



People & Places Board

Agenda

Tuesday, 6 June 2023
10.30 am

Hybrid Meeting - 18 Smith Square and
Online

There will be a meeting of the People & Places Board at **10.30 am on Tuesday, 6 June 2023** Hybrid Meeting - 18 Smith Square and Online.

LGA Hybrid Meetings

All of our meetings are available to join in person at [18 Smith Square](#) or remotely via videoconference as part of our hybrid approach. We will ask you to confirm in advance if you will be joining each meeting in person or remotely so we can plan accordingly, if you wish to attend the meeting in person, please also remember to confirm whether you have any dietary/accessibility requirements. 18 Smith Square is a Covid-19 secure venue and measures are in place to keep you safe when you attend a meeting or visit the building in person.

[Please see guidance for Members and Visitors to 18 Smith Square here](#)

Catering and Refreshments:

If the meeting is scheduled to take place at lunchtime, a sandwich lunch will be available.

Political Group meetings and pre-meetings for Lead Members:

Please contact your political group as outlined below for further details.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3263	email: labgp@lga.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.grouplga@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Attendance:

Your attendance, whether it be in person or virtual, will be noted by the clerk at the meeting.

LGA Contact:

Emma West
emma.west@local.gov.uk

Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of £9.00 per hour or £10.55 if receiving London living wage is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

People & Places Board – Membership

[Click here for accessible information on membership](#)

Councillor	Authority
Conservative (11)	
Cllr Kevin Bentley (Chair)	Essex County Council
Cllr Morris Bright MBE (Vice Chairman)	Hertsmere Borough Council
Cllr Marc Bayliss	Worcestershire County Council
Cllr Peter Butlin	Warwickshire County Council
Cllr Hilary Carrick	Cumbria County Council
Cllr Sam Chapman-Allen	Breckland Council
Cllr Jordan Meade	Gravesham Borough Council
Cllr Eddie Reeves	Oxfordshire County Council
Cllr Martin Tett	Buckinghamshire Council
Cllr Philippa Williamson	Lancashire County Council
Cllr Barry Wood	Cherwell District Council
Substitutes	
Cllr Shaun Gunner	Arun District Council
Labour (4)	
Cllr Amanda Serjeant (Deputy Chair)	Chesterfield Borough Council
Cllr Simon Henig CBE	Durham County Council
Cllr Erica Lewis	Lancashire County Council
Cllr Damien Greenhalgh	High Peak Borough Council and Derbyshire County Council
Substitutes	
Cllr Steve Norman	Lichfield District Council
Liberal Democrat (3)	
Cllr Emily Smith (Vice-Chair)	Vale of White Horse District Council
Cllr Caroline Leaver	Devon County Council
Cllr Michael Mullaney	Leicestershire County Council
Substitutes	
Independent (3)	
Cllr Emily O'Brien (Deputy Chair)	Lewes District Council
Cllr Kevin Etheridge	Caerphilly County Borough Council
Cllr Julian Dean	Shropshire Council
Substitutes	
Cllr Georgina Hill	Northumberland County Council
Cllr Caroline Topping	Suffolk County Council

Agenda

People & Places Board

Tuesday, 6 June 2023

10.30 am

Hybrid Meeting - 18 Smith Square and Online

Item	Page
1. Welcome, Apologies and Substitutes, Declarations of Interest	
2. Minutes of the last meeting	1 - 8
OPEN SESSION	Page
3. Supporting Economic Inclusion	9 - 42
4. Digital Update	43 - 52
5. Britain's Leading Edge	53 - 56
6. People & Places Board Annual Report	57 - 64
7. Update on the health and devolution working group with NHS Confederation	65 - 70
8. Supporting Economic Growth and Prosperity Update	71 - 114
9. Growth Funding Update	115 - 122
CONFIDENTIAL SESSION	Page
10. Growth & Prosperity Update	123 - 136
11. Green Jobs and Skills	137 - 152
12. Community Land Trusts	153 - 156

Date of Next Meeting: Tuesday, 12 September 2023, 1.00 pm, 18 Smith Square, Westminster, London SW1P 3HZ

Document is Restricted

The role of councils in supporting economic inclusion: Unlocking talent to level-up

Purpose of Report

For direction.

Is this report confidential? No

Summary

This paper sets out below an overview of the six guiding principles to realise economic inclusion in employment and skills, and the key role we would like to see local government play.

LGA Plan Theme: **Stronger local economies, thriving local democracy**

Recommendation(s)

That the Board Members

1. Provide comments and a steer on the Economic Inclusion Principles paper (**Appendix 1**).
2. Comment on the proposed next steps to take this work forward (**para 14– 19**).

Contact details

Contact officer: Bushra Jamil

Position: Adviser

Phone no: 07881528420

Email: bushra.jamil@local.gov.uk

The role of councils in supporting economic inclusion: Unlocking talent to level-up

Background

1. As part of the LGA's [Work Local](#) and the Government's [Levelling up](#) ambitions we have undertaken to better understand the challenges of employment and skills inequalities that restrict economic inclusion for people and places. The Board agreed to explore how the role of councils in supporting economic inclusion in employment and skills could be advanced to help unlock talent and level up local areas.
2. Our analysis revealed that despite councils having wide-ranging responsibilities to tackle inequalities and promote youth participation, and working hard at the vanguard of this agenda, stark inequalities are prevalent in both people and places; therefore, more remains to be done to address the longstanding and systemic issues.
3. At the last Board meeting an update paper set out our work to date including evidence to illustrate the regional disparities in employment, education participation/outcomes; the key findings from our three roundtable events and recommendations, and potential next steps for this piece of work. It was agreed that 'The Economic Inclusion Principles' paper and a selection of case studies to highlight 'what good looks like' will be shared with the Board for comments and approval.
4. An overview of the Economic Inclusion Principles paper is provided below for discussion and a steer, and a full paper is Appended. To note, this paper will also be presented to the City Regions Board for comments and a steer.

Proposal

5. Economic inclusion is essential for building strong and resilient communities, reducing inequality and poverty, and promoting economic growth. Local government as leaders of place can play a key leadership role in supporting economic inclusion both as employers and enablers of economic growth. This important role includes:
 - supporting everyone regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, caring responsibilities, or offending background is equipped to achieve their full potential in education and employment;
 - promoting equal access to sustainable employment or skills opportunities;
 - creating job opportunities for all to benefit from;
 - ensuring its workforce better reflects its local communities;
 - assisting businesses to provide training/skills opportunities for everyone; and
 - promoting policies that can create a more inclusive and equitable local economy.
6. Councils have statutory responsibilities to ensure that all young people up to the age of 18 (25 for those with special educational needs and disabilities (SEND) or an

Education, Health and Care (EHC) plan) have access to opportunities that allow them to participate in education, employment and training and thus contribute to the economy. Councils also have Corporate Parent responsibilities for children who are looked after and care leavers. This includes supporting initiatives and programmes that can help these children and young people overcome barriers to economic inclusion.

7. Despite having these wide-ranging responsibilities that demand close working with local providers, partners and employers, councils have very few formal levers over commissioning or co-ordination of national provision to ensure their statutory duties for young people are met, and even less in areas where there are no statutory requirements for services. This also makes it challenging for local government to coordinate, plan, target and join-up provision, or build in the right wider support for those with complex or additional needs. As a consequence, national and regional disparities exist showing stark variations in both people and places. Many of these inequalities exist in employment and skills across many areas – age, disability, ethnicity, gender – and in combinations (intersectionality).
8. Notwithstanding these challenges, local government is leading from the front in terms of supporting participation in education, employment and training through commissioning devolved and local discretionary provision, and by joining-up and adding value to national schemes. However, more remains to be done to address some of the longstanding and systemic issues.
9. Based on our analysis and discussions with local government through a series of roundtable events, the **six guiding principles** to realise economic inclusion in employment and skills and the key role we would like to see local government play are listed below. (**See Appendix 1 for full Principles paper.**) This piece of work aims to share learning across councils and combined authorities to help them build on both national and devolved employment and skills provision to progress this agenda further.

10. Economic Inclusion Principles

- ***Principle 1: Economic inclusion strategies, action plans, and initiatives informed by data on individual needs and local labour market intelligence can be more effective.***
- ***Principle 2: Investment in infrastructure is vital to fully achieve economic inclusion in people and places.***
- ***Principle 3: Local government may want to foster collaborative internal and external partnerships to maximise economic inclusion.***
- ***Principle 4: Local government may want to assist businesses and employers to support good work practices to maximise economic inclusion in local areas.***
- ***Principle 5: Local government may want to promote workforce equality, diversity and economic inclusion as an employer***

- ***Principle 6: Local government may want to monitor and evaluate progress to ensure economic inclusion is achieved for everyone.***

Implications for Wales

11. Employment and skills are largely devolved matters; however, the Local Government Association collaborates closely with Welsh local authorities and the Welsh Local Government Association to share best practice and expertise on our programmes.

Financial Implications

12. Any financial implications arising from this work will be met from the board's core policy budget.

Equalities implications

13. This piece of work focuses on the inequalities in employment and skills faced by specific cohorts and communities. It set out how a more localised and partnership approach can be more effective in supporting economic inclusion within communities.

Next steps

14. A full 'Economic Inclusion Principles' paper is appended with details on how local government can advance economic inclusion in their areas. **Members' comments or suggestions are welcome on the Principles outline in Appendix 1.**
15. As mentioned at the last Board meeting Transport connectivity is a key policy strand that merits further examination.
 - 38.1. We are planning to **collaborate with the transport policy team** and EEHT Board to explore how councils can support individuals with transport challenges better and commission a specific piece of research to illustrate in more detail the different challenges faced by learners and young people in rural and urban areas.
 - 38.2. We could also explore if it is possible to **quantify the economic cost of the lack of transport connectivity to regions/local areas** to make a powerful case to the Government for the need to have local influence over transport decisions and funding.
16. As highlighted above Government departments and agencies need to share detailed data that they hold to enable local government to target specific cohorts and deliver economic inclusion for their communities. So, we will continue to **seek opportunities to make a case for access to detailed data.**
17. A range of activities are planned to promote our economic inclusion work, including:

- 40.1. **First magazine article** showcasing our principles paper and case studies to demonstrate how local government is working hard to advance this agenda, and to share good practice.
- 40.2. **Webinar in the Autumn** to bring together local government and stakeholders to discuss our economic inclusion work.
18. **Members' comments on the suggested next steps and if there is anything else that should be included in the next steps is welcome.**
19. Officers to take forward actions in accordance with Board Members' steer.

Appendix 1: The role of local government in supporting economic inclusion: Unlocking talent to level-up

LGA guiding principles underpinning equality, diversity and economic inclusion in employment and skills

1. Purpose of the paper

To set out the guiding principles to support equality, diversity and economic inclusion in employment and skills provision in local areas.

Based on our analysis and discussions with local government (councils and combined authorities) through a series of roundtable events, this paper sets out below six guiding principles to realise economic inclusion (equality in access and outcomes) to employment and skills opportunities, and the key role we would like to see local government play.

This piece of work aims to share learning across councils and combined authorities to help them build on both national and devolved employment and skills provision to progress this agenda further.

2. The current picture of equality, diversity and economic inclusion in employment and skills: an overview

To understand the current state of economic inclusion in local areas and in England as a whole, it is important to look at a range of indicators and measures that can provide an insight into the extent to which everyone in the community is able to participate in the economy and benefit from economic growth. These include for example, the unemployment rate, employment rate, economic inactivity rate, skills levels, and participation in education and skills.

Some useful data and the latest developments below paint a concerning picture of the national and regional disparities that exist, showing stark regional variations in both people and places. Some of these disparities exist within regions including London and also local areas. Despite councils' concerted efforts to reduce these inequalities, many of them still persist.

The [Cities Outlook 2023](#) shows the employment rate, jobs, qualifications, and unemployment in cities in England. It also ranks cities with highest and lowest rates according to these metrics. These statistics reveal that significant gaps continue to persist in some measures, for example – the employment gap between disabled and non-disabled people remains wider than it was before the pandemic, and disabled people are still two-and-a-half times more likely to be out of work than their non-disabled peers.

A [new report](#) found that significantly fewer rural young people apply for undergraduate degrees – 19 per cent compared to 39 per cent from urban areas. The gap widens even further at a postgraduate level with 11 per cent of students coming from inner cities compared to just 2 per cent from the countryside. Consequently, many young people from rural and coastal areas face being trapped in 'social mobility cold spots' which leaves many UK businesses without a truly diverse workforce.

The Department for Education (DfE) [post 16 education and labour market activities, pathways and outcomes \(LEO\) research report](#) shows that education and labour market

DRAFT

pathways are incredibly diverse. It reveals that post-16 education outcomes differ according to individual characteristics and regions as well. For example, individuals from London were more likely to move through further and higher education than individuals from North East and East Midlands after leaving school.

[Recent research](#) by the Learning and Work Institute confirms the gap between the highest and lowest performing regions of adult education participation is continuing to widen risking the success of the levelling up agenda.

The [Youth Futures Foundations evidence review](#) shows that young people from ethnic minority backgrounds are more likely than their white peers to be in low-paid or insecure employment, to be on a zero-hours contract, or to have more than one job.

A good transport system is fundamental to connecting people, businesses, and support services. It enables individuals to access education, training, or job opportunities and helps businesses to meet their workforce needs; however, the current inadequate transport connectivity is costing regions, for example, [poor public transport connections in cities in the North of England result in a loss of productivity worth more than £16 billion a year](#).

These disparities are often the result of a range of factors, such as, discrimination, lack of access to education and training, and limited job opportunities in certain regions. So, in response to some of these challenges, there has been a range of policies and initiatives developed at both a national and local level to promote economic inclusion and level up areas, however, more needs to be done.

The Government's Levelling Up White Paper states that '[not everyone shares equally in the UK's success. While talent is spread equally across our country, opportunity is not.](#)' The Levelling Up agenda provides an opportunity to tackle some of the most entrenched inequalities in our communities. To achieve economic inclusion for local communities, we need to focus on two of the twelve levelling up missions: Mission 1, to raising pay, employment, and productivity to close the gap between areas, and Mission 2 to increase high-quality skills in the lowest skilled areas.

3. How local government is engaged in supporting equality, diversity and economic inclusion in employment and skills

Economic inclusion is essential for building strong and resilient communities, reducing inequality and poverty, and promoting economic growth. Local government as leaders of place can play a key leadership role in supporting economic inclusion both as employers and enablers of economic growth. This important role includes:

- supporting everyone regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, caring responsibilities, or offending background is equipped to achieve their full potential in education and employment;
- promoting equal access to sustainable employment or skills opportunities;
- creating job opportunities for all to benefit from;
- ensuring its workforce better reflects its local communities;
- assisting businesses to provide training/skills opportunities for everyone; and
- promoting policies that can create a more inclusive and equitable local economy.

DRAFT

Councils have statutory responsibilities to ensure that all young people up to the age of 18 (25 for those with special educational needs and disabilities (SEND) or an Education, Health and Care (EHC) plan) have access to opportunities that allow them to participate in education, employment and training and thus contribute to the economy. Councils also have Corporate Parent responsibilities for children who are looked after and care leavers. This includes supporting initiatives and programmes that can help these children and young people overcome barriers to economic inclusion.

Many councils run adult and community learning (ACL) provision in devolved and non-devolved areas [supporting around 600,000 adults every year](#) to develop skills for work and life. Mayoral Combined Authorities (MCAs) and the Greater London Authority (GLA) continue to shape their adult skills offer locally and bring the further education sector together through a devolved Adult Education Budget (AEB).

Despite having these wide-ranging responsibilities that demand close working with local providers, partners and employers, councils have very few formal levers over commissioning or co-ordination of national provision to ensure their statutory duties for young people are met, and even less in areas where there are no statutory requirements for services. This also makes it challenging for local government to coordinate, plan, target and join-up provision, or build in the right wider support for those with complex or additional needs. As a consequence, national and regional disparities exist showing stark variations in both people and places. Many of these inequalities exist in employment and skills across many areas – age, disability, ethnicity, gender – and in combinations (intersectionality).

Notwithstanding these challenges, local government continue to lead from the front in terms of supporting participation in education, employment and training through commissioning devolved and local discretionary provision, and by joining-up and adding value to national schemes. For example, [Cambridgeshire & Peterborough CA](#) used its Adult Education Budget (AEB) £12 million allocation to increase participation by nearly 10 per cent (2020/21), targeting low-skilled residents in deprived areas (Fenland and Peterborough), and introduced a £1,200 bursary for Care Leavers aged 19-22, fully funded English for Speakers of Other Languages (ESOL). [Staffordshire County Council's Celebrating Differences promotional campaign](#) supports those with autism and learning difficulties and Staffordshire Connects has helped individuals with multiple barriers into education, training or employment through the [Evolve - Steps To Work programme](#).

However, more remains to be done to address some of the longstanding and systemic issues to ensure a more inclusive and equitable local economy. Therefore, as part of the LGA's [Work Local](#) and [Levelling up](#) ambitions we have undertaken to better understand the challenges of employment and skills inequalities across people and places.

In [Work Local](#) we set out our ambition to work with Government to unlock talent by spreading opportunity to all parts of the country. This is critical for the economy and local areas as significant [skills gap are predicted by 2030](#).

Furthermore, diversity is also essential to improve economic performance as [Delivering through diversity](#), reaffirms the link between diversity - a greater proportion of women and a more mixed ethnic and cultural composition - and a company financial performance. [The Race in the workplace report](#), estimates the potential benefit to the UK economy from a full representation of Black Minority Ethnic (BME) in the workforce as £24 billion a year.

Overall, while there are still significant challenges to achieving economic inclusion in England, there is also a strong commitment from local government to address these challenges and promote greater economic opportunity and access for everyone in their community. A range of case studies are given below to demonstrate how local government

DRAFT

is working to achieve this ambition and how much further it would be able to go if empowered more fully to act on local inequalities.

4. Economic Inclusion Roundtables

To build on our initial research and evidence base, we hosted a series of roundtables between December 2022 and January 2023 to hear directly from local government around the country. The three roundtables were as follows:

- the first roundtable focused on rural and coastal issues;
- the second looked at urban challenges, and;
- the third and concluding roundtable focussed on London and the South East.

The purpose of the roundtables was to explore how local government is working to improve equality and diversity in employment and skills outcomes to encourage economic inclusion for their communities. The sessions aimed to develop a better understanding by capturing the thoughts and experiences of those working to advance this agenda.

The evidence gathered provides a snapshot of the challenges and how these are being addressed. A summary report of the roundtables is provided in **Appendix 2**.

The findings from the roundtables identify a number of emerging themes set out below. We believe these warrant further consideration to improve services on the ground. The key themes include:

- Specific needs of individuals and lack of data
- Fragmented funding
- Digital connectivity
- Transport connectivity
- The role of employers and businesses
- Partnership working

5. Principles to support equality, diversity and economic inclusion in employment and skills in local areas

Based on our analysis and discussions with local government through a series of roundtable events, the **six guiding principles** to realise economic inclusion in employment and skills and the key role we would like to see local government play are set out below.

Principle 1: Economic inclusion strategies, action plans, and initiatives informed by data on individual needs and local labour market intelligence can be more effective.

Key to promoting economic inclusion in employment and skills is understanding the specific needs and opportunities that exist in the local and regional area. This includes understanding the local labour markets, the skills and qualification levels of individuals, the specific characteristics of individuals - age, disability, ethnicity, gender, and intersectionality, and the needs of local businesses and employers.

At present, there is an inconsistent approach to sharing data that often results in a lack of access to granular and high-quality local and national data held by government departments/agencies. This often hampers local government's efforts to understand how national provision is being used locally to meet the needs of individuals and target provision effectively. For example, the lack of detailed data from the Department for Work and Pensions (DWP), Jobcentre Plus about Universal Credit claimants; and the Department for

DRAFT

Education (DfE) destination measure to show more detailed information about those who have moved into jobs or higher education.

Government departments and agencies need to share detailed data that they hold to enable local government to target specific cohorts and deliver economic inclusion for their communities. This will help paint an accurate picture of people and places as specific cohorts or geographical pockets of need can be masked at a regional or local level. Local government should not have to duplicate work to plug data gaps where it already exists. The available data should be used and interpreted carefully so that it is an accurate reflection of people or places.

Meanwhile, to fill the data gap, and where they have the resources to do so, local government may want to conduct research and analysis on local employment trends and skills gaps that involves collaborating with employers and community groups to better understand their needs and priorities. This information can then better inform the development of plans and strategies to address specific barriers to economic inclusion for underrepresented groups, for example, the lack of access to training and education for particular groups – those from a Black, Asian, and minority ethnic (BAME) or disabled community.

Strategic plans can also be used to identify and target specific industries or sectors, which have the potential to create jobs and economic opportunities for individuals that may be excluded from the local economy. For example, local government may prioritise the development of the growing green or digital economy, which has the potential to create jobs for individuals who may face barriers to employment. [Leeds City Council Best City Ambition](#) is focussed on three pillars: Health and wellbeing, Inclusive growth and Zero Carbon. The council's inclusive growth ambition is to by 2030 have an economy that works for everyone, working to tackle poverty and ensure that the benefits of economic growth are distributed fairly across the city, creating opportunities for all. [Lambeth Council ELEVATE programme](#) links with its [Lambeth Made](#) initiative to provide specialised support to young people to enter careers in creative and digital industries. The council links its knowledge of the local needs of young people, who are often disproportionately impacted by unemployment, with its Creative and Digital Strategy which aims to foster inclusive growth in this key local growth sector.

