelling Up White Paper (LUWP). It could then be focused on the local and regional roles and functions of LEPs (if any) in delivering the priorities and purposes advocated by the LUWP *and* other relevant national foundation policies (e.g. Growth Plan, Net Zero strategy)

- Connecting the review to the LUWP can then consider a range of drivers shaping the potential roles of LEPs and the new types of place-based local economic development agendas that are important to the recovery even if the direction of travel is a contraction and focusing of LEPs on narrower local business agendas (see Table 3)
- The review should enable and support local and regional variation of approach and be part of a wider process of devolving powers and resources and improving sub-national accountability arrangements in the 2020s
- It is highly unlikely that any institutional reforms will deliver major transformational national and place-based (whether local or regional) solutions without substantive strengthening of the capacity and capability, powers and resources of subnational institutions to intervene effectively.

Many of the issues facing national government in this review were first identified in CURDS' national study of LEPs in 2013¹. This research found that LEPs were attempting to lead and integrate decision-making with multiple funding streams but were constrained in boosting local economic growth and reducing spatial economic inequalities by their centralised governance framework, lack of long-term vision and strategy, relatively limited resources, and fundamental but unresolved issues of autonomy, scale, and geography. At this early stage in their development, we argued enhancing LEP development and effectiveness needed clearer purpose and roles, enhanced powers and resources, and stronger governance and performance monitoring.

2. History and context

Economic development governance in England resembles a pendulum swinging between institutional arrangements at different spatial levels: regional to local to regional to local to subregional (Figure 1). This history is marked by complexity and

¹ Pike, A., Marlow, D., McCarthy, A., O'Brien, P. and Tomaney, J. (2015) 'Local institutions and local economic development: the Local Enterprise Partnerships in England, 2010-', Cambridge Journal of Regions, Economy and Society, 8, 2, 185-204.

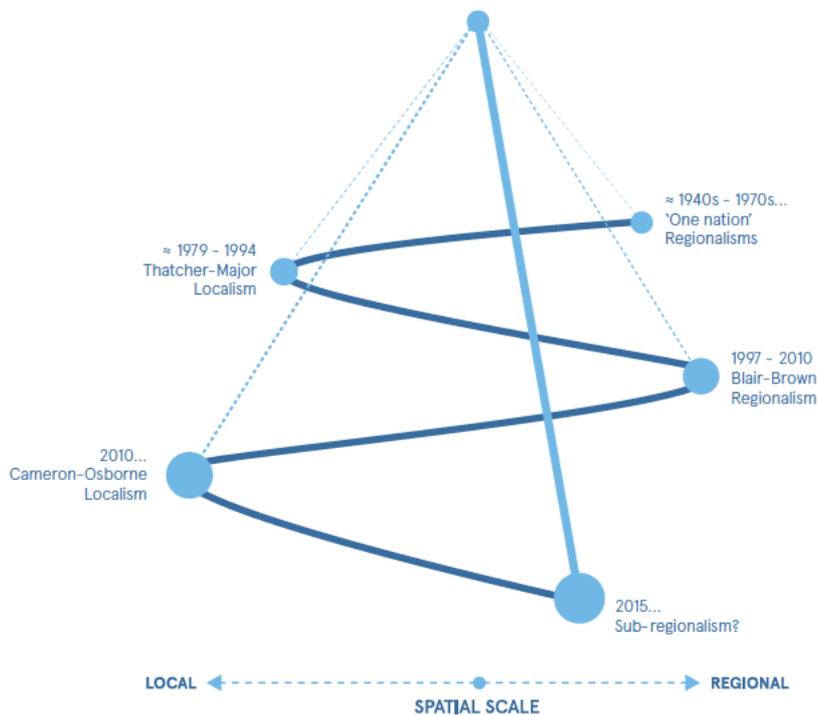
fragmentation. Over three decades ago in the late 1980s, the Audit Commission noted how local economic development policy was characterised by a “patchwork quilt of complexity and idiosyncrasy”². Institutional churn and reorganisation are endemic. Disruptive shifts between institutional architectures have created costs and a hiatus for businesses and other institutions as new institutions and funding initiatives are put in place³. Many of the key bodies have had a roughly decade-long lifespan including: Urban Development Corporations (UDCs), Training and Enterprise Companies (TECs), Regional Development Agencies (RDAs), Regional Assemblies, Local Strategic Partnerships (LSPs), Local Nature Partnerships (LNPs), some Growth Companies, and earlier iterations of Enterprise Zones⁴. Developments in the current policy period suggest LEPs may be about to cross their own 10-year rubicon.

