

Local Growth Campaign - supporting councils' ambition for local economic growth

Purpose of the report

For comment.

Summary

This report updates the Executive on the plans of the Economy and Transport Programme Board to promote councils' ambition for local economic growth. A series of town hall debates have been organised to develop new thinking on local economic development and to produce our own Green Paper on growth.

Recommendation

The Executive is asked to comment on the paper.

Action

Economy and Transport Programme Board to consider members' comments.

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Introduction

1. Local government has a long and honourable tradition of driving economic growth. Its work in this area can be traced back to the founding fathers of modern local government at the end of the 19th century, with the development of public works in large cities to deal with sanitation and infrastructure. In more recent times, during the recession of the 1980s, local government broke new ground in delivering economic development programmes which delivered, for example, local employment projects to deal with the decline of manufacturing and high levels of unemployment.
2. In the immediate past, our work in this area was often in partnership with regional development agencies, as they provided funding for many of the infrastructure and employment programmes that were driven by local government.
3. Our record and history in this area is vast. However, the sector's offer needs to be refocused to reflect a new era defined by:
 - 3.1 new institutions, such as Local Enterprise Partnerships (LEPs);
 - 3.2 much less public finance, but new financial mechanisms available to councils;
 - 3.3 a stronger emphasis on improving people's skills to compete in a global economy (rather than a concentration on physical regeneration programmes).

Delivering local economic growth in the 2010s

4. One year on from the Government announcement of the first LEPs, there is an opportunity to create a new, focused, national debate about the ambition of councils for local economic growth.
5. 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.
6. 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

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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.

7. In summary, we need 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

8. In order to pursue the above objectives, the Board has developed a programme which will include:
 - 8.1. A **series of “town hall” meetings** across England (see **Appendix 1**) with councils and local partners at which we will consider:
 - 8.1.1. 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.
 - 8.1.2. 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.
 - 8.1.3. 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”.
 - 8.2. **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.
 - 8.3. An **online debate**, linked to our town hall debates will provide the opportunity to input new ideas on economic development.

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- 8.4. A **competition for new ideas from young economists**. We have agreed (in principle) to sponsor this work jointly with the London School of Economics.
- 8.5. 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 Paper's ideas resonate with the ambitions of the younger population.
9. All this information is provided in detail on the website:
www.local.gov.uk/economy-and-transport
10. We have a related strand of work on the role of councils in building higher levels of youth engagement in work and learning. Lead members of the Children and Young People Programme Board and the Economy and Transport Programme Board set the direction for the work on 5 October, following discussions at both Boards. They asked officers to look at the barriers to youth engagement, for example in the quality of careers advice and mismatches between young people's training and skills needs, and to identify how councils could provide practical solutions. The work plan includes the involvement of councils, business, young people and other stakeholders. The next step will be to produce baseline statistical research on youth engagement, an interim report and hold a youth summit early in the New Year.

Launching the campaign and ensuring a clear outcome from our debates

11. This work will be launched on 23 November at a Smith Square debate with the Chairman, the Economy and Transport Programme Board Chair, the Rt.Hon. Hilary Benn MP and business representatives.
12. 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:
 - 12.1. Development of new thinking;
 - 12.2. Promoting of new/best practice;
 - 12.3. Clarity on barriers to growth.
13. 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.
14. The campaign will be completed with the LGA's own Green Paper on growth.

Appendix 1

TOWN HALL EVENTS

Themes	Host	Location	Date
Smith Square debate Launch of campaign. LEPs one year on	LGA	LGH, Smith Square London	Wednesday 23 November
Transport as a driver of economic development	Metro/PTEG	Leeds	Tues 6 December
People, employment and skills	West Midlands LGA Birmingham CC	WM Councils Partnership Centre, Birmingham	Thursday 15 December
Cities	Centre for Cities	London	Monday 23 January
Centre for Economic and Social Inclusion	LGA	LGH, Smith Square London	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 Cambridge City	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