The specific data can also be shared with Government departments to help inform national programmes and funding decisions. A targeted and tailored approach that meets the specific needs of people and a place is likely to deliver better measurable impact than generic programmes and, therefore, help the levelling up mission to increase high-quality skills in the lowest skilled areas. For example, [Tees Valley CA](#) has launched [Teesworks Skills Academy](#) to tackle its low skills and high unemployment issue and ensure that its [Teesworks](#) employers are able to recruit local people with the right skills.

Principle 2: Investment in infrastructure is vital to fully achieve economic inclusion in people and places.

Infrastructure is fundamental to connecting people, businesses, and support services. It enables access to education, training, or job opportunities and is therefore key to the levelling up mission about increasing employment, and productivity to close the gap between areas. The [British Chambers of Commerce \(BCC\) survey](#) exploring the suitability of SMEs' local training environments shows that factors such as the availability of quality public infrastructure, and access to skilled labour are entrenching a rural-urban divide among UK SMEs. The survey found that 58 per cent of SMEs in rural areas do not believe their area has reliable and well-connected trains, compared with 39 per cent in urban area. The rural-urban divide is also evident when it comes to connectivity. While 82 per cent of SMEs in

DRAFT

urban areas agree their area has reliable broadband this falls to around half, 56 per cent in rural areas. It is pivotal for local government to continue to invest in infrastructure such as transport, broadband, housing, childcare provision, and community facilities to support economic growth and create training and employment opportunities to realise economic inclusion for their communities.

Transport cost and connectivity

Transport, due to the diverse geography, connectivity, and cost in some areas acts as a significant barrier for individuals, particularly in rural areas where there is possibly limited public infrastructure in place. Transport connectivity challenges are noted in our [Work Local report](#) – the lack and cost of transport in rural areas and the large disparities and greater socio-economic challenges in urban areas.

Due to the lack of transport connectivity, there are fewer opportunities, and provider delivery costs are often high; resulting in limited or lack of provision totally in some areas. Effective measures need to be adopted to minimise the adverse impact on individuals.

Many councils and combined authorities are supporting young people with costs and transport issues in innovative ways, for example, [Derbyshire Wheels to Work](#) offers help to young people who are experiencing transport issues that are preventing them from getting to work, through a loan scheme providing young people with bikes, e-bikes, and mopeds. Meanwhile, in the North East a 'Flexibility' smartcard has been introduced by [Go North East and Co-Wheels](#) that can be used for bus journeys and access to a car club.

To support economic inclusion, local government may want to continue to invest in the transport infrastructure and develop transport solutions for underserved/excluded communities and ensure accessibility to improve access to job opportunities and training for all residents, particularly those who may face transport barriers.

However, the Government's ambition for 'London-style transport systems' everywhere will be difficult to realise as the distribution of power remains a patchwork, with significant anomalies and barriers remaining against levelling up to London. For example, local government's influence over buses and routes is limited (in non-devolved areas) as the funding is awarded directly to bus operators.

Digital connectivity and poverty

In today's digital age, digital connectivity is another critical factor in achieving economic growth. This means the extent to which individuals and businesses can access high-speed internet and digital technologies that enable them to participate fully in education, employment or training and contribute to the economy. For individual, this means having access to affordable digital connectivity and equipment (a computer or laptop) to study, find and sustain employment.

However, at present, the lack of digital connectivity or digital poverty is restrictive in terms of both people accessing training and job opportunities. About 300,000 young people lack digital skills and 700 thousand young people lack access to a computer or tablet at home, with young people who are already vulnerable more likely to be digitally excluded. Also, [Understanding digital poverty and inequality in the UK reports](#) that disparities exist in levels and types of digital access, digital skills, usage, and outcomes across the UK. This is a major problem, particularly in rural areas.

[Analysis from the County Councils Network](#) shows just 21 per cent of premises in county areas have access to gigabit broadband. Digital connectivity adversely affects the supply of

DRAFT

opportunities with fewer businesses located in rural areas. Poor digital connectivity restricts the social and economic development of an urban area as well. Many councils and combined authorities are working hard to address the digital challenges. For example, [Bradford Council has launched a new Digital Strategy](#) to drive forward its social and economic development. The five-year plan sets out how it will develop the digital infrastructure, skills, and businesses needed to continue to build thriving and connected local areas. The strategy aims to enhance its digital capabilities and raise its digital growth in four areas; digital economy, digital inclusion, data-driven decision-making, and connected district.

To support digital connectivity local government may want to invest in the digital infrastructure. For example, working with internet service providers to expand broadband coverage, investing in public Wi-Fi networks, and providing access to digital devices and software. Also, providing digital skills training to help residents and businesses develop the skills they need to participate in the digital economy can support help economic inclusion.

A recent LGA commissioned report examined [The role of councils in tackling digital exclusion](#) which looked at the link between digital infrastructure and disadvantage. The research found that whilst there has been important progress in closing the digital connectivity gap, some areas are being left behind in mobile coverage. The report makes a number of recommendations for government and councils and combined authorities to support digital connectivity, including the development of local digital inclusion strategies.

Principle 3: Local government may want to foster collaborative internal and external partnerships to maximise economic inclusion.

Local government can act as leaders in supporting economic inclusion by partnering with other stakeholders, including government agencies, for example, Jobcentre Plus, community organisations, employers, and education providers. Effective partnerships can take many forms, including joint planning, sharing of resources and expertise, and joint funding arrangements. By collaborating with other stakeholders, local government can leverage the strengths and resources of different partners to achieve better outcomes; implement initiatives and programmes that are more responsive to the needs of the community and that have a greater impact on economic inclusion.

This can involve working in collaboration to provide training and support opportunities for underrepresented groups, sharing best practices, and partnerships to identify and address barriers to accessing education, employment or training.

Collaboration with different organisations offers benefits to councils. For example, partnering with community organisations can help to understand the needs of local residents and support the development of community-based solutions; collaboration with the health sector can help to understand the needs of those who are economically inactive due to health conditions and determine the type of support required to get them back into the labour market; and working with training providers to develop training programmes that meet the needs of local businesses and residents.

Partnership working can also include working with training providers to identify skills shortages and develop training programmes that address these shortages, for example green or digital economy skills. [Bristol City Council's employment, skills and learning service \(ESL\)](#) brings together apprenticeships, adult community learning, post-16 and employment support, and ['Bristol One City'](#) is a multi-agency co-designed approach to tackling emerging local issues – needs and gaps. These initiatives have helped some of the most vulnerable and those experiencing disadvantage.

DRAFT

Cross-departmental working is also important to maximise the impact of strategies, action plans and interventions. By breaking down silos and aligning their strategies and initiatives, local government can create a more coordinated and effective approach to promoting economic inclusion. Sharing data and information across different departments, for example, housing or youth services to gain a better understanding of the needs of local residents and businesses. This can include sharing information on skills shortages, employment trends, and economic development opportunities to inform the development of policies and initiatives. It can also create a more evidence-based approach to promoting economic inclusion. Similarly by creating cross-functional teams such as Supporting Families Programme teams local government can ensure that different perspectives and expertise are brought together to create more effective solutions. It also important for councils to work together with other local councils, especially when young people and adults may cross borders for learning or work. This can help with early interventions where necessary.

For example, [Babergh and Mid Suffolk District Councils](#) provide a tailored support offer for young people facing additional barriers to further education, training, and employment through a number of initiatives. At the [Thrive Project](#), a multi-disciplinary team of qualified youth workers, teachers, curriculum experts, SEND experts, and social, emotional, and mental health experts, provides tailored alternative provision with 1:1 mentoring, coaching, personal careers advice and guidance and wider bespoke support. Meanwhile, [East Sussex County Council 'ESTAR'](#) team, based within the employment and skills team, worked with community sector partners to identify ways of delivering bespoke and tailored inclusive provision to those who are homeless and devised and trialled the [Moving on Up initiative](#).

It is also important to work with Government departments and agencies to seek guidance and share learning. The [Equality Hub](#) provides useful resources to support economic inclusion.

Principle 4: Local government may want to assist businesses and employers to support good work practices to maximise economic inclusion in local areas.

Businesses are often the primary providers of jobs and training opportunities. By collaborating with local businesses and public sector employers local government can create initiatives and programmes that facilitate job creation, skills development, and increased workforce participation, and thus achieve a more inclusive local economy. There are a number of ways the business sector can promote economic inclusion.

Effective partnership work requires strong relationships between local government and businesses. Councils and combined authorities can establish regular communication channels with businesses and create forums where businesses can provide feedback on local economic issues. By building strong relationships, local government can gain a better understanding of the needs of local businesses and develop policies that are responsive to those needs. For example, the skills needs data from employers can help inform the development of bespoke training programmes to ensure a pipeline of skills. This can prove particularly useful in the growing or emerging sectors, for example, green or digital.

Local government can encourage businesses to adopt socially responsible practices that promote economic inclusion. This can include promoting diversity and inclusion in the workplace, providing fair pay and benefits, and supporting local communities through corporate social responsibility initiatives. The LGA commissioned [Good Work report](#) sets out that there are significant benefits to creating 'good work' opportunities. It also helps to achieve the levelling up ambitions of raising pay and employment to close the productivity gap. [Lambeth Council](#) encourages and incentivise businesses to pay the London Living Wage. The council is also working with neighbouring boroughs Southwark and Lewisham to provide networking events for businesses. [Southwark Council](#) has developed a [Southwark](#)

DRAFT

[2030: working together for a brighter future](#) vision. One of its [Fairer Future commitment](#) themes aims to tackle the barriers holding people back from securing good work.

Councils and combined authorities can encourage local procurement by working with businesses to use local suppliers and contractors, which can support local businesses and create employment opportunities for local residents. This can also help to build a more sustainable local economy by reducing transportation costs and supporting local supply chains. [County Durham Pound Project](#) brings together twelve primarily public sector organisations which spend nearly £1 billion between them to maximise benefits to the local area from their expenditure.

Local government can develop comprehensive economic development strategies that involve employers as key stakeholders. These strategies could focus on promoting sustainable growth, attracting investment, and creating an enabling environment for businesses to thrive and supporting entrepreneurship. The Local Enterprise Partnerships (LEPs) transition next Spring present an opportunity for local government to enhance their economic development and business engagement role.

Principle 5: Local government may want to promote workforce equality, diversity and economic inclusion as an employer.

Local government have a key role to play in promoting economic inclusion as an employer. As large employers, councils and combined authorities can set an example by creating a diverse and inclusive workforce and providing opportunities for local residents to access employment and training.

There are several ways local government can support this ambition. They can create a diverse and inclusive workforce by reviewing their end-to-end recruitment strategies and activities; by ensuring that their recruitment and selection processes are fair and transparent, and by providing equal opportunities for all candidates regardless of their background; providing opportunities for local residents to access employment and training by prioritising local recruitment, offering apprenticeships and work experience placements, and working with local training providers to develop training programmes that meet the needs of local communities. Local government can also support individual when employed with inclusive leadership by ensuring managers at all levels have the skills and capability to manage diverse teams. This also includes flexibility to support staff with disabilities, long term health conditions or caring responsibilities.

As a large public sector employer, local government can lead by example and consequently encourage other local employers to follow the same practice. Demonstrating a commitment to economic inclusion can influence other employers and thus promote inclusive growth. [LGA provides a range of support and resources to help local government with their equality, diversity and inclusion in the workforce priorities.](#) [The LGA National Procurement Strategy for Local Government in England 2022](#) vision is to *support local government procurement in developing from good to great*. It aims to help councils deliver both economic and social value to communities and levelling up within and between our places.

Many councils and combined authorities are working to promote equality, diversity and economic inclusion as an employer. [DurhamEnable](#) is a Durham County Council led Supported Employment Service for individuals who are aged 18 and above and have learning, physical, and/or mental health barriers to employment. The council is also addressing its skills needs through apprenticeships and has linked the council's ambition for a thriving economy with more and better jobs to an [Apprenticeship Strategy](#). [Hackney Borough Council has designed a number of programmes focussing on an inclusive approach](#)

DRAFT

[to employment](#) that engages and supports those experiencing disadvantage in the area, including, care leavers, young people with disabilities, and young Black men. Meanwhile, Hampshire County Council with its [Inclusion Strategy](#) is working to ensure that EDI is at the centre of its service provision both as an employer and also proactively engaging groups and individuals with protected characteristics in its skills, employment, and outdoor programmes.

Principle 6: Local government may want to monitor and evaluate progress to ensure economic inclusion is achieved for everyone.

To ensure effective progress is made towards achieving economic inclusion, councils and combined authorities may want to monitor and evaluate progress of their strategies and actions plans. This can involve collecting and analysing data on workforce diversity, monitoring training outcomes, and evaluating the impact of initiatives aimed at improving economic inclusion. This can help to understand the impact of policies and initiatives, identify areas for improvement, and make evidence-based decisions on how to allocate resources and support local businesses and individuals.

There are several ways in which local government can monitor and evaluate their progress in promoting economic inclusion:

Setting clear goals and targets that reflect priorities and vision for promoting economic inclusion in employment and skills. By setting goals and targets, local government can track its progress and identify areas for improvement.

Gaining access to government departments and agencies held detailed data and analysing data on key economic indicators, such as employment rates, job vacancies, and skills shortages can help local government to identify trends and patterns, understand the needs of local businesses and residents, and assess the impact of their policies and initiatives. It is also essential to collect data on the demographics of the local workforce to ensure that economic inclusion policies are benefiting all groups equally. The [Local Government Procurement Index](#) is a useful tool that helps to identify what proportion of a council's procurement is awarded directly to SMEs, VCSEs and locally-based suppliers, and how this compares with other authorities nationally. [Wigan Council](#) is working with anchor partners across the borough to use the public procurement as a lever to tackle some of the big challenges and create a fairer economy. Progressive procurement is a key part of [Wigan Council's Community Wealth Building strategy](#) that ensures greater economic, social and environmental benefits are achieved.

Councils and combined authorities can share best practices with other councils and organisations to learn from their experiences and improve their own policies and initiatives. By sharing best practices, local government can accelerate progress and create a more inclusive local economy.

The six guiding principles outlined above are universally relevant to underpinning equality, diversity, and economic inclusion in employment and skills. These principles should be adopted in parallel to reflect the fact advancing economic inclusion requires a holistic approach across many different policy areas and programmes.

In conclusion, to advance economic inclusion for their communities local government need to develop a policy framework on equality, diversity, and economic inclusion and embed it in all policy areas; ensure that the system is flexible and responsible for the need of all; engage all relevant stakeholders in implementing the policy framework to strengthen its impact; prepare and support leaders in developing competences and knowledge for promoting equality, diversity, and economic inclusion; support and monitor progress.



Equality, Diversity and Inclusion (EDI) Focus Group – thematic summary



To view more research from the Local Government Association Research and Information team please visit: <https://www.local.gov.uk/our-support/research>

Contents

Purpose	1
Interview questions.....	2
Question 1:	2
Question 2:	4
Question 3:	6
Question 4:	7
Additional comments:	11

Purpose

Three focus groups were held between December 2022 and January 2023. Participants were Economic Development Officers drawn from a range of councils in England:

Focus Group One - Rural & Coastal

Focus Group Two - Urban

Focus Group Three - London and the South-East

In total, 28 officers participated.

The purpose of the focus groups was to explore how councils are working to improve equalities in employment and skills outcomes to encourage economic development for their communities. The focus groups aimed to develop understanding by capturing the thoughts and experiences of those working to advance this agenda. Each of the groups were asked the following questions:

- What, if any, are the differences in access to employment or training opportunities, employment rate, and skills between groups (with different characteristics) in your area?
- What, if anything, is the council doing about lessening these differences?
- What more might be done in the future?
- What, if any, are the barriers and enablers to lessening these differences?

This paper provides a short thematic analysis of the responses given across all three groups. Where there is any difference in response by focus group this is highlighted in the text.

Interview questions

Question 1:

What, if any, are the differences in access to employment or training opportunities, employment rate, and skills between groups (with different characteristics) in your area?

Homogeneity

Regardless of the size of the council it was evident that there was not a homogeneity of access to employment, training opportunities, employment rate or skills. The impact of this at the local level is that there is not a one size fits all approach, as this would not meet the specific needs of local communities. Individual groups within communities require support that is fit for purpose in terms of their need. For instance, support required by the over 50's who wish to return to work after a significant period out of the employment market is different to the support needed by young people or those with a disability. The challenge is that the training and support offer that is in place does not easily map onto the nuanced local context of specific needs within local communities and groups.

Intersectionality

Linked to the above, there were specific groups and individuals within local communities that faced multiple challenge. For example, those who were older and from Black, Asian and Minority Ethnic (BAME) communities. This intersectionality was felt to further disadvantage those in communities who could not readily access training or employment opportunities. Ensuring that specific and relevant support was in place to enable those that faced multiple barriers to accessing the labour market was crucial, but this support infrastructure was felt not to readily be in place. In addition, it was noted that there was not an understanding, in a holistic sense, of the multiple challenges that individuals faced, both in policy but also data terms, as the data was not available at such a local and nuanced level to ensure that effective support, even when available, could be given.

Economy and local labour market

There were perceived to be historical reasons for differences in employment or training opportunities- these being due to the nature of the local economic market. For instance, areas that had predominantly been focused on rural or heavy industry economies. These historical patterns of employment were no longer in place and what now existed were either high levels of unemployment or employment that was low skilled and low paid. Issues around seasonality of employment were also raised by specific groups (especially those in coastal communities) who noted that where employment was available this was often focused on the seasonal hospitality and service industries with resulting in-job insecurity and below-average remuneration.

Linked again to homogeneity issues, participants noted that even where there appeared to be high employment and high-wage local economies there remained an issue of access for specific members of the community. For example, some employment markets were predicated around construction where employment was

often focused on younger white men, and high remuneration technical and IT related roles that were taken by white middle class males who commuted into the area. The impact on local communities looking for employment and facing multiple challenges due to their ethnicity or age for example, was considerable. Again, where these specific groups could access local employment, this was more frequently in low-paid and low skilled roles.

It was noted that local economies had also altered considerably due to the COVID pandemic. This had resulted in the growth of significant unemployment and economic inactivity, especially amongst the over 50's who had left the labour market and who were now finding it difficult to access employment. Added to this, it was noted that the claimant rate across all ages has increased due to ill health and, going forward it is likely that there will be a larger number of people looking for roles at the local level who have the added difficulty of having to manage longer term health conditions. Specific support will be needed for these groups that perhaps the current level of provision does not adequately cater for.

Diverse geography and transport links

Differences in the availability of, and access to, skills and training opportunities are also influenced by geography. Participants noted that the ability (or not) to access training and support on offer can be a considerable barrier to engagement. A key factor in this was access to transport. Relating to transport, there were issues associated with both cost and access;

Cost - participants noted that the costs of transport were a considerable barrier to accessing employment and training- this was felt to be particularly the case in rural areas.

Access - Aside from costs, participants noted that in some areas there was no public transport infrastructure in place. The highly localised nature of this issue was highlighted, with participants noting that there are some parts of their council areas that are very well served and other parts (both for rural and urban councils) that had no infrastructure in place. For those residents needing to access training and skills development activity where there was little transport infrastructure, engagement was challenging.

Digital connectivity

Participants noted that a lack of digital connectivity and the costs associated with access to IT equipment was very restrictive in terms of people both accessing online training and applying for jobs. In rural areas a lack of digital connectivity was also felt to have adversely affected businesses with the result that employment opportunities were fewer as there were smaller numbers of businesses - especially small and medium companies. Internet access is also an issue for those in extreme poverty. One authority noted that the availability of distance learning and distribution of laptops and dongles had led to the engagement of certain groups, however, for the most disadvantaged, direct face to face training support is still required and so a more nuanced approach to technology is needed.

Question 2:

What, if anything, is the council doing about lessening these differences?

All participants noted the challenge created by the ending of the European Social Fund (ESF) funding in 2023. There was uncertainty as to the level of funding that individual councils would receive through the UK Shared Prosperity Fund (UKSPF) and this was shaping what councils could do in terms of lessening difference moving forward.

A range of actions and initiatives at a national and local level designed to leverage growth and support for communities were noted.

Partnership working

Participants identified the importance of the effective joint working that they had undertaken across agencies, specifically; government departments, local anchor institutions, local employers and business and community partners. This approach had brought together a wide range of skills and avoided duplication of effort and had created clear linkages for access to the local labour market. Examples of partnership working with these agencies included;

Government departments - Working more closely with Department for Work and Pensions (DWP) colleagues on place-based provision strategies and a new city employment plan.

Anchor institutions – The council and NHS trust working together to promote the wide range of job opportunities within their organisations and encouraging more applications from those in deprived areas from where there had previously been few.

Employers and business - Supporting and focusing on local employers and small business by encouraging a review of recruitment processes making these more accessible, identifying systemic barriers including addressing employer concerns about the costs involved in making reasonable adjustments to recruit those with learning disabilities. Providing support in designing bespoke traineeship programmes and working with the construction industry by raising awareness and encouraging women and older workers to apply. Encouraging employers to inform the council first about vacancies, allowing them the opportunity to try and support individuals into these roles and promoting a sense of social responsibility in doing so.