² Audit Commission (1989: 1) Urban Regeneration and Economic Development: The Local Government Dimension, HMSO: London.

³ Martin, R. et al. (2019) The Economic Performance of Britain’s Cities: Patterns, Processes and Policy Implications, ESRC Project Report, <https://www.cityevolutions.org.uk/wp-content/uploads/The-Evolving-Economic-Performance-of-Britain%E2%80%99s-Cities-Patterns-Processes-and-Policy-Implications.pdf>; OECD (2009) How Regions Grow: Trends and Analysis, OECD: Paris.

⁴ Martin, R., Gardiner, B., Pike, A., Sunley, P. and Tyler, P. (2021) Levelling Up Left Behind Places, RSA Policy Impact Book Series: Brighton, <https://www.tandfonline.com/toc/rpim20/current>

Figure 1: Pendulum swings in economic development governance in England



Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

The period since 2010 has been shaped by an ad hoc, deal-based form of decentralisation that has created a patchwork of governance arrangements with different powers and resources devolved across England. While it has been termed devolution, it more closely resembles delegation (Table 1)⁵. As an asymmetrical kind of decentralisation, it generates an array of benefits and costs (Table 2). LEPs have been part of these arrangements and are inherently diverse in their leadership, capacity, resources and local economic conditions and potentials.

⁵ Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Table 1: Forms of decentralisation

| Level | Form | Characteristics |
|-------|-----------------|---|
| Low | Administrative | Administrative functions and responsibilities undertaken at the sub-national levels |
| | Deconcentration | Dispersion of central government functions and responsibilities to sub-national field offices. Powers transferred to lower-level actors who are accountable to their superiors in a hierarchy |
| | Delegation | Transfer of policy responsibility to local government or semi-autonomous organisations that are not controlled by central government but remain accountable to it |
| High | Political | Political functions of government and governance undertaken at the sub-national level |
| | Fiscal | Autonomy over tax, spending and public finances ceded by central government to sub-national levels |
| | Devolution | Central government allows quasi-autonomous local units of government to exercise power and control over the transferred policy |
| | | |

Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Table 2: The benefits and costs of asymmetrical decentralisation

| Potential benefits | Potential costs |
|--|--|
| Accommodate diverse preferences for autonomy across regions | Lack of accountability and transparency |
| Adapting the institutional and fiscal frameworks to the capacities of subnational governments | Complexity and coordination costs |
| Advanced form of place-based policies | Lack of clarity for citizens |
| Experimenting | Potential risks of increased disparities (in capacities) |
| Sequencing decentralisation | Secession and autonomy |
| Providing the enabling institutional environment to design territorial development strategies more targeted to local needs | |
| Tailoring solutions for special challenges | |

Source: Adapted from OECD (2019) Asymmetric Decentralisation: Policy Implications in Colombia, OECD: Paris.

Geographical differentiation is evident where LEPs have found themselves in the new governance landscape of Mayoral Combined Authorities, Combined Authorities, Devolution Deals, unitary local authorities, and Town Deals. In some areas, the LEPs have been effectively incorporated into existing arrangements, for example the London Economic Action Partnership in London and the LEPs in Greater Manchester, Leeds City Region, Sheffield City Region and Tees Valley. The Greater Cambridgeshire and Greater Peterborough LEP has become the Business Board of the Cambridgeshire and Peterborough Combined Authority. Other LEPs have continued with existing arrangements as Mayoral Combined Authorities have been formed in parts of their areas (e.g. NELEP covers the 3 local authorities in the North of Tyne Combined Authority plus four non-Combined Authority local authorities).

