

Local authorities and economic development in 2013 – can local dynamism counter a national low growth economy?

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Summary

- The global economic outlook is uncertain. National forecasts show a continuation of a lengthy period of low growth (at best). The need for local authorities (LAs) to contribute to and lead local growth has, arguably, never been greater.
- Doing this effectively requires LAs to understand, plan and manage both their local economy, and the major changes the coalition government has made to the sub-national economic development landscape since 2010.
- During the latter half of 2012, LGiU produced a number of briefings on key aspects of this changed landscape – LEPs, city deals, autumn statement etc. This briefing builds on these to provide a checklist of considerations for LAs in terms of economic development as we enter 2013.
- Understanding the local economy, a vision and strategy for the future, strategic relationship management, capacity and capability to intervene effectively, and engaging with national and EU opportunities are each examined as key components of a local approach. Pulling these together in a 'city deal' or an economic chapter of a 'whole place community budget' is a major undertaking, but can arguably provide a coherent foundation for 2013 efforts and energies.
- This briefing will be of particular interest to LA leadership and policy teams with economic responsibilities, their partners especially in LEPs (local enterprise partnerships), and to economic development and related professional teams.

Briefing in full

Introduction: We are now over five years since the global financial crisis (GFC) of 2007-08 plunged the world (and UK) economy into recession, and just over half way through the five year term of the UK coalition government that began in May 2010. In this period the previously-accepted orthodox local economic development models – international, national and local – have been super-ceded by new agendas and

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approaches. However, a return to long-run sustainable growth and development seems elusive, and the optimum role and functions of LAs in this process remains 'work-in-progress'.

A number of LGIU briefings have covered the impact of changes on local government's economic development policies and practice. For instance, in the last six months of 2012 alone, briefings have addressed [Local Enterprise Partnerships \(LEPs\)](#), [city deals](#), the [Heseltine 'No stone unturned...' report on economic growth](#), the [autumn statement](#), and a range of associated topics.

This briefing seeks to build on and pull together this earlier work, to present a coherent framework for LA considerations on economic growth and development as we firm up 2013/14 budgets, business plans, and medium term strategies.

Economic and fiscal outlook: The short and medium-term outlooks for the UK economy deteriorated during 2012. By the time of the autumn statement, the [Office for Budget Responsibility \(OBR\)](#) was forecasting an overall 0.1% fall of GDP in 2012 and has revised its forecasts downwards to at least 2016. Economic output will not reach where we were in early 2008 until early 2014, and thereafter will grow more slowly than in the 'noughties'. The consequences of extended national slow growth for the UK means fiscal austerity for longer than George Osborne previously intended. The [autumn statement](#) suggested public sector reductions will continue until at least 2017/18. Since the March 2012 budget forecast, a further £12bn is taken out of current expenditure with gross investment broadly flat.

The direct implication of this for local authorities (LAs) is no direct financial stimulus in 2013/14, followed by a £445m cut in 2014/15, supposedly to be mitigated by further moves to community based budgets. This means a very heavy agenda for LAs in 2013/14. Keeping mainstream services viable, whilst continuing to manage the social care financial cliff, council tax benefit localization and reductions, assumption of public health service responsibilities, and even, in the related economic area, planning reforms – suggests economic development will face severe competition as a serious LA priority.

Nevertheless, the autumn statement does provide a number of more positive contextual considerations for LAs and especially for their LEPs. 1.2million private sector jobs have been created since 2010 (albeit many of them part time), and apprentice starts are now running at over 500,000p.a. A £5.5billion infrastructure investment package for roads, schools, colleges and science is confirmed, as is a £1billion business bank and £1.5billion in export guarantees. Additional monies for Regional Growth Fund, for superfast broadband in selected cities, for UKTI for export promotion, for enterprise zones, and for development of public land, all provide potential local stimuli for growth in specific areas. Moreover, LEPs are to be given greatly increased influence over a single pot of national resources from April 2015

(part of government's response to Heseltine's review) – subject to their producing compelling growth strategies, investment programmes, and bidding documents.