Community partners - Setting up resident and stakeholder panels or those with an interest in advancing equality (rather than tackling inequality) and so reframing and taking a positive approach.

Local knowledge

Participants regardless of area highlighted how they realised that the level of knowledge they had of their local areas as identified through data, was limited. To remedy this, councils were developing a greater granularity of data that more accurately provided a picture of community and related need which allowed them to

bring services to where they are most needed. For example, developing hub-based approaches in smaller areas to broker learning and employment support. Building on this more detailed understanding of local communities and their specific needs, councils were recalibrating their service offer to ensure that it more fully met local need - for instance, one rural authority described a scheme (funded by the European Social Fund (ESF) which paid for driving lessons for young people who are not in education, employment or training (NEET), in order to allow them to access and travel to work and also to raise their self-esteem and aspirations.

Provision of support

As noted, access to relevant training and employment was not equitable to all groups at a local level. To address this councils were developing bespoke training and support that provided a tailored response to meet specific local need.

Council procurement and ways of working

Participants noted that council systems and structures could act both as a barrier and enabler to developing training and employment within their geographical area. In terms of barriers there was some concern around the ways in which councils, at times, worked within siloed structures that did not engender a joined-up approach to training and employment at the local level. To address this, a number of participants described how their councils were taking an holistic approach- for example, making their grant funding processes more fit for purpose to meet local need. In addition, councils were described as changing their practices to ensure that they were more able to let contracts to local business through proactive procurement and sub-contracting, thus creating greater job opportunity at the local level.

Regarding the ways in which the council itself recruited staff, it was noted that application processes were being streamlined to encourage greater interest from local communities, especially those from minority groups. Other councils were going further than simply refining their data sources through commissioning comprehensive local health inequality assessments. One council had established a number of equalities panels to ensure that equalities impact assessments are embedded within any major policy or spending decisions from the outset. Linked to this, councils acknowledged that they had a key role in championing EDI within local labour markets, and did this through the development of social value policies with employers, responsible business networks and through encouraging local recruitment and advertising for employment opportunities.

Funding

Councils have been considering how best to use the funding available in creative ways, to ensure fit for purpose approaches. Councils in London and the South-East noted that since the COVID pandemic, there had been an increase in unemployed residents wanting to open their own business or considering self-employment. As a result, one council had launched a business support service that would provide information, advice and guidance to local residents who wished to set up on their own.

Question 3:

What more might be done in the future?

It is evident that all councils were committed to developing the employment and training opportunities for all members of their community. They highlighted innovative approaches that they could operationalise if they had the funds available. Areas for further development that were highlighted included:

Role of council

Councils were considering the services that they need to provide in the future, and therefore were carrying out a needs based assessment of their current workforce to identify any staffing gaps with a view to these being recruited to from local residents.

Partnerships

Developing partnerships with other local and community agencies (including anchor institutions, employers, the NHS, police, youth clubs, schools and further education providers) was seen as key, in harnessing a wide range of staff skills and developing local employment opportunities. For example, one council described the work it was undertaking with local employers in developing responsible business networks to encourage social responsibility around job opportunities and work placements. Another authority was developing a community learning programme for adults targeting those with disabilities or learning difficulties to achieve positive results.

Local knowledge

Participants noted that a more focused, nuanced and holistic approach was beneficial. Taking into account the specific local area including its geography, workforce and also recognising the lack of homogeneity of communities within it would help them target their offer more effectively and offer place-based approaches. For example, one authority had engaged with local frontline services such as the Citizens Advice Bureau (CAB), foodbank representatives and community engagement teams which had allowed them to ensure that service information was targeted directly to those who may need it and delivered in ways that were fit for purpose for local communities.

Data

As noted in the above sections, data sharing, the granularity of data and access to high quality local and national data was noted by councils as vital to improving their understanding of local areas and in identifying pockets of hidden need within them.

Devolution

Authorities noted that devolution provided an opportunity to develop locally designed services - bringing partners and resources together to do so. Authorities were however mindful that this would require careful planning and an awareness of any risks involved.

National policy

Rural and coastal and urban authorities suggested that changes to national policy would be of benefit. This included:

- More flexibility around the receipt of benefits as this would help authorities avoid shoehorning people in according to their eligibility. They currently do not have discretion as there are ringfenced eligibility issues which are creating widespread systemic barriers.
- Taking a more 'whole-person' approach would lead to better outcomes for individuals. Linked to this
- Allowing local authorities to use a different type of intervention or delivery model based on the needs of their community would also help.
- A more fluid and aligned approach allowing authorities to refer individuals to programmes or projects that would be of most use to them (regardless of the touchpoint of an individual) and adopting a 'no wrong door' approach would ensure that they receive the most relevant support.

More specifically, one authority suggested nationally providing a targeted Education Maintenance Allowance (EMA) for young people in rural areas. This would support travel costs for young people to get to places where they can access services, or alternatively incentivize providers to deliver in rural areas and provide the funding for them to do so. Currently, considering how mainstream provision is delivered in rural areas is not factored into DWP commissioning models but is something that needs to be considered. Linked to this;

In addition, streamlining funding opportunities would allow for more bespoke and targeted programmes to run, rather than multiple funders all competing for the same cohort of learners. This would then rationalise assessment, referral and progression pathways.

Linking to emerging economies

Specific to rural and coastal areas, it was noted that employment opportunities are developing rapidly in renewable and green infrastructure. In these emerging economy areas, it was suggested that support needs to be provided to residents so they can benefit from these employment opportunities.

Question 4:

What if any, are the barriers and enablers to lessening these differences?

In the context of the broad funding challenges that participants had previously noted, a range of barriers and enablers to lessening differences were highlighted.

Barriers:

Fragmented Funding

Participants noted that the fragmented nature of funding (with varied size pots of money being made available at different times and for different purposes), could

make it difficult to provide targeted or bespoke support programmes. There were associated challenges in keeping track of and reporting back on the use of this funding, and issues relating to duplication of activity.

Additional barriers included the fast turnaround times required in addition to specific government financial rubric which often meant that authorities failed to take advantage of available funding avenues. The resource required for councils to administer and manage bids for very small pots of funding could also make them not cost-effective to pursue. Longevity of funding would allow councils to have a more streamlined and longer-term approach.

Authorities in London and the South-East noted the following specific issues around funding;

Overlapping funding systems – The funding system was felt to be geared towards larger adult training authorities familiar with the bidding process. Some authorities often have excellent community-based organisations but their access to regional funding schemes due to eligibility criteria, meant that the authority does not have a strong provider base. Greater autonomy is needed in order to make funding schemes more flexible and accessible.

Changes in Adult Education Budget (AEB) funding – Changes in this funding were identified as problematic. Currently adult learning allows those who are economically inactive or not seeking employment, a more accessible route into non-accredited courses.

Data

All participants noted that there was a lack of availability, and access to, both local and national data. Where there is a reliance on national data, this is not broken down to local group level and an increased granularity of local data is needed in order to provide local-level insight. For example, one combined authority noted that they were heavily reliant on local intelligence around, for example, autism and neurodiversity amongst their local community, the quality of which was variable and as a result there was differential in terms of the success of supporting these groups and this did not seem a robust or consistent approach. A greater granularity of data was also needed to enable councils to drill down to identify hidden pockets of need and also to provide information to enable them to flex services around ever-changing priority areas in their locality. A lack of data sharing at a national level, and between organisations also limits council ability to cross-reference information and ensure that their offer is relevant.

Accessibility

The inability to access services was a barrier across rural and some urban authorities. Geographically, services were not always in the most accessible locations for target groups and travelling to them had cost implications. For example, one London authority reported that some wards are not well connected to the Transport for London (TFL) network and many services are located in the north of the area as there is less space available to house them in the south. Large rural

authorities also described poor and expensive transport links to services, making access to them prohibitive to some target groups.

Local labour market

All participants noted that a lack of flexibility from local employers could create a barrier to work for those trying to return to the job market. A lack of flexibility around work hours (in order to accommodate childcare or other caring responsibilities) presented challenge and some employers had voiced concerns about the costs of making reasonable adjustments to recruit those with learning or other disabilities. For London authorities there was a reluctance amongst some employers to pay the London Living Wage making employment a less viable option for individuals.

Siloed working

Urban authorities noted that a siloed approach across council directorates could create a barrier to more effective working and that increased partnership within the council in addition to across the community and with key stakeholders was needed.

Lack of skills

For those authorities in London and the South-East, there were perceived to be particular issues for older people returning to the workforce due to the cost-of-living crisis. Low-level skills and also having had a gap in employment was making a return to work difficult.

Digital divide

Rural and coastal authorities identified a lack of digital connectivity which was a barrier to accessing online training and applying for jobs. Issues around access to hardware and the ability to use this were also noted.

Partnership working

Rural and coastal authorities suggested that although partnership working is positive, there needs to be recognition that this requires time and effort to work effectively. Partners can often be those who are used to being in direct competition with each other and this can present challenge.

Enablers:

Increase in funding and flexibility of funding

Participants noted the need for increased funding and also greater flexibility around funding rules. This flexibility would allow them more control to ensure that providers deliver against their contracts at a local level and also to ensure that local-level employer needs are met. An increase in flexibility would provide authorities with the ability to better influence local priorities rather than responding to a broad DWP focus.

Data

As noted in the barriers section above, a greater availability of more granular data at both a national and local level was required. This would allow local resources to be targeted more effectively as intersectionality could be identified more easily allowing services to become more inclusive. Some relaxation of General Data Protection

Regulation (GDPR) to produce a top-down agreement to allow data sharing between organisations with commonality of purpose was also suggested.

Partnership working

In addition to working with statutory agencies, increased partnership working with local networks, for example Voluntary, Community and Social Enterprise (VCSE's) would allow authorities to reach individuals who may not access services via the more formal agency routes. For these groups a 'one size fits all' approach is less likely to work.

Increased working with anchor institutions would enable these organisations to become drivers of local growth or support for communities. One authority noted that they had developed an EDI subgroup with local anchor institutions and had developed tools and training for local employers in order to tackle EDI issues around recruitment and employment.

Urban authorities also noted that more joint working and a less siloed approach across council directorates was needed to enable more effective and linked activity.

Local freedom/Devolution

Participants noted that devolution and more local freedom would enable them to more effectively tackle some of the current challenges highlighted. The focus of job centres and creation of people hubs were noted as areas where authorities could have more control. Devolution was seen as an opportunity to bring more resources and partners together, however linked to this;

Joint approach

Urban authorities noted that a more joined up approach between DWP, job centers and local councils was needed in order to allow them to take effective action at a local level. Furthermore, it was felt that local areas needed to be empowered and supported by a national infrastructure which would enable all parties to implement solutions and to plan effectively.

Local commissioning

Urban authorities noted that community grants programmes have achieved very positive results when small trusted local organisations are commissioned to deliver in areas where people are happy/comfortable attending, and more of this work has the potential to lead to impactful results at the local level.

London and South-East authorities said that when commissioning services, they had developed their social value requirements within contracts in order to influence best practice. For example, including a requirement for jobs to be advertised locally and for the employer to be paying the London living minimum wage.

Council workforce

Rural and coastal authorities noted the importance of ensuring that the council recruited extremely skilled staff who understand the needs of their local communities well and are able to support and empower them. Additionally, the importance of upskilling and training existing staff to enable them to acquire any new skills required

was essential to make them more effectual in their role. This links back to the earlier discussions regarding the importance of councils employing from within their local resident communities.

Additional comments:

At the end of the focus groups, participants were asked if they had any additional comments to add. Comments included:

- Councils needed to ensure that they “walked the walk” when it came to their own job application processes and in providing flexibility for applicants.
- Council workforces are not representative in terms of EDI and this needs to be addressed.
- Councils have an ageing workforce and more young people are needed at the local level. Apprenticeships and internships could help with this.
- The pre-16 education system was described as not fit for purpose as it does not prepare young people for the world of work or with the skills that employers want.
- That improved and more efficient working relationships with DWP and other partners would be helpful; and
- Longevity of funding was described as key with extended dates where funding is available to enable longer-term and meaningful training and employment support to be developed and delivered.



Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Telephone 020 7664 3000

Fax 020 7664 3030

Email info@local.gov.uk

www.local.gov.uk

© Local Government Association, February 2023

Digital Update

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides an update for People and Places Members on the board's digital work over the 2022/23 cycle. LGA Digital Champion, Cllr Mark Hawthorne will attend the meeting to have a wider discussion with Members about the digital agenda.

LGA Plan Theme: ***Stronger local economies, thriving local democracy***

Recommendation(s)

Members are asked to note the digital inclusion, connectivity, switchover, and engagement work undertaken through the 2022/23 board cycle. Cllr Mark Hawthorne will attend the Board meeting to have a wider discussion with Members about the digital agenda and areas of priority for the 2023/24 cycle.

Contact details

Contact officer: Esther Barrott

Position: Adviser

Phone no: 07464652906

Email: esther.barrott@local.gov.uk

Error! Reference source not found.

Background

1. The Board has continued to expand its work around digital connectivity and inclusion throughout the 2022/23 cycle. The paper provides an update for Members on the Board's digital workstreams.

Digital inclusion

2. Following a competitive bidding process, the Board commissioned DMS Research and Consulting to explore the role of councils in tackling digital exclusion. The research formed two parts – data analysis and stakeholder consultations. The data analysis combined Ofcom Connected Nations datasets for coverage and performance with over a hundred socio-economic datasets to explore the correlations between thousands of variables to understand how connectivity has changed over time. Following this several stakeholder consultations were undertaken with council officers and members, the Department for Science Innovation and Technology (DSIT), Building Digital UK (BDUK), the Digital Connectivity Forum and Good Things Foundation.
3. The [final report](#) outlines a number of recommendations for Government. These include: the need to clarify ministerial and executive leadership on digital inclusion, bearing in mind the cross-cutting nature of the issue; creating and maintaining a new framework with national level guidance, resources and tools that support local digital inclusion initiatives, replacing the Digital Inclusion Strategy of 2014; and developing mechanisms for more effective cross-department coordination in tackling digital exclusion.
4. The report also recommends the LGA consider making an online digital inclusion dashboard tool available to councils, such that they can benchmark their areas' position relative to their peers by various relevant metrics. LGA officers are working with the LGA's research team, digital and cyber team, and the Digital Poverty Alliance to create this resource using the LGA's data benchmarking tool, [LG Inform](#).

5. Helen Milner, Chief Executive of Good Things Foundation has written a [think piece](#) endorsing the report's recommendations and reinforcing the important role councils play in addressing digital exclusion and the need for Government to work with the sector and wider organisations to create impact at scale to fix the digital divide.
6. Cllr Mark Hawthorne, the LGA's Digital Champion, has written to Minister for Data and Digital Infrastructure at DSIT, Julia Lopez MP, sharing the report, highlighting the recommendations for Government, and asking for a meeting to discuss the findings in further detail (see Appendix 1). A [press release](#) was distributed highlighting the report and has received [national coverage](#) from a number of outlets. Officers will keep Members up to date with developments.

Digital connectivity

7. Continuing to highlight the importance of improved digital connectivity has remained at the forefront of the Board's work programme throughout the 2022/23 cycle. The Board's longstanding call for Government to recognise the importance of local authority digital champions to help coordinate delivery locally, recruit extra capacity and respond to surges in local roll out activity was recognised in Government's recently published [UK Wireless Infrastructure Strategy](#).
8. While this was strongly welcomed by the LGA, the strategy has wider implications for local government and members might wish to consider how the Board engages with DSIT around the following areas over the forthcoming months:
 - 8.1 The strategy states a Rural Connectivity Champion will be appointed who will report to DSIT and the Department for Environment Food and Rural Affairs (DEFRA) Secretaries of State to remove local barriers for deployment and promote digitally based innovation in rural areas. At the time of writing no one has been appointed to the position. Once the Rural Connectivity Champion is in post the Board might like to ask for a meeting with Cllr Mark Hawthorne as the LGA's Digital Champion to discuss how the Board can support the role working in partnership with the postholder as well as outline areas of concern related to rural connectivity.

8.2 A Digital Infrastructure Advisory Group has been proposed in the strategy comprising a selection of regional digital leaders to advise the government on how places can act to promote investment in and adoption of digital connectivity. We will look to work with Government to ensure the group does not duplicate the well-established ADEPT Digital Connectivity Working Group, a task and finish group focussing on the delivery of improved broadband and mobile connectivity with membership comprising local government digital leads across the country.

8.3 The strategy outlines £40 million will be provided for regions and local authorities across the UK to establish themselves as '5G Innovation Regions' to promote innovation and growth through investment in, and scaled adoption of, 5G and other advanced wireless technologies by business and public services. There are concerns from the sector this will be a time consuming and resource intensive bidding process since it is running at the same time as other similar competitions, a lack of clarity around messaging, and access to 5G puts rural areas at a disadvantage. LGA officers have shared concerns with DSIT officials and will review in the next Board cycle how we can influence this work going forward.

8.4 The strategy recognises the need to improve the measurement and reporting of mobile coverage, a longstanding ask of the People and Places Board. It highlights that it is 'frustrating when a user's experience does not match up to expectations and the reported coverage' and as a result the strategy calls on Ofcom to improve mobile coverage reporting, including in rural areas. Cllr Hawthorne and LGA officers are meeting with DSIT's mobile coverage team to understand how the Department intends to work with Ofcom to improve reporting and ensure local government plays a leading role influencing the outcomes of the strategy.

9. The Board is planning a session at the LGA's annual conference in July titled '[growing an inclusive digital economy](#)'. It will look at the role of councils and national partners in improving local connectivity, digital skills, using assets and systems to support better access to digital services and targeted inclusion programmes. Councillor Mark Hawthorne is confirmed to chair the session and Lord Clement-Jones confirmed as a speaker. At the time of writing, officers are waiting to hear back from Lucy Powell MP and John Whittingdale MP's offices.

Digital switchovers

10. Officers continue to raise concerns about the impact of upgrading infrastructure. The planned transfer of all analogue lines (also called the public switched telephone network or PSTN) to digital internet-based infrastructure will see analogue-based products completely phased out by 2025 and replaced with an all-digital network. Telecare devices such as personal alarms and fall detectors are largely analogue products putting the 1.7 million people who rely on technology enabled care at the most risk.
11. Throughout the 2022/23 Board cycle officers have continued to run monthly [switchover working group](#) meetings to discuss challenges and share good practice between regions. Officers have updated the LGA's [digital switchover hub](#) in collaboration with partners providing information for the sector and have also recently developed a [communications toolkit](#). The toolkit contains assets aimed at residents to raise awareness of the upcoming switchover. A printable leaflet template with information for those who are digitally excluded has also been developed. To date, the online assets have over 15,000 impressions on social media, 140 likes and shares and there have been 220 individual link clicks on the resources.
12. The LGA undertook a [digital switchover readiness survey](#) exploring councils' awareness, planning and implementation of the digital switchover. The results were published in early 2023. The sector remains particularly concerned about social care and telecare users being approached by scammers and officers are working alongside officers in the LGA's safer and stronger communities' team and the National Trading Standards Scams Team to support the sector with information dissemination.
13. The 2G/3G sunset whereby all operators have agreed to switch off 2G and 3G by 2033 is a rising concern for the sector with some providers already switching off their 3G networks. A lack of communications from industry remains a key challenge, with awareness levels low. The LGA's research team have developed a survey to explore potential implications of the switch off for the sector. The survey will run over the next month and its results will be used to inform the Board's lobbying position in the 2023/24 cycle.

Stakeholder engagement

14. LGA Digital Champion, Cllr Mark Hawthorne, has been invited to represent the People and Places Board on the newly formed National Connectivity Alliance, an alliance of telecoms providers, infrastructure providers, landowners, professional advisers and wider stakeholders to discuss the importance of delivering world class connectivity for all.
15. Cllr Hawthorne also sits on the Digital Connectivity Forum (Government's primary advisory group on the provision of seamless digital connectivity) and its digital infrastructure working group representing the People and Places Board.
16. Officers meet regularly with key digital stakeholders including DSIT stakeholder engagement officers, Mobile UK, Which?, Ofcom, Openreach, Good Things Foundation and the ADEPT Digital Connectivity Working Group.

Proposals

17. Members are asked to note the digital inclusion, connectivity, switchover, and engagement work undertaken through the 2022/23 board cycle and Cllr Mark Hawthorne will attend the meeting to have a wider discussion with Members about the digital agenda and areas of priority for the 2023/24 cycle.
18. Areas the Board might like to prioritise in the next cycle include:
 - influencing the practical outcomes of the Wireless Infrastructure Strategy, including working with Ofcom to improve the accuracy of reporting of network performance levels in rural areas
 - expanding the digital switchover work to explore the impact of the 2G/3G sunset
 - aligning more closely with the work of the City Regions Board to tackle issues around digital exclusion while still being the leading voice of rural-specific challenges.

Implications for Wales

19. Digital infrastructure policy is a devolved responsibility. However, officers will look for opportunities to ensure alignment of work with the Welsh Local Government Association.

Financial Implications

20. The Board's digital activities are supported by budgets for policy development and improvement. The digital inclusion research was funded from the Board's budget for policy development.

Equalities implications

21. The Board's work considers the impact of digital exclusion on marginalised communities and groups with protected characteristics, and it continues to lobby Government to ensure emerging digital policies and programmes will meet the needs of individuals and communities nationally and at a regional and local level across England.