Elsewhere, the picture is also mixed. In some areas, the LEP has tended to assume almost a County Council economic development role (e.g. Hertfordshire, Lincolnshire, Oxfordshire, Gloucestershire, and Cumbria). In other areas, a federation of county councils (e.g. New Anglia, South East), a lead unitary county (Cornwall, Swindon and Wiltshire), or a county/unitary federation (e.g. Leicestershire & Leicestershire, D2N2) model is implicit. But other LEPs have been more bespoke, arms-length and established new capabilities (e.g. EM3, SEMLEP).

Since 2020, multiple new national, competitive, and relatively small-scale funds are being managed centrally and routed through local authorities: Levelling Up Fund, Community Ownership Fund, Community Renewal Fund, and Towns Fund. While LEPs had lead roles in administering EU regional policy funds, this responsibility has been lost with Brexit and details of the new UK Shared Prosperity Fund (UKSPF) are yet to be confirmed. The nationally centralised management, allocation criteria, 'pork barrel' politics, and local resources wasted in competitive bidding between local authorities have been raised as criticisms of the current approach.

Alongside funding initiatives being routed away from LEPs to local authorities, LEPs have been missing from key national policy areas relevant to economic development. The UK Plan for Growth and Net Zero Carbon 2050 are national missions in which the place dimensions are absent and there is no mention of LEPs. In innovation and R&D policy, the place dimension is under development and LEPs

are not mentioned. In post-16 education and skills, policy and resources are being located in local skills advisory panels and improvement plans. Local Chambers of Commerce are pushing for the lead and business role.

This uncertain and changing situation has prompted the second national review of LEPs in three years. This 2021 review is internal and without the public consultation of the 2018 review⁶. It follows on from the NAO's (2016) review and progress report (2019), Ney Review (2017) and the BEIS (2020) commissioned assessment of LEP capacity and capabilities that revealed differentiation and raised questions about LEP sustainability if functions and/or key staff were lost⁷.

3. What are the national policy goals?

Clarifying and detailing national government policy goals are critical to identify the policy setting in which LEPs might function and contribute. The aim of 'levelling up' is yet to be formally defined and, at the time of writing, the White Paper is now due to be published in early 2022. However, until clarity and detail are provided on what the aims, policies and resources are to achieve the 'levelling up' goal then identifying the purposes of LEPs is challenging. Clarifying this issue would provide an answer to the question of what national government wants LEPs to do and the responsibilities and resources they would be allocated to deliver this role.

4. Why decentralise economic development?

The basic rationales for decentralisation are eternal and threefold: better matching of public expenditure and services to local preferences; mobilisation of local knowledge on economic potential and costs; and increased accountability of local governments to citizens by bringing decision-making and governance closer to the people⁸. In the current policy episode characterised by national goals and centralisation,

⁶ HMG and MHCLG (2018) Strengthened Local Enterprise Partnerships, HMG: London .

⁷ NAO (2016) Local Enterprise Partnerships, NAO: London, NAO (2019) Local Enterprise Partnerships: An Update on Progress, NAO: London, Ney Review (2017) Review of Local Enterprise Partnerships Governance and Transparency, CLG: London, BEIS (2020) Local Enterprise Partnerships Capacity and Capabilities Assessment, BEIS Research Paper Number: 2020/011, BEIS: London.

⁸ Tomaney, J., Pike, A., Torissi, G., Tselios, V. and Rodríguez-Pose, A. (2011) Decentralisation Outcomes: A Review of Evidence and Analysis of International Data, Report for the Department of Communities and Local Government: London.

decentralisation can perform an important role in reflecting local differentiation and supporting the different local routes to contribute to and achieve national goals. What is required in terms of local economic development across England is becoming more differentiated. The absence of visible and meaningful local institutional leadership and capacity to articulate and address local concerns present a political and economic challenge for national government, especially in planning and delivering post-pandemic local economic recovery.

