

Local Enterprise Partnerships...will they become local growth machines?



By Ian McLaughlan, Project Manager, Winning Moves Ltd | T: +44(0)7714 901482 | E: ianm@winningmoves.com

With minimal infrastructure and heavy reliance on private sector goodwill in many cases, how do LEPs help their local businesses grow without reinventing a myriad of mini development agencies?

The business support landscape has been the subject of a radical transformation in the three years of the Coalition Government. A bonfire of 'quangos' has also precipitated their (relatively) big budgets going up in flames. However, it is far from all being bad news. Indeed, most businesses and economic development professionals would enthusiastically welcome the new policy drivers:

- competitive funding, with account taken of relative need, such as Regional Growth Fund
- the three priorities of allocating funding: job creation, job creation, job creation!
- employer-led, demand-led funding, where business controls both the agenda and the delivery, such as the Employer Ownership Pilot
- activity based on 'functional economic areas', with the guardians of local action being the private sector through LEPs
- economies of scale: big bids so lower overheads and more bang for the public buck

But there is a disconnect here. All these praiseworthy policies mitigate against SMEs successfully accessing funding, and as they are the main creators of jobs for UK PLC that is a pretty big flaw. A cursory look at both [Regional Growth Fund](#) and [Employer Ownership Pilots](#) show either big business or previous familiar, public sector names are overwhelmingly prevalent in terms of early successes.

Perhaps this should come as no surprise given the complex world of attracting public funding and there is, of course, nothing wrong with intermediaries acting as the points of access for SMEs. However, everyone's aim is surely for all SMEs to be able to maximize the support and funds they can access, creating jobs along the way.



Both public and private sector LEP partners have battled bravely to secure funding for their SMEs with often scarce resources, but success has been far from uniform and generally it has been the bigger businesses that have emerged with most lucre.

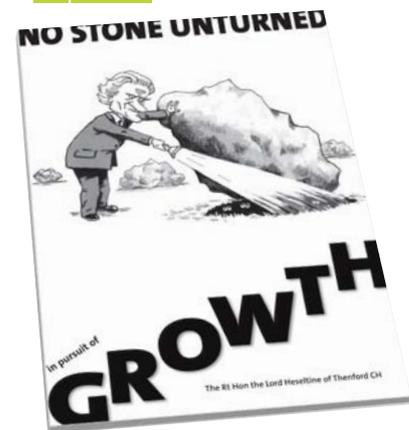
Certainly in areas with well-developed local infrastructure, such as Manchester and Merseyside, it has been almost business as usual. However, in many areas new partnerships with new geographies have taken their time to coalesce, which means their SMEs are in danger of missing out.

To the rescue of limited LEP capacity and SMEs falling through the cracks of support comes the Heseltine report, to transfer resources and responsibility down to a local level. This is surely unadulterated good news for LEPs, businesses and economic development professionals alike. Taking local control of European funds and being able to match them at source against LEP priorities is further tantalizing prospect and ought to allow the cracks in SME support to be filled in.

But how to do this without spawning thirty-odd business support LEP bureaucracies? This could be starting to emerge with some LEPs advertising for highly paid positions, which may run counter to the initial drive to maximize funds and support to business and minimize administrative drag.

The answer would seem to be both straightforward and effective, indeed Lord Heseltine himself hits on the solution: use the existing private sector infrastructure. There is already some excellent business support being delivered on a national and local basis: Growth Accelerator across England and, for example, in Stoke & Staffordshire, a LEP-sponsored local business helpline and web resource to allow people to be given advice and/or brokered to the best solution: whether that be UKTI or Trading Standards.

To the rescue of limited LEP capacity and SMEs falling through the cracks of support comes the Heseltine report...



...to transfer resources and responsibility down to a local level. This is surely unadulterated good news for LEPs, businesses and economic development professionals alike.

Whatever enables a business to get on and grow is what should happen.

The organisations already out there, like Winning Moves, helping companies create jobs and add to the bottom line are in the ideal position to support LEPs in their goals. They have the expertise; the infrastructure, the knowledge and the experience really to accelerate LEP development and impact.

There could be a pool of bid-writers from the private sector, commissioned to write bids for the LEPs or loaned out to SMEs where their projects meet LEP priorities. So ultra-competitive funding can be accessible to any business of any size with ambition for growth.

LEPs could set up social enterprises or joint ventures with the providers in their area and task them with attracting the maximum amount of funding against their goals and priorities. Existing initiatives can be used as leverage in terms of resources, which also helps avoid duplication.

Of course, some of this is already happening but to meet the challenges of the Heseltine report the transformation of LEPs from stuttering starts in some cases into well-oiled machines to drive local economic growth can only be done with the private sector both in the driving seat and as the engine.

If you would like to discuss the ideas or proposals in this article please contact Ian McLaughlan on +44(0)7714 901482, alternatively you can email: ianm@winningmoves.com

For further information on how we can make a measurable difference to you

CONTACT US

3 St Mary's Mews, Stafford,
Staffordshire, ST16 2AP. UK

T +44(0)1785 827600
F +44(0)1785 249304

E info@winningmoves.com
W winningmoves.com

About the author: Ian is an Oxford University Graduate with over ten years' experience in economic development and business support. He has successfully developed and implemented millions of pounds worth of projects with local, regional and European funding. Recent successes include RGF and UKCES Growth & Innovation Funds on behalf of Stoke-on-Trent & Staffordshire LEP and the UK ceramics industry respectively.

Work with us...

YOU'LL BE IN GOOD COMPANY

