

22 March 2012

**Item 3**

## **LGA development support for councils - driving local economic growth**

### **Purpose of report**

For discussion.

### **Summary**

This paper highlights the current LGA activity on development support for councils on local economic growth and seeks members' views as to how well the proposed 2012/13 programme fits with local need. It also seeks support from members in terms of leading the programme.

### **Recommendations**

Members are invited to:

1. Discuss the wide range of LGA support and identify gaps.
2. Agree in principle that each member of the Board identifies key successes in their areas that could be used as 'case studies' in support of the programme.

### **Action**

Officers to action as directed by members.

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## **LGA development support for councils - driving local economic growth**

### **Background**

1. One consistent message from the LGA's Growth Campaign and Town Hall debates is that councils are "just getting on with it". Through the decades and successive national governments councils have shown great interest and invested heavily in the economic welfare of the communities and businesses they serve. They have done this and continue to do this despite economic development not ever having been a statutory duty.
2. We have heard and read about several high profile examples of councils working together, with their neighbours, across tiers, with the private sector, central government departments and its agencies to support private sector growth projects. We have heard of successes in Staffordshire with JLR engine plant investment; the work in East Kent in response to Pfizer's withdrawal, Greater Manchester's investment framework; the innovation story in Cambridgeshire and the innovative partnership in Leeds City Region with the University of Huddersfield and manufacturing businesses.
3. Clearly many councils are already doing a great deal, and all have prioritised economic challenges. However, circumstances, such as the nature of the economic challenges faced as well as council capacity, and cultures affect the ability of councils to lead on creating conditions for growth.
4. Support on economic growth is a reputational issue for councils as well as the LGA. For councils, both the private sector and central government regard local government, through working in partnerships such as Local Enterprise Partnerships, as being key to creating the conditions for private sector economic growth and job creation. There is no one else at the local or sub-regional level to do this.
5. From a national perspective, it is vital that the local authority sector is able to demonstrate that it can lead on creating the necessary conditions. The risk to places that do not show the right leadership is that investment by-passes those places, or that the best outcomes for local people is not achieved. It is therefore important for the LGA that it provides councils with the relevant support on leadership skills, capacity and good practice information.

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6. In addition to strong leadership skills, councils that are successful in attracting investment have shown a whole council approach to driving growth and regeneration. There are a wide range of policy and service areas that can impact on the area's potential for economic growth and support the local business community – some of these, such as transport and connectivity, are covered in other Board papers.
7. Throughout the Town Hall debates, local politicians have very often described leadership as the ability to take calculated risks. Whether it's a risk to spend local resources on supporting a local growth programme or service, undertaking prudential borrowing to develop a critical road intersection, supporting investment in a neighbouring borough for the benefit of the whole sub-region, or taking leading a business delegation overseas to attract inward investment – there are difficult decisions to take which impact on councils' reputation.

**LGA programme of development**

8. This paper highlights the importance of development support for councils on driving local economic growth as well as current LGA activity. The paper also seeks to test members' views as to how well a proposed future programme of training and support in economic development by the LGA fits with local needs and to secure Board member support in leading the programme.

**Current LGA activity**

9. The LGA has already been supporting councils on helping them to lead on creating the conditions for private sector growth. In 2011/12, the LGA has:
  - 9.1. supported elected members and officers in developing a shared understanding of what local leadership on driving growth looks like through focused workshops and the Local Growth campaign events and website. There have also been dedicated Leadership Academies on strategic planning and councillor focused advice on development economics and viability.
  - 9.2. supported council officers through online communities of practice, alerting them to new opportunities, sharing challenges and learning and networking
  - 9.3. directly supported individual councils on getting their local plans in place, and on joint plan-making. Complementary support has included advice on using Community Infrastructure Levy (CIL); New Homes Bonus, borrowing and public sector assets to make things happen.

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- 9.4. provided peer based challenge and support. As part of the LGA's Taking the Lead offer to the sector, all local authorities are entitled to a corporate peer challenge delivered at a time of their choosing. The scope is agreed with the council so that it is tailored to their local needs and requirements and looks at priority areas. Some authorities are choosing to focus their peer challenge on local growth and the economy peer, seeking peer-based reflection on the soundness of economic strategies and approaches.
- 9.5. As part of a joint initiative, joined with the British Property Federation (BPF) and Local Partnerships in conducting a programme of studies where three LGA member councils would work with senior BPF developers and local private sector partners, to carry out a detailed analysis of the local barriers to growth faced in its locality and identify appropriate solutions.
10. Demand across the range of sector-led support appears to be increasing and it is important that the LGA continues to develop its support to reflect council needs and that the 'offer' is coherent and maximises the outcomes from a limited budget. The 'offer' also needs to run alongside our Local Growth campaign. For 2012/13, the LGA is looking to build on the support it already provides. Key outputs earmarked to support the business plan are:
  - 10.1. further roll out of member development workshops and support – focussing on their leadership role, and working with the private sector.
  - 10.2. in parallel to member development activities, support to local authority officers, which will focus on using new techniques for promoting growth, financing and resourcing opportunities; supporting councils and lead members on their leadership role.
  - 10.3. continuing to offer a flexible approach to peer challenges. For example, one county council recently invited an LGA peer-team to act as a 'peer sounding board' to inform the next stage of their economic growth work.
  - 10.4. further development of the Capital & Asset Pathfinder Programme (CAP). The LGA, working closely with DCLG, have funded support to 26 councils under (CAP). The government and councils involved are now keen to shift the initial emphasis, which was initially to save money by rationalising the use of land and property used by the public sector for service delivery purposes, towards initiatives that deliver economic growth as well as drive deficit reduction.

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10.5. learn from and take forward the joint LGA/ BPF pilots.

**Promoting the work of the LGA and of councils 'just getting on with it'**

11. The work of the LGA in supporting local economic growth priorities is likely to be broader than perhaps many councils are aware of. Thus, we need to refresh our communication in this area.
12. Case studies can provide a powerful and practical way to communicate what is possible given a particular scenario. They can also be very inspirational. Whilst we know of a good many stories of 'councils getting on with it' it is important that for a development programme that the LGA can promote a wide range of examples and stories so that there is greater resonance for participants of the development programme. Case studies work best in focused workshops – such as the member and officer development ones that the LGA currently runs. A good starting point to increasing the pool of local 'stories' are from the councils that are represented on the Economy and Transport Board.

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