

17 November 2011

**Item 2**

**Local Growth Campaign: supporting councils' ambition for local economic growth**

**Purpose of report**

For discussion and direction

**Summary**

This report updates the Board on the local growth campaign. Officers will update the Board on the LGA Executive discussion of the campaign on 10 November 2011.

**Recommendation**

The Board is asked to comment on the paper.

**Action**

Officers to build the Board's comments into the campaign plan.

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## **Local growth campaign: supporting council's ambition for local economic growth**

### **Background**

1. The background and rationale for the local growth campaign will be familiar to Board members.
2. To recap briefly, one year on from the Government announcement of the first Local Enterprise Partnerships (LEPs), there is an opportunity to create a new, focused, national debate about the ambition of councils for local economic growth.
3. Local government has lobbied for the devolution of economic budgets and powers. Some budgets have been localised (for example, local councils are broadband delivery partners). New powers are in the pipeline, for example tax increment financing, allowing councils to secure the fiscal benefits of growth. However, many central controls remain which need to be challenged. Compared to the economic powers enjoyed by local leaders in other developed nations, our own local powers are limited.
4. At present, much debate on local economic development is centred on the development of LEPs. There are risks to this focus as our work could be hampered by institutional debates. Rather we should develop an agenda about what could be done, that stretches our ambition for localism and which recognises the economic challenges facing different places – for example, the different challenges facing urban, rural and mixed economies.
5. In summary, we are planning to create a debate on the key economic issues facing local economies and the role that local leaders can and could play in delivering economic recovery. From this debate, we will create our own Green Paper on growth.

### **Helping to renew the local government ambition for local economic development and growth**

6. In order to pursue the above objective, we have developed a programme which will include:
  - 10.1 a **series of “town hall” meetings** across England (see **attached** schedule) with councils and local partners at which we will consider:

**Item 2**

6.1.1 the ambition that councils already have: For example, at the December discussion hosted by the West Midlands LGA, we will be examining the key role that local political leadership played in securing new investment from Land Rover Jaguar.

6.1.2 the ambition that councils could have: For the London event in early 2011, we are working with the New Zealand LGA to compare local powers and activities in economic development and investment as a challenge to our own activities. In our Leeds meeting in December, we will be examining the local transport powers in the Netherlands and how these provide better support for local economic development.

6.1.3 challenges from partners: For example, LEP Chairs have been given the opportunity to address the events under the title “If I were leader of the council for one day”.

10.2 **publishing new thinking:** We have invited council leaders, business leaders, think tanks and community leaders to write essays on their views on the new boundaries for local economic development in England. These will be published by the LGA (online) and used to influence our own Green Paper.

10.3 an **online debate**, linked to our town hall debates which provide the opportunity to input new ideas on economic development.

10.4 a **competition for new idea from young economists.** We have agreed (in principle) to sponsor this work jointly with the LSE. Members are asked to give suggestions for the question to be posed to young economists.

10.5 a **challenge from young people.** We are planning a series of challenges to the early drafts of our ideas from young people to ensure that our Green Papers ideas resonate with the ambition of the younger population.

7. All this information is provided in detail on the website:  
[http://www.local.gov.uk/web/10161/economy-and-transport/-/journal\\_content/56/10161/2899620/ARTICLE-TEMPLATE](http://www.local.gov.uk/web/10161/economy-and-transport/-/journal_content/56/10161/2899620/ARTICLE-TEMPLATE)

8. We have a related strand of work on the role of councils in building higher levels of youth engagement in work and learning. This is covered separately in the paper on skills and youth engagement, at item 7.

**Item 2**

**Launching the campaign and ensuring a clear outcome from our debates**

9. This work will be launched on 23 November 2011 at a Smith Square debate with the Chairman, the E+T board Chair, Rt Hon Hilary Benn MP and business representatives.
10. From the future town hall debates and discussions, we are seeking clear tangible outcomes. Each debate will have three guiding themes to ensure that we have tangible outcomes and an action plan that can be followed up by the Board:
  - 10.1 development of new thinking
  - 10.2 promoting of new/best practice
  - 10.3 clarity on barriers to growth.
11. We have already involved key Government departments (such as BIS and CLG), business organisations (such as BCC) and think tanks in preparation of the events.
12. The campaign provides a major opportunity to refresh the Board's lobbying position in an LGA green paper on growth. One of the objectives is, to the extent that this is possible given the dynamics of the economy, to get ahead of departmental policy-making on economic regeneration and look ahead to challenges of the next few years.
13. Against that background the recent CLG Committee report "Regeneration" helpfully stresses the strategic role of local councils in leading local economic regeneration. It criticises Government for the absence of a national regeneration strategy.
14. We would argue that a national strategy needs to be built bottom up – our campaign has at its heart supporting council's ambition to play that lead strategic role. The report also proposes a community budget approach to funding, bringing together public investment in regeneration. This is the alternative to programmes where the decisions are made in Whitehall, with inevitable bureaucracy and disconnect with other programmes.
15. This design flaw has been evident in the Regional Growth Fund where second round decisions have taken seven months from the invitation to bid, and there is even more process ahead before funding starts to flow - successful bidders must now enter a due diligence phase. The bureaucracy is delaying the delivery of projects on the ground and making it more difficult to stitch together investment

**Item 2**

from different sources. The recent Growing Places Fund by contrast promises that funds will flow in January.

16. As the campaign swings into gear, we need to identify our campaigning issues.

17. We would ask the Board to consider whether making the case for “local regeneration budgets” is the kind of issue they would like to see highlighted early in the campaign, possibly at the Smith Square Debate.

**Item 2**

**TOWN HALL EVENTS**

<b>Themes</b>	<b>Host</b>	<b>Location</b>	<b>Date</b>
Smith Square debate - Launch of campaign - LEPs one year on	LGA	Smith Square, London	Wednesday 23 November
Transport as a driver of economic development	Metro/PTEG	Leeds	Tuesday 6 December
People, employment and skills	West Midlands LGA Birmingham CC	WM Councils Partnership Centre, Birmingham	Thursday 15 December
CLG/BIS/DODS/LGA - Open for business: delivering local growth	CLG/BIS	TBC	Monday 16 January
Cities	Centre for Cities	London	Monday 23 January
Centre for Economic and Social Inclusion	LGA	Bevin Hall, Smith Square	Tuesday 24 January
Identifying opportunities for growth and strengthening regional links	LG Yorkshire and Humberside	Kingswood Suite, Wakefield Council	Wednesday 25 January
Innovation/Commercialising Innovation	East of England LGA Cambridgeshire CC	Smartlife low carbon centre (Nth Cambridge)	Thursday 16 February
Funding infrastructure and investment	ANEC	Newcastle	Tuesday 21 February
International dimension	EU Commission	EU London Office London	Tuesday 13 March