Government's 'mid-term review': On 7th January 2013, Cameron and Clegg shared a platform to take stock of the coalition's first two and a half years, and to reaffirm their commitment to working in coalition until elections in 2015. They published both a 'mid-term review', and a more detailed update of progress made against the coalition agreement in the first half of the current parliament. In terms of local economic development, the review sets out a potential agenda for the next two and a half years which suggests a local focus on:-

- Realising opportunities for local devolution of economic powers and resources through government's response to Heseltine 'single pot', and city deals
- Ensuring local housing, transport and infrastructure priorities are investment-ready, to feed into the relevant national priorities in these subject areas
- Sector strategies – especially in industrial and high tech sectors
- Making the most of HE and FE assets to drive local growth through their skills, employment, enterprise, science and knowledge-based capabilities
- Enabling SMEs to take advantage of export, deregulation, and business funding programmes
- Supporting disadvantaged communities to access the employment opportunities of welfare reforms, work programme and specialist initiatives
- Aligning local low carbon economic ambitions with national energy and 'green economy' strategies like new 'Green Deal' and 'Green Investment Bank'
- (Although not mentioned explicitly) preparing for the next round of EU funding

This provides an agenda for 2013-15 against which to check and triangulate approaches to local economic development (LED). Doing this well, however, will locate government's mid-term review prescriptions in a coherent LED framework.

Understanding local economies and 'the local economy': The prerequisite of having an effective approach to LED is an understanding of the local economy and how it works in some detail. Whilst this may seem an obvious point, too much LA economic development in practice has tended to be about chasing funding, flagship inward investment opportunities, or responding to crisis.

A starting point for local economic understanding needs to transcend administrative LA boundaries and to look at economic roles and functions of real places (cities, towns and communities), their relationship to each other, and to drivers of economic

performance – e.g. labour and capital markets, skills, enterprise and innovation, connectivity, and basics such as population, expenditure etc.

Of course, having made this point, much economic intelligence is provided on a LA geography basis. The previous government required LAs to prepare local economic assessments. Whilst production of these in specific formats is no longer mandatory, their updating should provide a good basis for economic understanding.

Updating of previous work should draw on latest statistics from government, ONS and other bodies. For instance, during 2012 ONS produced the first detailed results of the 2011 census, and also new statistics of economic performance (notably gross value added – GVA) for local areas in 2010 and 2011.

The 'Key statistics for England and Wales' cover age, health, ethnicity, religion, marital status, accommodation, skills etc., for LA districts. They are supported by 44 data tables; three reports; and a comparison of labour force survey (LFS) and census labour market indicators in England and Wales. The releases produced a media outpouring of debate around characteristics of a 'two tier' Britain – e.g. impact of increasing migration, 'loss' of religion and particularly Christianity as a majority characteristic in some areas, differences between London and the rest of the country

However, national generalizations oversimplify a much richer set of stories – including economic narratives – about differences within and between regional and sub-regional geographies, and LAs need to understand and use this intelligently.

Similarly, overall, the GVA releases confirmed the general slowdown in growth in 2011 (i.e. the double dip character of the recession) compared to 2010. Whilst GVA per head rose in all regions, the rise was universally slower than 2010. Again, however, the detailed pictures can be much more interesting. The GVA releases include time series from 1997-2011 at current prices, GVA per head, a UK index figure (where UK=100), and breakdowns for ten industries. This can give a real sense of medium term performance and challenges as well as short term analysis.

Local labour market indicators are also revealing and important. Employment participation rates for 16-64 year olds range around an average 70.2% – from eight local authority areas (including Birmingham and Manchester) with rates under 60% to 30 districts with rates over 80%. In terms of job densities (i.e. the number of local jobs compared to the local labour market), 10 districts have ratios of under 45% (meaning a huge majority of out-commuting), whilst ten have over 120%. Many of these extremes are found in London, but even in the north east, densities for the three (potential) city deals vary from 91% in Newcastle to 63% in Sunderland, with Tees Valley ranging from 50% in Redcar and Cleveland to 91% in Darlington. It is a pity we have to wait until later in the decade for fuller travel to work area analysis.

National government data should always be supplemented by other sources and be interpreted locally. For areas of specific interest, economic forecasts can be commissioned from economic modeling companies. Good practice suggests local

understanding needs some sort of standing local intelligence community and panel. A panel will engage public, private and community sector, professional academic and business insights, ideally on a 'functional economic area' (FEA) – i.e. sub-regional or LEP geography – rather than for a single LA. More ambitious areas have also set up high profile 'commissions' to provide an independent overview of economic challenges and opportunities. Two such examples are the [Heseltine and Leahy analysis for Liverpool City Region](#) (which was very influential in the subsequent Liverpool city region city deals), and the current exercise chaired by Lord [Adonis in the north east](#). Similarly Heseltine is currently working with Greater Birmingham and Solihull (GB&S LEP) and Humber LEPS on exercises to progress his 'No stone unturned...' recommendations.

