



Leveraging Investment for Inclusive Growth

Practical Guide for Councils

Agenda

1. Welcome and introduction
2. Leveraging investment for inclusive growth: practical support for councils
3. Theory in practice: Upstream London as Hammersmith and Fulham Council's
4. Insights from industry: the View from the National Wealth Fund
5. Q&A Discussion

Speakers



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‘A Force for Growth’ sets out the different roles through which councils can shape their local economies....

**Growth
facilitators**

Orchestrators

Service providers

**Anchors in their
place**

...as well as critical influencing factors that impact their ability to support economic growth.

Devolution

**Funding and
flexibility**

**Political
leadership**

**Connectivity
across
government tiers**

The LGA set itself a recommendation to build an evidence base and share best practice to help councils attract investment.

Investment may not itself be inclusive, but it is a tool for economic growth.

The LGA can provide better evidence to support investment into local places.

Councils can consider what investment will mean for their areas.

We spoke to investors, local authorities, and businesses, and found common themes investors need to see from councils to secure investment.

Shovel ready pipeline

Strong leadership

Social value

Public-private partnership

Risk sharing and flexibility

Understanding of different models and mandates

Streamlined and certain planning

Political clarity

However, it is important to remember that investors are different, and councils need to be aware of differences to have productive conversations.

Investor	Characteristics
<p>Institutional investors <i>Ex: pension funds, insurers, sovereign wealth funds</i></p>	<p>Long term returns Low risk Big ticket investments</p>
<p>Developers and RE investors <i>Ex: housebuilders, commercial developers, asset managers</i></p>	<p>Shovel ready Sufficient infrastructure Planning track record</p>
<p>Foreign businesses and private capital <i>Ex: large MNCs, VC, PE</i></p>	<p>Supportive infrastructure Well articulated strengths Strong business population</p>
<p>SMEs and local businesses <i>Ex: Anchor businesses, sole traders, high street shops</i></p>	<p>Clear local guidance Targeted business support Engagement with councils</p>



However, through our conversations with investors, it became clear that the most successful councils shared similar characteristics that signalled their interest and supported their ability to attract and land investment.



Acting as a single front door



De-risking investment through council led, balance sheet investment



Making use of property and regeneration vehicles



Creating or using zones and incentives



Supporting enabling infrastructure (often through PPPs)

We developed an evaluation framework to help councils understand "what good looks like", across a selection of criteria identified through research and stakeholder engagement.

Strategic Alignment

Investor Readiness

**Responsibilities and
Governance**

**Capability, Capacity, and
Delivery**

Outcomes and Impact

**Replicability and
Transferability**

There are actions councils can take both in the short and long run to better position and prepare themselves to secure investment.

Investors

Engage early to support pipeline development

Support councils actively looking to de-risk investment

Consider additional council objectives when designing investment

Central government

Support local councils to address long standing capability gaps

Help create stable operating conditions

Invest in areas to de-risk and support infrastructure

Councils (short term)