5. What are LEPs for?

Local economic development institutions traditionally perform several basic roles in reducing uncertainty for local private and public actors: diagnosing local economic development circumstances and issues; leading actors in deliberation and selection of priorities; formulating development strategies appropriate to local contexts and situations; generating, pooling, aligning, and delivering resources and investments; and evaluating the impact of interventions. Within multi-actor and multi-level governance systems, local institutions provide a local voice vertically in dealing with supranational, national, and regional structures and horizontally in co-ordinating and mobilising other local actors in the public, private, and civic sectors⁹.

To date, with the overall aim of delivering local economic growth and increasing local productivity, LEPs have been performing at least two of these roles: setting strategy and developing and delivering programmes¹⁰. The Ney Review demonstrated that the ensuring robust governance role has been more uneven amongst LEPs.

Specifically, LEPs have been given a lead role in local economic strategy making and inclusion of the local business voice. They have exercised this convening power to bring local actors – including other key institutions such as universities as well as policy areas including environment and health – around the table to formulate local economic visions, strategies, and priorities. Such roles are important in creating organisational capacity and opportunities for local actors to consider evidence, think

⁹ Pike, A., Marlow, D., McCarthy, A., O'Brien, P. and Tomaney, J. (2015) 'Local institutions and local economic development: the Local Enterprise Partnerships in England, 2010-', *Cambridge Journal of Regions, Economy and Society*, 8, 2, 185-204.

¹⁰ BEIS (2020) *Local Enterprise Partnerships Capacity and Capabilities Assessment*, BEIS Research Paper Number: 2020/011, BEIS: London.

longer-term and more strategically, and focus on the local economy rather than administrative and organisational boundaries and local politics and parochialism.

Crucially, however, LEPs have been losing their ability to leverage their roles with the moves away from UK and local industrial strategies, strategic economic plans, and absence of an explicit geographical or place dimension in the current Plan for Growth and Net Zero Carbon commitment. Current inputs are evident in local economic recovery plans. The role of LEPs in national fund management and delivery, for example for the Local Growth Fund, has also been superseded in the new policy setting. Without power and resources and with uncertainty about their future, the ability of LEPs to perform their local economic leadership roles is diminished.

LEP effectiveness has lacked systematic monitoring and evaluation of what they do and how well. The NAO (2016) and Ney Review (2017) revealed significant variation in LEP institutional and operational arrangements¹¹. The BEIS (2020) assessment of capacity and capabilities reflected mostly positive self-assessments reported by the LEPs participating in the study. The same research found monitoring and evaluation activities within LEPs were 'light touch'.

This shifting national and subnational policy and governance landscape questions what LEPs are for. The LEP Network has identified potential roles for LEPs in local economic recovery plans, capital projects and fiscal tools, skills and green growth innovation as well as the need for multi-year funding¹².

Informed by the basic roles of local economic development institutions set out above, a more developed framework for considering the drivers shaping potential LEP roles is outlined below (Table 3). These are not the only drivers that will determine the future institutional architecture for local and regional economic leadership and governance in England. It is useful, therefore, to articulate what strategic choices

¹¹ NAO (2016) Local Enterprise Partnerships, NAO: London, Ney Review (2017) Review of Local Enterprise Partnerships Governance and Transparency, CLG: London.

¹² LEP Network (2020) 5 Point Plan for Recovery, <https://lepnetwork.net/media/rfljini4/lep-5-point-plan-for-recovery-final-002.pdf>

and drivers are considered critical to this LEP review in the light of national policy goals. Potential solutions could be situated at various points along the continuums, at different points for different thematic areas of interventions (e.g skills, innovation, infrastructure) and geographies (e.g. GM, Cornwall, O2C Arc, Newcastle).

