

Item 3

The economy and the LG Group improvement offer

Purpose of report

To assist Members in determining the potential scope of an improvement offer in relation to the remit of the 'Economy & Transport' Programme Board for 2011/12.

Summary

The Local Government Group's Economy & Transport improvement offer has to date focused on supporting councils in developing Local Enterprise Partnerships (LEPs), tackling unemployment and leading the improvement of their local economy.

The LG Group's RSG Prospectus and draft 2011/12 Business Plan commits the Group to helping Council's achieve six key outcomes, including the development of 'strong local economies'.

The context for shaping and driving local economies is radically changing. There is an increased emphasis on local authorities working in new ways with businesses and partners, particularly through LEPs to address 'sub-regional' opportunities/barriers to growth.

The paper suggests that a future Group-wide approach to support for council improvement should focus on addressing the new challenges of working at the sub-regional level. This might be complemented by detailed support on new approaches to assembling funding and to organising/resourcing local capacity to deliver regeneration/economic development work, as well as on support to business through council regulatory services.

Recommendation

That Members consider the options for developing a support offer to councils within the Economy and Transport Programme and identify priorities for the next financial year.

Action

Officers to reflect the Board's priorities in a draft programme budget to be taken into account in the Group's corporate planning process for 2011-12.

Contact officer:

Ian Woolford, National Advisor for Places & Prosperity,
LGID and Kamal Panchal, Programme Manager, LGID

Contact details:

020 7296 6866 / 6618, ian.woolford@local.gov.uk
kamal.panchal@local.gov.uk

Item 3

The economy and the LG Group improvement offer

Background

1. To facilitate Member's initial consideration of the scope of an LG Group 'Economy improvement offer' this report provides:
 - 1.1 A brief snapshot of current improvement work;
 - 1.2 An outline of the possible areas for undertaking improvement work within the context of the Coalition Government's emerging policy framework.
2. It is worth reading this report in conjunction with the paper at **Item 2** which discusses the new policy context in which councils are now operating.

Improvement work in 2010/11

3. The Group's approach to an 'economy improvement offer' has evolved during the financial year to reflect the challenges and opportunities for local authorities that were emerging as part of the Coalition Government's new agenda. Core work in relation to economic assessments, tackling unemployment, Local Partnership's support on delivery vehicles, financing infrastructure and project management and LGR's (Local Government Regulation's) support on business regulation continued or were adapted. However remaining resources have been redirected into supporting the development of Local Enterprise Partnerships.
4. The Group established an online Community of Practice (CoP) to support authorities in preparing/developing LEPs. There are currently 360 members, mostly officers, with representation from all LEP areas. The Community of Practice is supported by a range of virtual and actual events designed to share information and a panel of experts/practitioners. Development papers are regularly prepared. Current topic areas include:
 - 4.1 LEPs: The next 6 months;
 - 4.2 Bidding for Regional Growth Fund;
 - 4.3 Private Sector Involvement;
 - 4.4 Governance & Leadership;
 - 4.5 Mobilising resources;
 - 4.6 Prioritising LEP activities.
5. There will also be a programme to share the early development work/learning from those LEPs that are in the first operational phase.

Item 3

6. Improvement and development work has been directed at officers (at a range of levels) as well as Members. The Leadership Academy has piloted new programmes in relation to LEPs as well as 'Leading Places' with an emphasis on utilising some of the Coalition Government's emerging policy framework that places the emphasis on local politicians shaping and driving the prosperity of their areas using existing and new powers.
7. We have not, historically, made a support offer to councils specifically in relation to transport issues. Officers are currently involved in discussions with DfT, at their invitation, about the possibility of delivering an efficiency programme relating to transport.
8. Local Partnerships supports councils in developing PFI schemes and other vehicles intended to take advantage of partnership with the private sector to increase investment in local infrastructure.
9. Local Government Regulation has offered support to council regulatory services which are for many councils a vital way in which they support businesses, whether by helping to reduce the burden of regulation and enforcement on compliant businesses, or by protecting legitimate and honest high firms from unfair competition from illegal trading.

Emerging economy framework and potential areas for improvement and development

10. The economic development landscape is undergoing major change. Local authorities will potentially have greater scope to shape, collaborate, influence and promote how their local economies develop. A key part of this approach will be an emphasis on individual communities identifying their own objectives. For some this may well focus on re-balancing their economy and striving to attract businesses and jobs. For others this may focus on protecting and enhancing historical and natural assets. The key message for the LG Group is that there is unlikely to be universally applicable 'best practice models'. The LG Group will need to develop an improvement and development offer that responds to this new agenda.
11. In this new policy landscape, we suggest our priorities should be:
 - 11.1 Focusing on enabling/improving local partnership working, providing strong leadership and influence at both the LEP/LA level and aligning services/mainstream activities to support the economy. This implies an increased emphasis in our offer on members and the most senior officers and on leadership development activity.

Item 3

- 11.2 Local authorities and partners understanding their local economies and agreeing priorities and action. Again, this implies a focus on developing the skills needed to lead partners and work with the private and third sectors, as well as on economic issues.

The scope of both these priorities would include the full range of economic and transport issues and would need to mesh with the programmes of support commissioned by the Environment Programme Board (planning and energy issues) and the Culture, Tourism and Sport Programme Board (tourism).

- 11.3 Supporting authorities to use innovative financial mechanisms, programmes and powers to deliver infrastructure to support growth.

- 11.4 Advice and support to authorities directly enabling businesses development through new approaches to local procurement and pursuing initiatives such as the promotion of local energy generation.

- 11.5 Improving local economic vitality, particularly on the High Street by supporting councils in the delivery of better regulation, including ensuring conditions that secure fair trading and competition and including on issues of car parking and enforcement.

Conclusion

12. The economy improvement and development agenda has the potential to cover a significant number of areas and could run the risk of attempting to address every possible facet of economic development. It could also lose sight of focusing on the bigger picture of helping authorities to achieve 'strong economies' by becoming a programme of activities that provides a commentary on every new initiative at the expense of how these may be used to deliver local objectives.
13. At this stage a pragmatic approach that focuses on a mix of addressing some of the new challenges i.e. working at the sub-regional level, balanced against drawing together methodologies used by Councils to establish their own local economic priorities/strategies may be of value in the next financial year. This could also be complemented by detailed support on new approaches to assembling funding and to organising and resourcing cost-effective local capacity to deliver regeneration and economic development work.

Item 3

Financial Implications

14. A programme budget for next year will be developed as part of the Group's budgeting process to reflect the steer the Board gives officers.
15. In parallel, officers will report to the board on any opportunities for self-financing activity that materialise and complement Members' desired programme.