Know your businesses and work with your neighbours

Understand what “shovel ready” means

Link investment to other priorities and streamline working between teams

A global economic hotspot

Accelerating inclusive growth in leading edge industries



h&f
hammersmith & fulham



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INNOVATION
DISTRICT

↑
**UPSTREAM
LONDON**

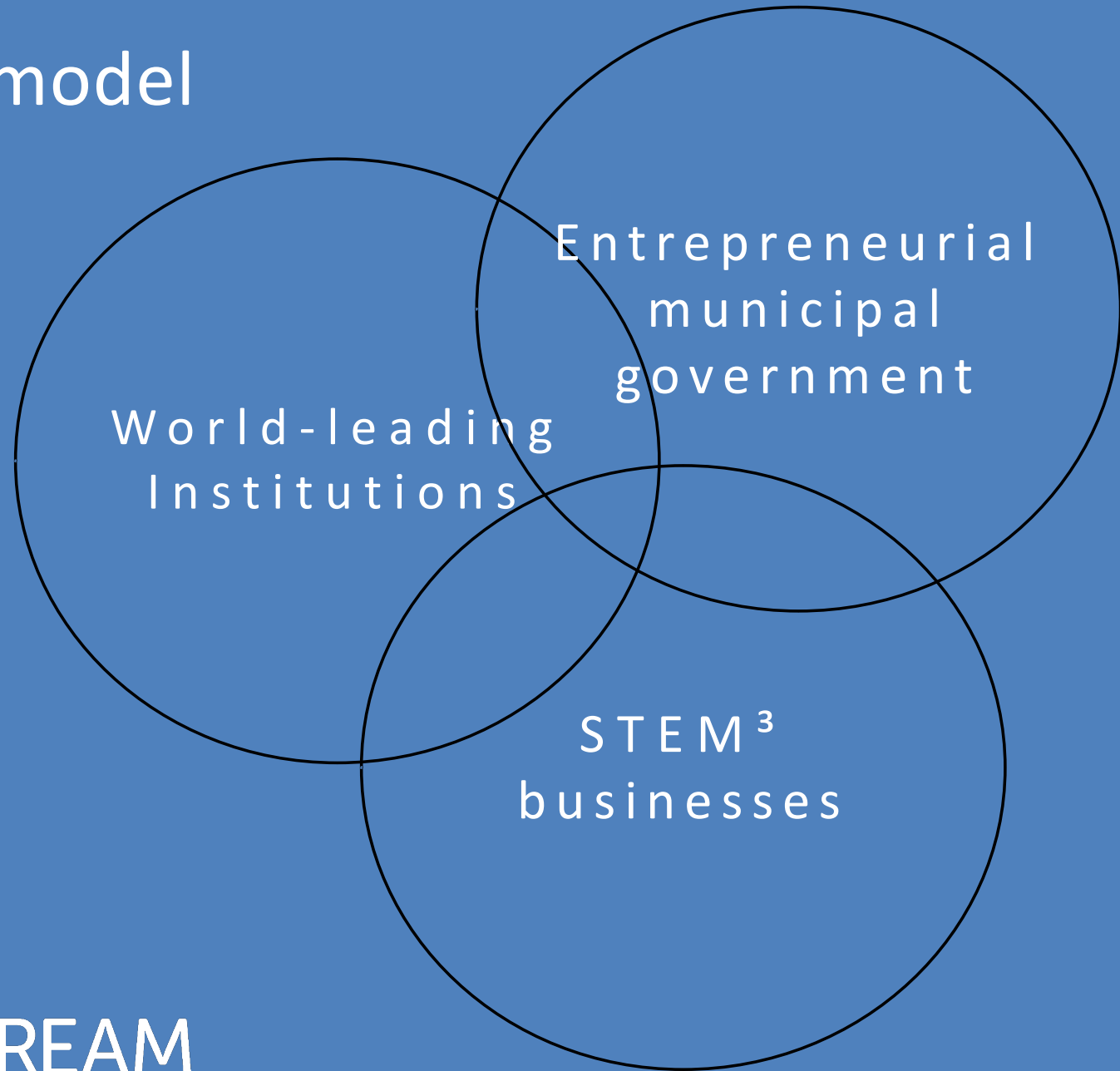
Defining
Entrepreneurial
Municipal
Government



↑UPSTREAM
LONDON



Triple helix operating model



The idea 2009

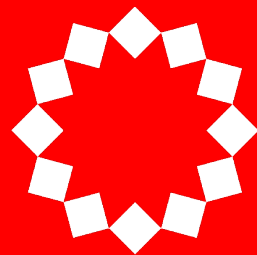
2014

h&f
hammersmith & fulham



The pitch 2016

The launch 2017



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So far ...



