

## **Appendix A**

### **Summary of the LGA's response to Britain's Industrial Strategy**

1. The Government's industrial strategy provides a critical opportunity to drive the creation of a successful, world-leading economy and the LGA welcomes the Government's ambition to drive growth and tackle the economic imbalances in different parts of the country. It is at the moment very broad and we believe needs the participation of local government to help add a clear vision and clearer local outcomes. In order to achieve this it is vital that local leaders across the country can access the appropriate levers of growth and, in turn, match the economic performance of their global competitors. We therefore ask the Government to focus its priorities and resources on the following:
  - 1.1 Devolving the £10.5 billion national employment and skills funding to groups of councils, and combined authorities where they exist. This is the only cost effective way and sustainable way of linking the skills needs of industry to skills provision by educational institutions in local areas.
  - 1.2 Allowing the pooling of all local infrastructure funding to enable councils and groups of councils to deliver infrastructure needs according to local priorities.
  - 1.3 Ensuring access to fast and reliable digital connectivity, which is a necessity for households and businesses across the UK. Whilst new Government-led investment in 5G and new fibre networks is good news, there will still remain rural communities not reached by adequate digital connectivity. The Government must not lose sight of these areas and needs to implement a future-proofed broadband universal service obligation and ensure comprehensive mobile coverage to residents wherever they live.
  - 1.4 Ensuring that housing is central to the Industrial Strategy. Meeting the country's urgent housing needs and ensuring a broad housing supply that provides homes in the right places and that are connected with the right infrastructure is vital to the success of any industrial strategy. With the right financial freedoms councils are best placed to deliver the housing solution to support a world-leading economy. Investment in national infrastructure must support housing delivery.
  - 1.5 Building on existing locally led economic strategies and partnerships. Councils are uniquely placed in understanding their local economies and their ability to link strategic infrastructure planning, land use planning and economic development, and have established strong sub-regional partnerships with business and public sector leaders. Investors need certainty if they are going to invest in the long-term success of an area – it is therefore important that Government builds on existing locally led economic strategies and partnerships, and not create unnecessary uncertainty or confusion through the creation of new institutions or structures.

- 1.6 While the LGA will continue to work with the Government to strengthen the capacity of Mayoral Combined Authorities, devolution cannot simply be restricted to deals for our largest cities. All councils can play a vital role in developing the Industrial Strategy to ensure it drives inclusive growth and tackles economic imbalances across the whole country. The Government therefore needs to work with local leaders across the country, including in rural and non-metropolitan areas, to enable local approaches to investment and public services that support inclusive growth that are available to all who call for it.
- 1.7 Government has an important role to play in ensuring business and investors can rely on a sound macro-economic management of the national economy, including stable monetary policy. Government investment in growth, such as R&D or infrastructure, has a major impact on local growth and helping to rebalance the economy. Going forwards, the Government, with the advice of the National Infrastructure Commission, should align its investment with local and sub-national growth priorities
- 1.8 We welcome the Government's intentions to help strengthen the many different industrial sectors that exist in the UK. It is vital that any sector deals that the Government makes must recognise the importance of the places they operate in and depend on and have the support of local leaders.
- 1.9 Securing trade deals with both European and non-European countries once the UK leaves the EU will clearly be a significant task for the Government. Domestically, strengthened sub-national economic identities that are underpinned by new and devolved approaches to integrated public service delivery, provide an opportunity to embed a stronger place-based approach to trade and investment policy. Brexit will also have disproportionate impacts on different sectors - it is vital that Government engages with places that face such uncertainty, giving them the tools and responsibility to help manage such challenges and benefit from new opportunities.
- 1.10 Central government needs to work with local government to develop a UK regional aid scheme which replaces all existing EU regeneration funding and gives local areas more say over how it is spent.