Appendix 1 – Cllr Mark Hawthorne letter to the Minister

Julia Lopez MP
Minister for Data and Digital Infrastructure
Department for Science, Innovation and Technology
100 Parliament Street
London
SW1A 2BQ

12 May 2023

Dear Julia,

I am writing as the Local Government Association's Digital Champion to bring to your attention a recently completed report exploring the links between various types of disadvantage and the availability and usage of digital infrastructure, the role of councils in tackling digital exclusion, and suggesting a series of opportunities for Government to support and leverage councils in this.

We welcome the recent publication of your department's UK Wireless Infrastructure Strategy and commitment to deliver world-class digital infrastructure for all. Our report finds there is still some way to go ensuring every part of the country can have future-proofed, gigabit capable connections which can open the door to greater life and opportunities and ensure future growth. There's an important role for central and local government to work in partnership to co-design this.

In summary, the key recommendations from the report for Government are as follows:

- Clarify ministerial and executive leadership on digital inclusion, bearing in mind the cross-cutting nature of this issue** – It is widely recognised that tackling digital exclusion effectively can make an important contribution to various national policy objectives, including improving economic activity rates, improving the efficiency of public service delivery, reducing pressures on the health and social care system and improving health outcomes, and widening the pool of talent available to digital industries. However, it is an issue that spans several different departments, and it is not currently clear who, if anyone, at ministerial and senior officer level has responsibility for coordinating the UK Government’s approach. Clarifying this leadership would be helpful in ensuring that the resources applied to digital inclusion efforts are used as effectively and efficiently as possible.
- Create and maintain a new framework with national-level guidance, resources and tools that support local digital inclusion initiatives, replacing the Digital Inclusion Strategy of 2014** – The current UK Digital Inclusion Strategy dates from 2014 and does not now appear to be actively shaping local approaches. However, the fundamental nature of the barriers to digital inclusion are similar throughout the UK and national-level frameworks and guidance could and should play a part in optimising the effectiveness of digital inclusion initiatives. Councils are well-placed to help tackle digital exclusion and are keen to continue playing a major role in doing so, but severe funding pressures make it difficult to protect non-statutory activities. They need support from central government to ensure that local digital inclusion initiatives are continued and enhanced. A new framework could objectively assess and provide guidance on how best practice in this area, how best to integrate digital inclusion with other local strategies, and how to leverage PSTN switch off as a digital inclusion opportunity.
- Develop mechanisms for more effective cross-department coordination in tackling digital exclusion** – In addition to DSIT, departments with an active interest in improving digital inclusion include DHSC improving the use of digital channels for access to health services and exploiting telecare and health, DfE’s work on digital skills and resources for children and adults, DWP supporting digital skills and resources for job-seekers and benefit claimants, DLUHC improving efficiency of council service delivery and support for vulnerable groups and BEIS digital upskilling for small businesses. Developing more explicit and effective mechanisms for coordinating departments’ efforts should help to reduce duplication and improve the synergies between activities (for example ensuring that initiatives around improving access to devices and/or connectivity are complemented with help on digital skills).



People and Places Board

6 June 2023

A copy of the full report is attached to this letter and I would welcome that you and your department give serious consideration in the development of forthcoming digital strategies working in partnership with local government.

I would appreciate a meeting to discuss the report and recommendations in further detail, if convenient.

Yours sincerely

Cllr Mark Hawthorne

Britain's Leading Edge

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides background for members about the work of Britain's Leading Edge ahead of Cllr Linda Taylor, Leader of Cornwall Council, attending the full board meeting to have a wider discussion about opportunities for collaboration with the People and Places board.

LGA Plan Theme: Supporting local people and places

Recommendation(s)

Members are asked to note the background and current work of Britain's Leading Edge ahead of a wider discussion with Cllr Linda Taylor at the board meeting.

Contact details

Contact officer: Esther Barrott

Position: Policy Advisor

Phone no: 07464652906

Email: esther.barrott@local.gov.uk

Britain's Leading Edge

Background

1. Britain's Leading Edge is a collaboration of 12 upper tier local authorities on England's periphery without major cities, representing eight per cent of England's GVA (equivalent to English core cities) and 37 per cent of England's renewable energy.
2. Average per capita GVA in peripheral regions without major cities is growing more slowly than England's average, and average median earnings are around £2,600 less than the English average.
3. Britain's Leading Edge was launched in July 2019 amid the UK's exit from the European Union, to provide a platform for its members to contribute to a balanced debate about the future of the UK economy.
4. Over the past three years the group has:
 - 4.1 Co-sponsored with the University of Exeter a report on sustainable regional development in peripheral regions - 'Levelling Up the Periphery: Investing in Our Natural Assets for Prosperity and Growth'.
 - 4.2 Organised an academic conference on regional development in the UK, which aims to grow into an academic network, looking at the unique advantages and disadvantages of peripheral regions.
 - 4.3 Worked with the Treasury to reduce rural disadvantage in the Green Book. The group continues to be represented through Cornwall Council on the Green Book working group.
 - 4.4 Provided oral and written evidence to multiple parliamentary select committees.
 - 4.5 Organised a roundtable discussion with Britain's Leading Edge political leaders in the margins of the LGA Conference in Harrogate.

Opportunities for collaboration

5. Cllr Linda Taylor, Leader of Cornwall Council, a key member of Britain's Leading Edge, attended the November People and Places board meeting. Cllr Taylor reflected on the Levelling Up White Paper and how the levelling up agenda might support people living on the periphery and discussed 'where next for Britain's periphery?'. Members invited Cllr Taylor to attend another board meeting in the cycle

to update on Britain's Leading Edge's work programme and discuss opportunities for collaboration with the People and Places Board.

6. Since Cllr Taylor last attended the Board meeting [Britain's Leading Edge has published its 2023 manifesto](#). It commits to:
 - 6.1 Continuing to advocate for moving Continuing to advocate for moving focus and investment beyond the policy corridor, which still affects so much of central Government policy.
 - 6.2 Press for all parts of the UK to be truly levelled up, so that rural areas perform as well as metropolitan areas do with reference to the 12 Levelling Up Missions.
 - 6.3 Helping Government deliver on its promise that the UK will be net carbon zero by 2050. Britain's Leading Edge regions contain the clean energy capacity which will power this commitment.
 - 6.4 Building UK energy and food resilience, particularly in the light of ongoing geo-political developments.
 - 6.5 Advocating for fairer Government investment in research, development and the vital connectivity infrastructure that peripheral areas need to unlock our potential for growth, particularly in food production, clean energy, sustainable transport and digital.
 - 6.6 Championing Government recognition for the extra costs involved in providing reliable, high-quality public services in peripheral areas, and pressing for fair funding to drive innovation in service delivery.

7. Members might wish to discuss the specific commitments in Britain's Leading Edge's manifesto with Cllr Linda Taylor and consider how the People and Places Board might work in collaboration with Britain's Leading Edge to ensure the rural proofing of future policy creation.

8. Having heard from Minette Batters, President of the National Farmers Union and Tim Goodship, Head of Rural Policy at the Department for the Environment, Food, and Rural Affairs in March, the discussion with Cllr Taylor provides an opportunity for members to continue to engage with key rural stakeholders to inform the development of the Board's key asks of the rural sector.

The meeting implications for Wales

9. Many policy areas are devolved, however where the topic allows we will work with the Welsh Local Government Association and other bodies to ensure issues relating to Welsh councils are properly represented and we are aligning our lobbying work where appropriate.

Financial Implications

10. Any financial implications arising from this work will be met from the Boards' agreed programme budgets and the LGA's improvement grant.

Equalities implications

11. The cost-of-living crisis, rising inflation and struggle with low levels of labour productivity strongly impact specific rural communities. LGA research found [rural and coastal areas are disproportionately impacted by macroeconomic downturns](#) and can be slow to recover, worsening the social and economic challenges facing their communities. This workstream highlights these challenges and continues to advocate for Government moving focus and investment to strengthen all rural communities.

Next steps

12. Members are asked to note background and current work of Britain's Leading Edge to inform a wider discussion at the Board with Cllr Linda Taylor.
13. Following a steer from members, officers will follow up any opportunities for collaboration with Britain's Leading Edge to strengthen and inform the Board's work in the 2023/24 cycle.



People & Places Board Annual Report

Purpose of report

For information.

Summary

This report summarises the Board's activity over the past year. It sets out key achievements in relation to the priorities for the **People & Places Board** in 2022/23 and looks forward to next year's priorities.

Is this report confidential? Yes No

Recommendation/s

Members are invited to:

1. Note the achievements against the board's priorities for 2022/23; and
2. Note the board's proposed priority areas for 2023/24

Action/s

Officers to take forward actions as appropriate.

Contact officer: Rebecca Cox

Position: Principal Policy Adviser

Phone no: 0207 187 7384

Email: rebecca.cox@local.gov.uk

Background

1. The People and Places Board provides a clear voice and resource for non-metropolitan authorities within the LGA. This year the Board had a particular focus on the importance of 'rural proofing' Government policies to ensure the important contributions of rural and coastal areas to levelling up the economy and social outcomes are maximised. The Board continued to highlight the importance of digital connectivity and ensuring the resilience of rural infrastructure.
2. Working with the City Regions Board, it developed its work on devolution and levelling up; the rising need for green skills, including on retrofitting, and continued its focus on better and more joined up policies and funding for local growth. It also worked with other LGA policy boards on cross-cutting issues of rural concern, like such as nutrient neutrality and the growth in second homes in rural and coastal areas.
3. Members are asked to consider the achievements of the Board over the last year against the use of allocated resources and to reflect on whether the Bboard is continuing to meet its original purpose in response to the emerging priorities of non-metropolitan areas.

Priorities and Achievements

Levelling up and devolution

4. The Board continues to drive the national debate about the future of levelling up and devolution. The LGA's [Levelling Up Locally Inquiry report](#) was published in March 2023, broadening the conversation around levelling up to explore how the Government's levelling up agenda might better strengthen local areas by looking beyond the Levelling Up White Paper. The report was launched by Cllr Kevin Bentley at a hybrid event with over 100 attendees, and speakers included Sarah Longlands from CLES, Professor Francesca Gains from Policy at Manchester and Professor Michael Kenny from the Bennett Institute. The inquiry's findings will be used to inform the Board's future public affairs work and influence manifestos in the 2023/24 cycle, with a planned Devolution APPG session exploring its recommendations.
5. The Board took forward new topics for devolution, approving the creation and co-sponsorship of a health devolution working group with the NHS Confederation and including representatives from People and Places, City Regions and Community Wellbeing as well as the LGA's deputy chief executive. This working group has held its first meeting and provides an opportunity to ensure that learning can be shared between local government,

the NHS and Integrated Care Systems (ICSs). Cllr Emily Smith represents the People and Places Board.

Local growth

6. Following the announcement of the allocation of the second round of the Levelling Up Fund, the People and Places and City Regions Boards issued a [press release](#) raising concerns with the process. The LGA led the sector response, receiving widespread media coverage. The Board Chairs sent a letter to the Secretary of State outlining experiences and asking for an open review of the process ahead of any future rounds of funding. Dehenna Davison MP has agreed to meet with the Chairs ahead of the third round of the Levelling Up Fund to discuss how the fund could be implemented in a way which would both be cost effective and empower local areas to level up their communities.
7. In response to the Ministerial letter in March 2022 setting out pathways of Local Enterprise Partnership (LEP) integration into combined authorities or institutions with devolved powers the People and Places and City Regions Boards commissioned Shared Intelligence to provide support for councils and combined authorities undertaking integration and to share good practice and learning. The final report draws on learning from research between November 2022 and March 2023. It will now be used to inform the Board's response to the Government's information gathering exercise following the Chancellor's announcement in the 2023 budget that he was 'minded to' end funding to LEPs from April 2024.
8. The Board, working with City Regions Board, also commissioned Shared Intelligence to capture learning for policymakers in central and local government from eight place-based programmes that have been delivered over the last 20 years. The final report identifies eight key lessons for policymakers to consider. The report has recently been [published](#) on the LGA's website and is being used to inform further work related to the simplification of growth funding.
9. The People and Places and City Regions Board have jointly commissioned WPI Economics to explore councils' future role in driving growth and prosperity. This is due for completion in June 2023 and will help inform the LGA's manifesto asks ahead of the next general election.
10. The Government has recognised the People and Places and City Regions Boards' proposals for the role of local government and local leaders in the design of the UK Shared Prosperity Fund (UKSPF). In the announcement of the allocations of the fund in April, the Chair [welcomed](#) the fund, and said

government should also provide local areas with greater flexibilities and longer term funding that provides the same quantum and longevity that European funding provided. In November, Cllr Bentley [called](#) for the approval of local investment plans, and when they were subsequently approved in December, the LGA [made the case for](#) further flexibilities. DLUHC subsequently removed some restrictions on in-year spending in January, with a further announcement made in March on the introduction of the flexibility to spend UKSPF on the People & Skills Priority in 2023/24.

11. To support the sector with the opportunities provided by the introduction of a new fund, the Boards commissioned Shared Intelligence to undertake action learning sets to support local authorities with the introduction of UKSPF and the Rural England Prosperity Fund (REPF) in early 2023. As there has been significant interest in participating, the LGA has created a wider informal officer network to share learning. The LGA will publish the learning from the action learning sets by the beginning of June and will continue to support continual officer engagement with DLUHC and DEFRA for both UKSPF and REPF.
12. The Board is supporting Localis in a project exploring the possibilities for Community Land Trusts to address pressures on some rural housing markets as a result of second homes and short term lets.

Employment and Skills

13. Since last summer's publication of our employment and skills devolution proposals '[Work Local: Unlocking talent to level up](#)', we have engaged a wide range of parliamentarians and stakeholders on how it could improve services. To build on the growing support for the Board's proposals, over the coming months, we plan to develop further methods to communicate our proposals to decision makers and stakeholders as well as to look at ways it can be implemented.
14. We continue to promote the role of local government in employment and skills and our Work Local objectives through select committees. For instance, in January, Cllr Toby Savage gave oral evidence on behalf of the LGA at the Work and Pensions Select Committee's inquiry on the DWP's Plan for Jobs and employment support. Our [written submission](#) was cited widely by committee members. Alongside this we [responded](#) to the [APPG for Youth Employment Committee](#) inquiry into how young peoples' mental health is affecting labour market outcomes. More recently in May 2023, the Boards responded to the APPG for Youth Employment Committee inquiry into [Place-based approaches to youth employment](#).

15. Work in ongoing to influence the outcomes of the [Commission on the Future of Employment Support](#) which is looking at ways in which employment support and services could be more effective.
16. Building more strategic relationships with Government departments including the Departments for Work and Pensions and Education (DWP and DfE) are important for both the LGA and councils to improve policy making at national level and create stronger ties locally. Devolution areas already have a relationship with these departments, so the LGA has proactively sought to develop links with councils not currently in a devolution area. In the last year, working with our local government partners, we have set up an LGA/DWP advisory group for councils to discuss issues related to labour market policy. The group last met in February and discussed youth hubs, contracted employment programmes and economic inactivity. It will next meet in June. We have also had positive discussion with DfE to establish a similar grouping.
17. With LEP transition under a year away and an increasing focus on the role of councils in growth, the councils' economic development (ED) functions will change. Working with councils, we have developed a guide to economic development teams – their role and skills needs. The report shows how ED services are delivered across England, shares learning across the sector with examples and top tips of what works and sets out the future skills and capacity challenges they face and where they can go for support. It will be published as an online guide on our website.
18. A joint piece of work developed by People and Places, City Regions and Community Wellbeing Boards has explored the role of local government in addressing economic inactivity and what factors could be driving this locally. We aim to publish the work in the summer.
19. The People and Places and City Regions Board jointly agreed to examine how the role of councils in supporting equality, diversity, and economic inclusion could be advanced to help unlock talent and level up local areas. The work will conclude in June with a compendium of case studies and the LGA 'Economic Inclusion Principles' paper to share learning across councils to guide the advancement of economic inclusion in their communities.

Green Jobs and Skills

20. A key priority of the Board has been the need for green jobs and skills to deliver net zero ambitions. This includes influencing government policy to enable local government to bring together skill providers, businesses and industry. To do so, the People & Places and City Regions Boards have been supporting the local government representative on the Ministerial Green Jobs Delivery Group, successfully securing a time limited Local Capacity and

Capability sub group (LCCG). The LCCG comprises of representatives from skill providers, business, industry, national and local government, with the sector being represented by the LGA, Solace, ADEPT, Mayoral Combined Authority Network and UK100. It has explored a range of issues including a national definition of green jobs, the strategic mapping of key net zero infrastructure projects, the opportunities and barriers to developing the workforce needed to deliver net zero and local delivery mechanisms. This has been an opportunity to promote the Work Local model. The LCCG will be developing recommendations by July.

21. In tandem with the work of the LCCG, the City Regions and People & Places Boards are developing policy positions on the place-based approach to enable local places to develop the workforce and jobs needed to deliver net zero. This has included utilising the new partnerships the LGA has created through the LCCG. This work will be done to complement the net zero and climate change work of the EEHT Board.

Digital Connectivity

22. Continuing to highlight the importance of improved digital connectivity has remained at the forefront of the Board's work programme. The Board's longstanding call for Government to recognise the importance of local authority digital champions was recognised in Government's recently published [UK Wireless Infrastructure Strategy](#). Councillor Mark Hawthorne the LGA's Digital Connectivity Champion has been invited to represent the LGA on the newly formed National Connectivity Alliance, an alliance of telecoms providers, infrastructure providers, landowners, professional advisers and wider stakeholders to discuss the importance of delivering world class connectivity for all. Cllr Hawthorne also sits on the Digital Connectivity Forum's Digital Infrastructure Working Group representing the LGA's People and Places Board.
23. The Board has continued to expand its work around digital connectivity and inclusion in the 22/23 cycle. It has supported councils with the digital switchover publishing a [digital switch readiness survey](#) to understand councils' position on awareness, planning and implementation to inform the LGA's support offer to councils and the Board's lobbying position. The [digital switchover hub](#) has been updated in collaboration with key partners and a [communications toolkit](#) has been developed for councils to raise awareness of the switchover locally. Officers continue to meet with DSIT officials on behalf of the Board to raise areas of concern.
24. Following a steer from Members a similar survey is in the process of being developed by the LGA's research team exploring potential implications for the

sector of the 2G and 3G switch off. The results will be used to inform the Board's lobbying position in the 23/24 board cycle.

25. The Board commissioned DMS Research and Consulting to produce a report on councils' role in tackling digital exclusion. This has recently been [published](#) and a letter has been written to the Minister highlighting recommendations for Government and inviting a meeting to discuss the findings with the LGA's Digital Champion, Cllr Mark Hawthorne. The Chief Executive of Good Things Foundation, Helen Milner, has written a [think piece](#) in support of the report's recommendations. A press release for the report has received local, trade and [national press coverage](#).

Draft priorities for 2023/24

26. The Board will look to build on its successes as it plans for the 2023/24 board cycle. Areas of focus are likely to include:
- a. Making the case for investment in rural areas ahead of the upcoming general election.
 - b. Influencing national policy on levelling up and devolution, including a focus on non-metropolitan areas and widening the scope of powers available.
 - c. Embedding our Work Local proposals into national policy, including specific policy proposals to support green jobs and net zero.
 - d. Streamlining local growth funding and implementing the learning from existing funding programmes.
 - e. Supporting councils with the transitions of LEPs to local government and removing barriers to councils' abilities to support local inclusive growth.
 - f. Aligning digital infrastructure and digital inclusion policy through joined-up national policy development and support for local leadership.

Next steps

27. Officers to take forward actions as appropriate to draft a work programme for the board.

Update on the health and devolution working group with NHS Confederation

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides an update on the newly formed health and devolution working group established by NHS Confederation and co-sponsored by the LGA following its first meeting in April 2023.

LGA Plan Theme: Supporting local people and places

Recommendation(s)

That Members note background to the health and devolution working group, its engagement to date and planned next steps.

Officers will continue to work with the NHS Confederation to plan future meetings for the working group.

Contact details

Contact officer: Esther Barrott

Position: Policy Advisor

Phone no: 07464652906

Email: esther.barrott@local.gov.uk

Update on the health and devolution working group with NHS Confederation

Outcome and purpose

1. This work forms part of the Board's work on levelling up and devolution. It supports the Board's aim to promote further devolution to local government, putting powers and funding in the hands of those who know their communities well and are best placed to make decisions about how to improve the lives of local residents. This work aims to strengthen the alignment between NHS reform and local authority devolution to improve health outcomes and economic and social development.
2. It also forms part of the Board's work on the levelling up missions proposed in the Levelling Up White Paper. Mission 7 states that: *By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.* The purpose of the Board's work on this area is to successfully make the case to Government that this mission will not be achieved with a centralised, command and control system, but by giving local areas the powers and resources to make decisions on a local level, based on local circumstances and needs.
3. A key organisation to engage with as part of this work is the NHS Confederation. As the NHS membership organisation it brings together, supports and speaks for healthcare bodies in England, Wales and Northern Ireland. Within the NHS Confederation, Michael Wood, Head of Health Economic Partnerships is an important stakeholder as their lead on how ICSs and the NHS can support economic growth.
4. Officers will continue work closely with the LGA's City Regions Board as well as the Community Wellbeing Board as they lead the LGA's policy development relating to the integration of health and care, the transformation of the health and care landscape, and the rollout of Integrated Care Systems (ICSs) and health devolution.
5. The desired outcome of this work is that the three Boards can effectively influence the NHS Confederation's work on how ICSs can support economic and social development, and that Government devolves health powers to areas that want it, with a system that allows for devolution deal areas and ICSs to build a partnership together. This report sets out how this is being achieved through the time limited health and devolution working group established in April 2023 and co-sponsored by NHS Confederation and the LGA.