Ca. £6 billion growth investment



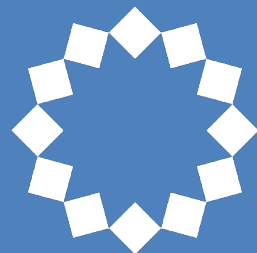
Ca. 17,000 new jobs created



More spin-out start-ups than anywhere else in the UK



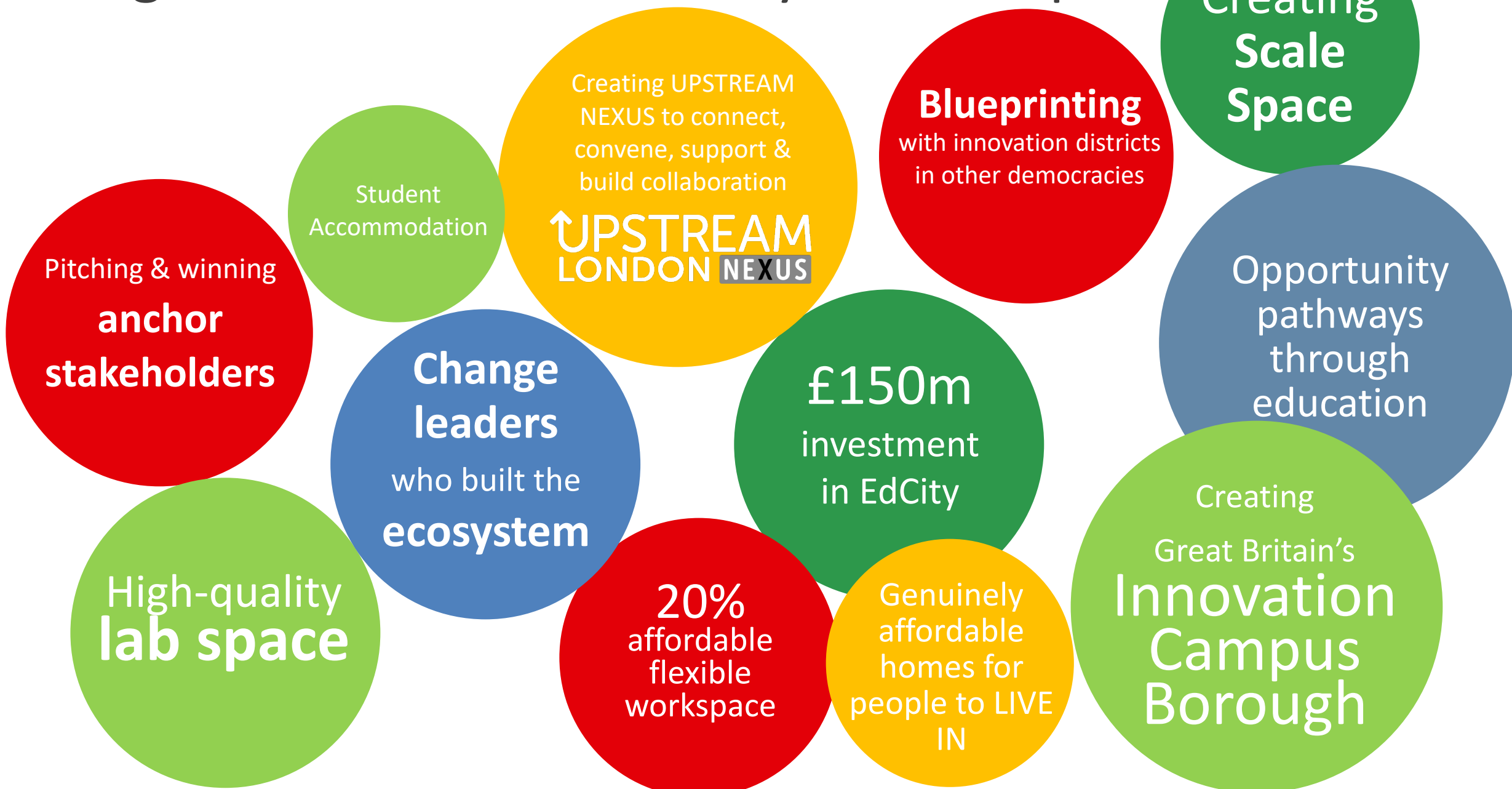
The fastest growing economy in London



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Strategic elements of the ecosystem Chapter 1



