

INDEPENDENT COMMISSION ON ECONOMIC GROWTH AND PUBLIC SERVICES IN NON-METROPOLITAN ENGLAND

TERMS OF REFERENCE

The Independent Commission on Economic Growth and Public Services in Non-metropolitan England, chaired by Sir John Peace, has been tasked by the Local Government Association to seek ways to stimulate economic growth regionally, create new jobs and help people live their lives better.

In particular, it should

- review the economic, social and demographic trends facing non-metropolitan areas;
- assess their strengths and challenges, and identify in particular where their most powerful potential for future economic prosperity lies;
- review steps taken so far by businesses and the public sector to meet those challenges and promote growth;
- and make recommendations about the most effective further steps which business and the public sector could take to promote growth, jobs, and improvements in people's lives.

This will involve in particular looking at the impact of recent shifts in policy towards a more decentralised approach to supporting growth through Local Enterprise Partnerships and place-based Growth Deals, devolving elements of public funding, and encouraging innovation and better integration in public services at a local level, and assessing how those policies ought to develop over the rest of the decade. The Commission will seek to work in particular with businesses and business organisations, the voluntary and faith sector, and a broad range of public service providers.

The Commission will aim to gather evidence; produce an interim report by the Summer of 2014; and make recommendations in a final report by the Autumn.

Non-metropolitan England: background to the Commission

The economic and social importance of non-metropolitan England is underestimated by the national policy agenda. The reality is that nearly half the country's population lives outside a major city, and fully half the country's economic output outside London comes from places that are not a major city. Non-metropolitan areas, on average, have higher productivity than metropolitan areas outside London. They have a vital role to play in the future growth of the economy.

"Non-metropolitan" is a deliberately imprecise term, embracing areas of deep rurality as well as the suburban areas around great cities; whole historic shires and emerging alliances between places with economic links. Some have labelled these areas "county-regions": areas that are not cities, or city regions, and where local government is expressed as county councils working together with partners including unitary and district councils. While cities have important common features, what distinguishes the other half of the economy is its extraordinary variety. The Commission starts from an insight that diversity is itself a competitive advantage. But there are also particular challenges presented by the non-metropolitan mix of

businesses, by areas of less dense population, of more diffuse transport networks, of market towns, green belts, and small cities, and of often-complex governance. The provision of housing and infrastructure – from fixed and wireless broadband to public transport – to facilitate growth can be expensive and difficult.

Those patterns of settlement, travel and land use also present particular challenges for the established model of funding and organising public services. Non-metropolitan areas, for example, are among those most at risk from the spiralling costs of care for an aging population. Dispersed service delivery points add to unit costs, but also make rural infrastructure particularly vulnerable to cuts in funding. Many non-metropolitan areas are taking radical approaches to reshaping the public sector to meet those challenges.

The Independent Commission has therefore been established by the Local Government Association in order to rebalance the policy debate and put the distinct advantages and needs of non-metropolitan areas firmly on the agenda. This is the right time to do that: a range of moves towards a more localised and devolved approach to promoting growth and delivering services have been undertaken since the last election, from city deals and growth deals, to the establishment of Local Enterprise Partnerships and the partial devolution of some tax revenues and government funding. As the next General Election and a subsequent Spending Review approach, and the future evolution of those policies is under consideration, now is the right moment to review the role non-metropolitan areas will play in future growth, and set out proposals for policy change where it is needed.