Background

6. The NHS Confederation, through its Health Economic Partnerships work programme and ICS Network has established a time-limited health and devolution working group. The aim of this group is to understand the priorities, opportunities and challenges for ICS leaders, how this intersects with English devolution to date and the emerging devolution deals. The expected output of the working group is to produce a report and high-level conference to highlight emerging best practice, and how learning can be shared throughout the sector.
7. Following approval from People and Places members in January, the LGA is co-sponsoring the working group. The three LGA policy boards with an interest in this work – the People and Places Board, City Regions Board, and the Community Wellbeing Board each have a representative on the working group and the LGA’s Deputy Chief Executive, Sarah Pickup, sits on it too. Cllr Emily Smith is the People and Places Board representative.
8. The group is co-chaired by Sir Richard Leese, Chair of the Greater Manchester Integrated Care Board (ICB) and Dr Kathy McLean, Chair of the Nottingham and Nottinghamshire ICB and Integrated Care Partnership (ICP). Its membership comprises of organisations including NHS Confederation, LGA, combined authorities, public health leaders in councils, representatives from DLUHC and DHSC.
9. The following areas will be considered throughout the course of the four roundtables:
 - Place – How combined authorities and ICPs can support and enhance subsidiarity, integration and population health approaches at place level
 - Paraphernalia – The tools, resources and approaches that local partners can use to unlock greater system working
 - Practice – Highlighting where local partners are successfully collaborating to support their communities
 - Partnerships – How ICSs should engage locally and nationally
 - Policy – How to highlight devolution policy areas that directly and indirectly intersect with ICS roles and responsibilities
 - Process – How combined authorities and ICSs can jointly develop or align more closely their governance and accountability arrangements.

Update from first meeting

10. The first meeting took place on 3rd April and focused on enabling members of the working group to reach a common understanding of health in devolution and visualise what 'good' looks like. The purpose of the session was to narrow the knowledge gap and bring attendees to a similar starting point while starting to explore what good might look like in aligning health and devolution.
11. The meeting opened with a welcome and introductions from Sir Richard Leese and Dr Kathy McLean setting out the scope and terms of reference of the group. Following this there were a series of presentations from Mark Sandford, Senior Researcher at the House of Commons Library, Phil Hope, commissioner of the Health Devolution Commission and Mubasshir Ajaz, head of health and communities at West Midlands Combined Authority exploring emerging policy agendas across and within sectors; health and devolution in practice; and realising the potential of ICPs.
12. The group then had two discussions around 'how can integrated health and care working facilitate more successful devolution?' and 'how can devolution best improve population health and address systemic health inequalities?'. Emerging messages included: the need to not wait for permission or further legal powers but instead use current legal frameworks and good practice evidence to demonstrate added value of devolution; devolution can provide an evidence base to prove to Government that local partners are more effective than national directives or a single way of doing things; ICSs need to add value to what is already happening at place and neighbourhood level; and ICSs are different from previous NHS restructures with a focus on collaboration, prevention, outcomes and joining the dots between health and prosperity.

Timeline

13. The group will meet a further three times – in June, July and September with meetings looking at issues such as how MCAs, CCAs and ICSs can align their governance, how devolution deal areas can support and enhance subsidiarity, integration, population health approaches at place level, and the wider themes outlined in Paragraph 9 of this report. The fourth and final meeting of the group in September will discuss and agree key recommendations to include in the report and officers will work with NHS Confederation to launch these at a national conference at the end of the year.

Implications for Wales

14. Health is a devolved function, and ICSs have only been introduced in England.

Financial Implications

15. Any financial commitments made as part of the actions identified in this report will be met from the Board's existing policy budget.

Equalities implications

16. The implementation of ICSs provides an opportunity for local government to work in partnership with health service providers to address health inequalities. Democratically elected local leaders understand the needs of their communities best and are best placed to tackle health inequalities. Where local government has been given the powers to address population health, outcomes have improved.

Next steps

17. Members are asked to note background to the health and devolution working group, its engagement to date and planned next steps.
18. Officers will continue to work with the NHS Confederation planning future meetings for the working group.

Supporting Economic Growth and Prosperity Update

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides an update for People and Places Members on the work of the board supporting local economies.

LGA Plan Theme: ***Stronger local economies, thriving local democracy***

Recommendation(s)

Members are asked to note the two reports supporting local economies: *A guide for economic development services: their role and future skills needs* (Appendix A) and *Supporting the Integration of Local Enterprise Partnerships (LEPs)* (Appendix B).

Members are also asked to note the letter sent from LGA Board Chairs, Councillor Kevin Bentley and Mayor Marvin Rees, in response to Government's information gathering exercise following the Chancellor's announcement to withdraw financial support for LEPs from April 2024 (Appendix B).

Contact details

Contact officer: Esther Barrott/ Jasbir Jhas

Position: Adviser/ Senior Adviser

Phone no: 07464652906/ 02076643114

Email: esther.barrott@local.gov.uk / Jasbir.jhas@local.gov.uk

Supporting Economic Growth and Prosperity Update

Background

1. Councils have a key role to play in driving forward inclusive and sustainable economic growth and prosperity, by bringing partners together, bridging the skills gap, helping businesses to thrive, delivering regeneration schemes and more. This paper provides an update for members on the board's projects supporting local economies.

Project updates

2. Last autumn the LGA commissioned Shared Intelligence as part of the LGA's Government-funded support offer to explore the future skills needs of councils' economic development teams and support the LEP integration process.
3. Shared Intelligence attended the January Board and had a wider discussion with members about the emerging findings of the two projects. The discussions explored what new support needs might emerge for local government from LEP integration as well as new capabilities and skills members would like to see in economic development teams to enable them to play a bigger role both individually and collectively.
4. The final reports have now been published and are appended to this paper. The [report supporting the integration of LEPs](#) is also available on the LGA website.

Local Enterprise Partnership (LEP) Integration update

5. On 15 March the Chancellor announced that Government is 'minded to' withdraw financial support for LEPs from April 2024. Following the announcement, the Department for Levelling Up, Housing and Communities ran a LEP future funding information gathering exercise and questionnaire on the impacts of its decision to end LEP core funding. Local authorities were encouraged to respond.
6. LGA City Regions and People and Places Board Chairs co-wrote a letter responding to the Chancellor's announcement (Appendix B), drawing on the

report to outline key messages from the sector to inform the information gathering exercise.

7. The letter supports the transfer of functions to drive economic growth and provide greater accountability and visible public leadership. However, it highlights the need for a swift response to the information gathering exercise, clarity on the integration of these private organisations and their assets into the local government landscape, challenges around recruitment, retention and skills, and the need for a clear statement on how councils will be supported to resolve matters such as Enterprise Zones or Freeports locally to avoid unnecessary delay and greater costs to the public purse.

Next steps

8. Officers will keep members updated on any further announcements and Government are expected to publish a final decision on guidance and next steps by summer 2023.

Implications for Wales

9. Economic development is a devolved responsibility. Officers will look to share any lessons emerging from the projects with the Welsh Local Government Association, however the research projects relate to English councils.

Financial Implications

10. The research has been funded from the LGA's budget for improvement work.

Equalities implications

11. The content of these two projects aims to support councils to have the tools to target economic development activities locally.



A guide for economic development services: their role and future skills needs

A report by Shared Intelligence

April 2023

Foreword

Local leaders want to create inclusive, sustainable and thriving local economies where people want to live and work, and where employers want to invest.

At a local level this means attracting investment and capitalising on opportunities created by green growth, automation and new global markets as well as existing industries which can lead to high-quality jobs for our residents. With the right levers and approaches, councils can also address social, regional and economic inequalities within and between places.

Local government's economic development teams have a vital, cross-cutting role in achieving this. While these teams come in a variety of shapes and sizes, they are all unique in being able to bring together knowledge, expertise and skills about their local area – more so than any other single local or national institution. Their work is critical to the places they serve, but combined, it is also vital for England plc too.

National government is increasingly recognising this through recent policy shifts including working through councils and devolved authorities to target economic growth funding alongside a move to integrate Local Enterprise Partnership functions into local government structures. These are positive developments, which have both the potential to support more effective local decision making and address recruitment and retention challenges by making way for an expansion of economic development services.

This guide shares examples of what councils' economic development teams do and how they are delivered, so councils can learn from each one other. It goes on to highlight emerging issues that are landing on their desks and what future skills, knowledge, and abilities they might need to address these, with signposting for further support.

It really is a must read for new and existing officers and elected members with direct involvement in economic development, or anyone else that wants to better understand or connect with these services.



Cllr Kevin Bentley

Chair, LGA People and Places Board



Mayor Marvin Rees

Chair, LGA City Regions Board

Executive Summary

Economic development services are “about making things happen that the market on its own won’t deliver”.

Economic development officer, district council

This guide explains what local economic development (ED) services do for the communities they serve, why they are important, the challenges they face, and the skills and knowledge they will need in the coming years. It builds on [a 2022 report by CEDOS](#), the professional body for economic development. The aim of this guide is to help councillors and senior officers get the most from their ED services and enable them to maximise their impact in a changing landscape.

Economic development services come in a variety of shapes and sizes from single officers to large teams. They help create the conditions for sustainable and inclusive growth, use data to provide councils with vital intelligence to understand and support the local economy. Teams will also develop evidence-based business cases for regeneration projects and local economic interventions such as community wealth-building approaches, including to support their town centre and high street economies, by linking with a range of other council services. They have direct connections to local businesses and public employers unique to their area – large to small and across all sectors, and help existing employers expand and attract new ones through inward investment. This in turn helps them understand employers’ skills needs and increases local employment opportunities. In addition to local knowledge, they bring strong, local democratic accountability when translating national government policy to local infrastructure investment. All of this enables councils to target economic support quickly and accurately. This was the case during the pandemic, where ED services were able to target grant relief using their direct and strategic relationships and networks.

For central government, ED services provide a proven delivery mechanism for place-based funding, along with local capacity to create, identify, and appraise candidate projects.

In recent years there has been a deliberate shift of government policy to put councils front and centre in delivering local economic outcomes. Policies for levelling up, UK Shared Prosperity Fund (UKSPF) and a clear economic focus within city and county deals are all examples of this. ED services act as the bridge between national economic policy, and local action based on local need. They do this using their ability to influence other services through which they create the conditions for growth including housing, planning, procurement, education, and skills. Many have built their reputation and capacity through decades of successful delivery of EU structural funding for economic development. More recently they have taken a lead role co-ordinating the £9 billion of Government place-based funding currently being invested to reduce geographic inequalities (UK Community Renewal Fund, UK Shared Prosperity Fund, and Towns Fund and to a lesser extent, Levelling Up Fund). The combined work of these local teams is vital to the growth of England plc.

Four factors are shaping the context in which ED services operate

1. **The Government’s commitment to broader and faster devolution, including the integration of Local Enterprise Partnerships (LEPs) into local government.** It is nothing new for Government to shift responsibility for economic development between different organisations, and local government’s role has always been the constant factor. But the acceleration of devolution now puts local government front and centre.
2. **The replacement of EU structural funding with a domestic funding regime.** Some councils have reported capacity constraints with responsibility for programmes such as UK Shared Prosperity Fund but it also creates real opportunities to define outcomes locally.

3. **Continued pressure on local government budgets affects non-statutory services like ED the most.** Added to this, shorter-term, competitive, national bidding rounds adds pressure on councils and ED services to commit scarce resources into writing competitive bids. These second and third factors strengthen the case for inter-authority collaboration on ED services (where appropriate), and the need to innovate both operations and policy.
4. **Recruitment, retention, and capacity.** Beyond the wider staffing pressures in local government, entry to the ED profession is less clear compared to other professions and lacks structured work-based or qualification routes beyond graduate entry.

What this guide recommends

Recommendations for local authority economic ED services. Given the importance of ED services and the scale of change, it is vital that they have the capacity, knowledge, skills, and ability to deliver. They should:

1. undertake rapid reviews of the core objectives of the economic development service and align council service plans accordingly
2. review knowledge, skills, and abilities of ED services and ensure staff can provide what is required to deliver the council's aims and objectives for economic development
3. explore how closer joint working with other councils could help meet the needs of the functional economic area, make the most of scarce resources, reduce duplication, and maximise economies of scale where it makes sense to do so.

To enable council ED services to deliver point 2 above (staff skills), this guide identifies 19 areas of essential skills, knowledge, and abilities which council ED services will need in the coming decade. It recommends ED services look at which of the 19 skill areas they need according to the type of service they offer. A simplified typology of economic development services has been provided and mapped to the 19 skill areas. The detail of this approach can be found in section 3 of this guide.

Recommendations for portfolio holders. This guide recognises that elected members have a key strategic role in local economic development and identifies two ways they can provide support:

1. Members can help ensure ED services are fully aligned with council objectives for the local economy and understand which communities could benefit from economic growth.
2. Members can support ED services to build sustainable partnerships with key local businesses, employers, and anchor institutions so they know what contribution may be required in the long-term.

Recommendations for national stakeholders. To meet recruitment and capacity challenges action is also needed at a national level. This guide identifies four opportunities for national stakeholders to improve career development support. They should:

1. produce a clear career pathway for new and existing economic development roles
2. explore the development of an apprenticeship standards in ED services to aid work-based progression and provide development for the existing ED workforce
3. promote the ED profession through action by partner agencies, employers, learning providers (in further and higher education) and the ED professional body
4. develop the CPD offer for ED services to ensure it is visible and joined up.

1. Introduction

This guide focuses on the future skills needs of economic development services based in councils and other local democratic institutions. It builds on [a 2022 report by CEDOS](#), the professional body for economic development, which explored the structures within which economic development operates across local government and an overview of skills and capacity gaps.

This guide explains what local economic development services do for the communities they serve, why they are important, the challenges they face, and the skills and knowledge they will need in the coming years. The aim of this is to help councillors and senior officers get the most from their ED services and enable them to continue making an impact in a changing landscape.

The content of this document comes from interviews with local government officers, elected members, and others involved in local economic development. It has also been developed and tested with a working group convened by the LGA and CEDOS

2. Current and future opportunities and drivers of change

In considering the future skills needs, we first look at the contextual changes in central and local government which affect the role of ED services.

Factors driving change over the past five years

Four factors are currently shaping the context of ED services and the skills needs of their staff.

“The LEP news [acceleration of integration] is a game changer for the delivery of economic development services in the future.”

Elected member, county council

- **Devolution and integration of local economic partnerships (LEPs)** into councils (or other local democratic institutions like combined authorities), presents short-term challenges but has the potential to be a major opportunity for ED services. ED services have always had to adapt to the creation and disbanding of various other organisations such as Training and Enterprise Councils (TECs) and Regional Development Agencies (RDAs). Nonetheless, the current integration of LEPs presents a major opportunity for local government ED services. There is also an opportunity to build up staff skills by taking on specialisms held within each LEP. Across the country, local government has a short window of time to build their own capabilities by recruiting former LEP staff with knowledge of key sectors, of inward investment strategies and relationships with the Department for Business and Trade (DBT) on international markets. Furthermore, skills and knowledge around bringing business voice into local economic decision-making can be developed through new governance models. These considerations all have an impact on future skills required.
- **Greater flexibility in the post-Brexit domestic replacement for EU structural funding.** The replacement of EU structural funding has resulted in a shift in responsibility from LEPs and county councils towards district councils including through the UK Shared Prosperity Fund (UKSPF) and UK Rural Prosperity Fund (UKRPF). Some councils have reported that this shift has created capacity constraints, but it has also provided real opportunities to define local

outcomes. Skills to define outcomes locally and to design effective evaluation frameworks are increasingly important in the absence of a national framework from government. A clearer understanding of what works will unlock innovative approaches and new ways to understand impact. Finally, finding ways to link funding and demonstrate additionality across different government departments is becoming increasingly important.

- **Continued pressure on local government budgets** falls disproportionately on non-statutory services including economic development. Funding pressure is now a long-term issue. But in the short term this has also been exacerbated by competitive national bidding rounds (notably the £4.8 billion Levelling Up Fund, £3.6 billion Towns Fund, £220 million Community Renewal Fund, as well as several other smaller funds). As a result, councils and specifically ED services have been drawn into committing scarce resources to writing competitive bids. Interviewees described veering from the short-term detail of high street recovery projects to big questions about the future of local sectors.
- **Recruitment, retention, and delivery capacity.** In part this is due to the ED profession having less-well defined career paths than other local government professions. The broad skill sets required by ED services contribute to this, as do blurred distinctions in some places between ED and other services (notably regeneration). Added to this, ED services are often reliant on a carousel of short-term project funding which makes staff retention and progression difficult. In the very short term, the effects of LEP integration on the economic development profession as a whole, provide added uncertainty. However, LEP integration will likely be a driver for local authorities to expand their ED services and sets a challenge to attract talent from other sectors including education and industry. The cross-sector learning that can be achieved through this approach could strengthen ED services and capacity. To further enhance this, career progression routes should be considered to upskill and motivate the local government workforce. These are set out in section 5 of this guide.

Opportunities and challenges over the coming decade

Those leading and delivering local ED services foresee many challenges in the coming decade but four come up with the greatest consistency.

- **The case for joint working across ED services is growing.** With devolution deals now covering more than 50 percent of England, local authorities have a genuine moment to seize – to work even closer with one other on economic development, to create multi-authority growth strategies where these make sense locally, more ambitious inward investment offers, and ensure economic growth meets locally determined goals. In the mayoral combined authorities (MCAs) even greater opportunities to shape local economies are presented by devolved funding and all are reframing economic policy in line with LEP integration. At a district level, UKSPF provides an opportunity for jointly commissioned delivery of place, business, and skills outcomes. Alongside these pull factors are also strong push factors for joint working, stemming from budget pressure on discretionary non-statutory functions, as a result of long-term demands from social care, compounded by Covid and the cost-of-living crisis.
- **ED services will need to become more innovative both in their external work, and in how they operate internally.** Changes across the economy (Brexit, the pandemic and its aftermath, structural changes in the labour market, and levelling up policies), new

technology and evolving government policy are all major drivers for ED services. In order to get ahead of these structural shifts, external and internal innovation by ED services is vital. The coming decade will see sectors evolve, new occupations emerge which don't exist today, and changes in expectations about economic growth. New gigabit broadband targets, pro-innovation regulation of digital technologies, and expansion of the [Catapult network](#) are a few examples of the new knowledge base that must be acquired to ensure economic opportunities are delivered. Internally within their own operations ED services will have to become more commercial in order to generate new sources of revenue as council budget pressures continue. This will require skills in innovation, assessing and managing risk, and the ability to translate approaches from other fields.

“We need to find ways to develop new approaches even though they take more time, introduce more risk, and are harder work more generally – perhaps appraisal tools geared towards assessing and designing novel approaches?”

Senior officer, mayoral combined authority

- **ED services must respond to the changing role and uses of data.** Understanding data has always been a core role of ED services and professionals. But the limitations of official national data are increasingly apparent, especially with the most recent census data gathered during the pandemic. The data that is available today is a fraction of what will be available over the next few years as new sources develop and as data is used in different ways. The volume of data created, captured, copied, and consumed worldwide is [predicted](#) to nearly double from 2022 to 2025 (97 zettabytes to 181 zettabytes). This means ED services must build their skills to understand many different data sources and challenge how data is used to form business cases.

“Data data data! Covid showed us the power of machine learning to identify and predict and we need the skills to use and commission this properly.”

CEO, local enterprise partnership

- **Local zero carbon focus will move from jobs and skills to infrastructure and competitiveness.** Creating and attracting green jobs remains critical in our economy. ED services will need to understand future trends in accelerating decarbonisation and work to prepare employers and employees for labour market changes. The focus of local ED services will also need to extend to understand the capacity and availability of local and regional energy infrastructure. As the cost of energy and emissions rise, sustainable energy infrastructure will become a critical competitiveness factor. This will require ED services to acquire skills and knowledge and work with those who understand energy infrastructure, to understand and influence energy supply, storage, decarbonisation, and energy finance.

3. Economic development services vary in form and focus

One of the biggest challenges when discussing and comparing ED services nationally, is that they vary greatly in what they do, what they view as important, and the skills and knowledge they require. This can make it hard for those outside of ED services to understand their role and impact. It is also a factor which makes career progression into and within ED less distinct than for other local government specialisms.

In this section, the guide sets out what is common to ED services, a simplified typology of ED services with examples of how they differ and goes on to consider what role elected members play.

The most common roles and functions played by ED services include:

- Acting as conveners and connectors and supporting local stakeholders and partnerships.
- Translating national policy into local opportunities and creating new ways to level up.
- Signposting employers to business support so they can access support at a national, regional and / or local level.
- Working with skills providers to ensure the needs of local communities and the business population is influencing provision.
- Using evidence and data to identify skills requirements for local residents and businesses in order to influence economic prosperity.
- Using their understanding of regeneration processes and business case development to unlock or accelerate projects.
- Attracting inward investment, either through stakeholder management or drawing on local need to bring forward funding, often using their ‘own leverage and economic muscle’.