Table 3: Drivers shaping potential LEP roles

| Restrictive driver | Minimalist illustration | Where on the continuum? | Wide-ranging illustration | Expansive driver |
|---|---|--------------------------------|--|--|
| Top-down instruction | <ul style="list-style-type: none"> • Government determines local and regional models permissible | ←→ | <ul style="list-style-type: none"> • Invite local leadership teams to make LEP reform proposals | Bottom-up, variable proposals for change |
| Narrow local economic development scope and purposes | <ul style="list-style-type: none"> • Business support commissioner and coordinator, information broker | ←→ | <ul style="list-style-type: none"> • Vision and mission-led long-term place-leadership body | Strategic recovery planner and change management |
| Advisory & Deliberative | <ul style="list-style-type: none"> • A channel for formulating and articulating the local 'business voice' | ←→ | <ul style="list-style-type: none"> • Policy determination, managing major programmes and leading local funding bids | Decision-maker and delivery manager |
| Business-Led | <ul style="list-style-type: none"> • Business Chair and a majority of business members | ←→ | <ul style="list-style-type: none"> • Anchor Institution board at apex of partnership arrangements | Local and regional leadership team |
| Nationally accountability | <ul style="list-style-type: none"> • Primarily tasked and accountable to central government | ←→ | <ul style="list-style-type: none"> • Primarily accountable to local constituencies and communities | Local, direct accountability |
| Ease of transition | <ul style="list-style-type: none"> • Use the 38 existing LEPs as building blocks | ←→ | <ul style="list-style-type: none"> • Consider new arrangements and new geographies | Major fresh start and new approach to 'levelling up' purposes |

A minimum-change option might be contracting LEP roles and functions to acting as primarily a local business advisory voice (e.g. running the future local Growth Hub/Business Support Gateway service). If, however, once clarified the Levelling Up priorities require new agendas (e.g. net zero and nature recovery, 'good work', inclusion and redressing inequalities, public health resilience, foundational economies, urban rebooting and use of 'space') in addition to pre-pandemic productivity, knowledge and technology-based innovation then the case for a more fundamental review as part of the LUWP is important and persuasive.

6. How many LEPs and on what geographies?

A core principle of institutional design is 'form follows function'. Clarifying the role of LEPs will inform how many will be required and in what geographical configuration. When compared internationally, studies found LEPs to be relatively small with limited powers and resources and uneven in their match with functional economic areas¹³. Depending upon their roles in the emergent governance and policy landscape, some further reorganisation may be required to reduce their number and increase their scale and rejig their geographies in particular parts of England. A key guiding idea from international evidence is the rationale of attempting to find at least an approximate match of local economic institutions for strategy and decision-making to the local economy. While co-terminosity and seamless alignment between the geographies of local institutions is possible, it is not characteristic of most subnational governance in England. GM is an outlier. An international analysis of Functional Urban Areas (FUAs) in Europe during 2003-2014 found that areas with high levels of government quality and local autonomy but low horizontal fragmentation tend to be the most productive¹⁴. Finding an appropriate institutional geography or one-size-fits-all solution is challenging because of the patchwork of governance arrangements across England.

¹³ CLES and FSB (2014) The Future of LEPs: The Small Business Perspective, CLES and FSB: Manchester and Blackpool, The Smith Institute and PWC (2015) Delivering Growth: Where Next for LEPs?, The Smith Institute and PWC: London, Pike, A., Marlow, D., McCarthy, A., O'Brien, P. and Tomaney, J. (2015) 'Local institutions and local economic development: the Local Enterprise Partnerships in England, 2010-', Cambridge Journal of Regions, Economy and Society, 8, 2, 185-204.

¹⁴ Jong, D., Tsvetkova, A., Lembcke, A. C. and Ahrend, R. (2021) A Comprehensive Approach to Understanding Urban Productivity Effects of Local Governments: Local Autonomy, Government Quality and Fragmentation, OECD Regional Development Papers No. 11, OECD: Paris.