Industrial Strategy: Chapter 2 – launched Nov 2024



TOMORROW IS MADE HERE

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Insights from industry: the view from the National Wealth Fund

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Local government's role in attracting investment for economic growth

Contents

1. Introduction to NWF
2. How NWF supports place based economic growth
3. Insights from our local government work
 - a) Orkney Island Council
 - b) *Rural District Council
 - c) Kingston Upon Hull City Council
 - d) Greater Manchester Combined Authority
4. Summary

Introduction to NWF

- Wholly owned by HM Treasury, but operationally independent
- Established as the UK Infrastructure Bank in 2021
- Two core objectives:
 1. Help **tackle climate change**;
 2. Support **regional and local economic growth**
- Expanded mandate under the **National Wealth Fund** to align with the Government's strategic priorities, as set out in the Industrial Strategy
- Five-year **Strategic Plan** published January 2026, setting out 25 sectors that NWF supports

How NWF supports place-based investment

- Created strategic partnerships with four Mayoral Combined Authorities (GMCA, WYCA, WMCA and Glasgow City Region)
- Provide dedicated advisory support to co-create investable project pipelines
- Likely to expand later this FY to additional combined authorities
- All authorities can access
 - Local authority loans – gilts + 40bps, up to 50 years, minimum of c£15m investment
 - Private debt and/or equity – negotiated rates with private sector counterparty; typically £100m+
 - Local authority Knowledge Service



Insights

Orkney Community Wind Farm

- Quanterness on-shore wind farm - 6x 150m turbines, 28.8MW
- £61.1m flexible local authority loan
- Revenues will flow to community benefit fund; all surpluses return to the Council
- Supported new £900m interconnector to unlock renewable projects on Orkney
- Orkney Islands Council now considering two more similar wind farms
- Example of local investment generating direct financial benefit to council & community, and unlocking private infrastructure investment





Rural district council [pending deal announcement!]

- 1.8km highway + associated active travel investment
- Local authority loan of £40.6m loan, 15-year tenor
- This investment directly delivers economic growth:
 - Enables the expansion of a major local employer, creating 350 jobs and safeguard 1,300 more.
 - Opens up land for 1,800 new homes.
- Loan to be repaid via developer contributions (once houses built) and retained Enterprise Zone business rates
- NWF's first highway investment: governed by new Roads Investment Framework
- Example of local investment in infrastructure to unlock private investment and supporting local jobs

Greater Manchester Combined Authority

- Integrated pipeline, supporting a 10-year growth ambition
- Local authority loan of £150m, to support creation of £1bn Good Growth Fund (GGF)
- GGF designed to invest in a broad range of sectors, particularly transport, net zero, housing and commercial development
- GGF can use other grants to close viability gaps where appropriate for strategically important projects
- Anticipated to unlock private investment at a rate of 3:1
- Builds on NWF successful investment in GLA Green Finance Fund
- Example of local government using convening powers to identify and triage private opportunities, with blended grant and loans unlocking private investment

Mayor Andy Burnham unveils plan to pioneer new model of economic growth with £1bn GM Good Growth Fund



together
we are

**GREATER
MANCHESTER**

Bolton
Bury

Manchester
Oldham

Rochdale
Salford

Stockport
Tameside

Trafford
Wigan

Summary

- Local authorities ideally placed to attract investment
- Critical factors:
 1. Be honest about unique strengths and weaknesses of your area and tailor strategy to these
 2. Public sector investment of time or cash often required to attract private investment
 3. Recognise that different approaches will be needed, depending on the sector that you are seeking investment for
 4. Working in partnership can deliver more, creating a coherent long-term approach with a buzz
- NWF happy to discuss your needs and identify if we or another government agency can help

Thank you

For more information about the National Wealth Fund,
or to contact us, visit [nationalwealthfund.org.uk](https://www.nationalwealthfund.org.uk).

<https://www.nationalwealthfund.org.uk/about-us/our-strategy>