ED services come in many forms

One of the products of this work is a typology of ED services which takes into account a number of factors including the characteristics outlined below. Identifying which service model most closely describes each council’s own ED service will enable them to make the most of this guide.

Simplified typology of economic development services	
Solo act , up to 1 full-time post, focused on influencing and collaboration.	Large strategic , little or no direct delivery, large, commissioned programmes, wide range of strategic capabilities (influence, data, policy).
Small hands-on , focused on business support and skills.	Large hands-on , multiple projects delivered directly and with partners.

Large and small teams, commissioners, and hands-on delivery

What ED services do vary significantly between authorities. In many places, ED services have been shaped by their role managing European Structural Funds and they are also shaped by other factors like the type of authority in which they are based. Where ED services sit within a council’s structure can also affect what they do. Some are in the same managerial group as statutory service areas, such as trading standards, planning or highways, while others are grouped with non-statutory services like culture, or as part of a chief executive’s policy unit.

Some ED services have a narrow focus as a consequence of limited resources. For example, they may concentrate on high street regeneration and place marketing. Often these are ‘solo acts’ comprised of just one officer.

Other services have a broad range of functions enabling them to intervene in the local economy in multiple ways; setting local economic policy, creating sector-based strategies, working with adult and community learning, supporting regeneration, developing business cases using HM Treasury “Green Book” appraisals or “Five Case” models. These activities require broader knowledge and competencies, including specialist skills. In this guide they are referred to as ‘large strategic’.

Some ED services deliver interventions directly, for example, running job brokerage schemes or business networks. These can be delivered even with quite limited resources but require specific technical skills. In this guide, these are referred to as ‘small hands-on’ (often found in districts) or ‘large hands-on’ (often found in counties) models.

By contrast, some ED services are strategic commissioners of projects and interventions rather than running them themselves. This requires procurement and contract management skills. Unitary authorities often use a combination of direct delivery and commissioned services, which means they need both skillsets. UKSPF funding has made it more common for ED services to combine direct delivery with commissioning especially among ‘solo acts’.

[Partnership skills and the ability to acquire sector knowledge quickly](#)

ED services have been described as leaders and enablers and partnership building skills are often cited as essential. Internally across the council, connecting up with different services including community safety, culture, public health, property, transport, licensing to name but a few can bring real benefits in developing policy and interventions. They must also be able to write place-based narratives for funding bids and for uniting public, private, and community partners under a common vision.

Administrative geography affects how ED services operate and the skills they need. Messy geographies (where tiers of local government and / or boundaries of other public bodies are not coterminous) make it harder to set shared priorities compared to coterminous areas. This requires additional relationship building skills.

ED services provide many different local stakeholders with data, commercial insight, and guidance on economic strategy – in relation to different sectors of the local economy. As a result, one of ED officers’ primary skills is the ability to acquire relevant sector knowledge quickly and often (a skillset now needed in a great many occupations far beyond local government). For example, an ED officer might have to quickly develop deep knowledge of health and care, or digital gaming, to address issues of local priority. A consultee from the [What Works Centre for Economic Growth](#) described ED officers as needing to have a lot of specialisms rather than being generalists.

[Budgets shape teams and recruitment patterns](#)

Like all non-statutory services in local government, ED services are under increasing budget pressure. Some ED services consist of just one officer based in a larger team (for example, regeneration, planning or regulatory services). Individuals in this situation are likely to be highly stretched and more likely to rely on generalist skills.

The current funding landscape is geared towards short-term recovery and quick wins. While there is a need to develop short term investment opportunities, it risks displacing activity focused on longer-

term goals and ED services must develop the ability to balance their time between short and long term even under these pressures.

While heavy reliance on short-term or project-based funding is the norm for many ED services, it presents recruitment and retention challenges. This means it is often the norm for ED professionals to seek another job towards the end of their current project rather than remaining in that team. This has led to personal flexibility being a core skill for ED professionals but makes it hard for ED services to build up knowledge and experience.

Teams with access to core funding tend to have a longer-term, less project-specific focus, and can build-up specialisms and stable roles. The interviews highlighted how over the coming years, ED services will need to access more specialist skills, for example, using machine learning to exploit data, or ethnography to get deeper insight into community needs. They will therefore need more stable budgets. Some ED services have been able to secure private sector funding for specific activities or access to tranches of funding from planning gain. These go some way to providing budget stability.

Elected members influence the approach of ED services to economic growth

When elected members are involved with economic development and provide political leadership, this can have a significant and positive impact on the direction of ED services. Differences in political direction make a practical difference to the approach and focus of ED services. In some councils elected members seek for instance community wealth building or inclusive growth approaches, which aim to ensure economic growth is distributed fairly and creates opportunities for all locally. Others take a mission-based approach, where growth is a means to achieving specific goals such as decarbonisation or developing new technology clusters as part of a long-term vision. In other places the pattern of economic growth is left to the market to determine. As a director in a combined authority put it: “the presence of politicians in discussions has brought in challenge about the distribution of benefit, whereas officer-only discussions can still fall back into an ‘all-growth-is-good’ mindset.”

The ability to work within political environments is a key skill for ED officers. Having elected members who are well-briefed and supportive of their ED service, and an ED service with clear and consistent goals, improves business confidence and ED service influence. Elected members can be supported in their decision making by ED officers who provide data and an understanding of key economic principles. It is important for ED officers to have the skills to engage with members and demonstrate robust evidence of impact.

For this reason, one of the key recommendations of this guide is that ED services should have service plans which clearly state their goals and approach to economic development.

4. What economic development services achieve

Economic development services are “about making things happen that the market on its own won’t deliver”.

Economic development officer, district council

Economic development (ED) services provide councils with vital intelligence about the local economy, and connections to local businesses and employers. Many take the lead on supporting their town centres and high streets. They enable councils to provide economic support quickly and accurately as they did during the pandemic and in its aftermath, through direct and strategic relationships, networks, and business databases. They influence the availability of employment opportunities by attracting employers to the area, supporting inward investment, and helping existing employers expand.

ED services also bring local knowledge and accountability to national infrastructure investment. They provide central government with a delivery network for place-based funding programmes, and local capacity to create, identify, and appraise candidate projects. This includes the £9 billion of place-based funding currently being invested to reduce inequalities through the UK Community Renewal Fund (£220 million), UK Shared Prosperity Fund (£2.6 billion), and Towns Fund (£3.6 billion) and to a lesser extent, Levelling Up Fund (£4.8 billion).

A national focus on recovery during the pandemic put pressure on ED resources to fund short-term recovery interventions relating to high streets, trade, issuing grants and administering government schemes to support businesses. This redirection of resources meant that there are tensions between the short-term needs of councils and the long-term impacts that ED services are expected to make.

The most effective ED services are the ones that can guide long-term place-making and place-shaping by connecting employment, education and skills, business, and investment together through long-term strategies.

The best way to illustrate what ED services achieve is through practical examples and case studies. Here are seven ways in which ED services add value, each is illustrated with a short case study:

1. Closing the skills gap between employers and the local community.

[Essex County Council – Aviation academy](#)

Essex County council’s ED service used its data and relationships to create the conditions for developing the Stansted Airport College. The new college is an £11 million technical skills facility opened in 2018 and it is the first purpose-built on-site college at a major UK airport and the only further education centre in Uttlesford.

The opening of this new centre is a key moment in tackling skills shortages in Essex but also more widely in the South East Local Enterprise Partnership (SELEP) area, which also covers Kent and East Sussex. This employer-led project directly tackles challenges identified from the respective skills strategies of Essex County Council and SELEP to create clear and direct paths for local young people into important engineering roles. The new facility was built on a one-acre site on land made available by the airport. The project also received: two separate £3.5 million grants from SELEP, Local Growth Fund and Essex County Council; £600,000 from Harlow College; and was also supported by a £300,000 grant from Uttlesford District Council.

The skills strategies highlighted challenges, including having nearly 180,000 young people in the area with no qualifications, and skills below the national average. The college shows what can be achieved when employers, education providers and local authorities collaborate.

The county council is also supporting the transition from fossil-fuel to electric vehicles (EVs) with a new electric vehicle centre at Harlow College. The project will fund 50 free places over a 24-month period to train EV technicians. Community learning workshops will raise local awareness for current and would-be EV owners.

Role of the ED service: it has provided detailed understanding of the local jobs and skills landscape. This in turn comes from having good data and strong partnerships with Stansted and Harlow College (to connect them together), and from having an elected member who understands and values their ED service to help drive the project forward at a senior level. It is a good example of how ED services can support long-term strategies for economic growth by creating an environment where skills and training are designed around what employers want, including many businesses at the airport.

2. Designing employment support for local businesses and start-up support for entrepreneurs.

Hull City Council – Business Support

Employment support: In 2019, Hull City council set up the employment hub using business rates uplift from the successful development of their Enterprise Zones. The council also managed to secure 3 years of funding from DWP grants (years 2 and 3 were secured following the success of the first year). Over 2,500 people have been supported in some way with 350 people directly securing employment. In addition, training and employment through the national Kickstart scheme was delivered through the employment hub infrastructure which engaged more than 150 businesses. The council has also linked apprenticeship and grant opportunities with the end of the Kickstart scheme as the additional cost of employment at the end of the programme often became a difficulty for businesses. As a result, if a Kickstart alumnus is retained at work after 3 months, the business becomes eligible for grant and apprenticeship support.

The success of the employment hub renewed the council's commitment to their business support service. Using the uplift from business rates in their enterprise zone, the council is creating additional staff positions in the business support team. This additional team resource means they can directly provide a wider range of benefits and more comprehensive support that meets the needs of local businesses. One of the shortcomings of the current landscape is that a lot of business support is, and has been, tied into programmes like ERDF and more recently UKSPF which restricts the type of business support provided.

Start-up support for entrepreneurs: The ED service also has a team focused on micro business and youth enterprise with a particular emphasis on helping those facing barriers to self-employment. The focus of this team is to upskill individuals and develop their confidence in getting into employment as well as providing a pathway into self-employment and advice around starting businesses.

While it had regular engagement with large scale businesses, Hull City ED service wanted to increase engagement and collaboration with its SME base. So the council set up an "Hull city - your future" event which 80 businesses attended. The event brought together a diverse range of businesses, from 100-employee businesses to sole traders and was an opportunity for the council to communicate their business support offer and enable smaller businesses to build networks to help their organisations grow. The council is now looking to hold an event every six months.

Role of the ED service: it developed a comprehensive service by gaining support for their work from across the council and with senior leadership. The service demonstrates the value of their work using data on the enterprise zone and employment hub. This has allowed ED officers to request more internal funding post-ERDF. The council understands that socioeconomic deprivation results from a lack of skills and opportunities to employment and therefore, understands the value of their ED service in connecting and partnering with businesses. This innovative approach focuses on businesses as an area to develop skills, alongside the work of further education institutions.

3. Creating growth strategies with input cross sectors.

[Staffordshire County Council – Economic Growth strategy 2023 to 2030 & growth programme](#)
Staffordshire’s ambitious Economic Strategy is their roadmap to delivering ambitions for the local economy.

The county boasts a diverse economy with significant strengths in automotive (Jaguar Land Rover, Gestamp), aerospace (Moog), energy (General Electric, ABB), medical technologies, (Cobra Biologics, Biocomposites), construction (JCB, KMF), logistics (Amazon, DHL), digital (Risual) and agri-tech. In addition to this, most of the businesses in the area are small and medium enterprises.

The council has created a new growth strategy from 2023 to 2030 that covers the challenges and opportunities presented through levelling up and devolution, climate change and housing whilst also working with several different partners including Midlands Engine, Midlands Connect, Stoke-on-Trent & Staffordshire Local Enterprise Partnership and Staffordshire University among others. The strategy considers both longer-term economic and shorter-term priorities, through a flexible economic growth programme.

Role of the ED service: it played a strategic role in convening and connecting different organisations and different priorities under one overarching and long-term strategy. It was able to achieve this by having a detailed understanding of the priorities of both large and small businesses in the area and a data-led understanding of where the strengths of the local area lie. ED officers played a central role in pulling together and understanding the priorities across local needs, national and local politics and policy, the impact of the Covid-19 pandemic, and cabinet members’ priorities, into one strategic document.

4. Place and destination management including supporting retail cores / town centres and tourism.

[Devon County Council – Made in Devon](#)

“Made in Devon” is a scheme set up by Devon County Council to help businesses promote genuinely local products and services and encourage consumers to buy from local independent businesses. Any business that is based in Devon or uses Devon materials wherever possible and has been operating for more than six months can apply to join. Consumers who want to buy from trustworthy Devon companies can look on the Find a Local Business page, seasonal campaign pages or the Love to Shop Local page and know they are supporting a local, Devon business that has trading standards’ stamp of approval.

“Made in Devon” was set up as an add-on to the nationally recognised “Buy with Confidence Trading Standards” approval scheme to provide additional support and resilience to local businesses. Member businesses are assessed on their legal compliance, their commitment to sustainability, how they currently contribute to their local communities, and their specialist skills.

Funding from Devon County Council from 2021 to 2023 enabled up to 125 Devon-based businesses a year to join the scheme for free. This funding provided each business with a free audit by Trading Standards, and free membership of the scheme for their first year where they could take part in promotional opportunities.

The project demonstrated how councils can ensure every local business is contributing to the priorities of the local community, while simultaneously promoting local products in the area. The scheme also aimed to build Devon as a brand and establish the region as a place for high quality goods and services.

Role of the ED service: the Devon Economy Enterprise and Skills service delivered this by taking advantage of the commercial experience within their team. They understood that by promoting local products they could create a more sustainable and circular local economy. By using externally funded free membership the service was able to build trust with the business community which has enabled a self-sustaining model from March 2023. Additionally, the service was able to use their existing relationships with businesses to better connect them with Heart of the South West Trading Standards and Business Support which was mutually beneficial.

5. Attracting inward investment from private and public sources.

[Lincolnshire County Council – Team Lincolnshire](#)

Investment in Lincolnshire has primarily been made by businesses who are already based in the county. The county council and partners had undertaken work to attract inward investment for some years, but wanted to step up efforts. Recently, the council has recognised that inward investment promotion materials tend to be generic, all describing "a well-located area, a skilled workforce, and access to ports/airports". The council understood that an inward investment offer that stood them apart from others was needed, rather than creating a generic offer that investors could access anywhere across the country. To help them do this, they focused on three themes:

1. An advocacy programme led by the private sector.

Team Lincolnshire is a partnership of around 150 Lincolnshire businesses who help to promote the area. They attend meetings with private investors alongside the council team and colleagues from district councils, have their own steering group, which is facilitated, not led, by the council.

2. A focus on the area's strengths by sector.

The ED service produced six investor propositions which describe specific sites, values, supply chains, and support mechanisms for the sectors in which Lincolnshire has a competitive advantage. In doing this, money has been moved away from generic place-based investment promotion to more targeted promotion, including using social media and as proactive attendance at sector events to identifying target businesses.

3. Knowledge of the factors that really affect investors' decisions.

The ED service has developed their team's knowledge of banking and accountancy finance. Ultimately investment decisions are based on whether the finances stack up and the ED service is now better able to understand the detail of what matters to each potential investor. They have also started developing knowledge in energy management/supply due to its critical role in investment decisions in rural areas.

As a result, Lincolnshire County Council is currently dealing with more investment enquiries than ever before and are already at the 'heads of terms' stage over new investments which will adapt and modernise the county's industrial composition.

Role of the ED service: it understood the need to step back and challenge whether what they were doing was effective and whether there was a need to move away from "doing", to taking on a role as a facilitator. Although it was a difficult decision, they understood that their skills and resource better suited a more strategic role. Additionally, development of their targeted communications through social media and greater knowledge on banking and accountancy finance attracted outside businesses to Lincolnshire who had not previously considered the county, and created better understanding internally of what investors want.

6. Working across regeneration and planning to shape contributions from business.

Bristol City Council – City Centre Recovery and Renewal

Bristol city centre is the primary economic centre in the West of England region, home to 120,000 jobs, 2,200 businesses, well-known retail brands alongside the city's growing independent retail and hospitality sectors, night-time economy, and flagship cultural attractions. Like many UK city centres, Bristol has been impacted by changes in shopping habits and working practices as a result of the Covid-19 pandemic, which accelerated trends towards online and out of town shopping and increased home working.

The council's ED service has attracted over £5 million of investment to support the recovery of the city centre and nine other priority high streets. As restrictions were lifted across the UK, it focused on the recovery of the city centre. The ED service worked with partners to boost footfall and visitor numbers, support recovery of the culture and events sectors and re-establish the city centre as a prime visitor location within the region. In doing this the service has been working with a range of creative, community and business partners to deliver an events programme throughout 2022. This has attracted over 75,000 visitors to the city centre and generated almost £1.4 million of additional spend in Bristol's businesses and supported 216 paid jobs in culture and events.

Additionally, the Vacant Commercial Property Grant Scheme is used to bring vacant commercial properties back into use, supporting diverse businesses across the city. The council have supported 70 new and expanding small businesses, charities and social enterprises, allocating £604,000 in grants to open new shops and premises. The scheme has created over 300 new jobs, and to date, has supported a decrease of nearly 2 percentage points in city centre vacancy rate.

The council has provided £400,000 investment for greening and street scene improvements within the city centre. This investment will complement physical regeneration of Bristol Shopping Quarter, Castle Park and St James' Barton Roundabout, which will be guided by a development and delivery plan led by the regeneration service. The plan will consider potential long-term changes to buildings, spaces and streets and the way spaces are used and consider what is needed to support a thriving city centre in the context of the climate, ecological, economic, and social pressures.

Role of the ED service: the service has facilitated extensive joint working across Bristol City Council services – economic development, regeneration, planning, property, transport, licensing, public health, community development, waste, street scene, culture, community safety. Working with partners is also critical to success and the ED service facilitates the City Centre Recovery Group which co-ordinates activities with the three city centre area Business Improvement Districts (representing over 1,000 businesses) and shopping centre managers for Cabot Circus and The Galleries.

7. Building partnerships to deliver greater outcomes for local places.

Cotswold District Council – RAU innovation village

The innovation village at the Royal Agricultural University (RAU) in the Cotswolds is a concept for a sustainable, carbon neutral, innovation village which will be home to a community of entrepreneurs, policymakers, practitioners, and researchers committed to addressing major global challenges.

Role of the ED service: the proposed £100 million development, on a 29-acre site at RAU's Cirencester campus, was originally proposed to be sold off but the ED service and its lead elected member saw the opportunity for the site to benefit the local economy and add value for the RAU. It made the case at officer and political level for the RAU to develop the site themselves. The land is now central to the RAU's vision and aims to support industry, food producers, farmers, and landowners in developing sustainable solutions for healthy land and nature, food production, and resilience in rural communities.

The university will be liaising with local residents and stakeholders to shape the proposals as they progress with a view to submitting a planning application to Cotswold District Council. There are many intended benefits of the scheme.

- New businesses – doubling the current outputs of RAU's Farm491 agritech incubator and the local Growth Hub within first five years of operation, representing additional £35 million of investment, 120 jobs created, and support for 200 start-ups and SMEs.
- Provision of skills, training, employment, and affordable housing, targeted towards improving retention of 16–24-year-olds.
- Research funding – attracting annual research income of £10 million p.a. by 2030, growing from current baseline of £2 million p.a.
- High-value job creation – new academic and R&D opportunities estimated at 50 FTE.
- Increase in conferencing business and associated revenue growth – estimated value of £5 million p.a.

This project is a notable example of the ability of ED teams to create opportunities that the market will not themselves deliver. By using their experience and relationships with local businesses and stakeholders, the local authority - through their ED service - were able to create a more ambitious and place-shaping project than was planned.

5. Future skills needs of economic development services

Career pathways and promoting the ED profession

It is clear that more needs to be done to promote the ED profession in local government to attract and retain the right skills. In producing this guide, issues around recruitment, retention and skills were often identified as challenges by ED services and other stakeholders. As referenced earlier, this is partly due to the ED profession having a less-well defined career compared to other local government professions. The broad skill sets required by ED services contribute to this, as do blurred distinctions in some places between ED and other functions (notably regeneration). Added to this, ED services are often reliant on a carousel of short-term project funding which makes retention and progression difficult.

Currently, the effects of LEP integration on the economic development profession is creating added uncertainty. Councils play a dual role, operating their own ED services, while at the same time also serving as the accountable body to the LEP, or providing Growth Hub services for their own locality. In the longer term LEP integration will act as a driver for councils to expand their ED services and to attract talent from other sectors including education and industry. The cross-sector learning that can be achieved through this could strengthen ED services and capacity.

Economic development future skills needs

Building on the work produced by CEDOS in 2022, this guide aims to provide greater clarity on the future skills, knowledge, and abilities needed in ED services. The contributions from interviewees enabled the identification of 19 areas of essential skills, knowledge, and abilities which council ED services will need in the coming decade. The intention is to use these to help inform career pathways, continuous professional development, and other qualification routes such as apprenticeships for ED professionals.