7. How should LEPs be funded?

Without responsibility for national government funding initiatives, the question of how LEPs should be funded arises. Answers need to consider their new roles and match funding to function. Key is addressing the capital and revenue sides of the account. Historically, national government channelled decision-making over allocation of capital funds locally through LEPs. They were typically given limited revenue support beyond initial and relatively modest capacity building support in their early years. If the new roles of LEPs are focused upon inputting to local economic strategy making, information sharing and brokering, advising national government and focused local business and sector support then this will require revenue support from national government. Indeed, the BEIS (2020) assessment recommended an increase and longer-term, multi-annual revenue funding to enable them to recruit staff and support longer-term and transformational projects in their local economies¹⁵. Fees and/or subscription-based models for LEPs are being revisited but garnered limited interest when LEPs were first established.

8. Where should LEPs sit in the ‘local growth architecture’?

Economic development vision and leadership in the current period is being framed by local authorities, either individually or by Mayors or Combined Authority leaders. Mayoral priorities are based upon the manifestos on which they campaigned for their election. A role for local MPs in this space has also been suggested but not clarified. This governance patchwork across England remains unfinished business as local areas are continuing to put forward devolution proposals to national government while what was to be a White Paper on devolution has now been reframed around Levelling Up.

Where, then, does a business-led local economic development partnership sit when the locus of leadership, decision-making power and resources has shifted to local authority-based arrangements? Again, depending upon the national policy goals and the drivers shaping their potential roles, this may require a change in position and relations with local actors.

¹⁵ BEIS (2020) Local Enterprise Partnerships Capacity and Capabilities Assessment, BEIS Research Paper Number: 2020/011, BEIS: London.

Wherever LEPs sit within the new 'local growth architecture', the accountability and scrutiny concerns identified at their outset need to be remedied. Addressing uneven governance and performance was the focus of the 2018 review and introduction of scrutiny requirements in the National Local Growth Assurance Framework including the Annual Performance Review of LEPs. Lack of transparency, unrepresentativeness and insufficient diversity issues have been identified.

Oversight issues have manifest in problems and institutional reorganisation, for example in Greater Cambridgeshire and Greater Peterborough¹⁶. It has been unclear exactly who LEPs represent in any articulation of the local 'business voice' and how it relates to existing business representative organisations including regional and local institutions of the CBI, Chambers of Commerce, FSB, and Made UK. The composition of LEP boards has unevenly reflected their local populations and businesses¹⁷. There is a risk in the emergent landscape that key local businesses leaders will withdraw or not engage with LEPs unless there is meaningful decision-making power and resources at stake.

Where LEPs sit is related to the wider issue of how non-local authority voices are included and heard in the emergent devolved governance arrangements in England. If consensus building and working with partners on strategy-making and delivery are integral to successful local economic development policy and any future LEPs roles¹⁸, then such relations are important. Regional institutions during the 2000s formally integrated 'Economic and Social Partners' in their Regional Assemblies¹⁹. Current channels and mechanisms for the inclusion of such voices is much more variable in the current patchwork governance arrangements across England.

¹⁶ NAO (2017) Investigation into the Governance of Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership, NAO: London.

¹⁷ Ney Review (2017) Review of Local Enterprise Partnerships Governance and Transparency, CLG: London.

¹⁸ Bartik, T. (2003) Local Economic Development Policies, Upjohn Institute Working Paper No. 03-91, W.E. Upjohn Institute for Employment Research: Kalamazoo, MI.

¹⁹ Tomaney, J. and Pike, A (2006) "Deepening democracy and engaging civil society? 'Economic and social partners' and devolved governance in the UK", Regional and Federal Studies, 16, 2, 129-135.

Different kinds and geographies of growth boards with varying purposes and roles have added to the institutional mix in some areas of England. Local growth boards have been established to convene business and civic voices alongside local government (e.g. Plymouth Growth Board). Elsewhere, County Councils have used Growth Boards to manage relationships with District Councils and other relevant bodies like Universities and Chambers (e.g. Oxfordshire, former Buckinghamshire, Surrey). Other Growth Boards have been established as formal Joint Committees of local authorities (e.g. Heart of South West Growth Board) to manage relations with LEPs and other bodies. There are also several national government-led Growth Boards focused on national strategic development projects (e.g. Oxford to Cambridge Arc, Thames Estuary).

