Going for growth during austere times: an analysis of growth plans

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Focus and content

The nature, content and role of growth strategies in England during times of austerity, and the capacity of a set of non-statutory bodies to deliver.

Overview:
1. Policy experimentation
2. Austerity
3. Going for Growth: Local Enterprise Partnerships
4. Growth Plans: a comparative analysis of 38 SEPs
5. Final remarks
Ongoing policy experimentation

Recent decades have seen a string of policy/spatial fixes. For example:

- Training and Enterprise Councils
- Urban Development Corporations
- Enterprise Zones
- City Challenge
- Regional Development Agencies
- Local Enterprise Partnerships/City Deals
- Combined Authority/Mayoral Devolution Deals?
The global and national backdrop: tough times

- Economic downturn, Eurozone sovereign debt crisis and fiscal purging
- Age of austerity and public sector retrenchment
- No statutory duty to deliver economic development
- English centralism
- 3/4 of LA income from central grant
- Demand is rising but capacity is diminishing – loss of 2,300 RDA staff and 1,500 GO staff
- Some LEPs have only 1 or 2 core members of staff
- Most special area-based initiatives have been terminated
Theoretical propositions

- During austere times, fleet-of-foot arrangements and soft spaces of governance are favoured.
- Questions of democratic accountability – Increasingly “post-political” governance around a close consensus on growth.
- Fewer top-down targets and a more overt emphasis on local discretion inter-territorial competition.
- Managerialism to entrepreneurialism.
Local Enterprise Partnerships

“A new culture and style of generating growth cannot be introduced overnight. What’s important is to get business at the heart of a strategic vision and a coordinated, targeted effort. Where Regional Agencies failed is that they thought waving a magic wand of money would cure all ills...LEPs know better. And they also know that growth takes time” (Denys Shortt, chair of the Coventry & Warwickshire LEP, since resigned)

“every LEP is different, is organised differently, and has got a different philosophy” (Interviewee)

“couple of the LEPs I spoke to were actually no more than the economic development department of the Council just wearing two hats ... You ring up the person who is supposed to be the Secretary of the LEP board and turns out to be some manager in a County Council” (Interviewee)
“[LEPs] are there to serve a purpose. Economic strategy and the politics and applications of grants” (Interviewee)
Strategic Economic Plans: A comparative analysis of 38 Strategic Economic Plans

- Mean – 160 pages, ranging from 43 pages to 227
- Most are ambitious, articulate and bold visions for growth
- Priorities – skills, transport, broadband and business/enterprise ubiquitous
- But a lot are a mixture of wishy-washy principles, medium-term programmes and specific projects
- Preference for shovel-ready sites and schemes
- Many contain little consideration of social or environmental policy
Findings

“you can only conclude that we are amateurs. We are completely out of touch with the standard practice of every other country” (Heseltine, 2012)
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Growth Deal allocations £ per-head by LEP area (2015/16 to 2021/22)

Source: Adapted from Centre for Cities and author’s own calculations
Some key findings 1 (2)

- Often narrow conceptions of development jobs, GVA
- Many SEPs very similar in content
- Capacity: some LEPs have only 1 or 2 staff
  - “We’ve used and utilised resources and skills to primarily to keep a very focused team rather than creating an industry, let’s say”
- Territorial competition for power and resources is built into the system
- Improved working relationships locally local actors coalescing and innovating around the deal process
Some key findings 2(2)

- Asymmetric process in institutional capacity and outcomes
- No correlation between ambition and Growth Deal agreed
- Ambitious plans are not necessarily viable plans but the assessment framework is at best opaque
- Many plans are “boosterist”
  - “I think the growth targets we’ve got, If I was being polite, I’d say they’re ambitious ... You wouldn’t do any other business plan like this”
- Political need to be seen to be going for growth (nationally and locally)
- Lack of capacity and clarity across Whitehall
Cartoon credits

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Questions and Discussion

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