Vision and strategy for the future: With a deep and insightful understanding of the local economy, the next major foundation for economic development policy and practice is the vision for the area, and strategies for achieving the vision.

Government has clear expectations of sub-national areas – now led by their LEPS – formulating local growth strategies. These will need to be progressed significantly during 2013/14 in the expectation of LEPS being able to:-

- Bid into a 'single pot' for growth and development from April 2015 – potentially comprising transport and infrastructure, skills, employment, enterprise and innovation components.
- Meet the emerging strategic and operational programming requirements for being matched by the next round of EU structural funds.

LAs need to be major contributors to formulation, delivery and performance management of these exercises.

Local strategies are likely to focus on a small number of key drivers of growth, but, even modest interventions will have physical, economic, social and environmental dimensions. On the physical side, the LA Local Plans/core strategies across the FEA need to be updated (or adopted) for NPPF compliance, specifying scale of housing and jobs growth, and also any specific development requirements and standards. Key strategic sites, urban functions and hierarchies, and enabling infrastructure (including ICT/Superfast broadband) investments need to be identified, and an investment plan/framework put together to give confidence that these can be delivered. In the light of government's Growth and Infrastructure Bill – with provision for 'renationalising' many major planning decisions – the importance of LAs delivering robust NPPF compliant local plans cannot be overstated.

The economic strand of a growth strategy should cover measures for developing key high growth/high value sectors and/or technologies in which a FEA has a particular market advantage or opportunity; together with more mainstream activities that generate or safeguard employment (e.g. retail, leisure, business services etc). It will also identify skills priorities for meeting business demand. Social interventions should connect deprived communities (of place and interest) to the drivers of growth

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both directly and in complementary activities. Finally, any 'fit-for-purpose' strategy needs to have a low carbon character both in terms of the overall environmental footprint its implementation produces, and also in the specific exploitation of low carbon growth sectors like renewables and environmental technologies.

As LAs either produce their own economic visions and strategies or collaborate with their neighbours/LEPs to do so, it is important to avoid allowing the strategy to descend into an 'identikit' narrative that could apply to almost anywhere in the country. Local economies need to differentiate themselves from comparator economies, focus on and within specific market segments (i.e. of both challenge and opportunity), and consider the potential for clustering and agglomeration (both within but also across boundaries). I know that most places believe they have done this (often many times in successive strategy formulation exercises). What is sometimes missing, though, is the honest, hard-hitting challenge to local accepted wisdoms. I don't expect, for instance, any functional economy in England to be an advanced manufacturing- free, green technologies or creative sector-free area – but nor can all of us genuinely have a world class edge. Similarly, understanding property markets – industrial, commercial, retail, residential etc – and ensuring the planning system (e.g. through CIL or other requirements) positively supports the economic goals is crucial.

Contemporary best practice (see for instance OECD's ['Local approaches for local jobs', 2011](#)) stresses a quite sophisticated mix of unlocking endogenous potential in functional economic areas, with integrated development programmes combining physical, business and social intervention strategies, within an overall low carbon discipline. This type of visioning and intervention strategy exercise should be a precursor to offers and asks of national government and international markets.

Financing and resourcing intervention strategies: The strategy needs to mobilise public assets, and finance from public (including future EU programmes) and private sectors. The overall pattern of national approaches for the remainder of this parliament is probably broadly set. The strategy can guide deployment of Regional Growth Fund, Growing Places Fund, Enterprise Zones development, HCA housing programmes; DBIS's renationalised skills, enterprise and innovation functions; DWP's work programme and other welfare reforms; DECCs low carbon agendas; and approaches to innovative financing (e.g. business rates retention, community infrastructure levy, tax incremental financing etc).

There will be funding gaps. Closing these requires prioritisation and phasing, but also innovative, entrepreneurial approaches to managing risk. A specific priority for 2013/14 should be detailed consideration of the next round of EU programmes. The potential of these programmes to provide a major stimulus to specific local economies over a period when national public funding austerity is very likely to remain in place, cannot be overstated. Although budgets have not yet been set, nor distribution formula agreed, the CLG Committee consideration last year of the next round of structural funds suggested per capita figures of €1,364 for less developed regions, €537 for 'transition' regions, and €173 in the more developed regions. On this basis, Cornwall and Isles of Scilly might expect a programme of around £100m.p.a.; a larger (in population) transition region like Merseyside would receive a

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similar scale of programme; and even a more developed region/LEP area would receive over £20m.p.a. for every million population. These are significant amounts in any era – let alone the remainder of this decade.