Top technical skills:

1. Evidence-based business case development and appraisal – theories of change, HM Treasury Green Book and [Five Case Model](#).
2. Data and trends analysis – data acquisition, manipulation, analysis.
3. Project and programme management.
4. Commercial skills – income diversification and value-creation for ED services themselves.
5. Commissioning and clienting.
6. Planning – development, transport.
7. Managing capital and regeneration programmes.
8. Financial risk management.

Top knowledge areas:

9. Economic geography – national issues of regional drivers/disparities, local issues of local business base and their needs.
10. Labour market economics – macro issues of ‘good jobs’ and automation, micro issues upskilling, local labour, inactivity.
11. Equality diversity and inclusion.
12. Inclusive growth and community wealth building approaches – scale of challenge, what works.
13. Zero carbon – how to appraise interventions, how to quantify (such as the definition of green jobs), economic impact.

Top abilities:

14. Rapid acquisition of new subject knowledge – mastering new subject knowledge quickly on areas where ED can have influence.
15. Cross-boundary political management – across two or more authorities.
16. Communicating vision and purpose.
17. Discovering stakeholder needs – business, employers, delivery partners, residents.
18. Advocacy for economic development.
19. Self-management of continuing professional development (CPD).

Continuous professional Development

The background research conducted to produce this guide confirmed there is a good supply of continuous professional development (CPD) support for staff working in ED services. This is provided by the [Chief Economic Development Officers Society](#) (CEDOS), the [Association of Directors of Environment, Planning and Transport](#) (ADEPT), and the [Institute for Economic Development](#) (IED). The [What Works Centre for Local Economic Growth](#) also plays a vital role by providing access to evidence about effectiveness, and knowledge of how to apply evidence-based approaches to economic development. A handful of universities also run masters level programmes. However, these are not offered in a systematic way, which in part relates to the issues described about less-well defined career paths.

There is more detail on these CPD offers in section 7 at the end of this guide.

Future skills needs by type of economic development service

One of the key recommendations of this guide is that council ED services review their own knowledge, skills and abilities to self-assess their capacity and capability to deliver the council’s economic development aims. This guide provides a checklist of skills needs by ED service according to the four types identified in section 3. This checklist can be used as a self-assessment tool to help councils develop a learning and development plan for their ED service, which this guide also recommends.

Simplified typology of economic development services	
Solo act , up to 1 full-time post, focused on influencing and collaboration.	Large strategic , little or no direct delivery, large, commissioned programmes, wide range of strategic capabilities (influence, data, policy).
Small hands-on , focused on business support and skills.	Large hands-on , multiple projects delivered directly and with partners.

Type of skill	Skills requirement	Solo act	Small hands-on	Large hands-on	Large strategic
Technical skills	1. Evidence-based business case development	X	X	X	X
Technical skills	2. Data and trends analysis	X	X	X	X
Technical skills	3. Project and programme management	X	X	X	X
Technical skills	4. Commercial skills		X	X	X
Technical skills	5. Commissioning and clienting		X		X
Technical skills	6. Planning – development, transport			X	X
Technical skills	7. Managing capital programmes			X	X
Technical skills	8. Financial risk management			X	X
Knowledge	9. Economic geography	X	X	X	X
Knowledge	10. Labour market economics	X	X	X	X
Knowledge	11. Equality diversity and inclusion	X	X	X	X
Knowledge	12. Inclusive growth and community wealth building approaches	X	X	X	X
Knowledge	13. Zero carbon	X	X	X	X
Abilities	14. Rapid acquisition of new subject knowledge	X	X	X	X
Abilities	15. Cross-boundary political management	X	X	X	X
Abilities	16. Communication vision and purpose	X	X	X	X
Abilities	17. Discovering stakeholder needs	X	X	X	X
Abilities	18. Advocacy for economic development			X	X
Abilities	19. Self-management of CPD	X	X	X	X

Alt text for above table.

1. Evidence-based business case development is a technical skills requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
2. Data and trends analysis are technical skills requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
3. Project and programme management are technical skills requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
4. Commercial skills are technical skills requirement for small hands-on, large hands-on and large strategic ED teams.
5. Commissioning and clienting are technical skills requirement for small hands-on and large strategic ED teams.
6. Planning – development, transport is technical skills requirement for large hands-on and large strategic ED teams.
7. Managing capital programmes are technical skills requirement for large hands-on and large strategic ED teams.
8. Financial risk management are technical skills requirement for large hands-on and large strategic ED teams.
9. Knowledge of economic geography is a skill requirement for solo act, small hands-on, large hands-on and large strategic ED teams.

10. Knowledge of labour market economics is a skill requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
11. Knowledge of equality diversity and inclusion is a skill requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
12. Knowledge of inclusive growth and community wealth building approaches is a skill requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
13. Knowledge of zero carbon is a skill requirement for solo act, small hands-on, large hands-on and large strategic ED teams.
14. Rapid acquisition of new subject knowledge is an ability required of solo act, small hands-on, large hands-on and large strategic ED teams.
15. Cross-boundary political management is an ability required of solo act, small hands-on, large hands-on and large strategic ED teams.
16. Communication vision and purpose is an ability required of solo act, small hands-on, large hands-on and large strategic ED teams.
17. Discovering stakeholder needs is an ability required of solo act, small hands-on, large hands-on and large strategic ED teams.
18. Advocacy for economic development is an ability required of large hands-on and large strategic ED teams.
19. Self-management of CPD is an ability required of solo act, small hands-on, large hands-on and large strategic ED teams.

6. Key findings and summary recommendations at a glance

For economic development services

Key finding: The variety of forms ED services take, and their rapidly evolving role mean those outside the service including key stakeholders may not understand the aims and impact of the service.

Recommendation: Undertake rapid reviews of the core objectives of the ED service and align service plans accordingly. A formal service plan should address the changing purpose, goals, and relationships to other council functions, model (for example, to anticipate the absorption of LEP roles and funding) and priority ED service actions.

Key finding: The 19 areas of skills, knowledge, and abilities identified here are key to ensuring ED services have the skills they need for the future.

Recommendation: Review knowledge, skills and abilities of ED services and ensure these provide what is required to deliver the council's aims and objectives for economic development. Produce an internal learning and development plan (covering the service's essential knowledge, skills, abilities) to ensure ED is maintaining capabilities to fulfil their role. In doing so, ED services should make full use of the CPD and professional learning available from CEDOS, ADEPT, IED, and the What Works Centres.

Key finding: The case for joint working across neighbouring ED services is strengthened by a combination of LEP integration, accelerated devolution, and budget pressures.

Recommendation: Explore joint working across neighbouring council ED services to meet the needs of the functional economic area, share resources, reduce duplication, and maximise economies of scale. ED services with limited resources should consider pooling capacity with others, for example on bid writing and investment preparedness, to maintain broad capabilities and operational effectiveness.

For portfolio holders

Key finding: Elected member leadership and engagement helps ensure ED services support economic growth in ways which fit with the political vision.

Recommendation: Members should proactively engage with ED services and vice versa ensure they are fully aligned with the administration's objectives for the local economy, while understanding which communities could benefit from economic growth.

Key finding: Direct support from elected members can be key to the success of partnerships with local businesses and anchor institutions in unlocking important projects and initiatives.

Recommendation: Members should support ED services to build sustainable partnerships with key local businesses, employers and anchor institutions, so they know what contribution may be required in the long-term.

For national organisations

Key finding: Lack of structured career development for ED professionals in local government is a large part of the recruitment and retention challenge and requires national effort to solve.

Recommendations:

- National organisations should produce a clear career pathway for new and existing economic development roles. This pathway would include existing entry qualifications and use the new skills, knowledge and attributes identified in this guide.
- National organisations should explore the development of an apprenticeship standards in ED services to aid work-based progression and provide development for the existing ED workforce. Lessons can be drawn from other professions for example, the apprenticeships pathways developed in the public health profession.
- National organisations should promote the ED profession through action by partner agencies, employers, learning providers (in further and higher education) and the ED professional body. These stakeholders should work closer together to promote the ED profession to young people, graduates, and career changes in related professions to match skills needs of current and future ED services.
- National organisations should develop the CPD offer for ED services to ensure it is visible and joined up.

7. Existing sources of skills support for professional CPD

There are many routes for ED services to build their knowledge, skills and abilities through formal learning, seminars, and peer networks directly aimed at economic development professionals. Much of this is provided by sector organisations including the LGA and others, as well as post-graduate qualifications provided by universities.

Sector Organisations

- [CEDOS the Chief Economic Development Officers' Society](#) offers [regular programme](#) of events, knowledge seminars and online briefings.
- [ADEPT the Association of Directors of Environment, Economy, Planning and Transport](#) offers:
 - a [Leadership Development Programme](#) delivered by SOLACE for aspiring place directors
 - an [Excellence in Place Leadership](#) delivered by Amey
 - a Large peer programme of [Live Labs](#) and [subject boards](#).
- [IED the Institute of Economic Development](#) offer:
 - [Excellence in Economic Development](#), which is a self-assessed standard for professional practice
 - a [Certificate/Advanced Certificate in Economic Development](#), which is a modular qualification accredited by the IED.
- [What Works Centre for Local Economic Growth](#) have a wide range of [training](#) on use of evidence in economic development including training in logic models and commissioning evaluation. The Centre also offers bespoke support for impact evaluations, through their [evaluation panel](#).
- The [Future of London](#) and [Future of Manchester](#) is the network for built environment practitioners, offering place-based leadership programmes for urban professionals ([London/Manchester](#) cohorts).

Universities

- [London School of Economics](#) hosts a [MSc Local Economic Development](#).
- [University of Glasgow](#) offers a [MSc Economic Development](#).
- [University of Cambridge - Bennett Institute](#) has a (Certificate) on [The Wealth Economy: a Framework for Sustainable Prosperity 'Beyond GDP'](#)



LEP Information Team, DLUHC
lepinformation2023@levellingup.gov.uk

19 May 2023

Dear LEP Information Team

LEP Integration

Following the Chancellor's announcement on 15 March that the Government is 'minded to' withdraw financial support for Local Enterprise Partnerships from April 2024, we are writing to you as the Chairs of the Local Government Association's (LGA) cross-party City Regions and People and Places Boards to outline the key messages from the sector and to inform your information gathering exercise.

As leaders of place, local authorities have an important role to play in shaping the conditions for growth locally and the LGA has long called for the Government to deliver real devolution of economic powers and funding to councils and combined authorities.

We therefore support transferring the functions of Local Enterprise Partnerships to local democratic structures. We see this as a welcome opportunity for councils and combined authorities to better integrate these activities with their wider range of responsibilities for driving economic growth as well as providing greater democratic accountability and visible public leadership.

As part of the previous transition pathway, in October 2022 the LGA commissioned Shared Intelligence to provide support for councils and combined authorities undertaking LEP integration and to share good practice and learning. The final report, the findings from which we have drawn upon to inform this letter, is attached at Appendix A.

Councils told us that a swift response to the information gathering exercise and a quick decision from Government will be imperative in supporting a decisive and clear way forward for them and their local business communities. This should include clarity on the integration of these private organisations and their assets into the local government landscape.

Issues of integration are likely to be further complicated where LEPs have been involved in setting up Enterprise Zones or Freeports. A clear and unequivocal statement of how councils will be supported to resolve these matters locally will help to avoid unnecessary delay and greater costs to the public purse.

Prior to the announcement there was a clear pathway for LEP integration through devolution deals. The Government's 'minded to' decision on LEPs creates an accelerated timeline for areas looking to develop detailed plans for transition. It is essential that Government now presses ahead with level two devolution deals, ensuring those who do not intend to pursue a mayoral devolution model are given equal prioritisation alongside those who do.

Councils' economic development (ED) teams are positive about the role they will play in this new landscape. However, they tell us that recruitment, retention and skills continue to be a challenge. While it is partly due to the ED profession having a less-well defined career pathways compared to other local government professions, they are also continually reliant on a carousel of short-term project funding. LEP integration can be a driver for councils to expand their ED services and to attract talent from elsewhere but we are also keen to work with Government to put these vital services on a more stable footing, and will shortly be publishing an online guide on their role and future skills needs.

We would welcome an opportunity to meet to discuss how the transition could be implemented in a way which would empower local areas to lead the growth agenda and

strengthen local communities, while ensuring important capabilities closely associated with LEPs are safeguarded in an integration process.

Yours sincerely

A handwritten signature in black ink that reads "Kevin Bentley". The signature is written in a cursive style with a horizontal line underneath the name.

Cllr Kevin Bentley
Chair of the People and Places Board

A handwritten signature in black ink that reads "M. J. Rees". The signature is written in a cursive style with a horizontal line underneath the name.

Mayor Marvin Rees
Chair of the City Regions Board

Learning note from engagement with combined and local authorities on LEP integration

1. Introduction

Purpose of this document

The Local Government Association (LGA) commissioned Shared Intelligence (Si) to provide support for councils and combined authorities undertaking LEP integration and to share good practice/ learning.

This commission flowed from the Levelling Up white paper and subsequent [ministerial letter](#) in March 2022. This went to LEP chairs, combined authorities and GLA setting out pathways for LEP integration into (mayoral) combined authorities or institutions with devolved powers for the purposes of hosting a county deal.

This note summarises key themes from engagement with several areas in the first tranche of integration and a selection of other areas.

Timing and impact of March 2023 budget announcement about future of LEPs

This note focuses on learning from research between November 2022 and mid-March 2023. The majority of this research was conducted before the 15th March 2023 budget announcement in which the chancellor stated that he was “minded to” end funding to LEPs from April 2024 and for their functions to be delivered by local government in the future. This is now going through a consultation process.

For many who had not yet started to consider integration because they were not yet on a devolution pathway, the government’s announcement will create an urgent need to consider options for future arrangements. At the time of writing (March 2023), local authorities are still at an early stage in considering the implications of the budget announcement and this may change the emphasis of the findings described. Nevertheless, this note aims to provide insight for all areas that now need to consider how existing LEP functions will be delivered in the future, drawing on the learning from the winter 2022/23 fieldwork.

Background and context

LEPs were established in 2010 and originally conceived as local business-led partnerships between the private and public sector that would drive local economic growth. Routes for engaging locally with a business voice had existed before the creation of LEPs, through local partnership arrangements and through predecessor local organisations. While functions and geography do not map directly, these included Training and Enterprise Councils (1990 to 2001) and regional development agencies (1998 to 2012).

38 LEPs were established on functional economic market areas (FEMAs). Boundaries were reviewed in 2018, resolving some overlaps, but it remains the case that there is variety in their

size and how they mesh with local administrative boundaries. While some are coterminous with county or combined authority areas, several cover adjacent upper-tier local authority areas.

The role of LEPs increased significantly in 2015 when they were handed responsibility for £12 billion local growth deal funding over six years. They also led the development of strategic economic plans and then local industrial strategies, with mayoral combined authorities in relevant areas, under the government's national Industrial Strategy.

During this period, there have also been several reviews of the governance frameworks for LEPs and more recently of their roles and responsibilities. Following a review in 2017 by Mary Ney, a Non-Executive Director of the then Department for Communities and Local Government, the Government published [Strengthened Local Enterprise Partnerships](#) which covered various changes to arrangements for LEP leadership and accountability (July 2018). This also proposed closer working between LEPs and MCAs. A further review was undertaken by the government between early 2021 and the publication of the February 2022 Levelling Up white paper. This led on to the ministerial letter proposing LEP integration.

The recent period of review; the post 2019 election transition from the national Industrial Strategy to the [Plan for Growth](#); publication of the Levelling Up white paper; and the last year's changes of prime minister and ministerial teams has created uncertainty about the future role of LEPs. Well before the latest budget announcement, funding had been declining, for example with a 50% reduction in funding for growth hubs in 2022/23. The integration announcement was also couched as an incremental change: "LEPs will eventually fully integrate into local democratic institutions in line with our mission to offer a devolution deal to everywhere that wants one by 2030".

This recent history sets an important backdrop when considering LEP integration. LEPs saw a rapid expansion of their role, followed by an incremental tailing off of central support and funding. In 2016, a National Audit Office (NAO) report noted that: "funding uncertainty has also made it difficult [for LEPs] to recruit and retain skilled staff." That theme has continued, and "uncertainty" is a word that has been integral to the LEP experience. Several of the themes identified in this note reflect the impact of an incremental central approach to LEP reform. This learning note however, is intended as a practical guideline for areas through LEP integration, including those who would not have expected to for this to be a short-term priority prior to the March 2023 budget.

Findings about current state of play

Pre budget

There is a distinct first tranche of active LEP integration projects covering MCA areas and London: Greater Manchester; Liverpool City Region; Greater London; South Yorkshire; Tees Valley; West Midlands; West of England; and West Yorkshire. These areas submitted integration plans between summer 2022 and early 2023 and are on course to establish business boards. Cambridgeshire and Peterborough integrated its LEP into the combined authority and established a business board in April 2018.

The March 2022 ministerial letter indicated that the pathway and timing of integration in other areas should depend on the level of devolution adopted locally, as per the Devolution Framework

in the Levelling Up white paper. Very broadly, integration required areas to adopt either level 3 or level 2 arrangements from the Devolution Framework so would need a (mayoral) combined authority or county deal.

From our research, we found that:

- Integration streams have been initiated in areas where county deals have recently been signed. In other areas, corresponding to those in Pathway II or Pathway III as described in the Government's March 2022 letter, there was a mix of approaches. In some areas there was some pragmatic work in place ahead of devolution deals to promote joint working with secondments or to refine existing LEP board structures to match emerging priorities. Other areas were at an early stage of thinking – contingent on their wider approach to devolution or assessing the potential implications of devolution applying to different parts of an existing LEP geography at different timescales.

How has the context changed with the 15 March 2023 Budget announcement?

While still a “minded to” announcement, the budget is necessarily creating a new and urgent focus for all non-tranche 1 areas, irrespective of their likely future devolution arrangements. All areas now need to consider the future of current LEP functions within a 12-month timescale. For those pursuing devolution, but not expecting a deal to be agreed in this period, this may create the further complication of requiring a short-term, interim arrangement for the handling of current LEP activity after April 2024 but before any new devolved institution comes into being. Those not yet on course to agree a deal will now need to develop and accelerate integration plans over the next 12-months with a pace not previously anticipated.

2. What do local areas value in the work of current LEPs?

Integration was seen by the areas we engaged with as a chance to reconfigure strategic and operational arrangements for services that exist to serve the interests of the area. Arrangements vary from place to place and in some areas, local authorities have been playing a strong role alongside LEPs in supporting their delivery work.

There is an important policy question about where accountability for local economic growth should sit and the budget announcement was couched in terms of an opportunity to empower democratically elected local leaders. However, it is also helpful for areas considering the future of LEP functions to consider, in purely practical terms, the work that LEPs currently deliver. Councils told us that they recognised a number of capabilities, closely associated with LEPs, that they consider important to safeguard in an integration process. In addition to separately funded functions, including growth hubs and careers hubs, these include:

- **Data** – being a single source of business data and intelligence, and labour market intelligence. This links to a strong role in evidence-based strategy making – eg leading on local industrial strategies. Other business support organisations (Chambers of Commerce, Federation of Small Business etc.) and local government do not often have a similar offer.

- **Quality apolitical decisions** – LEPs over time have developed strategic priorities with strong business influence as well as assessment frameworks in order to assess funding bids (for example local growth fund, regional growth fund etc.). While local government does a similar role with competitive business case development, LEPs have been seen to make decisions based on technical evidence, embracing private sector challenge. There were cases where it had been helpful to be able to explain decisions when they were not politically based.
- **Functional economic geography** – LEP geography is not ideal in all cases and has been the subject of debate and reform in the last five years. However, it was intended to be rooted in functional economic geography and does offer an institutional focus to working across local authority boundaries which may be at risk (for those pending progress with devolution deals). There is also the question of economy of scale – breaking down cross authority functions may require more aggregate resource to replicate them at local authority or devolution deal level.
- **Continuity** – LEPs are not governed by the same four-year local political dynamic as local government. This can help to provide practical momentum and continuity to economic support. This can be complementary to the vision and convening legitimacy of political leaders and so gives confidence to businesses and investors.
- **Expertise in bidding** – Many LEPs have strong expertise in driving funding bids. They have managed the bidding process for programmes such as regional growth funding and local growth funding. Many LEPs have also supported local government with recent bidding rounds - eg Levelling Up Funding and UK Shared Prosperity / Rural Prosperity Funding. Allied to this is experience in providing the infrastructure for the distribution of EU funding. This is an important capability area for linking technical evidence and place-marketing.
- **Assurance function** – LEPs went through a process of designing and developing a National LEP Assurance Framework in 2014 with the then Department for Communities and Local Government (DCLG). This resulted in a guide to support local decision making with accountability, transparency and value for money. While local government has strong governance and processes, LEPs built in the business voice to their assurance through, for example, a public annual review. LEPs have also developed a strong monitoring role and understanding of HM Treasury Green Book requirements. These are all capabilities that are beneficial to an area – whether they sit in a LEP or elsewhere.
- **Engagement of business** – for example, LEPs have been recognised as strong deliverers of inward investment. This has been made easier by the fact that the Department for International Trade (DIT) has been able to work with 38 LEPs covering the entire country. They also have proactive and ongoing engagement with a large scale of businesses and across sectors most relevant to local growth ambitions.