9. Options

Given the fundamental questions above and range of drivers shaping the potential roles of LEPs, three basic options are evident.

9.1 'Status quo'

The 'status quo' option of leaving the LEPs unchanged is infeasible given the changing situation and context and lack of clarity about fundamental issues of purpose, function, funding, and geography. Whether or not LEPs have been sidelined by accident, the questions of what national policy goals are and how LEPs can contribute to them are central to their review. The potential to route some of the new national funds through LEPs has not been taken. Uncertainty over the future of LEPs is leading to staff retention issues.

9.2 'Retain and reform'

The 'retain and reform' option could take two forms: nationally-led or locally-led. First, a nationally-led, wholesale version could seek to change all LEPs in the same ways. For example, moving to fewer and larger LEPs decided upon a pre-determined basis (e.g. population, economy) and incorporating them into the existing local authority-led arrangements in their areas, for example on the London or GM models. Representing another swing of the pendulum, the risks are that this option would be a further centralised and top-down reorganisation of local economic

development institutions and would be attempting to introduce symmetrical change into an asymmetrical system.

Second, 'retain and reform' could be locally-led and more selective and targeted in institutional and geographical terms, tailoring change to enable LEPs to better address their local and regional conditions and needs within their particular part of the patchwork of governance arrangements in England. This version of change could be more bottom-up, emphasising local discretion and leadership with local leaders deciding upon the appropriate roles and places for the LEPs in their areas. This option would enable local areas that wish to 'retain and reform' LEPs to do so and allow those that want to abolish LEPs and/or introduce new arrangements to proceed.

Some places may wish to retain and reform LEPs where they have proved functional and effective. For example, where LEPs outside cities provide key roles for towns and rural places lacking other strong local leaders such as anchor institutions including local authorities, NHS trusts, and universities. Others may want to incorporate them into their emergent local governance arrangements, including the mooted County Deals. Reflecting local governance relations and politics and in part a response to the government's 2018 LEP review, the recent closure of the Humber LEP and reconfiguration of LEP arrangements is an example of such selective and targeted local reform²⁰. However, more selective and targeted 'retain and reform' opens the door to further complexity and layering of the already complex and differentiated governance patchwork. It risks generating further fragmentation, incoherence, and loss of legibility in local economic development governance and policy.

9.3 Abolish

Considering the history of pendulum swings and institutional churn in local economic development governance, one option is to abolish the LEPs. This could be a wholesale change to close all LEPs or, as in option 9.2 above, selective, targeted,

²⁰ Q&A: Closure of the Humber LEP, <https://www.humberlep.org/about-the-humber-lep/future-lep-geography/>

and locally-led closure. The risks are reinforcing the national centralisation characteristic of current policy episode and losing any benefits of decentralisation. Limited financial savings would be likely nationally given current arrangements and funding flows. A key question is what would be lost if there were no LEPs? Would the remaining devolved actors and institutions provide the required roles and functions? Could local growth boards or collaborations between anchor institutions provide a sensible replacement? Would the capacity for local economic development strategy-making be undermined or enhanced? How would the business voice be provided and heard?

10. Concluding remarks

The case for review and clarification of LEP roles and functions in post-pandemic sub-national economic recovery and development is necessary especially given what appears to be their marginalisation in recent UK Government place-based policy announcements. This paper argues strongly that Government expectations and requirements of LEPs should be rooted in the policy outcomes sought from the forthcoming LUWP and be positioned coherently in future institutional architecture(s) for devolution, local and regional economic leadership and management. UK Government expectations and requirements are an important but not the only consideration, and the flexibility for bottom-up experimentation and place-based solutions should be enabled. The post-pandemic reset of local and regional devolution and of devolved economic purposes and priorities presents a potential moment to address long-standing national and sub-national socio-economic challenges. If the LUWP provides the policy coherence for doing this, then the LEP review should provide the institutional rationale for LEP contributions to delivering specific and distinctive parts of the LUWP agendas.