Mobilising finance is one thing – effective implementation is another altogether. This is, perhaps, the greatest challenge for LAs and their local economic leadership partners – especially in LEPs. Prior to the coalition, delivery management of major investment programmes was typically either undertaken, overseen and/or supported by RDAs and HCA – both of whom had extensive capacity and capability to discharge these functions. RDAs and HCA also supported major local delivery vehicles – such as URCs, economic development companies etc. With the abolition of RDAs and the streamlining of HCA, the focus on LAs stepping up their roles in direct delivery and enabling local delivery management is immeasurably increased. Indeed, government’s autumn statement gives LEPs major strategic leadership functions, but makes it clear it does NOT expect LEPs to become major delivery bodies. Councils need to determine the delivery framework for the new models of growth and development, and then work with partners on ensuring the necessary capabilities, resources, structures and processes are in place to ensure and assure (including performance manage) delivery. Options are likely to include a mix of:-

- A **‘development team’** approach (e.g. drawing together planning, regulatory, economic development and other relevant services) within the individual local authority which enables business to have confidence it can have a ‘single conversation’ with a supportive, cohesive and effective council
- Consideration of the costs and benefits of a **‘shared services’** arrangement with other (normally neighbouring) LAs and other partners – either for economic development or for related clusters of services. Where this involves a ‘strategic partnering’ arrangement with a private (or third) sector provider, it is important that the commissioning arrangements make explicit the development objectives, and incentivize their delivery
- Firming up the delivery management roles, functions and capabilities of the **LEP**. Beyond strategic leadership responsibilities, LEPs are also accountable for a number of public funding programmes – GPF, some RGF programmes, rural growth networks – and may bid for and be delegated others (including EU-funded) in the future. This requires, at the very least, effective commissioning and performance management capabilities – but might suggest more extensive roles within a ‘shared services’ configuration.
- **Specialist local ‘arms-length bodies’** (ALBs) is another option for implementation management and delivery – reinventing or adapting UDC, URC, development company and joint venture models of previous regimes. The rationale for some form of arms-length arrangement is varied – branding and positioning in the market; mobilising private sector involvement, leadership and delivery capabilities; tackling issues in a coherent economic geography that requires cross-boundary working; managing specific funded

programmes, projects or services. Public austerity spawns innovation. Asset-backed vehicles, shared services models, and special purpose vehicles (co-funded by new development instruments like TIF, CIL, perhaps business rate retention/ enterprise zone revenues, municipal bonds etc) are worthy of consideration. Specialist local bodies are particularly appropriate where LEPs cover multiple economic geographies (so they cannot assume delivery functions without becoming 'mini-RDAs'), and where it is increasingly problematic to support in-house delivery from mainstream LA funding streams

- In many LAs, a **mix and match** of the above will become the new delivery landscape – and this, of itself, creates issues of 'fit'/ match for the council and its own character – e.g. commissioning council, cooperative council etc.

Strategic Relationship Management: Even armed with expert economic understanding, strategic clarity, and credible delivery arrangements, LA approaches to LED will rely on positive and strong strategic relationship and stakeholder management. In particular, LAs need to consider how they engage, both strategically and operationally with, in particular:-

- **LEP(s):** Government has now placed LEPs at the heart of sub-national approaches to growth – with responsibilities, inter alia, for formulation of the local growth strategy, the next round of EU structural fund programmes, establishment of local transport boards, stewardship of enterprise zones (EZs), growing places fund (GPF), and a range of other national programmes. LAs are likely to be core funders of their LEP(s), and may well have board representation. Being a positive, proactive role player in LEP developments over 2013-15 is likely to be a major prerequisite for LA influence on national and local growth priorities.
- **Government departments and agencies – HCA, TSB, UKTI etc:** Notwithstanding government's 'localism' protestations, many previously sub-national functions of growth interventions have been renationalized by the coalition. The abolition of RDAs and Government Offices has also widened the range of central government departments and agencies with whom relationships need to be considered, or whose priorities and programmes need to be kept in view. This briefing cannot provide a comprehensive list, but most LAs and certainly all LEPs need either profile with or understandings of:-
 - **Key government departments:** DCLG (planning and infrastructure, housing, regeneration, town centres), DBIS (enterprise, skills, innovation – including BIS Local), DECC (green growth and energy), DEFRA (rural, food and drink, agriculture), DfT (transport), DWP (employment), DCMS (cultural sectors, tourism and broadband)
 - **Major agencies:** HCA (housing, public land development, and physical regeneration); TSB (innovation), together with their seven 'catapult' centres – see below); UKTI (trade and inward investment); HEFCE,