- **Ability to attract people with business understanding** – the part private sector make up of LEPs was seen as a factor in helping them to be successful in attracting senior executive talent with commercial experience. This is important in a context where local authorities continue to face recruitment challenges for their economic development work. This appears to be linked to the non-statutory nature of the council function at a time of funding pressure and less-well defined career paths than other local government professions as identified in: *A handbook for economic development services: their role and future skills needs*.
- **Lobbying** – LEPs are proactive in lobbying, delivering business briefings and do have good access to MPs. The [LEP Network](#) plays a role in lobbying for the economy. How this works alongside other institutions does vary according to local circumstances – the changing role of lobbying and creating dialogue with central government will be different in areas with and without devolved mayoral authority.

The way that these capabilities are exercised and experienced will vary between current LEP areas. A key aim in the integration process should be to understand what capabilities are delivered with a benefit to the area and to consider how they can be delivered in the future and in a way consistent with enhancing local democratic accountability.

3. Themes from Tranche 1 areas

What arrangements are emerging?

For most, where geography is co-terminous, integration means a re-focusing of the business voice role for a context where there will no longer be a LEP actively engaged in making decisions. They are taking the opportunity of integration to focus the new business board to advise on areas that are priorities for the mayor and combined authority. This is the main strand of activity in areas where many operations and staffing were already well integrated. In some areas, there are also operational streams of work to do with integrating functional parts of existing LEPs, notably growth hubs.

One exception in the first tranche is the West Midlands where specific functions within each of its current three LEPs will integrate into the WMCA. There is an added complication in that Warwickshire (part of one of the current LEPs) is not part of the combined authority area. The overall approach will be “hub and spoke”, notably for careers services and business support - eg a [regional business support hub](#) will lead on commissioning activity with the local areas acting as the delivery spokes.

London has also adopted a slightly different approach. The LEP’s work is being folded into the [London Partnership Board](#), a cross sector board of senior London leaders, including the mayor, business representatives, other senior public sector and civil society members. Sub-groups with business representation will facilitate integration with related agendas including skills and UKSPF funding.

Opportunities identified

A number of opportunities have been identified by tranche 1 areas which are beginning to form models of delivery, and which could be applied to other parts of the country.

- **Focus.** Focusing the role of the business board to fit closely with strategic priority areas for their city region and its key investment themes. For example:

- Greater Manchester CA – creating a proactive focus for board members on city wide strategic priorities and future business needs.
- Liverpool City Region – creation of thematic cluster boards to drive competitive advantage.
- **Simplification of the economic support landscape.** Setting the agenda and clarifying responsibilities in areas where there is a risk of overlap or challenges of co-ordinating the work that LEPs and local authorities deliver, such as:
 - Business support, including inward investment.
 - Career support.
 - Integration of employment and skills with adult education budget work and taking a lead in connecting the business voice to this.
 - Transport – a chance to more closely integrate strategic advice on transport requirements with the delivery role of a combined authority.

This would provide an opportunity to introduce more consistency across the whole business board area.

- **Cementing the relationship of (M)CAs with central government on the growth agenda.** As a consequence of the removal of the LEPs' role in allocating central funds, there is an opportunity for (M)CAs to lead and steer dialogue with the centre about the direction of economic growth policy.
- **Reassert the importance of strategic advice from a business board.** Areas are planning to develop the local business voice as a strong role, in the context of devolution budgets and potentially in articulating further devolution asks:
 - South Yorkshire CA – expecting to call the business board the “Mayor’s Economic Advisory Council”.
 - Liverpool City Region – expecting the board to articulate the demand side for major cross cutting themes such as such as net zero, equalities and skills.

Challenges identified

- **Funding:** delays to funding announcements, on growth hubs and the general trend of reduced funding and short-term settlements has made it very difficult for areas to plan with certainty. This also sits in a context where:
 - There is increased competition for funding across more funds which support a growth agenda.
 - There have been challenges with the UKSPF timescales (production of investment plans; time for approval; and late change to allow use of theme 3 in 2023/24).
 - CAs themselves have their own funding challenges, so making up shortfalls from previous funding at short notice would be very challenging.
- **Staffing:** funding uncertainties have created very uncertain employment conditions for staff, and have done since the LEP review process began, with a resultant loss of staff and

knowledge. This will also now be a key point for non-tranche 1 areas who will need to work quickly to identify new team structures and retain key staff in new post-LEP arrangements.

- **Business voice:** while the advisory role is seen as an opportunity, there is recognition of the challenge of maintaining board member motivation for an advisory role. This requires care, and areas recognise:
 - The importance of showing the business board how its advice is acted on.
 - The need to adapt secretariat arrangements with shorter papers and less bureaucracy.

Messages from Tranche 1 areas for others

Based on discussions with Tranche 1 areas, we identified some messages for other areas focusing on LEP integration. This was based on discussions prior to the March 2023 budget announcement. Nevertheless, these may be helpful considerations during the government's period of information gathering and as other areas consider their own way forward. It is, however, important to note that much of the Tranche 1 learning is linked to the role of a metro mayor – as a convenor who can encourage businesses to continue to engage in the context of devolved funding. Experience may translate differently to areas not pursuing a mayoral devolution model.

- **Build a vision of the big picture for the future operating model for former LEP functions.** This will be important in order to drive a clear path through the complexity of practical issues to resolve. This includes a clear remit for a business board, and a view of what success would look like.
- **Importance of CA / local authority early engagement with existing LEP members.** It is important to recognise the time that individual current LEP members have given and not present them cold with a proposed new priority focus. Existing members should be engaged early, offered one to one opportunities to give their input; and there should be an emphasis on explaining the expected benefits of a new focus or set of arrangements.
- **Business voice.** A business board is not the only source of business voice. A board of c15 members does not automatically constitute a representative voice for a community of thousands of businesses. Consideration is needed to how it can operate as a focus for wider dialogue with businesses and other business groups.
- **Communication to existing LEP and future business board members.** In the context of a move to more advisory focused business boards as planned by most Tranche 1 areas, communication to current members is very important to set the strategic context. For new members, a strong induction will be important. Work will also be needed to ensure the business board members and politicians have, as far as possible, a shared understanding of the overall CA / local authority vision.
- **Diversity.** Related to this is the importance of moving the business boards to be more representative of the diversity of the areas they represent across people and business demographics. Integration is an opportunity to consider board make up and the

opportunity for political leaders to champion improvements where they are needed, in line with wider equality programmes.

4. Themes from non-Tranche 1 areas

Opportunities identified

Areas identified a range of opportunities from the LEP integration agenda, which resonate with those from the Tranche 1 group, including:

- **Clarity of economic vision.** Some areas highlighted that integration is an opportunity to bring together a single economic strategy for the area (if co-terminous) rather than have LEP owned and local authority owned versions.
- **Efficiency gain.** Some areas highlighted that there was an opportunity to deliver some efficiency gain, particularly in areas where there may be overlap of activity or an artificial divide.
- **Pro-active working with business.** Without funding being passed through LEPs, this is an opportunity to frame a proactive rather than “sign off” relationship.

Based on discussion, there are a number of themes about how future arrangements could be set up. While this is a high-level representation of emerging “models”, these points aim to highlight some of the considerations.

- **Integration of economic growth levers.**
 - This is an opportunity to create a more integrated economic growth / levelling up structure locally. This could draw in and help to develop, for example, town deal boards and the partnership groups convened for the purposes of UK Shared Prosperity Fund and UK Rural Prosperity Fund planning.
 - It could also be an opportunity for local authorities to work more closely with sector boards that are currently LEP convened to “hear an unfiltered message”.
- **Role and structure of business voice.** Some options for business input include:
 - A fully business led advisory board (an important role where more resources were devolved). Several areas expressed a wish to create an advisory role that allowed for meaningful early engagement with business – without funding being passed through LEPs. This is an opportunity to frame a proactive rather than “sign off” relationship for local government in the future.
 - Having two levels of business voice – overall economic strategy, supported by specialist groups that oversee levelling up and ensure various funding is coherent and its impact consistent.
 - A business board working alongside a partnership-based growth board.
 - Questions remain about whether a business board would or should have a role in decisions about strategy and resource allocation. Options include having a

nominated voting business member on any new devolved institution with influence over strategy but not funding allocations.

- LEP boards often involve larger businesses – but the on the ground voice comes from elsewhere (eg business representative organisations, such as Chambers of Commerce and Federation of Small Business). Some areas have stressed a wish to include more small business and social enterprise voices.

The balance of considerations will be influenced by:

- The vision and geographic coverage of any devolution settlement and in a mayoral model, would depend on the view of the mayor.
- Current structures and partnerships, and whether a local authority area has established a growth board or equivalent (separate from the LEP).

Taking integration forward

Risks and identified issues in relation to integration to date include:

- **Delivery within local government.** It is important to recognise that LEPs have always received substantial support from councils in the form of resource, funding and expertise. It is also noted that there is a mix of approaches to economic development in local authorities, and significant variations in where focus is placed. A recent report for the LGA: *A handbook for economic development services: their role and future skills needs* identified a typology of current models:

Simplified typology of economic development services	
Solo act , up to 1 full-time post, focused on influencing and collaboration.	Large strategic , little or no direct delivery, large, commissioned programmes, wide range of strategic capabilities (influence, data, policy).
Small hands-on , focused on business support and skills.	Large hands-on , multiple projects delivered directly and with partners.

To integrate LEP functions that build on these different models of existing local economic development work will require a transition, and the nature of this will vary from area to area. This will also need to take account of factors such as:

- Understanding the resource demands of current LEP functions.
- Recognition that continued pressure on local government budgets affects non-statutory services like economic development the most.

- Addressing the current difficulty of recruiting economic development professionals into local authorities.
- **Staffing.** Long-standing questions about funding and future responsibilities for LEPs had created very uncertain conditions for their staff. The budget announcement has exacerbated this in the short term, but this presents an opportunity to close any expertise gaps in council economic development teams. This will need to be balanced financially and will depend on what government funding may or may not come forward from 2024.
- **Transition of initiatives, structures and assets.** LEPs are still leading with initiatives such as Enterprise Zones and Freeports as well as growth hub assets, such as offices and websites. This will take some time to decouple from current governance models as well as from delivery and finance arrangements. This is likely to become a key challenge as the timelines have been reduced by the budget announcement.
- **Coordination with other sub-regional structures.** There is a range of other geographic boundaries that link to LEPs' work, such as Local Skills Improvement Partnerships, Jobcentre Plus districts, and Integrated Care Systems. While some match LEP boundaries and some do not, removing LEPs risks complicating the dialogue with these entities / partnerships on economic growth matters.
- **Maintaining business engagement.** Several areas have expressed concern about how to maintain the interest of unremunerated senior business representatives in being a business voice, with no influence over funding, that is much closer to the public sector. This risk may be mitigated in areas with devolution deals. However, it is important that consideration is given to keeping business board agenda strategic – focusing on priority not fine detail.

In order to support local government to consider their own bespoke approach, this research has identified a number of self-assessment questions for self-reflection. While there are no right or wrong answers to these questions, they will help to understand where planning needs to focus. This tool can be found in the appendix.

5. Conclusion

The integration of LEP functions to local democratic structures is a great opportunity for local government, combined authorities and new devolved entities linked to devolution deals. It allows for democratic scrutiny of a range of economic growth functions, for tighter linkage of these to other policy areas, and to focus the voice of business to provide strategic advice on priorities. However, there are challenges associated with this. LEPs have been a construct that business has been comfortable engaging with, and this has been demonstrated over time by the significant presence of industry representatives from well-known national and global companies. As this research heard from Tranche 1 areas, early engagement with existing board members to explore how to secure the business voice going forward is critical.

This early engagement should also be extended to councils across existing LEP geographies and beyond those boundaries. Functional economic market areas have shifted over time with growth in housing and industry and Covid accelerated this balance with travel to work patterns being disrupted. Open dialogue at this stage will encourage new models of delivery and create an opportunity for joint economic visions and action plans.

The LEPs have also developed a range of capabilities that support their areas which, even setting aside funding challenges, will be difficult to replicate in local authorities. The March 2023 budget announcement means that the time is now to develop detailed plans for transition irrespective of the appetite for devolution. The insights from Tranche 1 areas presented in this document, along with the opportunities identified and the self-assessment tool, aim to offer a starting point framework for developing a vision for what to consider going forward.

Appendix – Self-assessment tool

This tool is split into five sections: vision and commitment, business voice, capacity and capability, transition, and funding. It is designed for local authorities who are beginning their integration journey and wish to explore options. It is not designed for every question to have an answer, but as a way for places to consider what is relevant in their own local context.

Table 1 – self-assessment tool

Vision and Commitment
<ul style="list-style-type: none"> • Does your council have a vision and strategy for its economy? • Is this vision consistent with the vision and strategy already held by the LEP? • Have your council and partners identified the potential benefits and challenges of LEP integration? • Is there a shared understanding of what successful integration of the LEP would look like among partners and stakeholders? • Is your LEP seeking to continue as a separate organisation and what would be the

implications of this for your area?

- At what geography should future strategy take shape?
- Where a LEP is not co-terminous with upper tier local government boundaries, is your council discussing geographic options for LEP functions with your neighbours. Can this be considered alongside future devolution deal planning?

Business Voice

- Has early engagement with current LEP board members taken place to explore the business role and vision going forward?
- Have you considered the make-up of the current LEP board; does it reflect the local business community for example in demography, sector and geographical terms?
- Is there an existing local authority convened structure that already involves a voice of business? What would an integrated “business board” add to this?
- Has the role of future business voice been clearly defined in partnership with the business community?
- Has the business voice been involved in developing the future vision in collaboration with other important stakeholders?

Capacity and Capability

- How would your council articulate the value that the LEP brings to the local economy? How important is it that this continues?
- What activity does the LEP deliver? Is there a clear understanding of current economic activity, such as business support, inward investment, partnership working and monitoring and evaluation.
- Is there a clear understanding of all the roles played in the LEP and the specialisms they bring?
- Has a staffing structure or organigram been shared which sets out employment terms for example numbers of staff (FTE or PT):
 - Directly employed
 - Under contract to provide services (contractors)
 - Temporary staff
 - Secondees.

- Is it clear how all LEP staff and contractors are funded for example on fixed-term or permanent contracts, or part funded by different funders?
- Has the council identified gaps in their own economy or wider teams which could be used to secure staff early to prevent loss of core skills under integration?

Transition

- What assets does the LEP have? These could be physical (for example a building or furniture in an office) or virtual (for example a brand, campaign, website or data packages).
- Are these assets solely owned by the LEP or is there a partnership structure to consider?
- What geography do these assets cover? Does that map across co-terminous boundaries?
- Is there a plan in place for each asset held or activity delivered? For example, loan funds, Enterprise Zones, Investment Zones, contract novation for growth or career hubs, asset ownership etc.?
- Have the risks of LEP integration been documented?
- Have the end users or beneficiaries of LEP services been engaged?

Funding

- Is it clear what the LEPs current operating costs are? Are there any current budget gaps for 2023/24?
- How are these costs broken down? What is the proportion of government / local / other funding sources?
- What are the timescales on all of these funding streams?
- Has a transition budget been established to ensure an action and governance plan can be developed over the next 12-months?
- Have conversations with other authorities in the LEP area commenced to understand future funding considerations?

Growth Funding Update

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides an update on recent work to improve the provision of growth funding from national to local government highlighting correspondence with the Secretary of State relating to the Levelling Up Fund.

LGA Plan Theme: Stronger local economies, thriving local democracy

Recommendation(s)

That Board Members note the update.

Contact details

Contact officer: Philip Clifford

Position: Senior Adviser

Phone no: 07909 898 327

Email: philip.clifford@local.gov.uk

Growth Funding Update

Background

1. The Levelling Up Fund was announced as part of the 2020 Spending Review. At the time, the LGA welcomed the fund, and the idea that this might help to tackle the complex and fragmented funding system faced by English local government.
2. However, our response also flagged concerns about introducing yet another competitive bidding process, particularly at a time when councils were focused on protecting residents and communities from the ongoing impacts of the pandemic.
3. Following a discussion at both the City Regions Board and the People and Places Board, regarding the experiences of councils in bidding for the second round of the levelling up fund, members asked officers to draft a letter to the Secretary of State for Levelling Up, Housing and Communities, setting out their concerns. A copy of this letter is attached at **Appendix A**.
4. The Minister for Levelling Up, Dehenna Davison MP, has recently responded on behalf of the Government, noting the feedback from Members and agreeing to meet once more information regarding the timeline and format of round three of the fund is available. A copy of this letter is attached at **Appendix B**.
5. More recently, many of these concerns have been highlighted by a report from the Levelling Up, Housing and Communities Committee [Funding for Levelling Up](#). Our on the day [media response](#) called on the Government to cut costly competition for much needed local investment and to provide better information about total public spending in a local areas, to support a more co-ordinated approach across government and with local leaders

Proposal

6. Members are asked to note the update. Once a date for the meeting has been arranged, officers will prepare a briefing in line with the Board's established position.

Implications for Wales

7. Economic development is devolved to the Welsh Government. In November 2020 it was announced that the Levelling Up Fund would operate in England, with the Welsh Government receiving Barnett consequential funding. However, in February 2021 the UK Government decided it would deliver the fund on a UK-wide basis. The issues raised by Members of the People and Places and City Regions Board are therefore similar to those experienced by Welsh local authorities.

Financial Implications

8. There are no direct financial implications arising from this work.

Equalities implications

9. The process for allocating the Levelling Up Fund includes an equalities analysis. As part of the process, Ministers received equalities analysis for the places that had been provisionally selected to received Levelling Up Funding compared with the list of places which were provisionally unsuccessful so that they were able to consider the potential impact of the decisions on equalities. The LGA has consistently raised the issue that those areas experiencing the most significant levels of regional inequality are at risk of missing out on investment due to the competitive nature of the allocations process. We will continue to put this issue to Government.

Next steps

10. Once a date for the meeting has been arranged, officers will prepare a briefing in line with the Board's established position. The actions from this meeting will be brought back to a future board meeting.

Appendix A

Dear Secretary of State,

Levelling Up Fund

Following the announcement of the allocation of the second round of the Levelling Up Fund, we wanted to write to you to outline our experiences, and to ask for an open review of the process ahead of any future rounds of funding. Whilst we welcome the additional funding which can be transformative for communities across the country, we have serious concerns about the process by which the funding was allocated.

The LGA has consistently argued that wasteful competitive bidding processes are not a sustainable approach to economic development or public service delivery. Competitive bids are costly for councils – for example, Norwich City Council submitted two bids to second round of the Levelling Up Fund, allocating £120,000 from business change reserve to support development of applications to the Levelling Up Fund and Shared Prosperity Fund. Neither of these bids were successful. Councils' ability to pursue these bids varies greatly, with those with greater resources better able to make speculative bids. At a time when councils are facing increasing cost pressures, this means councils with fewer resources are having to make difficult decisions as to whether it is worth risking losing money in order to bid for additional funding.

In this instance, the frustration felt by unsuccessful areas was compounded by the inconsistent messaging around whether areas could receive funding from both the first and second round of the fund. This led to councils such as Birmingham submitting five bids for the second round, at a cost of £305,806, and Nottingham submitting three bids at a cost of £195,000, along with the cost of two members of staff working on these bids three days a week for two months. As both Birmingham and Nottingham were allocated funding in the first round, these bids were deemed to be ineligible for the second round. These councils were not aware that they were not eligible until after the successful bids were announced, and some councils were even advised and encouraged by civil servants to submit bids for the second round following successful bids in the first round.

As we look ahead to the third round of the Levelling Up Fund, we urge Government to reconsider the process for allocating the remaining £1 billion in the fund. Instead of another round of costly competitive bidding, the fund should be allocated on the basis of robust evidence and local need. We would welcome an opportunity to meet to discuss how this could be implemented in a way which would both be cost effective and empower local areas to level up their communities.

Yours sincerely

Cllr Kevin Bentley

Mayor Marvin Rees

Chair of the People and Places Board

Chair of the City Regions Board



Department for Levelling Up,
Housing & Communities

Dehenna Davison MP
Minister for Levelling Up
2 Marsham Street
London
SW1P 4DF

Our reference: 25656629

Cllr Kevin Bentley & Mayor Marvin Rees
Local Government Association
Local Government House
18 Smith Square
London
SW1P 3HZ

17 APR 2023

Dear Cllr Bentley and Mayor Rees,

Thank you for your letter of 9th March to the Secretary of State regarding the Levelling Up Fund. I have been asked to reply as this matter falls within my ministerial responsibilities.

I appreciate you taking the time to provide us with some feedback on the recent LUF round 2 process. I do understand that the competitive bidding process can be burdensome for places which is why we provided £125k of capacity funding to all category 1 Local Authorities in England, and all Local Authorities in Scotland, Wales, and Northern Ireland.

The department is keen to reflect on lessons learnt so that we can continue to improve the way in which we design and run our programmes as well as how we best support local authorities. I am keen that we take the opportunity to listen to views from the sector as we turn our attention to the design of the next round of the Fund.

Thank you for writing to me on this important matter and I would like to accept your meeting invitation to discuss your feedback further. My office will be in touch to find a mutually convenient date as soon as we have more information on the timeline and format of round three of the Levelling Up Fund.

With every good wish,

DEHENNA DAVISON MP

Document is Restricted

Document is Restricted

Document is Restricted

Document is Restricted

