

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).

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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.