Skills Funding Agency and various other skills and apprentices bodies; Highways Agency, Network Rail, Local Transport Board; Local Nature Partnership; relevant DCMS cultural agencies, BDUK (for broadband)

Other national relationships will also be important to specific areas – from, for instance, major agencies like the NHS (e.g. for the health economy) to slightly more arms-length bodies like NESTA (e.g. for creativity and innovation)

- **HEIs, FE colleges and Research and Technology Organisations (RTOs including Catapult centres):** The local knowledge economy is crucial to growth strategy, and requires a much deeper relationship with local universities and FE colleges than hitherto. Exploiting university capabilities for high-value knowledge-based growth and as an integral component of a place's economic brand is likely to be a foundation of growth strategy. This needs the university to be a rounded player of the local economic leadership team. Similarly FE colleges are major providers of workforce skills both for students and existing labour force. They need incentivizing and supporting to align their priorities with local economic and employer need (as well as individual student preferences). Finally, national and local RTOs are increasingly being asked to focus their research and development on commercialization, economic and export opportunity. For instance, the seven TSB 'catapult centres' are national bodies charged with exploiting advanced manufacturing, offshore renewables, cell therapy, future cities and other specific opportunities. These (and other TSB and Research Council-funded) centres have local footprints which need to be factored into the local strategy. Ensuring your local businesses (especially SMEs) have access to these national and global programmes is a key component of any local brokerage service and/or information portal.
- **Key local business and 'third sector' relations:** Beyond LEPs, national government, and the knowledge-based sectors, all LAs need to regularly refresh their approach to business relations management. Knowing and understanding key employers – their performance, intentions, and 'asks' of the public sector – and acting on this intelligence can give local economies a real edge in national and international markets. It also gives early warning and a more coherent response in the face of future difficulties. For some employers the relationship should be direct, but, as often, it will be through key business intermediaries and representative organizations – Chambers of Commerce, IoD, CBI and also specialist bodies like EEF or ICAEW. Refreshing the relationship is partly about ensuring that council services are 'business-friendly' and responsive – but is also about the LA as advocate and broker of business priorities and needs with national and LEP-level leadership teams and delivery bodies.
 - **Town centres:** One specific area where LAs have a pivotal role as both deliverer and advocate in partnership with local role players is on town centres. This was dealt with extensively in the [May 2012 LGiU](#)

[briefing](#), which also provided a menu for 2012-15 LA action. An early light touch review of progress against this agenda is recommended.

- **Profile and reputation:** Strategic relationship management needs to deliver ‘what it says on the tin’ – i.e. it should be founded on a coherent, credible and consistent ‘branding’ (perhaps adapted for target markets and audiences), and managed strategically. A one-off marketing campaign which is not long-term relationship-based is highly unlikely to be effective in driving growth. Most areas already appreciate this, but, if not already doing so, a professional PR contribution to impending local growth strategy formulation and implementation exercises should be pursued. This will inform branding, marketing, communications and stakeholder management activity. Within this particular attention may be paid to:-
 - **Developer, investor and land owner forums** – ensuring and discussing the ‘signals’ planning and regulatory systems are sending to investment markets – especially where LAs are progressing Local Plan and CIL regimes, looking at local public land development, and seeking to realize flagship transformational physical opportunities
 - **Global markets** – working locally in the first instance, and thereafter with UKTI, to establish brand and profile in international markets. A local approach can realize advice and power of endorsement from major existing globally owned businesses in the local economy; build on, for instance, BME and/or immigrant business and community linkages, university alumni and international campus relations.

City deals, LEP growth strategies, and whole area community budgets: Clearly, the agendas above are complex and extensive. Pulling them together into a coherent whole is challenging. But government promotion of city deals and whole place community budgets are potentially extremely powerful processes and instruments for doing this, and were dealt with extensively in LGiU briefings in late 2012. Similarly, the proposal that LEPs produce and agree growth strategies (effectively in 2013/14) for bidding into a single (decentralized) growth pot from April 2015 can serve a similar function.

