

2 December 2015

## **Maintaining Momentum on Local Growth**

### **Purpose**

This Board item invites David Marlow, independent consultant and expert on local growth policy and Cllr Paul Watson, Leader of Sunderland City Council to lead a discussion on local growth, on what is required to maintain momentum on progress following Spending Review announcements and devolution deals.

### **Summary**

The Board commissioned further research to look at and share what councils are doing to maintain the momentum on local growth and highlight the practical tools, powers and resources they will need to continue to develop the conditions for local economic success. David Marlow, independent consultant and Director of Third-Life Economics, was asked to research four distinct areas (Kettering, Gloucestershire, Sunderland and Wakefield) as to what each council was trying to achieve, their ambition, how they were intervening to improve the conditions for economic growth and future asks and agendas with national government. It is intended the findings from the research will be published and shared with the sector in January 2016 and will include an overview chapter highlighting common issues and a commentary on future growth following the Spending Review.

### **Recommendations**

The Board is invited to:

- Discuss the issues raised by David Marlow and Cllr Paul Watson.
- Provide further directions for LGA officers as appropriate.

### **Action**

Officers to take actions as directed by members.

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## **Maintaining Momentum on Local Growth**

### **Background**

1. The Board commissioned further research to look at and share what councils are doing to maintain the momentum on local growth and highlight the practical tools, powers and resources they will need to continue to develop the conditions for local economic success. David Marlow, independent consultant and Director of Third-Life Economics, was asked to research four distinct areas (Kettering, Gloucestershire, Sunderland and Wakefield) as to what each council was trying to achieve, their ambition, how they were intervening to improve the conditions for economic growth and future asks and agendas with national government. It is intended the findings from the research will be published and shared with the sector in January 2016 and will include an overview chapter highlighting common issues and a commentary on future growth following the Spending Review.
2. On Wednesday 25 November the Chancellor announced the details of the Government's Spending Review and Autumn Statement in a combined statement to Parliament. Members will be aware that the details of council funding will not be known until the local government finance settlement. However, the Spending Review announced a reduction in central government funding for local government of 24% in real terms by 2020. When taking all funding into account (e.g. OBR forecasts of other income) the overall position is a 6.7% real terms reduction. In addition councils still face spending pressures of £10 billion. This reduction is likely to have clear consequences for local services such as transport, housing, the environment and other services that support local growth.
3. David Marlow will provide a short overview from his research of the case study areas as well as his views on the prospects for local growth following announcement on the 25<sup>th</sup> November.
4. Cllr Paul Watson, as one of the case study areas, will share the perspective of local growth from his area, the challenges that remain and what more is needed to maintain momentum on local growth in the Sunderland area.

### **Biographies**

#### David Marlow

5. David is a development economist and chief executive with wide experience of leadership of local growth across England. His 25 year public service career in UK and overseas culminated in eight years as Chief Executive of a large metropolitan council and a Regional Development Agency. Since he established Third Life Economics in 2009, David has been at the forefront of establishing and operating LEPs, formulating and negotiating city and local growth deals, knowledge economy and industrial strategy. Most recently he has worked and commented extensively on leadership and governance options for enhanced devolution.

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Cllr Paul Watson

6. Councillor Paul Watson became Leader of Sunderland City Council in 2008. He represents the City and City Council on a number of key organisations. He is an Executive Member of the Local Government Association and Vice Chair of the City Regions Board. He is Chairman of the UK Delegation to the EU Committee of the Regions (and Member of the Automotive Intergroup) and chairs the national Key Cities Group and the Association of North East Councils. With a particular interest in supporting economic growth, he is the North East Combined Authority's Economy Thematic Lead, a Member of the Sunderland Economic Leadership Board and Chair of the Port of Sunderland Board. Cllr Watson also sits on the boards of the North East Local Enterprise Partnership and Sunderland Football Club Foundation.

**Recommendations**

7. The Board is invited to:
  - 7.1 Discuss the issues raised by David Marlow and Cllr Paul Watson.
  - 7.2 Provide further directions for LGA officers as appropriate.