

A flurry of activity...

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The 6th September this year will mark at least two significant milestones. There are those of us whose minds will turn to the 40th anniversary of Jimi Hendrix's last ever gig – at the Isle of Wight festival. And there are others who will breathe a long sigh of relief that we have finally met the government deadline and submitted our proposal for a Local Enterprise Partnership (LEP).

LEPs are intended to be civic/business partnerships providing strategic economic leadership for 'real economic geographies'. Government's invitation to submit LEP proposals has sparked a huge flurry of activity by local authorities and business organisations. But much of this activity fails to clear a first hurdle of 'what our real economic geography actually is'.

Most aspirant LEP leadership teams - local authorities and business representative organisations - represent bodies covering administrative areas. Administrative boundaries rarely represent an economic geography well.

For instance, the Luton and Watford Travel to Work Area (which is a reasonable proxy for one type of economy) covers the areas of two councils fully (unsurprisingly Luton and Watford), but also parts of a further seven local authorities. In the absence of an easy match of economic geography with administrative boundaries, much of the LEP proposal work has defaulted to the personal chemistry of which local authority and business leaders wish to work together.

For Luton and Watford, getting together the nine local authorities, two Chambers of Commerce (both of whom cover 'historic county' areas much larger than Luton and Watford), other business leaders, two universities etc.; let alone their agreeing what a LEP would do and what its priorities would be is just too difficult – especially over the very short summer window of opportunity to submit proposals.

So, on 6th September, Government will have before it two very different outline LEP proposals for that 'real economy' – one based on the Hertfordshire administrative county; and a 'South East Midlands' LEP in which Luton collaborates with Milton Keynes, and potentially some towns as far away as Northamptonshire!

If LEP proposals based on administrative boundaries are almost inevitable for 6th September, how can these new partnerships actually tackle issues in real economic geographies?

Firstly, LEPs need to pursue a permissive, almost promiscuous, approach to membership and cross-boundary working. Places like Barnsley, for instance, whose economic performance is integrally shaped by two major cities to the north and south is already a member of both Leeds and Sheffield 'city regions'. This pattern of dual memberships brings a much greater sense of real economies to decision making in Sheffield and Leeds whilst also representing Barnsley's genuine economic challenges much better than any singular administrative straightjacket.

Secondly, partnership working requires time and genuine effort to build trust, common understandings, and the confidence to resolve differences without partners becoming disillusioned and withdrawing. This is not determined by administration or through governance structures

(necessary as these are). Better LEPs will be those who, post-6th September, take the 'time-outs' to make this effort.

Thirdly, the local authority/business partnership is crucial. Given future growth during the public expenditure squeeze will need to be private sector driven, are local authorities prepared to support prominent business leadership of LEP priorities and activities?

Fourthly, decision-making needs to be rooted in a deep understanding of how the real economy works. The assembly and analysis of evidence on a 'real economy' basis needs to be an early task of the LEP Board – even if this drives them to prioritise collaboration with areas outside the administrative construct.

None of these four prerequisites for LEP success are particularly novel or new. But it is striking how rarely they are achieved. Consequently, it seems very likely that government will be faced with a huge mixed bag of proposals in the next fortnight. For instance, we can anticipate a well-argued, ambitious, evidenced proposal from a Manchester City Region partnership whose members have a long track record of working together through good times and bad. At the other extreme may be the singular appeal of the administrative area who says little more than 'we're quite big and (politically) important and therefore we must have a LEP'.

On the 6th September, I hope to take a moment to recall Jimi's wonderful final performance. When he took to the stage and sang "Castles made of sand, fall in the sea, eventually" nothing was further from his mind than the reconciliation of administrative and economic geographies. He was way ahead of his time. If LEPs are really to be an answer to local economic challenges, we will need to build them on much firmer foundations than the administrative sand of government's 'quite big', local political allies.

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