Individual LAs need to consider how far they share ‘sovereignty’ over their approach to LED with neighbours, at county level (for two tier areas), at LEP level – and how to respond to government-endorsed approaches. There may be occasions where city deals, LEP growth strategy, and economic dimensions of whole area budgets will come together – Greater Manchester being the only case for this to date. Potentially, however, LAs might be dealing with all three instruments separately. For instance, York is part of the Leeds city region city deal; will also work with North Yorkshire and East Riding on the LEP Growth Strategy, and as a unitary council may well wish to have specific economic dimensions in an impending community budget.

The need for a comprehensive approach is self-evident, achieving it in practice may be far from simple, but is a final crucial component of LA effectiveness in this area.

Comment

The title of this briefing posed the question ‘can local dynamism counter a national low growth economy?’ And it attempts to answer the question by drawing the readers’ attention to earlier LGiU briefings, coupled with a high level review of the local economic development landscape.

Broadly speaking, there are grounds for optimism that LAs and our partners (especially LEPs) can answer the question posed positively. However, it will require huge effort, creativity and commitment in an era when the sector is under major strains elsewhere, and the general economic climate is not helpful.

The prerequisites for this positive answer at LA and LEP level are ensuring that we:-

- Understand national and EU landscapes for local growth and development
- Have a deep intelligence of how our local economy works, and its place in global, national and regional/sub-regional markets
- Use these understanding to develop and agree distinctive and credible vision(s) and intervention strategies for the economy
- Turn the strategies into resourced operational plan(s) with capacity and capability for delivery (and performance) management
- Underpin strategy and delivery arrangements with a positive and strategic approach to relationship management locally, reinforcing positive profile and reputation nationally and internationally
- Pull these tasks together into a coherent, agreed delivery and partnership framework through a mechanism like city deals, whole area community budgets and/or the LEP growth strategy

The LA ‘big ticket’ items in 2013/14 to progress these prerequisites are likely to be:-

- Working with neighbours and partners to move the LEP to the next level of institutional maturity, including formulating the local growth strategy, and the likely foundations for the next round of EU structural funding
- Ensuring the Local Plan/Core Strategy is in place – growth-oriented, NPPF compliant, and providing a viable framework for delivery of major investment
- Mobilising resources (including physical assets, innovative financing, and managerial/leadership capacity) to be able to deploy (or contribute to) a credible delivery capability for development priorities over the medium term

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- Providing (and contributing to) leadership of the profile and reputation of the area as a growth friendly and business-facing location where economic ambitions can be realised
- Determining how the area will play in city deals (including any wave three), and the economic components of whole place community budgets
- Delivering one-two distinctive, specific local interventions (ideally local priorities of national significance), which give confidence to national government and local partners of the capabilities and commitment of the LA as a partner to be trusted in growth and development agendas

There is a major collective LA sector lobbying and advocacy element to these agendas. For instance (four examples only):-

- LAs should seek proactive 'top table' involvement in the impending 2013 spending review, in particular to press the Heseltine single pot and other mechanisms for enhanced economic devolution and decentralisation
- There is a huge issue over the future shape and character of city deals and whole place budgets. Should these continue to be competitive processes, or available to all who have well-founded, compelling propositions? Are these bilateral negotiations/agreements with government departments and agencies, or genuine devolution with local flexibilities to reallocate national resources seamlessly across functions and over time?
- The sector also needs to determine whether it is prepared to tackle the issue of revenue-raising powers seriously. To date, government approaches have been largely limited to expenditure agreements (with innovations like business rate retention, TIF, 'earnback', enterprise zones highly regulated and restricted). With council tax effectively frozen (thereby neutering much of the potential of prudential borrowing for growth investments), the limits to local dynamism are highly circumscribed.
- Finally, even within expenditure and departmental/agency frameworks, how do we press and incentivise currently place-blind national bodies to embrace place-shaping and making?

The reality is, over 2013 and beyond, areas' economic performance will vary widely. Much of this will be market-led. Much of it will be the consequence of decisions of national government and their agencies. BUT some of it will be determined by the decisions and performance of LAs, LEPs and local partners. The steps outlined in this and associated LGiU briefings are intended to assist LAs to maximise their contribution, and to be able to demonstrate that contribution convincingly. LAs being able to 'prove' our contribution to the prosperity of our area and communities will be one of the most important determinants of the future influence and health of the local government sector.

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